

SB

1988

WITHDRAWN

McGUIRE

25-LS1102L.1
Bullard
3/31/08

AMENDMENT #1

OFFERED IN THE SENATE

TO: SSSB 198

1 Page 1, line 1:

2 Delete "extending"

3 Insert "relating to"

4

5 Page 1, line 2, following "campaigns;":

6 Insert "relating to the statute of limitations for the filing of complaints with the
7 Select Committee on Legislative Ethics;"

8

9 Page 1, lines 5 - 12:

10 Delete all material and insert:

11 **"* Section 1. AS 15.13.380(b) is amended to read:**

12 (b) A [MEMBER OF THE COMMISSION, THE COMMISSION'S
13 EXECUTIVE DIRECTOR, OR A] person who believes a violation of this chapter or a
14 regulation adopted under this chapter has occurred or is occurring may file an
15 administrative complaint with the commission within ^{Fc112}~~five years~~ [ONE YEAR] after
16 the date of the alleged violation. If a member of the commission has filed the
17 complaint, that member may not participate as a commissioner in any proceeding of
18 the commission with respect to the complaint. The commission may consider a
19 complaint on an expedited basis or a regular basis. The time limitations of this
20 subsection do not bar proceedings against a person who intentionally prevents
21 discovery of a violation of this chapter.

22 * Sec. 2. AS 24.60.170(a) is amended to read:

23 (a) The committee shall consider a complaint alleging a violation of this

1 chapter if the alleged violation occurred within ^{FOUR} ~~five~~ [TWO] years before the date that
 2 the complaint is filed with the committee [AND, WHEN THE SUBJECT OF THE
 3 COMPLAINT IS A FORMER MEMBER OF THE LEGISLATURE, THE
 4 COMPLAINT IS FILED WITHIN ONE YEAR AFTER THE SUBJECT'S
 5 DEPARTURE FROM THE LEGISLATURE]. The committee may not consider a
 6 complaint filed against all members of the legislature, against all members of one
 7 house of the legislature, or against a person employed by the legislative branch of
 8 government after the person has terminated legislative service. However, the
 9 committee may reinstitute proceedings concerning a complaint that was closed
 10 because a former employee terminated legislative service [OR BECAUSE A
 11 LEGISLATOR LEFT THE LEGISLATURE] if the former employee [OR
 12 LEGISLATOR] resumes legislative service, whether as an employee or a legislator,
 13 within ~~five~~ [TWO] years after the alleged violation. The time limitations of this
 14 subsection do not bar proceedings against a person who intentionally prevents
 15 discovery of a violation of this chapter."

16
 17 Renumber the following bill sections accordingly.

18
 19 Page 2, following line 6:

20 Insert a new subsection to read:

21 "(b) AS 24.60.170(a), as amended by sec. 2 of this Act, applies to complaints alleging
 22 violations of AS 24.60 that occurred

23 (1) within two years before the effective date of sec. 2 of this Act; or

24 (2) on or after the effective date of sec. 2 this Act."

25
 26 Reletter the following subsection accordingly.

27
 28 Page 2, line 8:

29 Delete "sec. 2"

30 Insert "sec. 3"

-AMENDED
***-Pg. 2*-**

SENATE BILL NO. 198

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY SENATORS WIELECHOWSKI AND THOMAS

Introduced: 1/16/08

Referred: State Affairs, Judiciary, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act extending the statute of limitations for the filing of complaints with the Alaska**
2 **Public Offices Commission involving state election campaigns, reducing the period in**
3 **which an elected candidate may continue to accept contributions; limiting the quantity**
4 **of unused campaign contributions a candidate may transfer to a political party;**
5 **increasing the penalty for a lobbyist or employer of a lobbyist who fails to properly**
6 **register or file a report; and extending the statute of limitations for prosecutions of**
7 **violations of the Alaska Election Code."**

8 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

9 *** Section 1. AS 15.13.074(c) is amended to read:**

10 **(c) A person or group may not make a contribution**

11 **(1) to a candidate or an individual who files with the commission the**
12 **document necessary to permit that individual to incur certain election-related expenses**
13 **as authorized by AS 15.13.100 when the office is to be filled at a general election**

1 before the date that is 18 months before the general election;

2 (2) to a candidate or an individual who files with the commission the
3 document necessary to permit that individual to incur certain election-related expenses
4 as authorized by AS 15.13.100 for an office that is to be filled at a special election or
5 municipal election before the date that is 18 months before the date of the regular
6 municipal election or that is before the date of the proclamation of the special election
7 at which the candidate or individual seeks election to public office; or

8 (3) to any candidate later than the ~~10th~~ ^{30th} [45TH] day

9 (A) after the date of the primary election if the candidate was
10 not nominated at the primary election; or

11 (B) after the date of the general election, or after the date of a
12 municipal or municipal runoff election.

13 * Sec. 2. AS 15.13.074(h) is amended to read:

14 (h) Notwithstanding AS 15.13.070, a candidate for governor or lieutenant
15 governor and a group that is not a political party and that, under the definition of the
16 term "group," is presumed to be controlled by a candidate for governor or lieutenant
17 governor, may not make a contribution to a candidate for another office, to a person
18 who conducts a write-in campaign as a candidate for other office, or to another group
19 of amounts received by that candidate or controlled group as contributions between
20 January 1 and the date of the general election of the year of a general election for an
21 election for governor and lieutenant governor. This subsection does not prohibit

22 (1) the group described in this subsection from making contributions to
23 the candidates for governor and lieutenant governor whom the group supports; or

24 (2) the governor or lieutenant governor, or the group described in this
25 subsection, from making contributions under AS 15.13.116(a)(10)
26 [AS 15.13.116(a)(2)(A)].

