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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA,	)	No.
	)	
Plaintiff,	)	COUNT 1: CONSPIRACY TO COMMIT EXTORTION AND ATTEMPTED EXTORTION UNDER COLOR OF OFFICIAL RIGHT AND BRIBERY Vio. 18 U.S.C. § 371
vs.	)	
VICTOR H. KOHRING,	)	
Defendant.	)	COUNT 2: INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT Vio. 18 U.S.C. § 1951(a) and § 2
	)	COUNT 3: ATTEMPTED INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT Vio. 18 U.S.C. § 1951(a) and § 2
	)	COUNT 4: BRIBERY CONCERNING PROGRAMS RECEIVING FEDERAL FUNDS Vio. 18 U.S.C. § 666(a)(1)(B) and § 2

INDICTMENT

The GRAND JURY charges that:

COUNT ONE

CONSPIRACY TO COMMIT EXTORTION AND ATTEMPTED EXTORTION UNDER COLOR OF OFFICIAL RIGHT AND BRIBERY (18 U.S.C. § 371)

INTRODUCTION

At all times material to this Indictment:

1. VICTOR H. KOHRING ("KOHRING") was an elected member of the Alaska House of Representatives, having been first elected in 1994. KOHRING represented District 14, located in Wasilla and the Matanuska-Susitna Valley, northeast of Anchorage. He was reelected to the House in November 2006. Since in or about 2003, KOHRING has been Chair of the House Special Committee on Oil and Gas.

2. A company known to the grand jury but unnamed (hereinafter referred to as "COMPANY A") was a privately held company that was incorporated in a State other than the State of Alaska. COMPANY A was a multinational corporation that provided services to the energy, resource, and process industries and to the public sector. COMPANY A was comprised of multiple subsidiary companies and, collectively, COMPANY A was engaged in interstate commerce in connection with the foregoing projects.

3. At various times, the Alaska State Legislature had issues and matters under consideration that had a business impact on COMPANY A. Therefore, COMPANY A and its principals took an active interest in the Alaska State Legislature's consideration of those issues and matters.

4. "COMPANY CEO" was the Chief Executive Officer and principal owner of COMPANY A.

5. "COMPANY VP" was the Vice President of Community and Government Affairs of COMPANY A.

ALASKA'S INTRA-STATE NATURAL GAS PIPELINE PROPOSAL

6. Beginning in or around 2005, the State of Alaska was involved in negotiations with representatives of three oil companies (collectively, the "oil producers") concerning the construction of a natural gas pipeline from Alaska's North Slope. The agreement to build the proposed gas pipeline must ultimately be approved by the Alaska State Legislature.

7. The construction of the gas pipeline was important to COMPANY A. COMPANY A was primarily an oil field services company, and a significant source of COMPANY A's income was derived from contracts with the oil producers in Alaska.

8. On or about February 21, 2006, the Governor of the State of Alaska (hereinafter "Governor") announced that the state had reached an agreement with the primary oil producers regarding the construction of a gas pipeline. The terms of the

agreement concerning construction of the pipeline were not announced or released at that time. Instead, the Governor announced that the agreement with the oil producers included a provision that addressed a significant change to the manner in which the State of Alaska taxes oil production. If the Alaska State Legislature did not approve the proposed change in the manner in which oil production was taxed by the state, then the agreement concerning construction of the gas pipeline would not take effect.

9. Shortly after that announcement, the Governor's administration proposed legislation relating to the negotiated change in the taxation of oil production. The newly proposed tax system – referred to as a "petroleum production tax" or "PPT" – would be based upon a percentage of the producer's net profits, or revenues minus capital and operating expenditures. Under the proposed system agreed to by the state, the producers would pay a 20 percent tax rate and receive a 20 percent tradable tax credit. The negotiated tax formula – referred to generally as the "20/20" PPT tax rate – was the subject of much debate throughout the 2006 regular and special sessions of the Alaska State Legislature.

