

**C-Span/Q&A**  
**Host: Brian Lamb**  
**Guest: Rich Mauer**

UNIDENTIFIED PARTICIPANT: This week on Q&A, the second of a two-part look at the trial of Senator Ted Stevens. In connection with these programs, we have a special web page with interviews and resources about the Stevens trial. It can be found at [c-span.org/Stevenstrial](http://c-span.org/Stevenstrial). Our guest this week is investigative journalist Rich Mauer of the Anchorage Daily News. He's been covering the Stevens case as well as other political corruption cases in Alaska.

BRIAN LAMB, HOST, C-SPAN: Rich Mauer, of the Anchorage Daily News, can you remember back the first time you began covering the story of Ted Stevens and what turned out to be his conviction in U.S. District Court here?

RICH MAUER, JOURNALIST, ANCHORAGE DAILY NEWS: Well, there's been a lot along the way. I think the biggest – the biggest event was when the FBI raided his home in Girdwood looking for evidence of the construction project that ultimately he was charged with. That was in 2008 in the summer, and – actually, 2007 in the summer, and that was – is a huge deal seeing agents pouring through the Senator's home and coming out with bags of stuff.

LAMB: One of the reasons we've done this two-part series, the first part being with Cliff Groh, who you know, I assume, from Alaska, who was a blogger and all this, is to try to figure out all the checks and balances of how a United States senator would find himself indicted then convicted of seven counts of what? What were the seven counts about?

MAUER: He was accused of not putting gifts that he received on his annual disclosure forms. The Senate requires him to list all of the gifts, all of the – all of the loans that he has, and the allegation was - was that, starting in the year 2000, that he failed to put home remodeling services, all kinds of services on his annual disclosures through the year 2006, and that was what he was charged with; that's what he was convicted of.

LAMB: And that came from the ethics law?

MAUER: Yes, that's the – that's the Senate – that's the ethics law enforced by the Senate, and enforced also by the Justice Department.

LAMB: You've been in Alaska for how long?

MAUER: I've been in there since 1983.

LAMB: Doing what?

MAUER: I've been a reporter the whole time I've been there, mostly investigative reporting, lately.

LAMB: And what did you start out – why did you go there in the first place?

MAUER: Well, we were – I was – I was a reporter living in Miami and wanted to head North. I always thought about moving to Alaska and got a job on the Anchorage Daily News, and they brought me up there, and happily I went.

LAMB: Last Q&A, we talked with Cliff Groh about all of the people involved in it, is – from your perspective – and you were born where?

MAUER: I was born in the Bronx.

LAMB: So you have Bronx and Miami, and did you live anywhere else?

MAUER: Lived in quite a few places; Boise, Idaho; Colorado, went to school in Colorado. Lived in Israel for a couple of years.

LAMB: So how many different people have been indicted and sent to prison, roughly, from Alaska ...

MAUER: As a result ...

LAMB: ... years.

MAUER: ... as a result of this. This actually began in early 2004, became public in 2006. Since then, there have been 12 people charged, 11 people have been convicted. Some are awaiting sentencing because they're cooperating with the government. I think there's about three on that list, but the rest have all served or are serving prison terms right now. Six of them – six of the people charged are state legislators.

LAMB: Is there anything unusual about Alaska, from your perspective, why this kind of thing would happen?

MAUER: I think you see this everywhere, but I think what we've had in Alaska is there hasn't been a very strong state prosecutorial effort. So there's been since – I think the last person charged under state law with public corruption was a state senator around 1980/1981, and actually there was a more recent senator, the guy who became the lobbyist for VECO, the company at the center of this, was actually charged in, I believe 1982, when he was a state senator, and he was – had his charges thrown out, and I think that because of the way that turned out that there's been a reluctance by the state to investigate, as well as we have an interesting situation where the Attorney General is appointed by the governor, and there are people who think that because of that, because it's not an elected position, that there's that lack of check and balances. No one is really

watching, and so it was the Federal Government that actually came in and was investigating this case.

LAMB: One of the things we're going to during the hour is listen to some of the FBI wiretaps, and we're going to listen to one very quickly of a wiretap with Bill Allen and Ted Stevens. Did you listen to all this stuff?

MAUER: We've heard – I've heard all this stuff in the courtroom here in Washington and elsewhere.

LAMB: How many wiretaps do you know that they've done over the – FBI all through this?

MAUER: There were thousands. The number that's come out in court – in state court, there have probably been 20 or 30 wiretaps that have come out in various cases. There's been trials of three legislators in open court, and – but there – I'm sure there are thousands in the federal archives right now.

LAMB: We're going to listen to this in 15 seconds, but Ted Stevens, 40 years in the United States Senate, the longest serving republican in history. The other voice on this is Bill Allen. Give us a quick synopsis of who he is.

MAUER: Bill Allen was a welder, grew up in New Mexico during the Depression. His family moved to Oregon, where they pick fruit. He learned welding. That's what got him out of – out of poverty. But he never had much of an education. I think – I think he dropped out, certainly he did not finish high school. He came to Alaska in the pre-pipeline boom and ended up take – ended up getting this company called VECO that started out as a two-man operation, and he expanded it and expanded it and expanded it until he became the main contractor for the oil industry. But he's a very rough-cut guy, as you can probably tell from listening to some of these clips.

LAMB: The other person on the conversation is a fellow named Bob Persons, owner of the Double Musky Inn. Who is he, and why would we want to hear this conversation?

MAUER: Bob Persons was also – was a very good friend of Ted Stevens. He runs – Girdwood is where Ted Stevens has his place, where Bob Persons lives. It's a very small ski community, resort community about 40 minutes from Anchorage, and Persons would take – would look after Senator Stevens home when he wasn't there, and these part of – just a group of cronies, I guess you could say. Bob Persons, Bill Allen, Ted Stevens and a bunch of other guys.