27 * Sec. 3. AS 15.13.116(a) is amended to read:

28 (a) A candidate who, after the date of the general, special, municipal, or
29 municipal runoff election or after the date the candidate withdraws as a candidate,
30 whichever comes first, holds unused campaign contributions shall distribute the
31 amount held on February 1 for a general election or within 90 days after a special

1 election. The distribution may only be made to

2 (1) pay bills incurred for expenditures reasonably related to the
3 campaign and the winding up of the affairs of the campaign, including a victory or
4 thank you party, thank you advertisements, and thank you gifts to campaign
5 employees and volunteers, and to pay expenditures associated with post-election fund
6 raising that may be needed to raise funds to pay off campaign debts;

7 (2) make donations, without condition, to

8 (A) [A POLITICAL PARTY;

9 (B)] the state's general fund;

10 ~~(B)~~ [(C)] a municipality of the state; or

11 ~~(C)~~ [(D)] the federal government;

12 (3) make donations, without condition, to organizations qualified as
13 charitable organizations under 26 U.S.C. 501(c)(3) if the organization is not controlled
14 by the candidate or a member of the candidate's immediate family;

15 (4) repay loans from the candidate to the candidate's own campaign
16 under AS 15.13.078(b);

17 (5) repay contributions to contributors, but only if repayment of the
18 contribution is made pro rata in approximate proportion to the contributions made
19 using one of the following, as the candidate determines:

20 (A) to all contributors;

21 (B) to contributors who have contributed most recently; or

22 (C) to contributors who have made larger contributions;

23 (6) establish a fund for, and from that fund to pay, attorney fees or
24 costs incurred in the prosecution or defense of an administrative or civil judicial action
25 that directly concerns a challenge to the victory or defeat of the candidate in the
26 election;

27 (7) transfer all or a portion of the unused campaign contributions to an
28 account for a future election campaign; a transfer under this paragraph is limited to

29 (A) \$50,000, if the transfer is made by a candidate for governor
30 or lieutenant governor;

31 (B) \$10,000, if the transfer is made by a candidate for the state

1 senate;

2 (C) \$5,000, if the transfer is made by a candidate for the state
3 house of representatives; and

4 (D) \$5,000, if the transfer is made by a candidate for an office
5 not described in (A) - (C) of this paragraph;

6 (8) transfer all or a portion of the unused campaign contributions to a
7 public office expense term account or to a public office expense term account reserve
8 in accordance with (d) of this section; a transfer under this paragraph is subject to the
9 following:

10 (A) the authority to transfer is limited to candidates who are
11 elected to the state legislature;

12 (B) the public office expense term account established under
13 this paragraph may be used only for expenses associated with the candidate's
14 serving as a member of the legislature;

15 (C) all amounts expended from the public office expense term
16 account shall be annually accounted for under AS 15.13.110(a)(4); and

17 (D) a transfer under this paragraph is limited to \$5,000
18 multiplied by the number of years in the term to which the candidate is elected
19 plus any accumulated interest; [AND]

20 (9) transfer all or a portion of the unused campaign contributions to a
21 municipal office account; a transfer under this paragraph is subject to the following:

22 (A) the authority to transfer is limited to candidates who are
23 elected to municipal office, including a municipal school board;

24 (B) the municipal office account established under this
25 paragraph may be used only for expenses associated with the candidate's
26 serving as mayor or as a member of the assembly, city council, or school
27 board;

28 (C) all amounts expended from the municipal office account
29 shall be annually accounted for under AS 15.13.110(a)(4); and

30 (D) a transfer under this paragraph is limited to \$5,000; and

31 (10) make donations to a political party; a transfer under this

1 paragraph is limited to \$5,000.

2 * Sec. 4. AS 15.13.380(b) is amended to read:

3 (b) A member of the commission, the commission's executive director, or a
4 person who believes a violation of this chapter or a regulation adopted under this
5 chapter has occurred or is occurring may file an administrative complaint with the
6 commission within four years [ONE YEAR] after the date of the alleged violation. If
7 a member of the commission has filed the complaint, that member may not participate
8 as a commissioner in any proceeding of the commission with respect to the complaint.
9 The commission may consider a complaint on an expedited basis or a regular basis.

10 * Sec. 5. AS 24.45.141 is amended to read:

11 **Sec. 24.45.141. Civil penalty: late registration, filing of required**
12 **statements or reports.** A person who fails to register or to file a properly completed
13 and certified report or statement, as applicable, within the time required by this chapter
14 is subject to a civil penalty of not more than \$50 [\$10] a day for each day the
15 delinquency continues as determined by the commission subject to right of appeal to
16 the superior court. An affidavit stating facts in mitigation may be submitted to the
17 commission by a person against whom a civil penalty is assessed. However, the
18 imposition of the penalties prescribed in this section or in AS 24.45.151 does not
19 excuse the lobbyist or employer of a lobbyist from filing statements or reports required
20 by this chapter.