THE CONSPIRACY AND ITS OBJECTS

10. From in or about January 2006 and continuing until in or about August 2006, in the District of Alaska and elsewhere, the defendant, VICTOR H. KOHRING, an elected public official of the Alaska State Legislature, together with COMPANY CEO,

COMPANY VP, and others both known and unknown to the grand jury, did knowingly and willfully combine, conspire, confederate, and agree together and with each other:

(A) to obstruct, delay, and affect in any way and degree commerce and the movement of any article and commodity in commerce by extortion, that is, to unlawfully obtain or attempt to obtain under color of official right money or other property from COMPANY A, COMPANY CEO, and COMPANY VP with their consent for KOHRING not due KOHRING or his office in agreement for the performance of official acts, in violation of Title 18, United States Code, Section 1951(a); and

(B) to corruptly solicit and demand for the benefit of any person, and accept and agree to accept, anything of value from any person for KOHRING while an agent for the State of Alaska, an entity that received more than $10,000 in federal funding during the calendar year 2006, with the intent that KOHRING would be influenced and rewarded in connection with any business, transaction or series of transactions of $5,000 or more of the State of Alaska, in violation of Title 18, United States Code, Section 666(a)(1)(B).

OBJECTS OF THE CONSPIRACY

11. It was an object of the conspiracy for KOHRING to receive and attempt to receive money and other things of value in exchange for agreeing to perform, and

ultimately performing and attempting to perform, official acts as a member of the Alaska State Legislature for the purpose of enriching himself and his family members.

12. It was a further object of the conspiracy for KOHRING to enrich COMPANY CEO, COMPANY VP, and COMPANY A and advance the business interests of COMPANY A within the State of Alaska by agreeing to perform, and ultimately performing and attempting to perform, official acts as a member of the Alaska State Legislature that would benefit COMPANY A and its clients.

13. It was a further object of the conspiracy to conceal from the State of Alaska and its citizens the true nature and source of the monetary payments and other financial benefits that KOHRING received and attempted to receive from COMPANY CEO, COMPANY VP, and COMPANY A, in exchange for KOHRING's agreement to perform, and eventual performance and attempted performance of, official acts as a member of the Alaska State Legislature that would benefit COMPANY A and its clients.

MANNER AND MEANS OF THE CONSPIRACY

14. KOHRING and his co-conspirators executed the conspiracy by agreeing to provide KOHRING with money and other things of value, including, without limitation, a job with COMPANY A for one of KOHRING's relatives, in return for KOHRING taking official acts as directed by executives of COMPANY A. KOHRING received and attempted to receive these cash payments and other things of value through meetings with COMPANY CEO and COMPANY VP in, among other places, Suite 604 of the

Westmark Baranof Juneau Hotel ("Suite 604"), and through numerous telephone calls with COMPANY VP.

15. In return for the money and other things of value that KOHRING received and attempted to receive for himself and his family, KOHRING agreed to perform, attempted to perform, and actually performed official acts as a member of the Alaska State Legislature that benefitted COMPANY CEO, COMPANY VP, and COMPANY A and its clients. Among other things and without limitation, KOHRING performed the following acts to execute the conspiratorial agreement: (1) voting in favor of versions of the PPT bill supported by COMPANY CEO, COMPANY VP, COMPANY A, and the oil producers; (2) lobbying other elected public officials to support versions of the PPT bill that COMPANY CEO, COMPANY VP, COMPANY A, and the oil producers favored; and (3) repeatedly offering to assist and help COMPANY CEO, COMPANY VP, and COMPANY A by providing official support for the natural gas pipeline legislation and the PPT bill.

OVERT ACTS

16. In furtherance of the conspiracy, and to effect its objects, the co-conspirators committed the following overt acts, among others, in the District of Alaska and elsewhere:

17. Between in or about January 2006 and in or about August 2006, KOHRING received approximately $500 in cash from COMPANY CEO while walking with COMPANY CEO from a Juneau restaurant to Suite 604.