LAMB: And I want to warn our audience that we're going to leave the language in because there are a lot of very strong language that's used, periodically.

MAUER: It's a little salty sometimes.

LAMB: It's a little salty, and it's the real thing. So let's – this is 2 minutes; Bob Persons, Bill Allen recorded back in February 16, 2006.

MAUER: Correct.

LAMB: He was charged when in 2006?

MAUER: Bill Allen pled guilty in 2007. Bill Allen turned – Bill Allen found out about the case against him on August 30, 2006. So this was before anyone knew that they were being investigated. This was – this was when the FBI was eavesdropping on telephones. Ted Stevens was charged in July of 2008. Let's listen.

BEGIN AUDIO CLIP

BILL ALLEN: What did it say?

BOB PERSONS: That bill?

ALLEN: Yes.

PERSONS: Hold on a second. Let me see. Oh, shit! I didn't even see this. Oh, "Labor paid by Bill."

ALLEN: Yes.

PERSON: Ow! I didn't see that. I'm sorry.

ALLEN: Oh, fuck.

PERSON: Well, it went straight to his house.

ALLEN: Yea, but I got an e-mail from him knowing that he's got to talk to this, and I've already taken (INAUDIBLE) fucking deal you know.

PERSON: Oh, geez. I'm sorry, Bill. I – you know I just looked at that, and I didn't – I – you have to see it says, "Repair materials for heating system", and then down below that it says, "Labor paid by Bill." Son of a bitch. I didn't – and I know you didn't want him to know that, did you?

ALLEN: Well, that and I didn't want everybody to know, you know.

PERSON: The only person that knows between me and you and Ted is this guy Chugach Sewer and Drain.

ALLEN: Yes, well, he's OK.

PERSON: OK, because I didn't – I haven't talked to him.

ALLEN: I'll just talk to him when I see him. Tell – what I done is I told him I'll do the labor on my house, you know, and I said just give them the – you know the materials and all that shit.

PERSON: Yes, well, we don't need this thing floating around.

ALLEN: No.

PERSON: We need to get it from him. We need to get him to – the guy at Chugach Sewer and Drain to make that disappear from his records.

END AUDIO CLIP

LAMB: What are we listening to?

MAUER: Bob Persons is the one with the Alabama accent, more coherent than Bill Allen, who had a serious motorcycle accident about 5, 6 years ago and has trouble pulling out words, so he slurs his words a lot. But what we're listening to is – there was the furnace in Ted – the boiler in Ted Stevens house went out one night in January/December in the winter, and Bill Allen was there. They brought in a plumber to repair the boiler. He replaced a motor, a pump, and it cost – the whole bill, including driving time and everything else, \$2,000. Bill Allen sent the parts part of the bill to Senator Stevens – or sent it to Bob Persons to send to Senator Stevens, and Bill Allen had the plumber write down that the – that the labor was done at Bill Allen's own home and to pay – for him to pay the labor. So it was about \$1,000 in each bill.

What the – what the plumber did was, on the parts bill that went to Senator Stevens, it said, "Labor charged to Bill Allen." So it's in black and white on the record on the paper document. Ted Stevens get the bill, sends an e-mail to Bill Allen; "what's up, why – you know why – you know what's going on with the labor?" And so now they're trying to figure out how to make – how to make this go away, how to not – how to have Bill Allen pay for the labor and not have Ted Stevens do it, and if you – if you keep listening to this tape, you'll hear them create the scheme where they would have Ted Stevens write a phony check to Bill Allen. In case anyone ever asked, the check would be on file in the VECO files, and they'd say, oh, Ted paid for this. He just – he just gave us \$1,000 and it's all good, even though Bill Allen would never cash the check.

LAMB: Our audience can listen to the rest of this, either at adn.com, your web site, or they can get to you through us and all of these, the complete tapes are on there so they can listen to them. But you go back, again, the issue for Ted Stevens, in all of this, is taking money or goods or labor from a man named Bill Allen, who spread lots of political money around in Alaska?

MAUER: Ton of political money around, and ton of walking around money around, and he's on the surface where you can see campaign contributions all legal, and then he's below the surface with hundred-dollar bills, all kinds of payments and helping Ted Stevens out as well, and that's what ...

LAMB: And the jury heard this tape?

MAUER: The jury heard this tape and several more.

LAMB: All right, I'm going to switch and – again, we're not trying Senator Stevens here. That's already been done. He's been convicted but it's going to be on appeal for a very long time, I assume. But there's a fellow named Wev Shea that we talked to because he would have a different point of view. He's a republican. Tell us who he is?

MAUER: Wev Shea was the U.S. Attorney in Alaska during – he was – he served during the first George Bush Administration, and he has since – he has since – an advocate for ethics and government. He's worked with Governor Sarah Palin in terms of trying to propose ethical reforms on a state level.

LAMB: And again, the checks and balance of this is he is a political opponent up there? Was he ever an opponent to Senator Stevens?

MAUER: Well, no. He's been back and forth in terms of – I think – I think he's appreciated – the thing is, in Alaska, a lot of people appreciate the things that Ted Stevens has done for the State of Alaska, and I think Wev Shea would be one of those people. On the other hand, he is a firm opponent of political corruption.

LAMB: All right, this is done by a Skype hookup with Alaska. Connie Doebele, our Producer, did the interview, and here's just a minute-and-a-half of him talking about this prosecution – the prosecutors of Ted Stevens, who are federal, from the Justice Department here in the political integrity section. Here's Wev Shea

BEGIN VIDEO:

WEV SHEA: Something is really strange about this prosecution, very, very strange. And the conduct of the FBI lead investigator and other FBI agents now and Public Integrity Deputy, Brenda Morris, it's the worst prosecutorial misconduct, as I have said repeatedly, that I have ever seen, that I've ever heard about. These people, let alone being prosecutors and being FBI agents, these people ought to be in jail. There was no justice here, and I'm not sticking up for Ted's conduct, Senator Steven's conduct, but these people, whatever they got together and did, if there's any political influence in this at all, these FBI agents that participated and ignored the conduct of Mary Beth Kepner and the assistant U.S. attorneys, the main justice attorneys that ignored the conduct of Brenda Morris and Brenda Morris' supervisor, this guy Welch, I mean these people, they don't have a clue when it comes to their obligation as prosecutors.