21 * Sec. 6. AS 15.56.130 is repealed.

22 * Sec. 7. The uncodified law of the State of Alaska is amended by adding a new section to
23 read:

24 **APPLICABILITY.** (a) The amendment of AS 15.13.380(b) made by sec. 4 of this Act
25 applies to administrative complaints alleging violations of AS 15.13 or the regulations
26 adopted under that chapter that occurred

27 (1) within one year before the effective date of this Act; or

28 (2) on or after the effective date of this Act.

29 (b) The change in the time limitation for prosecutions for offenses described in
30 AS 15.05 - AS 15.60 (Alaska Election Code) made by sec. 6 of this Act applies to

31 (1) offenses committed in connection with an election occurring within one

- 1 year before the effective date of this Act; or
- 2 (2) offenses committed on or after the effective date of this Act.

ALASKA STATE LEGISLATURE

Senator Bill Wielechowski

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SENATOR BILL WIELECHOWSKI
SENATOR JOE THOMAS

Sponsor Statement for SB 198

The intent of SB 198 is to ensure that the Alaska Public Offices Commission (APOC) can effectively carry out its statutory duty to oversee the state's campaign finance laws. The bill would extend the amount of time APOC has to investigate and prosecute violations from one to four years. This was the statute of limitations prior to 2003.

Over the past year, public support for reinstating the 4-year statute of limitations has swelled. Numerous editorials, letters-to-the-editor and other communications have called for giving APOC more time and better tools to do its job.

SB 198 also seeks to implement several other statutory changes requested by the commission:

- 1) It restricts post-election fundraising to 10 days after an election. This gives sufficient time for contributions to arrive that may have been mailed before the election.
- 2) It limits the amount of surplus campaign funds that can be given to a political party to \$5,000, bringing this section of the statute into conformity with AS 15.03.070(b)(2), which limits individual donations to \$5,000.
- 3) It increases the civil penalty for lobbyists who do not file required reports with the commission from \$10 to \$50/day. This penalty has not been increased since 1976 and commission members are concerned it is not substantial enough to encourage timely filing.

These changes will strengthen APOC's ability to enforce the state's campaign finance and lobbying laws and help restore Alaskans' faith in the political process. We urge you to join with us in supporting this critical legislation.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 2, 2008

SUBJECT: Sectional Summary (Work Order No. 25-LS1102M)

TO: Senator Bill Wielechowski
Attn: Michelle Sydeman

FROM: Alpheus Bullard
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Restricts the time frame in which a person or group may make a contribution to a candidate to ten days after (1) the date of the primary election if the candidate was not nominated at the primary election or (2) the date of the general election, municipal election, or municipal runoff election.

Section 2. Amends AS 15.13.074(h) to conform to the change made in sec. 3 of the draft bill.

Section 3. Limits the amount of unused campaign funds a candidate may donate to a political party to \$5,000 dollars.

Section 4. Amends the time limitation for filing an administrative complaint alleging a violation of Alaska law or regulation relating to state election campaigns with the Alaska Public Offices Commission from one to four years after the date of the alleged violation.

Section 5. Increases the maximum civil penalty for a lobbyist or an employer of a lobbyist who fails to register or file a required report or statement to \$50 dollars a day for each day the delinquency continues.

Section 6. Repeals a time limitation that required prosecutions of offenses under the state election code (AS 15.05 - AS 15.60) to begin within one year after the date of the election in connection with which the offense was alleged to have been committed.

Section 7. Provides that secs. 4 and 6 of the bill will not have retroactive effect.

If I can be of further assistance, please advise.

TLAB:med
08-001.med

Legislative Research Services

Alaska State Legislature
Legislative Affairs Agency
Division of Legal and Research Services

State Capitol, Juneau, AK 99801
Phone: 907-465-3991
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January 16, 2008

Memorandum

TO: Senator Bill Wielechowski

FROM: Daniel Lesh
Legislative Analyst

RE: States with Filing Limits of Four Years or Greater Regarding Campaign Finance Violations
LRS 08-104

You asked for examples of states that allow campaign finance complaints regarding state election campaigns to be filed up to four years or greater after the violation has taken place. A previous report by this agency identified the following examples:

- 1) Georgia – OCGA § 21-5-13 – Within three years of a violation involving any person elected to serve for a term of two years; within five years of a alleged violation involving any person elected to serve for a term of four or more years.
- 2) Washington – RCWA § 42.17.410 – Five years from the date of the violation.

In the time allotted, we identified an additional six examples by speaking with staff attorneys at the relevant elections commissions in the following states:

- 3) Arkansas – Four years.
- 4) California – Five years for administrative sanctions and four years for civil sanctions.
- 5) Connecticut – No limit; however, by practice, the Connecticut Elections Enforcement Commission generally limits their investigations to complaints regarding violations that occurred within the previous two election cycles.
- 6) Hawaii – No limit.
- 7) Massachusetts – No limit.
- 8) New Jersey – No limit in statute; however, after four years, candidates and committees are not required to maintain records and investigations are not generally conducted.

I hope this is useful. Please contact us if you require additional information.