18. On or about January 28, 2006, KOHRING told COMPANY VP during a telephone conversation that he was standing by "willing to help if there's any issues that come along. . . ." KOHRING then asked COMPANY VP if there were any legislative issues that were of a concern to COMPANY VP and of which KOHRING should be aware.

19. On or about January 28, 2006, during the same telephone conversation and after KOHRING asked about COMPANY VP's legislative concerns, COMPANY VP told KOHRING that COMPANY A was closely monitoring the PPT bill and the gas pipeline legislation, that a "big part of [COMPANY A's] future [was] sitting on these issues," and that COMPANY A did not want to "kill the goose." KOHRING agreed with COMPANY VP that the PPT bill and the gas pipeline legislation, if passed, would end up being the centerpiece of Alaska's economy.

20. On or about January 28, 2006, during the same telephone conversation, KOHRING told COMPANY VP that he should contact KOHRING for any need or issue upon which KOHRING could provide assistance.

21. On or about February 21, 2006, during a telephone conversation with COMPANY VP and after COMPANY VP warned KOHRING not to use the PPT tax bill

as an opportunity "to go crazy" or "wacko" by asserting an extreme anti-tax position, KOHRING told COMPANY VP that he would "reluctantly go along" with the 20/20 PPT tax rate, but only if that rate was "amenable" to COMPANY A and the oil producers. KOHRING further stated that he did not want to "screw you guys over nothing" and "hurt you guys."

22. On or about February 21, 2006, during the same telephone conversation with COMPANY VP and after COMPANY VP told KOHRING that the gas pipeline was "critical to [COMPANY A's] equation," KOHRING told COMPANY VP that he was willing to help COMPANY A "in terms of uh, any questions that need to be asked, any information that needs to be sought out, any points to make in caucus, or in committee meetings, on radio columns. . . ."

23. On or about February 23, 2006, during a dinner meeting attended by COMPANY CEO, COMPANY VP, and KOHRING, KOHRING received approximately $1,000 in cash from COMPANY CEO.

24. On or about March 1, 2006, in a telephone conversation a week after having accepted $1,000 in cash from COMPANY CEO, KOHRING asked COMPANY VP to contact KOHRING if he could provide assistance on any legislative matter or implement any strategy on behalf of COMPANY A.

25. On or about March 4, 2006, while discussing in Suite 604 the importance of the proposed gas pipeline legislation, COMPANY CEO told COMPANY VP that he had

just given "a thousand" to KOHRING and that, as a result of the payment, KOHRING "would kiss our ass."

26. On or about March 19, 2006, KOHRING called COMPANY VP to follow-up on COMPANY VP's suggestion that KOHRING's "[relative] consider, uh, possibly doing an internship program through [COMPANY A]. . . ."

27. On or about March 21, 2006, KOHRING – after telling COMPANY VP in a voicemail that he had "personally delivered" an envelope to COMPANY VP's hotel suite that contained, among other things, the resume of KOHRING's relative – told COMPANY VP to call any time KOHRING could be "of assistance in any issue," and that "my door is open here so feel free to call any time."

28. On or about March 22, 2006, KOHRING told COMPANY VP that he was calling to offer his services to COMPANY VP and COMPANY CEO, that he can "be an information source" for COMPANY VP and COMPANY CEO, that he would "lobby on [their] behalf," and that he would "consider modifications to legislation or whatever" if COMPANY VP or COMPANY CEO wanted them.

29. On or about March 24, 2006, KOHRING told COMPANY VP during a telephone conversation that he "stand[s] by" to "do anything to help," that he would continue to advocate "good things for you guys," including the gas pipeline, and asked COMPANY VP to tell COMPANY CEO that KOHRING is "doing what [he] can to help out."

30. On or about March 29, 2006, KOHRING told COMPANY VP during a telephone conversation that he wanted to meet with COMPANY VP and COMPANY CEO to discuss "a relatively serious matter" that was of "fairly significant importance to [KOHRING]."

