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*Investigation is continuing, says Spaan*

## First indictments issued in North Slope case

by Jim Benedetto

Tundra Times Editor

ANCHORAGE — U.S. Attorney Michael Spaan announced last week that Irving J. Igtanloc had been indicted for income tax evasion, wire fraud, and extortion under the Hobbs Act.

Igtanloc served as director of the North Slope Borough's Public Works Division from 1981 to 1984 under former Mayor Eugene Brower.

The indictments are the first issued by a grand jury that has been investigating charges of corruption in North Slope business dealings for more than a year, and more indictments are expected soon.

The indictment charges that Igtanloc extorted sporting goods, outboard motor parts, fishing trips and accessories from one Joe P. Brock, and executive with the firm of McCool, McDonald, Coffman and White. The partnership was engaged in providing project management, consulting and engineering services.

The indictment also charges Igtanloc with extorting landscaping and remodeling services for an Anchorage home from Gittins Construction Co., another company doing business with

the North Slope Borough.

Igtanloc was also charged with evading income taxes for 1982 and 1983.

Potential penalties for the violations Igtanloc is charged with could result in as much as 20 years in prison and hundreds of thousands of dollars in fines, if he is convicted.

Brock pleaded guilty on federal liquor charges last month, but Spaan had no comment on speculation that Brock had testified before the grand jury, and the indictment does not specify that Brock provided the information about the alleged extortion.

Brock, according to court documents, shipped liquor to Barrow from Anchorage without the appropriate federal documentation. The liquor was intended to be given as gifts to "important North Slope Borough officials" in Brock's attempt to "curry favor for his company and others."

Former North Slope Borough Mayor Eugene Brower's administration had an annual \$7.8 million project management contract with McCool, McDonald, Coffman and White. Brock was paid \$250,000 a year to run the four-man operation.

In return for his guilty plea on the federal liquor charges, and his cooperation in testifying before the grand jury, trial juries, and other

aspects of the federal investigation, Spaan granted Brock immunity from other charges which may arise as a result of his dealings with the North Slope.

"It is anticipated that testimony (Brock's) will be used at a series of trials," wrote Spaan.

Court documents show the gift-giving continued even after Brower lost the mayoral election to present Mayor George Ahmaogak.

North Slope Borough attorney Harold Curran has stated that, "none of the alcohol was delivered to public officials in George Ahmaogak's administration," though records show illegal shipments continuing as late as March of 1985. Ahmaogak took office in October of 1984.

Curran also said that the Ahmaogak administration had a contract with McCool, McDonald, Coffman and White, but that it had been cancelled.

When the borough was formed in 1972, it initiated numerous programs to deliver housing, health and educational services to its approximately 8,000 residents.

The projects were financed with tax revenues levied by the borough on the oil industry. Despite the fact that such revenues have amounted to hundreds of millions of dollars since 1979, the borough has managed to accumulate

bonded indebtedness of over \$1.2 billion.

After Ahmaogak defeated Brower in a close election in October of 1984, he ordered an extensive investigation into the last three months of Brower's administration. The investigation revealed double billings, overcharges, and fraudulent practices involving several companies whose business related to extensive construction on the North Slope.

The companies received millions of dollars in checks and contracts in the final five days of Brower's administration, while they, in turn, had donated more than \$100,000 to his re-election campaign.

Ahmaogak invalidated over \$26 million of those contracts.

Investigations by the Internal Revenue Service, the Federal Bureau of Investigation, Interstate Commerce Commission and the Federal Maritime Commission were initiated in response to allegations of bribery, fraud, wire fraud and income tax violations.

The documents on Brock also indicate that state laws may have been violated on the North Slope. Two assistant district attorneys have been assigned to assist the U.S. Justice Department's investigation, in order to determine whether or not the state will pursue any charges of its own.

## Airport parking facility construction could delay travelers

ANCHORAGE — Construction began on a new \$25 million parking facility at Anchorage International Airport, with Gov. Bill Sheffield turning the first soil at ground breaking ceremonies.

"Alaskans have always been great travelers," the governor said. "We're the biggest state in the Union, and it's important we stay together. That's why we need to have the best possible transportation facilities, such as what we're building right here at Anchorage International Airport."

Included in the construction package are a four-level, 1200-car parking garage, with a ground transportation lobby connecting it to the main terminal, and improved curbside access. The parking garage will be built in front of the domestic terminal.

Hoffman Construction Company of Anchorage was awarded the contract to build the parking garage, which is

Phase Two of a four-phase, six-year capital improvement program for the airport. All phases of the capital improvements are expected to be completed by 1990 and are funded with revenues generated by the airport itself.

"The airport will generate over \$40 million in revenue this fiscal year," Sheffield said. "This parking facility is only one example of how revenue generated by the airport provides an important source of jobs for Alaskans."

During construction, as many as 100 people will be employed in the construction work who otherwise may not have had jobs. Citing a recently completed economic impact study, the governor pointed out that Anchorage International Airport directly or indirectly contributes more than \$1 billion to Alaska's economy.

"Much of this contribution is in

wages paid to over 5,000 people employed in activities related to the aviation industry," he said. "All of this activity is accomplished without one dollar of general fund money from the State Treasury."

Construction of the parking garage project is scheduled for completion in September 1987. Partial occupancy will be possible by March 1987, with three of five bays of the garage available. About 700 spaces will be ready for the peak passenger load in summer, 1987.

"A construction project of this magnitude," said Sheffield, "while vastly improving our airport facility, is bound to cause a certain amount of inconvenience and delay to travelers going through the area."

"To minimize this effect," he said, "the Department of Transportation and Public Facilities has instituted a public information campaign called the

Wait Loss Program — to reduce the wait that travelers may experience as a result of the construction activities."

The Wait Loss Program is a communications campaign to inform people about Phase II of the airport expansion and let them know what they can do to minimize their inconvenience. The Department of Transportation and Public Facilities recommends that airport travelers allow an extra half hour to get to the airport; call the Wait Loss Hotline at 248-9090 to find out if there are any expected delays; and to use the free airport shuttle bus system.

The shuttle buses will run every four to seven minutes to pick up passengers at temporary parking lots and take them to the terminal. Phase I of airport expansion, completed in the summer of 1985, included the addition of a new concourse at the domestic terminal and extensive terminal renovations.