MEMORANDUM

State of Alaska
ALASKA PUBLIC OFFICES COMMISSION
DEPARTMENT OF ADMINISTRATION

TO: Commissioner Kreitzer
Dept. of Administration

DATE: September 22, 2007

THRU: Deputy Commission Petro
Dept. of Administration

TEL. NO: 907-335-1726

FROM: Brooke Miles
Executive Director, APOC

SUBJECT: Legislation

At its meeting on September 14, 2007, the members of the Alaska Public Offices Commission voted unanimously to request legislation that will amend the statute of limitations in the statutory provisions regarding Violations, limitations on actions. They request that the one year limit be revised to four years.

AS 15.13.380 (b)

A member of the commission, the commission's executive director, or a person who believes a violation of this chapter or regulation adopted under this chapter has occurred or is occurring may file an administrative complaint with the commission within **four** years [ONE YEAR] after the date of the alleged violation. If a member of the commission has filed the complaint, that member may not participate as a commissioner in any proceeding of the commission with respect to the complaint. The commission may consider a complaint on an expedited basis or a regular basis.

Thank you for your consideration of this matter.

Cc: APOC Members
Jan DeYoung
Senior Staff

MEMORANDUM

State of Alaska
ALASKA PUBLIC OFFICES COMMISSION
DEPARTMENT OF ADMINISTRATION

TO: APOC Members
Annette Kreitzer
Commissioner, DOA
Rachael Petro, DOA
Carol Beecher, DOA

DATE: December 21, 2007

TEL. NO: 907-334-1726

SUBJECT: APOC Legislation

FROM: Brooke Miles
Executive Director

At the Commission meeting held on Thursday, December 7, 2007, we discussed proposed amendments to the statutes administered by APOC. Below is a summary of the recommendations approved by the Commission:

- Restrict post-election fundraising to ten days after the date of the election unless the campaign has debt, and then permit fundraising for 45 days after the election.
AS 15.13.074(c) (3).
 - ✓ Post-election fundraising was intended to be permitted only to allow additional time for a candidate to solicit and accept contributions when the candidate had campaign debt to retire. Over the past ten years, it has turned into an opportunity for those without a campaign debt to solicit and accept funds primarily so that they may fill their POET Accounts and POET Reserve Accounts, fill their campaign coffers for the next election (in the amounts provided in AS 15.13.116(a)) and contribute to the political parties. Permitting contributions for ten days after the election provides sufficient time for contributions that may have been mailed before the election – 45 days after an election is the time period in current law permitted for all candidates – those with or without a debt.
- Reinststate a required post-election report. AS 15.13.110.
 - ✓ Too long a period of time exists between the last report filed and a year-end statement without a post-election report. For example, a candidate in the Anchorage municipal elections files her 7 day pre-election report seven days before the April election. If the candidate receives contributions that are greater than \$250 during the nine-day period immediately preceding Election Day, she would be required to file a 24 hour report. However the next complete campaign disclosure report required from that candidate is February 15th the following calendar year. Likewise a person who is active in the State primary election, but does not prevail in that election would not be required to file another campaign

disclosure report for six months. The Commission supports a requirement to file a campaign disclosure statement 15 days after the date of the election.

- Require a 24 hour report for independent expenditures. AS 15.13.110 (b).
 - ✓ Current law requires that candidates and groups file 24 hour reports in the nine-day window that precedes each election when they receive contributions from a single source that are more than \$250. However, the law permits any individual or group to make unlimited independent expenditures in support of or opposition to a candidate or ballot question. The due date for an independent expenditure report is ten days after making the expenditure. Thus, if an individual or a group makes an independent expenditure within the nine-day window immediately preceding an election, the public will not know the amount expended until after the election.
- Change the reporting period for campaign disclosure reports to the calendar year. AS 15.13.116. Disbursement period should be changed to 60 days after a municipal, primary, runoff, or special election, and to December 31 for the general election. AS 15.13.116(a).
 - ✓ The current time table makes no sense and is confusing to everyone. The reason a campaign year ends on February 1st of the year following the election is attributable to permitting disbursements up to February 1. Requiring that campaigns pay all remaining bills and disburse surplus funds by December 31 provides at least six weeks after the election.
- Amend the following options for disbursing surplus campaign funds at the end of a campaign:
 - ✓ Limit contributions to a political party to \$5,000. AS 15.13.116 (a)(2)(A)
 - Current law permits a candidate to contribute any amount of surplus campaign funds to a political party. Individuals can give up to \$5000 per year to a political party; groups may give up to \$1000 per year.
 - ✓ Revise the provision for making contributions without limit to a 501(c)(3) charitable organization AS 15.13.116(a)(3) as follows:
 - Make donations without condition, to organizations qualified as charitable organizations under 26 U.S.C. 501(c)(3) if the organization is not controlled by and is not a source of income to the candidate or the candidate's immediate family.
- Amend the lobbying law to clarify that the \$100 reporting threshold for gifts from lobbyists to public officials is \$100 per calendar year as follows
 - ✓ : AS 24.45.051 (3) the date and nature of any gift exceeding \$100 in value in a calendar year made to a public official and the full name and official position of that person;

- ✓ (4) the name and official position of each public official, and the name of each member of the immediate family of these officials, with whom the lobbyist has engaged in an exchange of money, goods services, or anything of more than \$100 in a calendar year and the nature and date of each of these exchanges and the monetary values exchanged;
- ✓ AS 24.45.061 (4) the date and nature of any gift exceeding \$100 in value In a calendar year made to any public official and the full name and official position of the recipient of each gift.
- Increase the maximum daily civil penalty in the Regulation of Lobbying Law from \$10 per day to \$50 per day. AS 24.45.141.
 - ✓ The Commission has expressed the concern that the maximum daily civil penalty is not substantial enough to encourage timely filing. The maximum civil penalty under the lobbying law has not been increased since 1976.