END VIDEO CLIP

LAMB: Again, explain this. Do you agree with what he said?

MAUER: I think that what – that may be a little premature. There were – there were allegations by one – he mentioned Mary Beth Kepner. She was the lead agent on the case starting at the very beginning. She's the one who brought this thing forward. She was the Juneau – she was the Juneau – two Juneau FBI agents in 2004. She was picking up information about corruption at that point, the private prison proposal in the State of Alaska going through the legislature. She's got the wiretaps. She basically brought the case forward. She turned Bill Allen, she turned several other witnesses to work for the government.

LAMB: What do you mean by turned Bill Allen?

MAUER: She got – she was the one who convinced Bill Allen to testify on behalf of the government to go to the grand jury, to not fight charges, to plead guilty.

LAMB: Would that – would they have played some of these wiretaps back to him and said, “we got you?”

MAUER: Absolutely. They have a room where they do that, and yes. It sounds like it's a pretty rough process when you realize what people have been listening in on, and that's how they got – they got Bill Allen that way, and as well as one of Bill Allen's deputies and several other people. But Mary Beth Kepner had a co-case agent, a person who was pretty fresh into the FBI, just came out of the academy, in fact, by the name of Chad Joy. Chad Joy had several other – he was the case agent for several of the other witnesses, and along the way. After the Stevens trial was over, he wrote a complaint or grievance and – to his superiors in the FBI and Justice Department and said that Mary Beth Kepner violated over the course of her – of her investigation violated a Justice Department policy, may have committed criminal wrongdoing, and that also some of the prosecutors during the Stevens trial hid evidence from Ted Stevens and other things. But these are just Chad Joy's allegations. I've examined some of these, and some have seemed to be somewhat overblown.

LAMB: Did you ever meet either one of these people?

MAUER: Oh, yes. Yes. I know both of them.

LAMB: Will they talk to you as a reporter?

MAUER: Not as a reporter. No, they are – they are very – I won't go into who my sources are in general, but if – they – neither of them will just will give you an interview except for things like process.

LAMB: What do you think of Wev Shea's accusations against Brenda Morris, who was the lead prosecutor in this courtroom during the trial, and her boss, William Welch?

MAUER: Well, I would – he was not there. He was not in – he was not at the trial.

LAMB: Welch?

MAUER: No, Wev Shea was not at the trial. Welch would attend in the back of the room. I think that – I think, again, this is one of these things that is going to have to play out, and it will play out before the trial judge, Judge Sullivan. There are allegations, again, from Chad Joy, of things that took place outside of the courtroom. You know did they hide evidence, did they agree to send the witness back without – improperly, and ...

LAMB: Witness back after the witness appeared here in Washington?

MAUER: No, well, the witness – there was one witness, Rocky Williams, and he came – he was – he worked on the house, on Ted Stevens' house. He worked for Bill Allen for – he was one of Bill Allen's most trusted workers, was a fixer. You know he would – he would take care of problems that Bill Allen had, and among other things is you know he wanted – Bill Allen wanted some discreteness, obviously, and working on Ted's house wasn't going to – who is he going to put in charge of it? He's going to put his most trusted guy, Rocky. So Rocky was going to be one of the first witnesses in the case. He came to Washington and then was also subpoenaed by the defense. And then, all of a sudden, he was back in Alaska. The ...

LAMB: Has he died since then?

MAUER: Yes, the government said he was very ill. The defense said, well, you know maybe he was, maybe he wasn't. You know why – you know why did you send him back, though, without telling us. Well, he did call; they just didn't pick up the phone.

LAMB: He did call?

MAUER: He called – he called. He's testified – he said that he called the defense, Williams & Connolly, before he went back to Alaska. He left a message, no one got back in touch with him. He called again when he was in Alaska and said, "Hi, I'm back here, do you guys want to talk to me?" And they said, "Yes, we do want to talk to you." And he gave them some information that they said was contradictory to what the government had said, and therefore he should've – he should've remained in Washington as a witness.

LAMB: Williams & Connolly, the law firm based here in Washington, Brendan Sullivan, the attorney for the defense, for Ted Stevens.

MAUER: Exactly. Not just Brendan Sullivan, but you know a whole raft of attorneys.

LAMB: Let's look at some of the photos, and again, to the audience, a lot of this information's available on our web site and your web site. We're not trying to cover this case from start to finish, just trying to check and – look at the checks and balances. Here's some photos.

MAUER: OK.

LAMB: Tell us what this is.

MAUER: That's Ted Stevens house at the start of remodel. Basically, it was – this used to be sitting on the ground. It's an A-frame. It's not a mansion by any stretch of the imagination, as you can see. The plan was to raise the house and build another first floor underneath, and here you can see the construction is under way. They've raised the house, and now they're filling it in – filling in the ground floor.

LAMB: What year was this done?

MAUER: This would have been 2000 – the fall of 2000. You can see it's after – it's after summer, but it's before the first snow.

LAMB: Do we happen to know where these photos might have come from originally?

MAUER: Some of them were taken by VECO people, some of them were by construction crew. These were all – I believe these were all VECO pictures originally.

LAMB: They're exhibits in the trial?

MAUER: Exhibits in the trial. Now, this, as you can see, it's all – it's all done, been repainted, away from that yucky green, and there's a pile of snow in front.

LAMB: And Girdwood, Alaska is located where in relationship to Anchorage?

