

# Innocent pleas entered by Sealaska fraud defendants

by **Laury Roberts Scandling**

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All four men indicted by a federal grand jury in August on charges of fraud and bribery have pleaded innocent. The four were allegedly involved in a kickback scheme which defrauded Sealaska corporation.

The 69-count indictment alleges that Seattle businessman R. Michael Crowson bribed two Sealaska subsidiary officials between 1980 and 1983 in order to gain contracts worth \$20 million for four of his companies through equipment purchase, leasing and shipping services. Crowson pleaded innocent at a Sept. 3 hearing, as did Idaho businessman John M. Day, who is accused of setting up a phony company and bank accounts to launder the kickbacks.

The two subsidiary officials, C. Thomas Marshall and Kenneth

Martinson, also pleaded innocent to the racketeering and fraud charges Sept. 17 in federal district court in Anchorage. Marshall was president and Martinson was comptroller of Alaska Brick Company, which owned Pacific Western Lines.

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Marshall and Martinson convinced the Sealaska board of directors to guarantee a \$20 million loan obtained by Pac West to finance the contracts with Crowson. His companies received about half that amount before

Sealaska officials became suspicious of the contract arrangement and initiated a private investigation in 1982. Marshall allegedly received \$725,000 for his part in the setup, while Martinson is accused of accepting a bribe of \$14,000.

Sealaska's chief operating officer, Archie Kovanen, says a \$5 million loss sustained by Pac West in 1981 and 1982 can be attributed to the "exorbitant" contract. Sealaska is suing Crowson to get the money back, and Seattle First National Bank is suing both parties to recoup the \$10 million outstanding on the original loan.

The case against the four men is the first in Alaska to be brought under the federal Racketeering Influenced and Corrupt Organizations Act. The trial has been set for Nov. 4 and is expected to take about six weeks.