Please contact me with any questions or concerns. My direct line is 334-1726.



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Campaign finance bill seeks to bolster regulatory agency

An Anchorage senator said Friday he'll introduce legislation extending the statute of limitations on campaign finance law violations.

Now, the Alaska Public Offices Commission has only a year from the date of a violation to bring a complaint.

"Instead of handcuffing those who break the law, we've handcuffed our own watchdog agency," said Sen. Bill Wielechowski, D-Anchorage.

Wielechowski said he'll introduce legislation extending the time the commission has to pursue violations from one year to four years.

In 2003, former Gov. Frank Murkowski introduced legislation shortening the time period from four years to two years. The Alaska Legislature later amended the bill to a single year.

"This change has left APOC hobbled and unable to do its job," Wielechowski said.

Brooke Miles, APOC executive director, said the short statute of limitations means the agency is unable to look into violations being revealed in ongoing federal criminal investigations, which have led to several Alaska lawmakers being charged with bribery and extortion.

State Sen. Kim Elton, D-Juneau, welcomed Wielechowski's bill.

"I think it's a great idea. I'll speak to him about becoming a co-sponsor," he said.

Wielechowski said giving APOC more time to investigate violations will strengthen the commission and "give more teeth" to the agency.

He also said the commission needed more money for staff, investigations and hearings.

"If Alaska is going to enforce its own laws and rebuild public trust, we must get APOC back on its feet. This bill is a first step in that direction," he said.

Elton said APOC had been unfairly criticized for not conducting investigations in areas in which it had no authority to investigate.

"APOC gets blamed for following a law we enacted," Elton said.

A survey of other state ethics laws by legislative research staff found most with time limits ranged from two to five years, according to an online database of state statutes.

In Washington, complaints may be filed five years from the date of the violations.

In Minnesota, the deadline is one year, unless there is fraud, concealment or misrepresentation that could not be discovered. In that case, complaints must be filed within a year of discovery.

• Contact Pat Forgey at 523-2250 or patrick.forgey@juneauempire.com.
Click here to return to story:
http://www.juneauempire.com/stories/092307/sta_20070923004.shtml

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APOC investigating VECO



by Steve MacDonald
Monday, Sept. 24, 2007

ANCHORAGE, Alaska -- The Alaska Public Offices Commission, the agency that enforces state campaign finance laws, says it will investigate a claim by the former owner of VECO Corp. that it bought dozens of public opinion polls for political candidates.

APOC says it will investigate a claim by the former owner of VECO Corp. that it bought dozens of public opinion polls for political candidates. (KTUU-TV)

VECO apparently paid for the polls but never reported the transactions on campaign disclosure forms, a violation of state regulations.



APOC Director Brooke Miles said it's the commission's goal to investigate the facts surrounding the allegations. (Scott Jensen/KTUU-TV)

During the Pete Kott bribery trial, former VECO owner Bill Allen claimed his company bought a public opinion poll for Kott's re-election campaign.

That revelation prompted a question from political watchdog Ray Metcalfe as to how many other candidates received the gift of a free poll.

"I think that our goal is to establish as many facts as we can regarding the polls that have been alleged that VECO undertook on behalf of candidates," APOC Director Brooke Miles said.



The claim prompted a question from political watchdog Ray Metcalfe as to how many other candidates received the gift of a free poll. (KTUU-TV)

This morning, the Alaska Public Offices Commission held an emergency meeting.

It has decided to investigate whether any other candidates got the same kind of help from VECO or any other company.

But the commission's investigation will have its limits.

"We can't go back further than a year for the purpose of imposing a civil penalty, but for the purpose of determining what may have gone wrong with this whole polling information issue, I think we are free to go back further than that if we wish," Miles said.



Jeff Berliner is APOC's new investigator, hired by the Palin Administration. (Scott Jensen/KTUU-TV)

That's because in 2003 the Legislature, at the urging of then Gov. Frank Murkowski, reduced the statute of limitations for how far back APOC could go when investigating a campaign violation. It was slashed from four years to one.

During his time in office, Murkowski made APOC a prime target for cutbacks.

He got rid of the agency's lone investigator, along with a paralegal and another staffer, but that now has begun to change.





Assistant Attorney General Dave Jones says stricter regulations for candidates will make contributions more transparent. (Scott Jensen/KTUU-TV)

Jeff Berliner is APOC's new investigator, hired by the Palin Administration.

"Everybody is suspicious now. Alaska is even in the national spotlight and there is a climate of distrust and I hope we can turn that around," Berliner said.

And that will take time, but the Palin Administration believes beefing up APOC and the new ethics regulations put into place this summer will help.

Assistant Attorney General Dave Jones says stricter regulations for candidates will make contributions more transparent.

"I think the electronic filing requirement will help members of the public identify when there are potential problems and bring those to the attention of the APOC and perhaps push for some additional investigations," Jones said.