MAUER: It's about 40 miles south-southeast of Anchorage. It's right on – it's right on – right on the water, just above the water, and it gets a ton of snow compared to what Anchorage gets because it's right on the water.

LAMB: Now, as you know, the ethics law requires the senators to put the amount of money they get from anybody on their form. How much in the end was Ted Stevens charge with taking from Bill Allen?

MAUER: Well, the first 2 years, which is the 2 years of the remodel, the remodel started in 2001 to 2001. The government calculated something on the order of \$180,000. Now, again, this is where Rocky Williams comes in because they – Rocky Williams and another supervisor, Dave Anderson, worked on the house, but they were also doing other things. VECO in their accounting put all their time in for the house. You know I'm sure in the grand scheme of things it doesn't amount to that much money.

LAMB: Have you ever totaled up how much money Bill Allen and the VECO people gave to politicians in Alaska?

MAUER: Oh, we have. It's been – it's been tens and tens of thousands of dollars over – every election cycle it's tens of thousands of dollars. It's a lot.

LAMB: And they really – what do they really do up there, and are they still a company?

MAUER: They are no longer a company. They were sold. Bill Allen and his family, the majority owners of VECO were Bill Allen and his three children. There are two other executives who also owned a small piece. They sold it to the global engineering company, CH2M Hill. But the – basically the whole thing, with the exception of a few parts. But they were – they were the prime construction contractor on the North Slope. They worked all – they worked globally. They would – they would – well, they would put in pipelines, they'd build buildings, they'd build – they didn't do too much roadwork, but they did all kinds of things that needed to be done. They also did some public work ...

LAMB: And Ted Stevens and Bill Allen became close friends?

MAUERS: They became close friends in the – probably the late 90s. Bill Allen sidled up to a lot of politicians. He began doing this in the mid 1980s, when he went into bankruptcy court. He went bankrupt, the company went bankrupt in the early 80s. They made a huge mistake in building a – in investing in a shipyard in I think it was Louisiana, went broke, emerged from bankruptcy with the help of the oil companies and immediately became a political arm of the oil industry.

LAMB: You're a part of the checks and balances and all the system we're talking about as a reporter for a newspaper. There's another reporter that played a role in this, and I'm going to run a minute and 13-second clip of Chuck Neubauer, who used to be at the L.A. Times. He's since left there, and he's going to go to work now with the Washington Times. But for a year he worked on a story about members of the Senate and House and their families and lobbying and the interconnection in Washington. Let's listen. This was a 2003 story – before all of this, had you been writing – before I get to that, have you been writing stories about Ted Stevens in this connection before that?

MAUER: We've – yes, definitely, and we've written about Ben Stevens, as well. I think Ben Stevens, when he came back to Alaska and took over the Special Olympics, it seemed that was – that was when we started looking at Ben.

LAMB: What year would that have been, and he's his son.

MAUER: That – yes, he's his son. That would have been – he's, I think it was 2002, when the Special Olympics were. But Chuck Neubauer did a great job on this project.

LAMB: Yes, his was much broader than just Alaska, but let's listen to his explanation of what he did in 2003.

BEGIN VIDEO

CHUCK NEUBAUER: My boss, Deb Nelson, said why don't we look at relatives who lobby and just see if there's a story there, and it started out really as like, well, let's look at – it'll be a couple-week thing, and we should do it. And we started looking at it, and it first started out kind of focusing, you know, on some of the wives. But what became – and it's like everyone always points to, well, then Senator Daschle's wife, Linda, was a lobbyist. Well, the thing was, the more you looked at it, it was kind of like, well, she didn't lobby the Senate. She had – she had been in the transportation business and the lobbying business for a long time, including before she met him, and so that didn't seem quite worth really focusing a lot of time on it. But what we started to find was that there was a number of powerful senators whose sons were kind of cashing in during the lobbying, and in some cases, you know the sons you know had a lot of expertise, and in some cases they didn't. And so we decided to – and so we looked at a handful of senators, and Ben Stevens and Ted Stevens became part of that.

END VIDEO

LAMB: The Ben Stevens connection to all of this – I don't know if you wrote the story or not, but I remember reading a story that was done in your paper about Ben Stevens and the pollock fish.

MAUER: Yes.

LAMB: Can you tell – how does that all connect to this?

MAUER: There – Ben Stevens says, “yes, I never lobbied my dad.” So we got to – you know and there's no evidence that we have that he actively lobbied his dad. However, there are multiple occasions in crab, in Pollock, in cod where fishing groups would pay Ben a consulting – a “consulting fee.” Ben would never explain what he did for his money, but he was asked time after time after time what did you do for the money, would never say, and then all of a sudden there'd be an ear mark or some kind of measure would come out of a bill that Ted Stevens was controlling that would benefit the people who were paying Ben. For instance, there was an effort to reduce the crab fleet in the North Pacific to – so that people – a lot of the crabbing vessels thought that there wasn't enough crab to go around. The way we sustain this is to have fewer crab boats. In order to have fewer crab boats, you have to buy out the permits of half the fleet. They paid Ben tens of thousands of dollars, and there was a crab buyout.

LAMB: Now, Ben Stevens is where right now in this whole business?

MAUER: Ben Stevens was appointed to a seat in the Senate by a democratic governor, and he served in the state senate for about 4 years, I believe. He ends up – he rose to be

senate president, a pretty important job, and then when his name began surfacing in connection with this investigation, he chose not to run for office again. So his term expired.

LAMB: Can you take money from anybody up there for any work as your senator from the state of Alaska, serving in the state legislature?

MAUER: It's a good question. We have a citizen legislature. You can – you can work for somebody, legitimately. You can't take money for doing something – for not doing something. In other words, VECO, for instance, paid Ben Stevens a quarter of a million dollars over the years he was in office. That's the basis for the investigation of Ben Stevens. I think that you know we're going to have to see if that's – if that was a legal payment. But I don't know – if he didn't do legitimate work for it, it very well could be an illegal payment.

