



# Department of Justice

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## **U.S. SENATOR INDICTED ON FALSE STATEMENT CHARGES**

WASHINGTON – United States Senator Theodore F. Stevens of Alaska was charged today in an indictment returned by a federal grand jury in the District of Columbia with seven counts of making false statements related to Stevens' financial disclosure forms, Acting Assistant Attorney General Matthew Friedrich of the Criminal Division announced today.

The seven-count indictment charges Sen. Stevens, the former chairperson of the Senate Committee on Appropriations, with engaging in a nearly eight-year scheme to conceal his receipt of more than \$250,000 in things of value from VECO Corporation, formerly a multi-national oil services company based in Alaska, and Bill J. Allen, the Chief Executive Officer of VECO at the time. According to the indictment, Stevens concealed these things of value from his publicly filed United States Senate financial disclosure forms. The things of value that Stevens allegedly received included: substantial home improvements to property Stevens owns in Girdwood, Alaska; automobile exchanges in which Stevens received new vehicles worth far more than the used vehicles Stevens provided in exchange; and household goods. The indictment also alleges that Sen. Stevens, during the same time that he was concealing his continuing receipt of these things of value from VECO and Allen, received solicitations for official actions from Allen and other VECO employees, and that Sen. Stevens used his position and office on behalf of VECO during that same time period.

The indictment specifically charges Stevens with making false statements on his financial disclosure forms for calendar years 2001 to 2006. The indictment alleges that, during each of those years, Stevens knowingly failed to report his receipt of any thing of value from Allen, VECO or two other individuals, despite the fact that the forms required Stevens to report his receipt of such things of value.

As set forth in the indictment, the Ethics in Government Act requires all members of the United States Senate to file a financial disclosure form, detailing specified financial transactions that the elected official engaged in during the prior calendar year, including disclosure of gifts over a specified monetary amount and disclosure of liabilities in excess of \$10,000 owed during any point of a calendar year.

The indictment is part of an ongoing federal criminal investigation in the state of Alaska. An indictment is merely an allegation. Defendants are presumed innocent until and unless proven guilty in a court of law.

To date, there have been seven criminal convictions arising out of the ongoing investigation. Thomas T. Anderson, a former elected member of the Alaska House of Representatives, was convicted in July 2007 and sentenced to five years in prison for extortion, conspiracy, bribery and money laundering for soliciting and receiving money from an FBI confidential source in exchange for agreeing to perform official acts to further a business interest represented by the source. Peter Kott, a former Speaker of the Alaska House of Representatives, was convicted in September 2007 and sentenced to six years in prison for extortion, bribery and conspiracy. Victor H. Kohring, a former elected member of the Alaska House of Representatives, was convicted at trial in November 2007 for attempted extortion, bribery and conspiracy, and was sentenced to three and a half years in prison. In March 2008, James A. Clark, chief of staff to the former governor of Alaska pleaded guilty to conspiracy to commit honest services mail and wire fraud. Additionally, former Anchorage lobbyist William Bobrick pleaded guilty in May 2007 to felony public corruption charges.

Former VECO Chief Executive Officer Bill J. Allen and former VECO Vice President of Community Affairs and Government Relations Richard L. Smith, pleaded guilty in May 2007 to providing more than \$400,000 in corrupt payments to public officials from the state of Alaska.

This case is being prosecuted by Principal Deputy Chief Brenda K. Morris, Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by the FBI and the Internal Revenue Service Criminal Investigative Division.

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