It's an agency that now has some teeth behind the regulations it's supposed to enforce.

He says he's "delighted to hear that APOC is investigating," but is questioning the statute of limitations.

Metcalf wants to know if the statute of limitations begins when a violation is committed or when it's discovered.

He believes the clock starts ticking when a violation is uncovered.

Contact Steve MacDonald at stevem@ktuu.com



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Poll respondents weigh in on campaign law statutes

ANCHORAGE, Alaska -- In a poll conducted Monday, Sept. 24, Channel 2 News asked viewers what the statute of limitations on campaign law violations should be.

The majority of poll respondents said there should be no statute of limitation on campaign law violations.

What should the statute of limitations be on campaign law violations?	
1 year	-- 4%
2 years	-- 6%
4 years	-- 29%
No limitations	-- 61%

All polls conducted by Channel 2 News and KTUU.com are unscientific.



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Veco routinely paid for candidates' polling**MURKY LEGALITY: When, why, for whom determine lawfulness.**

By KYLE HOPKINS

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(Published: September 23, 2007)

In April 2006, then-Gov. Frank Murkowski's popularity sagged among the worst of any governor in the nation, and the state waited to see if he would run for re-election.

Anchorage pollster David Dittman -- who later became Murkowski's campaign strategist -- said he came up with an idea. While everyone was mad at Murkowski, Dittman would conduct a poll asking people about good things Murkowski had done as governor.

The poll cost \$20,000. Dittman said in an interview last week that, as best as he can remember, Murkowski's chief of staff told him to send the bill to Veco Corp.

Wait. Is that legal?

In the corruption trial of former House Speaker Pete Kott, a former Veco executive testified that the oil field services company routinely paid for all or parts of political polls -- usually at the request of candidates. The executive said the company paid for "upwards of 100" polls over the years.

Wait. Will any of those politicians get in trouble? The answer last week appeared to be no. At least not with the state. Not under Alaska's current campaign laws.

The trial of Kott on federal bribery and conspiracy charges has put former Veco chief Bill Allen, one of the premier campaign donors and kingmakers in Alaska history, in front of a jury under oath. Secret recordings played in court, along with the testimony of Allen and his lieutenant, ex-Veco vice president Rick Smith, exposed a series of what appear to be under-the-table campaign contributions by the company to Alaska politicians.

Just don't expect the state watchdog agency that oversees campaigns to investigate. Every poll that's been mentioned in the trial is more than a year old -- just past the statute of limitations -- said Brooke Miles, director of the Alaska Public Offices Commission. *

And other polls that sound fishy could be perfectly legal.

Murkowski, for example, wasn't yet officially a candidate for governor when Veco paid for the \$20,000 poll. So even though corporations are banned from giving contributions to candidates, campaign disclosure rules likely wouldn't have applied because Murkowski hadn't formally declared he was running for re-election, Miles said.

Now APOC wants some of those rules to change. The commission voted unanimously earlier this month to ask to increase the statute of limitations on campaign finance rules from one to four years. *

Only one year?

Short limit on campaign law cases lets violators off easily

(Published: September 25, 2007)

The Veco corruption scandal has revealed a stunning loophole in Alaska's political integrity laws. Candidates, corporations and others who violate state campaign laws apparently get a free pass if they can hide their offenses for a year and a day.

That's because the state's campaign watchdog agency is saddled with an almost microscopic statute of limitations -- just one year from the illegal act.

Even if the illegal act is detected within a year, the Alaska Public Offices Commission can pursue only civil fines. It's unclear whether the state can pursue criminal penalties against a corporation that makes illegal donations or a candidate who accepts them. APOC executive director Brooke Miles says she has asked the state attorney general's office if there are any criminal law enforcement options.

With Veco's illegal donations, APOC's short statute of limitations has been a non-issue. Veco and its executives will avoid civil penalties for the firm's illegal contributions, but its two top lobbyists will go to prison for bribery. Several of the legislators who benefited from Veco's illegal contributions face trial or investigation for similar influence-peddling offenses. Veco itself is dead, sold to a firm that couldn't wait to dispose of the tarnished name.

But what about other lawmakers and candidates who got Veco's illegal campaign help? The company routinely did polling about its favored candidates. If Veco shared poll results directly with a campaign, it was an illegal corporate contribution. As long as the candidates took the illegal aid more than a year ago, though, they're home free as far as the Alaska Public Offices Commission is concerned.

And what if the illegal corporate donor is, unlike Veco, still in business? Without any criminal penalties, APOC's one-year statute of limitations leaves enormous room to flout the ban on corporate campaign contributions.

Campaign law violations used to have a four-year statute of limitations -- until the Republican-dominated Legislature and Frank Murkowski combined forces on a concerted effort to loosen state campaign financing rules.

The Veco scandal shows that Alaska's campaign laws need more backbone. Restoring the original statute of limitations is one obvious and urgent fix. Ensuring the state can impose criminal penalties for large-scale or widespread campaign law violations is another.

When the Legislature convenes next year, tightening up campaign law enforcement should be an early order of business.

BOTTOM LINE: Here's a loophole that needs closing, fast.