LAMB: All right, let's go back to the wiretaps, and this time it's Bill Allen and Ted Stevens, and it's October 18, 2006.

MAUER: Right. Now, this is – this is – Bill Allen is now cooperating with the government. Ted Stevens has no idea he is. They've already had – the investigation is now public. It became public the day after Bill Allen agreed to cooperate on August 31, 2006 with a massive raid of multiple legislative offices, including Ben Stevens', were raided, so this is several months later.

LAMB: So when Ted Stevens is on this phone call, he does not know that Bill Allen is cooperating with the FBI?

MAUER: He does not know. He suspects, I think, that the call might be monitored. At least some of the calls that were made he suspects that. But in this case, he does not know that Bill Allen is cooperating.

LAMB: Let's listen.

BEGIN AUDIO CLIP

TED STEVENS: Bill, you're going to have to not let this whip ya if you or I or both of us end up in court, the worst thing we can do is be sitting there looking glowered and, you know, make the jurors feel like they're part of a process that you hate. You know you've got to have some faith in the system and faith in the juries and faith in what's going to go on in order to succeed in this deal. I'd charge you labor. If I were you, I'd be – I'd be involved – I'd be going to these prior sanctions. Someone said, Bill, how's it going, tell them doing pretty good, I know what this thing's going to be, but life's – it's a good life, isn't it. Just tell them it's a good life. No matter what they do it's a good life.

ALLEN: OK.

STEVENS: Try it, buddy.

ALLEN: I will.

STEVENS: OK.

ALLEN: Thanks, Ted.

STEVENS: Yes.

ALLEN: I love you, you know.

STEVENS: Well, I can say you'd be one of my best friends. I'd be over there in a minute if I didn't feel that what the lawyer said was right and I might hurt you by trying to listen to you now and you're telling me things I should know.

END AUDIO CLIP

MAUER: Well, he didn't follow his own advice when he says, "Don't glower in the courtroom." Ted Stevens glowered an awful lot in the – when he was sitting at the defense table.

LAMB: Go back to that conversation. I mean when you know that Ted Stevens doesn't know that he's being taped, and you know that Bill – what's your personal reaction when you – why did he tell him he loved him?

MAUER: I think he knows – he's probably feeling very guilty for what he's doing, and because, you know, he's trying to get Ted caught up in something that will hurt him in Ted Stevens' case.

LAMB: Let's listen to another minute of this October 18, 2006 conversation.

BEGIN AUDIO CLIP

STEVENS: I was talking to – when I was talking to my lawyers, they told me that we ought to avoid trying to look like we're meeting in you know – in a situation where we wouldn't be overheard or have anyone with us. They point out that – what's her name, that woman who went to jail, it's Martha Stewart ...

ALLEN: Yes.

STEVENS: ... she didn't go to jail because she did something wrong; she went to jail because she lied about a conversation she had with somebody.

ALLEN: Yes.

STEVENS: And they say we should – we should have no problem. We can – we can meet and meet, you know, have dinner, what not, and we should not try to look like we're going to try to keep things from the world, and ...

ALLEN: OK.

STEVENS: ... he – and they say that we ought to really lay low right now because this grand jury is meeting, and if they got the wind it looked like we were going to try to, you know, do what they call obstruct justice, they could call us before the grand jury on a different thing altogether. So anyway we ought to just sweat out this grand jury and see what's happening.

END AUDIO CLIP

MAUER: Well, Ted Stevens knows about the grand jury process. He was a federal prosecutor back in the 50s in Alaska.

LAMB: Harvard Law grad?

MAUER: Yes, Harvard Law grad. But here he is. He's basically telling Bill Allen, thinking that Bill Allen was probably facing a grand jury himself, let's be careful to not be charged with obstruction of justice. The coverup is sometimes worse than the crime itself. I mean that's what he's saying. So don't cover it up.

LAMB: He was 84 at the time. He's now 85. He was defeated by almost a little bit more than a one percentage point by Mark Begich. Before I – looking at the past in all of this, I want – fill in the blanks. Some people will remember Nick Begich. Congressman – young 40-year-old congressman from Alaska went down in an airplane with Hale Boggs, who was the majority leader of the House back in 1972.

MAUER: Right.

LAMB: You go back to 1970, and Frank Murkowski, who ended up being a senator and a governor and getting beat by Sarah Palin, ran against him in 1972, and then Don Young ran against him in – I mean '70, and Don Young in '72, and Don Young was defeated by Nick Begich, even after he was deceased.

MAUER: There were 2 or 3 weeks after he was – he had died in his plane crash, he beat Don Young. Right, exactly, and Don Young one a special election later on, but I think that shows Alaska politicians have staying power once they're elected.

LAMB: The reason I bring up Don Young, he won in the special election; he's been there ever since.

MAUER: Correct.

LAMB: And won big ever since.

MAUER: Correct. Yes, he had a couple of close ones, but for the most part he won big.

LAMB: Everybody talks behind the scenes, will the shoe drop on Don Young, and I say that not knowing a thing about where that investigation ...

MAUER: Well, once again, Don Young says he has done no wrong – he has been involved in no wrongdoing. He spends over a million dollars of his campaign fund on lawyers over the last couple of years defending against the government investigation. There has been lots of information come out. Bill Allen has, in the Stevens trial, some of Bill Allen's interview notes with the FBI that said that Don Young was pocketing hundred dollar bills at golf tournaments or golf outings organized by the VECO vice president, guys who get together. They put \$100 bills together and hand them to Don Young. There were ...

LAMB: That's just what he said in his testimony?

MAUER: That's what he said – that's what he said in his interview with the – in the interview with the FBI. Those interview notes became public in the Stevens trial.

