

Ferguson seeks probe of Sheffield fund-raising trip

By Hal Spencer

The Associated Press

Juneau — Gov. Bill Sheffield's campaign fund-raising trip last month outside Alaska drew fire on two fronts Thursday, as a state senator called for an investigation of the trip and it was learned that the governor and two Cabinet members traveled part of the way on a plane owned by an energy company.

Sen. Frank Ferguson, D-Kotzebue, said state prosecutors should probe whether Sheffield, Attorney General Norman Gorsuch and Natural Resources Commissioner Esther Wunnicke last month broke conflict-of-interest law when they traveled to Dallas, Houston and Denver to raise oil money to pay off Sheffield's campaign debt.

Sheffield denied any wrongdoing. He said the trip was paid for with private money and he accused Ferguson of raising the issue as the legislature and governor fight over how to spend a \$200 million supplemental appropriation for capital improvements.

Al Parrish, chief of Sheffield Enterprises and head of the governor's campaign, said the plane transportation provided by Enserch Inc., of Dallas during the trip was not free and the Sheffield-McAlpine campaign would pay for

the travel.

"All the bills aren't in yet," Parrish said Thursday. "But I can tell you there was no free travel and no free lodging." He said the campaign would pay for all expenses incurred during the trip.

A major purpose of the trip was to raise money to help retire Sheffield's \$400,000 campaign debt. Another was to meet with Interior Secretary James Watt in Washington, D.C. — a meeting in which Sheffield accepted Watt's decision to sell petroleum leases in Norton Sound.

Pete Spivey, Sheffield's press secretary, said he understood that Sheffield, Gorsuch and Wunnicke were transported on the Enserch plane from New York to Dallas.

The two Cabinet members were not available for comment on what portion of the trip was taken on the Enserch plane. Gorsuch did not return telephone calls and Wunnicke was out of town.

But James Linxwiler, one of Gorsuch's former law partners in Ely, Guess & Rudd, said he traveled with the entourage on the Enserch plane from Houston to Dallas because "there was an extra seat."

Another former law part-

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Sheffield vs. Ferguson: 'Conflict-of-interest?'

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ner, Bob Ely, said he attended a fund-raising function in Houston, but did not travel on the Enserch plane.

Enserch is a Dallas-based conglomerate with mineral holdings in Alaska. The firm maintains an office in Anchorage, Enserch Exploration Inc. That subsidiary is described by the state Division of Corporations as involved in mineral exploration in Alaska.

Officials at the Anchorage office referred questions to Dallas headquarters. Officials there were not available for a more precise description of company business in Alaska.

After meeting with Watt in Washington during the first stop of the trip, Sheffield an-

nounced he agreed with Watt's decision to sell oil leases in Norton Sound.

From there, Sheffield and his two Cabinet members went to Dallas, Houston and Denver, where they attended fund-raisers held by oil companies and raised \$150,000 toward playing off Sheffield's campaign debt.

Ferguson spoke on the Senate floor Thursday to demand a probe of the trip, saying it was taken partly for personal gain and smacked of conflict of interest.

Sheffield later said, "My trip last month was publicly announced at the outset . . . and involved no expense of public funds.

"Any attempt to tie the

trip to our pending negotiations . . . in the Norton Sound area also carries no substance," Sheffield added.

He accused Ferguson of raising the issue "to deflect public attention from my efforts to bring some common sense to the funding of capital projects in Alaska."

To that, Ferguson said he "did get a little hot" in a closed door budget meeting Thursday with Sheffield on capital spending priorities. "The governor wanted to spend money on a road — money that I need to bring five schools in my district up to code. But that's not why I brought this (the governor's trip) to the floor. I've been planning to do it for a long

time."

The governor said he had no objection to a special prosecutor investigating the trip. "I haven't really given it any thought . . ." he said.

Sheffield said he hoped to pay himself back at least \$200,000 of a \$550,000 personal loan to the campaign.

Ferguson, whose constituents stoutly opposed the Norton Sound lease sale scheduled for March 15, blasted the dual purpose of the trip.

After meeting with Watt and agreeing to a lease sale benefiting oil companies, the three "flew to Dallas, Houston and Denver for political fund-raisers," Ferguson said.

"Oil and gas companies and concerns attended and

contributed heavily to the governor's campaign debt retirement fund. The impropriety of this trip is appalling. Here we have the governor of the state of Alaska, elected to uphold the interest of the people who elected him, using his office for personal gain," Ferguson said.

"The people in my district were opposed to the oil and gas lease sales . . . The governor makes a deal with Secretary Watt even before he meets with him in Washington. The deal . . . was detrimental to local concerns and advantageous to the oil and gas companies," he said.

"Then the governor solicits oil money from the oil and gas companies who are the beneficial recipients of the governor's deal with Secretary Watt concerning federal lease sales," Ferguson said.

Ferguson added that the attorney general and natural resources commissioners also play key roles in the petroleum lease negotiations with

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the federal government and therefore should not have been involved in raising campaign funds from petroleum firms. Also, the state is involved in litigation with some of the petroleum companies that the governor and his commissioners met with.