Daily News - Miner

Testimony in corruption trial shows need for greater oversight of political donations

By Dermot Cole

Published September 11, 2007

ANCHORAGE — The opening day of the bribery trial of former House Speaker Pete Kott provided ample evidence that the business of monitoring political donations in Alaska is not what it should be.

The Kott trial, no matter the verdict, will stand as an indictment of the safeguards in state law that are supposed to protect the public and require the disclosure of who is buying influence in politics.

The press, the Legislature, the executive branch and other Alaska institutions failed in this matter. Without the intervention of federal authorities, it is unlikely that any of this would have been brought to light.

One of the claims against Kott is that he received \$1,000 from former VECO boss Bill Allen, part of a series of actions in which Kott “betrayed the public trust,” according to prosecutors.

Kott’s response to that claim, his attorney said, is that he received the money but he did not benefit from the \$1,000.

That’s because the \$1,000 was a “payback for a contribution” that Kott had made to the campaign of then-Gov. Frank Murkowski.

In court documents, Kott claims the payment “was a return to Mr. Kott of money owed to him as a result of a prior agreement that had nothing to do with the performance of official duties by Mr. Kott.”

In another document, an attorney for Kott says that “a violation of the campaign and public office disclosure laws is not the same thing as a violation of a criminal law, and certainly not what Kott is charged with here.”

The fact remains that it is not allowed under Alaska law to give political contributions in someone else’s name.

The state is not likely to investigate this matter, even if Kott’s version of events is true. Alaska Public Offices Commission Executive Director Brooke Milles told me that there is a one-year statute of limitations that appears to have passed on the Murkowski donation repayment.

Perhaps the Legislature needs to extend that limit.

The disclosures and allegations so far in the growing political corruption scandal should also prompt Alaskans to take another look at whether it is in the state’s best interest to keep the APOC a toothless watchdog. For a long time the APOC, which has a staff in the high single digits, has done little more than process paperwork. Most elected officials have liked it that way.

It's largely a "trust but don't verify" situation.

In a first step toward a role reversal, the Legislature this year approved the hiring of an investigator to add to the full-time staff of APOC, an issue brought forward during the last campaign by Gov. Sarah Palin.

Having a single investigator is not going to make much of a difference, however.

And legislators are going to have to get over their distaste for an agency that many are prone to see as an irritant.

After the opening statements by the prosecutors and defense, the government began playing wiretapped phone conversations featuring Kott, Allen and former VECO Vice President Rick Smith.

The phone calls, played for the jury as transcripts scrolled across an elevated screen, were packed with language not considered acceptable for this newspaper.

In one conversation, Allen said the only legislators he could trust were Kott and former Senate President Ben Stevens. In another he mentions repeatedly how much money he had "put" into Kott.

House Speaker John Harris of Valdez will probably take comfort in the repeated negative comments made by Kott and the VECO executives who claimed he was "screwing up" plans for a gas pipeline.

Other legislators, such as Sen. Gene Therriault, who drew the ire of Kott, Allen or Smith in the conversations, are also likely to be glad of it before this is all over. The same is true with Kott's denunciation of an appearance by Natural Resources Commissioner Tom Irwin after he had been fired by Murkowski. Kott said that having Irwin speak about the gas pipeline was one of the two most stupid decisions he had ever seen during his years in Juneau.

More than the profanity, what I find most troubling in listening to the wiretaps and "bugged" conversations from Suite 604 of the Baranof Hotel is the attitude expressed by those caught on tape.

Kott dealt with Allen and Smith as if the legislator considered it natural to take marching orders from VECO.

Unfortunately, I expect we will hear of more such behavior as the trial unfolds.

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Empire Editorial: Take muzzle off campaign financing watchdog

Former Rep. Pete Kott's bribery and extortion trial is not simply revealing how corrupt politics work. It's also exposing how broken Alaska's system of checks and balances is.

In the ongoing trial in Anchorage, numerous violations of campaign finance laws have turned up. But the Alaska Public Offices Commission, charged with overseeing campaign financing, can't do a thing about them.

Lawmakers have cut the statute of limitations for prosecuting violations of campaign finance laws to just one year - making investigations into possible infractions virtually impossible unless they're caught right away.

Brooke Miles, executive director of the commission, is not happy about the truncated statute of limitations. She wants to restore the statute of limitations to four years, as it was before legislators cut it off at the knees.

The commission recently hired an investigator to pursue violations after Gov. Sarah Palin included funding for the position in her budget. Palin deserves credit for restoring that position after it had been chopped in yet another attempt to weaken the watchdog agency.

The Alaska Public Offices Commission also needs a budget to hire its own legal counsel. As it stands now, the commission's attorney is in the Department of Law, supervised by a political appointee: the attorney general.

The current corruption cases involving several Alaska lawmakers show how poorly this system is working. Ethics complaints against the lawmakers now charged with corruption or under investigation by the FBI were brought to the Department of Law under a previous attorney general, David Marquez, appointed by Gov. Frank Murkowski. The department rejected calls to investigate these complaints.

Marquez was a former lobbyist for VECO Corp., the oil field services company entangled in the federal corruption investigation. Former VECO CEO Bill Allen, who already pleaded guilty to corruption charges, testified in court Thursday he bribed Kott, former state Senate President Ben Stevens and

former Rep. Vic Kohring.

Marquez's department chose not to pursue an investigation that likely would have implicated his former employer.