LAMB: But in fairness, Don Young has not been charged?

MAUER: Not been charged ...

LAMB: And was reelected last time?

MAUER: ... was reelected. Has not – Don Young has not talked to reporters about any aspect of this. He has refused to talk about it. So we can't ask Don what's your version of – we call politicians by their first name. I'm not being disrespectful. But Don, "What's your version of Bill Allen's story on the golf outings? Did you take \$100 – did you take these pals \$100 bills." He won't answer the question.

LAMB: Here's some – another minute and 40 seconds of the conversation between Bill Allen – don't run it yet, I'm going to ask you a quick question – and Ted Stevens. Bill Allen today is doing what?

MAUER: Bill Allen today is flying around the southwest, I believe. He and his family still have – they bought a private jet when they sold VECO, he and his children. And they've been flying around the southwest. His son lives in New Mexico, his daughter lives in Western Colorado, and his other daughter lives in the Seattle area, and he stays on the ranch in Roswell, New Mexico, often, and also in Grand Junction, Colorado.

LAMB: Will he go to prison?

MAUER: He is scheduled to go to prison. He's scheduled to be sentenced. He's going to get at least, according to the – according to the paper, it's going to be at least 10 years in prison. But he's not going to go to prison, I don't think, until his testimony needs are over, and who knows when that's going to be, and he's not a well man.

LAMB: And we do know that there's nothing that's going to happen in the Ted Stevens trial until – even though he's been convicted – until April 15 when there's another ...

MAUER: There's another status conference call, and that's not going to resolve anything ...

LAMB: And he has not been sentenced. And here, again, is a minute 40 seconds of Ted Stevens and Bill Allen.

BEGIN AUDIO CLIP

STEVENS: The people have really gotten in trouble with these guys are the people who tried to frustrate him from finding out whether the charges are right or wrong, and so we'd be better off just let them keep on looking and looking and looking whatever they want to look at. As far as I'm concerned, they can look. I don't have any problem. It may be that what we've done leaves an impression we've done something wrong, but you have to – you have to make up your mind here. If you're doing something wrong, you have to have an intention to do something wrong to really be guilty of a crime. So you know it's a long way before we're going to be in front of a jury. I hope to God neither one of us is, but we don't want to get ourselves there by trying to do something that leads to a different kind of charge.

ALLEN: Yes, I wasn't going to talk about ...

STEVENS: No, I understand that. I agree. But the appearance of what we're doing leads them to that conclusion. And I think they're part of this conversation right now, for Christ's sake, you know.

ALLEN: Well, they're not supposed to be because this is a – this cell phone, it's – my lawyer went and got it so that I could talk you know on it. So ...

STEVENS: Well, it may be positive to talk to your lawyer, but when you're talking to me you're on a regular wire.

ALLEN: Oh, that's right. That's right.

STEVENS: So – but it – you know it doesn't make any difference. Hell, I don't care what they – I'd say the same thing if they were sitting here right in front of us. I'm not going to let these guys get us in a position where they can charge us with something just because we didn't do what they think we should do. They're going to go out and make a

case that we did something that is against the law. We – I don't think we have violated the law.

END AUDIO CLIP

LAMB: Again, Bill Allen had already flipped. Did you think that whole business about the lawyer giving him a cell phone that wouldn't be picked up is accurate, or is he trying to fool Ted Stevens?

MAUER: I think they probably told him before he started the conversation if he asked about you know can we talk in the clear, use this – use this line and say it's some kind of special cell phone, I'm guessing. I don't know. Just to – just to put Senator Stevens at ease.

LAMB: The first time you heard these conversations, forget the politics of it, what was your reaction when you heard these two men – at least Ted Stevens thinking he was having a private conversation?

MAUER: Well, sort of like – haha, you know, you're not – this is not what you think it is. I think the first one we heard, between Persons and Allen in the courtroom, that felt like a smoking gun, and it wasn't – it didn't have Ted Stevens in the middle of it, so it wasn't directly. But he had these guys plotting to – plotting to cover up a payment and expecting Ted Stevens to go along with it, and it just – it just seemed like a huge deal. And there's also this conversation where – I don't know if we're going to play this, where he talks about maybe we'll go to jail, do some time.

LAMB: We're going to move on, and we may get – have time. We have so much to cover. But our listeners ought to know about Brenda Morris and the fact that she and two others were held in contempt of court by the judge in this case, for what reason?

MAUER: They were held in contempt for not turning over – this is, again, post – well post trial. The – we talked about Chad Joy, the FBI agent. There's been some investigative work by the FBI into Chad Joy's allegations. They've prepared documentation. The judge ordered them to turn it over to the defense under seal. They did not. They turned it over to the judge under seal, and the judge said you know I've told you, you know I've told you once, I've told you 1,000 times, I'm tired of you not listening to what I tell you to do. I'm holding you in contempt. He didn't give a – any kind of punishment associated with that, but after that the Justice Department withdrew that legal team and has replaced it with another.

LAMB: We're going to go back to Wev Shea, to put him into context, again. He's a republican, was a U.S. attorney ...

MAUER: Correct.

LAMB: ... is a friend of Ted Stevens, was a friend? How would you ...

MAUER: It's hard to – it's hard to say if he was a friend of Ted Stevens. Definitely was a supporter of Ted Stevens, pre-indictment of Ted Stevens. I think – like I say, I think – I think if you say Ted Stevens – if there's evidence that Ted Stevens was corrupt, I don't think Wev Shea would support him. I think Wev clearly draws the line on behavior.

LAMB: Again, this was done on the Internet and the Skype, and it's Connie Doebele during the interview. Let's listen to what he has to say about the prosecution and political motivation.

