

Sealaska charges employee fraud

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SEATTLE — A Seattle businessman has branded as "false, libelous and outrageous" charges he was involved in a million-dollar bribe and kickback scheme to defraud Sealaska Corp.

Federal authorities are investigating reports that K. Michael Crowson was part of an alleged conspiracy to direct lucrative barge and equipment contracts with Sealaska Corp. to companies he owned.

Crowson, Sealaska and Seafirst Corp. are also involved in a number of civil and admiralty lawsuits concerning the charges.

Sealaska is a huge Alaska Native conglomerate with substantial interests in seafoods, logging, shipping, oil exploration, construction and real estate. Seafirst holds mortgages on barges owned by Crowson.

Sealaska reportedly lost more than \$25 million last year due in part to the collapsed timber market and the canned salmon botulism disaster.

A report of the federal investigation was published in a copyright story Sunday in the Seattle Times.

In a statement filed in Seattle courts last week, Kenneth R. Fry, former general manager of Pacific Western Lines, a Sealaska shipping subsidiary, said he took payoffs from Crowson at the direction of C. Thomas Marshall, who was his boss at the time.

Marshall's phone is unlisted and there was no answer at Pacific Western Sunday. A Pacific Western official told the Times that Marshall may have left the country.

Sealaska attorneys have alleged in a civil suit that Marshall and Crowson conspired to defraud Sealaska by awarding multimillion-dollar contracts to Crowson's companies at inflated prices or prices that were "economically unjustifiable."

When contracts were awarded to Crowson's companies, amounts equal to 5 percent of their value then were divided among Marshall, Crowson and

himself, Fry said in his statement.

Fry told Sealaska attorneys he understood the "split commissions" arrangement to be a euphemism for a bribe to steer business Crowson's way.

Between October 1980, when he and Marshall met Crowson, and last January, Fry said bribes and kickbacks totalling roughly \$1,075,000 were passed through two partnerships, Maltese Brokerage and the Burton Dunlap Group, to try to hide the real source of the money.

The partnerships consisted of Marshall, Fry and a Boise, Idaho man named John Day, Fry said in his statement.

In an affidavit on file in the case Day said he agreed to open bank accounts in the names of the partnerships in exchange for 5 percent of the sums that passed through them.

"The money I saw was a lot, but I thought the barge business was a big business so I never questioned it," said

Day.

Phone calls to two John Days listed in Boise were not answered Sunday.

As the size of the bribes increased, Crowson and Marshall expressed concern about keeping the transactions secret and indicated willingness to resort to physical force — even murder — to keep from being exposed, Fry said in his statement.

Fry reportedly was granted immunity from federal criminal prosecution before making the sworn statement.

Michael Spaan, the U.S. attorney in Alaska, confirmed a federal criminal investigation is focusing on the alleged bribes and kickbacks.

Crowson told The Associated Press Sunday he has been in-

structed by his attorneys to respond that he doesn't have any comment.

"But I will say that it's readily apparent that Mr. Fry has made a deal with Sealaska for immunity," Crowson said. "The tactics they have been using up to this point, especially their attorneys, have been underhanded to say the least."

"The comments that have been made so far are totally false and lies. Only time in court is going to determine a just outcome of this whole matter," Crowson said.

In a court affidavit, Crowson, 39, said he manipulated no one and said his prices were competitive. He branded as "false, libelous and outrageous" Sealaska's accusations he committed bribery and other felonies.