Making the Alaska Public Offices Commission independent of the attorney general's office would provide another check on the system. The commission could then seek legal counsel that doesn't have the connections to special interests that so often come with political appointees.

Changes to ethics laws made during the last legislative session deserve praise, but much more needs to be done for Alaskans to regain trust in elected officials. They need to know that the Alaska Public Offices Commission has the power to pursue suspected violations of state laws. They need to know that it has independent legal counsel that will act on the behalf of Alaskans - not special interests such as the oil industry.

The governor and legislators have much to do to create a system of checks and balances that works. They should start by taking action that gives some teeth to the Alaska Public Offices Commission.

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VECO polling assistance comes under scrutiny

Statute of limitations may preclude violations from being pursued

The Alaska Public Offices Commission decided Monday to investigate whether VECO Corp. may have violated campaign finance rules by providing poll results to favored candidates without reporting the cost of the poll.

Such contributions could be either illegal corporate contributions or reporting violations on the part of candidates.

The practice is one of the ways the formerly powerful player in Alaska politics asserted its influence in the state, according to a federal indictment. VECO, an oil field services company, is now part of Colorado-based CH2M-Hill.

It's questionable whether APOC can pursue penalties due to the commission's one-year statute of limitations on such investigations, but the investigation may be valuable anyway, said one commissioner, Elizabeth Hickerson.

"I am less concerned about the statute of limitations as I am about getting at the facts," said Hickerson, an attorney and a Democratic commission member from Anchorage.

The commission's authority over campaign finance violations goes back for only one year from the dates of violations. Sen. Bill Wielechowski, D-Anchorage, said he intends to introduce legislation extending that to four years.

Hickerson said an investigation may highlight the need for a longer statute of limitations for the Legislature. *

A little more than a year ago, FBI agents revealed to top VECO executives that they were under investigation as part of a widespread probe into influence buying in Alaska politics.

Any violation that could be pursued would have to have occurred after the FBI investigation was revealed.

"I don't think we have a violation within one year before us," said Roger Holl,

commission chairman and a public member of the commission from Anchorage. He also is an attorney.

The allegation that VECO has paid for polls used by numerous candidates over the years was made by former VECO executive Rick Smith in testimony during the federal bribery trial of former Rep. Pete Kott, R-Eagle River, in Anchorage.

Among the federal charges against Kott is that a poll VECO provided for his campaign constituted a bribe.

Former state legislator and APOC critic Ray Metcalfe had earlier urged the commission to investigate all 60 legislators, but had not filed a formal complaint as of the commission's special Monday morning meeting.

Commission members weren't clear on whether Metcalfe wanted unsuccessful candidates to be investigated as well.

Department of Law attorney Margaret Paton-Walsh called Metcalfe's accusations "incredibly vague and general."

The commission, however, decided to investigate the matter on its own.

Sen. Kim Elton, D-Juneau, said he could say that VECO never provided him with any poll results.

"That's probably not a surprise to anyone," he said.

Elton was pushing for a higher oil tax rate than that which VECO executives sought.

One of the first steps taken in the investigation may be to simply call up Smith and see if he'll say who VECO provided the polling data to, commissioners said. Others cautioned that he may not be able to talk, because of the ongoing federal investigation.

Smith has already pleaded guilty, and Hickerson said his testimony against his own interests should be considered reliable.

"If his testimony is correct, and I have no reason to doubt it, there were violations," Hickerson said.

• Contact Pat Forgey at 523-2250 or patrick.forgey@juneauempire.com.

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FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: SB 198
 () Publish Date: _____

Identifier (file name): SB198-DOA-APOC-3-17-08 Dept. Affected: Administration
 Title: "An Act extending the statute of limitations for the filing of complaints with the Alaska Public Offices Commission..." RDU: AK Public Offices Commission
 Component: AK Public Offices Commission
 Sponsor: Senators Wielechowski and Thomas
 Requester: Senate State Affairs Component Number: 70

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	156.0	0.0	156.0	156.0	156.0	156.0	156.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	14.5	0.0	14.5	14.5	14.5	14.5	14.5
Supplies	0.7	0.0	0.7	0.7	0.7	0.7	0.7
Equipment	3.1	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	174.3	0.0	171.2	171.2	171.2	171.2	171.2

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	174.3	0.0	171.2	171.2	171.2	171.2	171.2
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	174.3	0.0	171.2	171.2	171.2	171.2	171.2

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	2.0	0.0	2.0	2.0	2.0	2.0	2.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary)

This bill will restrict post-election fundraising, limits the amount of surplus campaign funds that a candidate may contribute to a political party to \$5,000, extends the statute of limitations under the campaign disclosure law to four years, and increases the maximum amount of a civil penalty under the lobbying law to \$50 per day for late or incomplete registrations or reports.

It is anticipated that the increased number of investigations would require an investigator position, a paralegal position, and associated costs to perform auditing and enforcement. Investigations to establish facts and question witnesses for allegations of violations that occurred in the past are complex.

Prepared by: Christina L. Ellingson, Acting Director
 Division: Alaska Public Office Commission
 Approved by: Rachael Petro, Deputy Commissioner
Department of Administration

Phone 907-334-1725
 Date/Time 3/17/08 1:30 P.M
 Date 3/17/2008