BEGIN VIDEO

WEV SHEA: In Ted Stevens' case, Senator Ted Stevens' case, now we know that Mary Beth Kepner, the lead FBI agent, and Deputy Brenda Morris withheld evidence, manipulated evidence, did not work properly with informants, has bizarre relationships with the defense attorney representing Bill Allen, had a unique relationship with Bill Allen, had relationships with other informants, withheld evidence, did not handle grand jury things properly. It just mounts up and mounts up and mounts up. And unfortunately, these two ladies, I think, are in a lot, a lot of trouble, and I don't know whether Ted Stevens is guilty or innocent, but he was convicted, and what he was convicted on is failing to file papers in the Senate. Now, you know those 100 senators, and I think – I could be wrong, but I'll tell you, Connie, I think if somebody wanted to look deep enough, they could find something wrong with every one of those senators.

END VIDEO

LAMB: Take that last statement. Do you feel that way?

MAUER: I don't know about the other senators. I do know that Ted Stevens had a lot of work done on his house by Bill Allen, and the evidence was very strong that he knew about it and they he had gotten multiple other gifts and favors from people.

LAMB: Is Mary Beth Kepner or Brenda Morris, either one of them in trouble like he said?

MAUER: Well, they could be – they're being – among the groups that are investigating them is the Office of Professional Responsibility within the Justice Department, and I think that they, from what I understand, have a pretty good track record in terms of policing the Justice Department. I think it really depends what the investigation shows. I think you know we know what Chad Joy allegations are. We haven't heard the response from Mary Beth Kepner or from Brenda Morris and the others who were cited.

LAMB: Again, one of the purposes for going so much into this Ted Stevens thing is checking the checks and balances. We talked about the ethics law. We have judges and juries and grand juries and defense attorneys and all that, and even political opponents. Chuck Neubauer, who we showed earlier from the L.A. Times, he's not there any longer.

He went to the Washington Times a couple of weeks ago. But he wrote back in 2003 about families, and I just wanted – because a lot of people think this is all about republicans, he talks about some of the other ones. Very briefly that he wrote about in his report, and you can see on the web site that we have on this whole issue. Let's watch.

BEGIN VIDEO

CHUCK NEUBAUER: When we did our initial stories, we – you know, we'd look at Senator Hatch, Republican, Senator Lott, Republican, Senator Breaux, Democrat, Senator Stevens, Republican, and we also looked at Senator Harry Reid and his family members, and he's obviously a democrat.

END VIDEO

LAMB: Interesting thing is that Senator Breaux and Senator Lott have left the Senate, and they both now lobby in a firm that they've put together, together, but their families lobbied when they were in the Senate. And then Harry Reid had, I think, three or four sons who were in a law firm out in Nevada that he pinpointed. Is this going on a lot, what you see, and Lisa Murkowski is another story herself, the daughter of Frank Murkowski, who was governor.

MAUER: Correct. I think that's kind of a different situation.

LAMB: Yes, I didn't mean to imply they're the same.

MAUER: He – yes, he appointed his daughter, but she was in the state legislature before ...

LAMB: And then she got elected on her own.

MAUER: And she got elected on her own, but it was a huge – it was the biggest issue in her campaign, the fact that daddy appointed daughter to take his place and was there – they were trying to establish privilege, but she went on her own right, and I think Alaskans are, for the most part, pretty satisfied with her representation.

LAMB: The interesting thing is that she sits in the Senate today, and across the aisle is Mark Begich ...

MAUER: Correct.

LAMB: ... whose father had her father run against him years ago. Are there only a couple of families up in Alaska that are involved in this?

MAUER: It seems like it.

LAMB: And what do you think is – if there is a problem with this. I know in Alaska you have no state income tax, no sales tax.

MAUER: Don't tell anyone this stuff.

LAMB: And you get money if you live there over 12 months from the permanent fund, and last year was over \$3,000.

MAUER: Correct.

LAMB: How much of this is – revolves around money?

MAUER: I think a great deal of it revolves around money. I think the fact that Ted Stevens would shovel money to Alaska really made things – made this – made a lot of this possible. But you know Alaska's not the easiest place to live, either. So I think that some of these incentives keep people there. I think the permanent fund checks, especially out in the bush, it can be the only source of cash to a lot of – to a lot of families. So it's kind of mixed. You know do Alaskans want to pay for the services that they use? Well, probably a lot of them don't. Like I say, there is no state – no state taxes. We pay local property taxes. But you know some of the – some of these people who were busted in this corruption, their biggest campaign was the no new taxes, and people would elect people who way no new taxes.

LAMB: There's a whole bunch of other cases, and we – you had on your web site, and we're using this, thanks to you all, a state legislator by the name of Victor ...

MAUER: Victor Kohring.

LAMB: ... Kohring. Where is he today?

MAUER: He is in one of the minimum security federal penitentiaries. I can't remember if it's in Oregon or California.

LAMB: When he was convicted, what was he convicted of?

MAUER: He was convicted of accepting bribes, of conspiracy, perhaps extortion. I can't remember if he was one of the people who was also convicted of extortion.

LAMB: Now, we're going to show a tape, and the main reason to show this is to show a human being in a situation who's a member of a legislature begging for money. This is a video.

MAUER: Yes.

LAMB: How did they get the video of this? I know Allen's in this.

MAUER: Yes, I believe this was in a lamp, in the base of a lamp in suite 604 of the Baranof Hotel in Juneau, which was VECO's headquarters during – our legislative session then were 120 days; now they're 90. But during that time, VECO would rent this big suite, and it was famed, apparently – I never covered the legislature, at least not recently, but it was famed for its activity.

LAMB: Victor Kohring?

MAUER: Victor Kohring was elected from the Mat-Su Valley, home of Wasilla, and was a guy who had no money. He slept in his office because he couldn't afford a place in Juneau. One of several, in fact, involved with Bill Allen. There was just another woman who just – a former legislator who pled guilty from – she took money – cash from Bill Allen. She was broke too in 2003. So Bill Allen is helping out these legislators who don't have two nickels to rub together, and ...

