

SEN. TED STEVENS

Ted Stevens (R-AK) is a seventh-term senator, representing Alaska. Sen. Stevens was chairman of the Senate Appropriations Committee from 1997 to 2005, except for an 18-month period when the Democrats controlled the Senate. He stepped down from this position in January of 2005 due to Republican six-year term limits on chairmanships. Sen. Stevens sits on the Commerce, Justice, Science, and related Agencies Subcommittee of the Appropriations Committee, which oversees the Justice Department's budget. Sen. Stevens' ethics issues stem from his ties to the VECO Corporation; earmarks he has inserted for companies that paid his son, Ben Stevens; his relationship with his brother-in-law, lobbyist William Bittner; his relationship with Alaskan real estate developers Jonathan Rubini and Leonard Hyde; as well as the activities of his non-profit, The Ted Stevens Foundation.

VECO Corporation

The Justice Department is investigating whether Sen. Stevens accepted bribes, illegal gratuities or unreported gifts from VECO, an Alaskan oil field engineering firm, stemming from a 2000 remodeling project on the senator's Girdwood, Alaska home. Despite the fact that VECO is not in the home remodeling business, now-convicted VECO executive Bill Allen approached a remodeling company to renovate Sen. Stevens' home. The contractor has testified that all bills were sent to VECO for verification although Sen. Stevens and his wife maintain that they paid for the renovations themselves. On September 14, 2007, Mr. Allen admitted in court that VECO paid for some of the renovations.

On July 30, 2007, Sen. Stevens' Girdwood home was raided by the FBI and the IRS. A law enforcement official with knowledge of the investigation confirmed that the raid on Sen. Stevens' house was connected to the VECO investigation. It appears that the FBI and IRS may have been attempting to assess the exact value of renovations performed on Sen. Stevens' house in order to determine if he actually paid for all of the remodeling work.

Sen. Stevens supported construction of the Alaska oil pipeline, directed federal job-training money to oil field workers, and in 2003 he pushed for a natural gas pipeline, all of which benefitted VECO. Since 1997, VECO has won more than \$65 million in federal contracts.

If Sen. Stevens allowed VECO to pay for the renovations to his Alaska home in return for using his position as a U.S. senator to assist the company, he may have violated the bribery statute and committed honest services fraud.

Ben Stevens

Sen. Stevens has repeatedly used his legislative powers to benefit companies that have hired his son, former Alaska State Senator Ben Stevens, as a consultant. Sen. Ted Stevens pushed through legislation for Cook Inlet Region, Inc., Special Olympics, North Pacific Crab Association, Bearing Sea Crab Effort Reduction Fund, Norquest Seafood, Adak Fisheries and Southwest Alaska Municipal Conference while they were paying his son consulting fees.

In the fall of 2006, the federal government issued subpoenas for Sen. Ben Stevens' records involving the Alaska Fisheries Marketing Board, a non-profit federal grant distribution organization set up by Sen. Ted Stevens to distribute federal funds to fishing companies.

By using his position to provide legislative assistance or earmarks to companies that hired his son as a consultant, Sen. Stevens may have violated accepted bribes, committed honest services fraud and engaged in improper conduct that reflects upon the Senate.

William Bittner, Jonathan Rubini and Leonard Hyde

William Bittner is Sen. Stevens' brother-in-law, an Anchorage lawyer and a Washington, D.C. lobbyist. In 1997, Mr. Bittner approached his friend, Mr. Rubini, about possible investments for Sen. Stevens. Mr. Rubini arranged for Sen. Stevens to be part of a new syndicate, JLS Properties, whose members were Mr. Rubini, Leonard B. Hyde, Stuart Bond and Sen. Stevens. All partners except Sen. Stevens were required to personally guarantee any debts that the syndicate might acquire, as well as provide additional capital as needed for syndicate projects. The three other partners each invested \$200,000, while Sen. Stevens invested just \$50,000. JLS Properties was very successful and by the start of 2001, Sen. Stevens' investment was worth between \$250,000 and \$500,000. In 2003, Sen. Stevens reported that his investments with Mr. Rubini, Mr. Hyde, and Mr. Bond were worth between \$750,000 and \$1.5 million.

Elmendorf Housing Project

In 2000, Mr. Rubini and a group of investors including Mr. Bittner, Mr. Hyde, and Mr. Bond bid on a \$450,000,000 federal contract to build private housing at Elmendorf Air Force Base in Alaska. When the Air Force tried to back out of the deal, Sen. Stevens stepped in and helped resolve the matter in Mr. Rubini's favor.

National Archives and Records Administration Relocation Project

In 1998, the National Archives and Records Administration ("NARA") began the process of securing a new facility for documents in Alaska. In 1998 and 1999, Sen. Stevens earmarked more than \$1.7 million for a site selection study to determine where in Anchorage NARA's new archives building would be located. A particular piece of property owned by a group of retired school teachers was selected for the site, but the teachers were never told. Sen. Stevens earmarked more money to purchase the land. At that point, Mr. Rubini and Mr. Hyde bought the land from the teachers and then turned around and sold the land to NARA at a significant profit. Despite the government's purchase of the land, the new NARA building was never built. Officials at NARA confirm that they were contacted during the summer of 2007 by staff on the Senate Homeland Security and Government Affairs Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, which is investigating NARA's purchase of property from Mr. Rubini and Mr. Hyde.

If Sen. Stevens used his position to financially benefit Mr. Bittner, Mr. Rubini and Mr. Hyde in exchange for being included in real estate deals that allowed him to reap significant profits, he

may have accepted bribes, committed honest services fraud, accepted illegal gratuities and engaged in improper conduct which reflects upon the Senate.

The Ted Stevens Foundation (a/k/a the North to the Future Foundation)

The North to the Future Foundation, previously the Ted Stevens Foundation, is a non-profit 501(c)(3) foundation founded in 2000 to promote increased communications among Alaskans, encourage amateur athletics and “to honor the career of Senator Ted Stevens by making the papers and mementos of his career available to the public and to support programs similar to those he has supported.” The foundation’s chairman is a lobbyist and treasurer of the Sen. Stevens’ campaign committee and many of its donations come from businesses that need Sen. Stevens’ legislative assistance.

If Sen. Stevens provided legislative assistance in exchange for donations to his foundation, he may have accepted bribes or illegal gratuities and engaged in improper conduct which reflects upon the Senate.