

*Investigation is continuing, says Spaan*

# First indictments issued in North Slope case

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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.