31. On or about March 30, 2006, during a conversation in Suite 604, KOHRING told COMPANY CEO and COMPANY VP that he had a "personal financial matter" that "potentially could hurt me politically."

32. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING told COMPANY CEO and COMPANY VP that he owed $17,000 on a credit card that was in collection, that he was being pressed to pay the debt, and that he did not have the financial means to pay the debt.

33. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING asked COMPANY CEO and COMPANY VP about the possibility of receiving a job or some sort of work with COMPANY A or securing a $17,000 loan with COMPANY CEO.

34. On or about March 30, 2006, in the same conversation in Suite 604 and after KOHRING, COMPANY CEO, and COMPANY VP initially mentioned that the $17,000 loan would have to be "above board," they then discussed at length how the transaction would have to be quietly structured to avoid any "red flags" with the Alaska Public Offices Commission ("APOC") or public and personal embarrassment for

KOHRING; that KOHRING would have to be discreet about the loan; and that KOHRING should not even mention the loan hypothetically to APOC to avoid drawing unwanted attention to KOHRING, COMPANY CEO, and COMPANY A.

35. On or about March 30, 2006 – during the same conversation in Suite 604 and shortly after KOHRING had asked COMPANY CEO and COMPANY VP for the $17,000 loan – KOHRING began to discuss his family and his financial condition. COMPANY CEO then asked COMPANY VP if he had any "hundreds." COMPANY VP retrieved his wallet from a pants pocket, pulled out multiple bills of currency, and then handed at least $100 in cash to COMPANY CEO who, in turn, passed the money to KOHRING.

36. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the cash that COMPANY CEO handed him, thanked CEO, and shook CEO's hand.

37. On or about March 30, 2006, during the same conversation in Suite 604 and after receiving the prior cash payment described above, KOHRING again mentioned his family and his financial condition. Immediately thereafter, KOHRING accepted a second handful of cash, totaling approximately $500 to $1,000, from COMPANY CEO, who had handed the cash to KOHRING.

38. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the second handful of cash from COMPANY CEO, thanked COMPANY CEO again, and shook his hand.

39. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING, immediately after receiving the cash payments from COMPANY CEO and COMPANY VP, made the following statements to COMPANY CEO:

KOHRING:	What can I do at this point to help you guys? Anything?
COMPANY CEO:	Whatever you, you know, uh, uh –
KOHRING:	Just keep lobbying my colleagues for the Governor's plan, right?

40. On or about March 30, 2006, during the same conversation in Suite 604, after receiving the two cash payments described above, KOHRING discussed with COMPANY CEO and COMPANY VP his relationship with a number of legislators and told COMPANY CEO that "my first effort will be to figure out where they are at and then, secondly, I'll politely and gently as carefully as I can influence them in a positive way to see that the Governor's bill is the vehicle they consider."

41. On or about March 31, 2006, on the day after the cash payments in Suite 604, KOHRING left a telephone message for COMPANY VP in which he told COMPANY VP that there were a couple of important issues before the legislature regarding the natural gas pipeline legislation, provided a status update to COMPANY VP regarding the PPT bill, and stated that he was in the process of meeting with members of

the House Finance Committee to lobby them regarding the version of the PPT bill favored by COMPANY CEO, COMPANY VP, COMPANY A, and the oil producers.

42. On or about March 31, 2006, KOHRING met with a state legislator and attempted to persuade that state legislator to support the PPT bill.

43. On or about March 31, 2006, KOHRING told COMPANY VP during a telephone conversation that he was lobbying strenuously for passage of the PPT bill, knew that passage of the PPT bill was very important to COMPANY A, was scheduling appointments to meet with members of the House Finance Committee, had lobbied the state legislator referenced above, and would continue to lobby his legislative colleagues to the best of his ability and provide periodic status reports to COMPANY VP.

