

STATE OF ALASKA
SENATE

1998

Source
SR 2

Senate
Resolve No.
2



Requesting Bruce M. Botelho, Attorney General of the State of Alaska, to appoint a special prosecutor to investigate possible security and other violations in connection with World Plus, Inc.

BE IT RESOLVED BY THE SENATE:

WHEREAS a federal grand jury has indicted RaeJean S. Bonham, the sole stockholder of World Plus, Inc. (WPI), and a United States Bankruptcy Court judge has declared her airline mileage operation to have been a "Ponzi scheme"; and

WHEREAS the division of legislative audit at the direction of the Legislative Budget and Audit Committee investigated activities of the Alaska Department of Commerce and Economic Development, division of banking, securities, and corporations, and the Alaska Department of Law in connection with WPI; and

WHEREAS the division of legislative audit, in a memorandum dated March 5, 1998, concluded that

(1) several members of the district attorney's office of the Department of Law furnished endorsements of RaeJean S. Bonham and her operations and that endorsements were also written by a federal prosecutor, several employees of the Alaska Court System, and

business leaders from Fairbanks;

(2) some of the endorsements were relied upon by the division of banking, securities, and corporations in exempting WPI from state registration of investment contracts that were used to fund operations of WPI, a possible violation of AS 45.55.160;

(3) some of the endorsements may also violate AS 39.52.120, 39.52.160, 39.52.170, or other state or federal laws;

(4) Bruce M. Botelho, Attorney General of the State of Alaska, left the criminal prosecution of RaeJean S. Bonham to the United States Department of Justice;

(5) since it has been approximately two years since the Attorney General agreed to turn over criminal prosecution of the WPI investment scheme to federal prosecutors, a review should now be initiated to determine whether other individuals violated state or federal laws;

(6) because of the possible involvement of state employees in WPI operations, the Attorney General's office is not sufficiently independent to conduct the review, and the matter should be handled by an independent prosecutor; and

WHEREAS the senate is concerned about the roles state agencies may have played in WPI operations and the failure of state agencies to adequately monitor WPI operations; and

WHEREAS the senate is concerned that state officers and employees, as well as other individuals, may have been involved in criminal activity in connection with WPI operations; and

WHEREAS it has been determined in State v. Breeze, 873 P.2d 627 (Alaska 1994) that the state attorney general has the authority to appoint a special prosecutor;

BE IT RESOLVED that the Alaska State Senate respectfully and urgently requests Bruce M. Botelho, Attorney General of the State of Alaska, to appoint a special prosecutor to conduct an investigation relating to operations of World Plus, Inc., and to bring any security or other criminal charges that may be appropriate.

A COPY of this resolution shall be sent to Bruce M. Botelho, Attorney General.