

Renkes' judgment concerns legislators

ETHICS: Republicans troubled; Democrats again call for resignation.

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Alaska lawmakers from both major parties expressed growing concern on Monday about Attorney General Gregg Renkes' ethical judgment and the official actions he took to advance a \$1 billion coal project in which he had a personal stake.

As new evidence emerged that Renkes used his position to advance the deal, the attorney general, through his spokesman, said Monday that he does not intend to resign.

The governor's office declined to comment. Becky Hultberg, a spokeswoman for Gov. Frank Murkowski, repeated what has been the administration's position since October, when the conflict-of-interest allegations first arose.

"We're not going to prejudge his actions," Hultberg said.

The governor hired an outside counsel, former U.S. Attorney Robert Bundy, to review Renkes' behavior and determine whether he violated the law. Until the report comes out, the governor will not comment, Hultberg said.

Renkes is a confidant of Murkowski, having worked for him in Congress for more than a decade.

Some Republican lawmakers said that while they have not seen the evidence, they're troubled by reports based on state documents that show Renkes was deeply involved in putting together the proposed coal project, despite his denials.

"It looks like a serious ethical problem. If he can't dispel it, he should step down," said House Majority Leader John Coghill, R-North Pole. "He's under pressure to produce the facts that he didn't do anything wrong. If he can defend himself, I'm open to it. If he can't, he should step down."

The coal project aims to put the low-grade Beluga fields west of Anchorage into development by using a coal-drying technology developed by KFx Inc. of Denver. Renkes once consulted for the company, and he owned stock in it until the Daily News reported his investment and trading activity. Renkes stood to profit if the coal project materialized.

Renkes said on Oct. 4 that he had done nothing wrong. Two days later he sold the stock and moved his other holdings into a blind trust.

"I'm very concerned," said Rep. Bruce Weyhrauch, R-Juneau, "This better be cleaned up before the session starts or I'm going to be very disappointed. It's a distraction to the people's businesses." The Legislature convenes next month.

The governor gave Bundy no deadline. Bundy told the Daily News that he hopes to complete his report by year's end.



Attorney General Gregg Renkes says he does not intend to resign. *(Photo by Marc Lester / Anchorage Daily News)*

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Rep. Ralph Samuels, R-Anchorage, said he'll reserve judgment on Renkes' behavior for a few more weeks, pending a conclusion to Bundy's work. But not much longer.

"If it drags on for six months, it'll be a problem," Samuels said.

Because Renkes' reputation is at stake and because he holds such a high position in state government, Rep. Mike Hawker, R-Anchorage, said he's not prepared to call for the attorney general's resignation at this point.

"As elected public officials, we have to be respectful of the formal legal process," Hawker said.

Hawker said he's concerned that Democrats, who called on Renkes to resign weeks ago, may use the matter to their advantage.

"We have to make sure this isn't allowed to be used as a partisan witch hunt by folks with ulterior political motives," he said.

At the same time, Renkes' continued silence doesn't help, Hawker indicated.

"Pleading the fifth is not the best course of action when one wants to clear their name," he said.

Democrats on Monday renewed their call for Renkes to step down or for Murkowski to fire him. The evidence of an ethics breach is overwhelming, said Sen. Hollis French, D-Anchorage.

"It's stunning to me that he's continuing to get a paycheck from the Murkowski administration," French said. "There's a profound ethical blind spot in the Murkowski administration."

French referred to Alaska Republican Party Chairman Randy Ruedrich, who paid a \$12,000 fine this year for violating the ethics act by mixing party business with his official duties as an oil-industry regulator.

Unlike most other lawmakers, French has reviewed hundreds of state documents that outline the central role Renkes played in the coal deal. The former prosecutor said he has urged the U.S. attorney in Alaska and federal securities regulators to investigate the attorney general for possible insider trading.

Former U.S. Attorney Wev Shea, a Republican, said Monday that Renkes is "totally unfit" to be Alaska's attorney general and the governor should realize that by now.

"The person at the top sets the tone for everyone else," he said.

Weyhrauch said he's curious what the governor thinks.

"One thing I haven't seen is where the administration is on this," Weyhrauch said.

Given the seriousness of the charges, the last thing administration officials should do is hide their heads, French said.

"It just floors me that they're taking the ostrich approach," he said.

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