44. On or about April 20, 2006, in a telephone conversation after KOHRING had learned from COMPANY VP that COMPANY A had hired KOHRING's relative, KOHRING thanked COMPANY VP and told COMPANY VP to contact KOHRING if he needed legislative assistance.

45. On or about April 20, 2006, KOHRING asked COMPANY VP during a telephone conversation if he could meet COMPANY VP in Suite 604 to personally thank COMPANY VP and COMPANY CEO for the job for his relative and for being "so good to me over the years."

46. On or about August 23, 2006, KOHRING told COMPANY VP during a telephone conversation that his relative was able to "pocket or bank about $3,000 or so" as a result of his COMPANY A job.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT (18 U.S.C. § 1951(a) and § 2)

47. Paragraphs 1 through 9 and 16 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

48. Between in or about January 2006 and in or about August 2006, in the District of Alaska and elsewhere, the defendant,

VICTOR H. KOHRING,

an elected member of the Alaska State Legislature, did knowingly obstruct, delay, and affect commerce and the movement of any article and commodity in commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951; that is, KOHRING unlawfully obtained from COMPANY CEO and COMPANY VP, with their consent under color of official right, a series of cash payments totaling approximately $2,100 to $2,600 and a $3,000 job for a relative of KOHRING, all of which were not due KOHRING or his office, in agreement that KOHRING would perform official acts in

exchange for these money payments and property from COMPANY CEO and COMPANY VP.

All in violation of Title 18, United States Code, Sections 1951(a) and 2.

COUNT THREE

ATTEMPTED INTERFERENCE WITH COMMERCE BY EXTORTION INDUCED UNDER COLOR OF OFFICIAL RIGHT (18 U.S.C. § 1951(a) and § 2)

49. Paragraphs 1 through 9 and 16 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

50. Between in or about March 2006 and in or about August 2006, in the District of Alaska and elsewhere, the defendant,

VICTOR H. KOHRING,

an elected member of the Alaska State Legislature, did knowingly attempt to obstruct, delay, and affect commerce and the movement of any article and commodity in commerce by extortion, as those terms are defined in Title 18, United States Code, Section 1951; that is, KOHRING attempted to unlawfully obtain from COMPANY CEO and COMPANY VP, with their consent under color of official right, a $17,000 loan not due KOHRING or his office in agreement that KOHRING would perform official acts in exchange for the monetary payments from COMPANY CEO and COMPANY VP.

All in violation of Title 18, United States Code, Sections 1951(a) and 2.

COUNT FOUR

BRIBERY CONCERNING PROGRAMS RECEIVING FEDERAL FUNDS (18 U.S.C. § 666(a)(1)(B) and § 2)

51. Paragraphs 1 through 9 and 16 through 46 of Count One are realleged and incorporated by reference as though fully set forth herein.

52. In calendar year 2006, the State of Alaska received in excess of $10,000 from the United States government under Federal programs involving grants, subsidies, loans, guarantees, insurance, and/or other forms of Federal assistance.

53. Between in or about January 2006 and in or about August 2006, in the District of Alaska and elsewhere, the defendant,

VICTOR H. KOHRING,

an elected member of the Alaska State Legislature and an agent of the government of the State of Alaska, did knowingly and corruptly solicit and demand for the benefit of any person, and accept and agree to accept, a thing of value from any person, that is, a series of cash payments totaling approximately $2,100 to $2,600, a $17,000 loan, and a $3,000 job for a relative of KOHRING, from COMPANY CEO and COMPANY VP, intending

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to be influenced and rewarded in connection with a business, transaction, or series of transactions of $5,000 or more of the State of Alaska.

All in violation of Title 18, United States Code, Sections 666(a)(1)(B) and 2.

A TRUE BILL.

s/ Grand Jury Foreperson
GRAND JURY FOREPERSON

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Chief, Public Integrity Section

s/ William M. Welch, II by Edward P. Sullivan
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