LAMB: How high did Victor Kohring rise in the legislature?

MAUER: Well, he was in the republican majority. He had – he had some committee assignments. He was involved in a long gas legislation.

LAMB: So as you watch this, Victor Kohring is on the left. Bill Allen is on the right, and the hand you see in the picture is that of Bill Allen, and this would've been – oh, I don't have a date on – oh, I have it on the screen when this happened. But let's – he had not been convicted or charged as of yet.

MAUER: This would've been 2006 when the legislature, at this very moment, is debating an oil tax measure that would raise the oil taxes – could raise taxes on the oil industry, which Bill Allen is dead set against.

LAMB: And what we've done is clipped, again, a couple of things together from the same conversation. Our audience can watch the whole thing on either your web site or our connection. Here's Victor Kohring and Bill Allen.

BEGIN VIDEO

VICTOR KOHRING: I wanted to suggest a couple of things, with all due respect, and please don't feel like I'm applying any pressure. I come to you guys 'cause your friends, and I was wondering if there'd be a possibility of perhaps doing some kind of a project to make some money with you guys, or you could refer me to somebody that could help me with that, or as another option, maybe you could help me with some financing like a modest loan or something so I can get this paid up and have it behind me and then get it paid off to you folks, or to whoever you can help me with. You know the first (INAUDIBLE) with my daughter on an Easter. After all of these years, can you believe that? Because Easter always falls during a session, I've always found myself swamped near the end of a session. I've never had a chance to be there for Easter for her. Can you believe that?

ALLEN: So here's what – here's what I want you to do ...  
With – what I usually do in first – I mean in ...

KOHRING: For holidays?

ALLEN: ... and Easter, always taken when I got kids, and I really – I go hide eggs.

KOHRING: Yes. With money in it or candy?

ALLEN: ... oh, yes.

KOHRING: (INAUDIBLE). Hey, dad, can we do an Easter egg hunt?

ALLEN: And you got any – have you got any ...

RICK SMITH: Yes, I got some.

ALLEN: You got any hundreds?

SMITH: Yes.

KOHRING: Oh, thank you very much.

ALLEN: Yes, I'll give you (INAUDIBLE) hundred, and that way ...

SMITH: (INAUDIBLE) on that ...

KOHRING: I shall do that. Thank you very much. Thank you so much.

ALLEN: And let her find the egg.

KOHRING: I will. We're going to have an Easter egg hunt right away. And I'll put money on my – I promise I'll widen (INAUDIBLE) this up completely and she'll be thrilled.

END VIDEO

LAMB: What was the reaction in your state when they saw that?

MAUER: This guy's going to jail. I think that – the third person in that video was Rick Smith, who was VECO's vice president for talking to legislators and who – it seemed, his job was to carry around \$100 bills for Bill Allen to ask for - to give to legislators. The reaction was this is pretty disgusting, I think. It was pretty much across the board. It was ...

LAMB: Seventeen thousand dollars in credit card debt?

MAUER: Right, and that's what he was saying, "You know, I may not get elected if the voters find out that I – if the – if my credit card company sues me, if I have to go be bankrupt, I may not win my next election. I won't be here for you guys." I mean that's part – that was part of his pitch in coming to them with that credit card debt.

LAMB: We're running out of time. It goes so fast. But here is Wev Shea again talking about the media and the role that they have played in this, and let's see what he says and get your reaction.

BEGIN VIDEO

Wev Shea: I think the media is invested with – and I'm speaking now of the local media – is somewhat invested in taking Senator Stevens down, and I think some people are actually really enjoying this. The lead investigative reporter for the Anchorage Daily News, who I'm sure you know as Rich Mauer, and I know Rich. I've known him for years. I have a lot of respect for Rich Mauer. But something is a little strange when the front page of the Anchorage Daily News says something like "Insiders question Special Agent Joy" or something like this, and then the insiders that are revealed in Mr. Mauer's article are Bob Bundy, Bill Allen's attorney. The next day, there's a major deal with people being held in contempt, I believe, and it's not even on the front page of the Anchorage Daily News Daily News. It's relegated to page 3. Now, you tell me, is that professional reporting? I'm not questioning Rich Mauer, because I don't think he makes the decisions where the articles are going to go; that's the editor or editors. But something is a little strange when if these liberal media folks find no fault in unconscionable conduct by public integrity and Brenda Morris and the FBI and Mary Kepner.

END VIDEO

MAUER: Well, I – like I said, I don't put the stories on the paper in the pages, but I think that I would like to hear what he says is unconscionable. I don't know what his definition is. But I think – like I say, these things are playing out. We did – yes, we did a big story about looking at what are the allegations against Mary Beth Kepner, and we talked to – one of the allegations was her husband got a job at the port through a source that she had been working. Well, the source's name was blacked out, so we couldn't go to the source, but we went to the port, and we said how did – how did the husband get the job? He applied like everyone else. We had no idea he was – he was Mary Beth Kepner's husband. So we put that in the paper. You know there was an allegation that another – the wife of one of – one of her sources was a real estate agent, and she helped – she went and she helped get a house for them. What did she do? We talked to her, she said all I did was make a phone call. You know those kinds of things were in that story, and you know we just tried to examine what it was that were the allegations.

LAMB: So your paper's owned by McClatchy?

MAUER: Yes.

LAMB: You went to school where?

MAUER: I went to school at the University of Colorado in Boulder.

LAMB: Did you – did you get a degree in journalism?

MAUER: Yes, I did.

LAMB: We see a lot of newspapers on the edge, some going out of business. If the newspapers didn't exist, would this have happened to Ted Stevens?

MAUER: Well, it's hard to say because I think when this started through something – through some tips that came to Mary Beth Kepner that had nothing to do with us. But if there's – are the newspapers blowing the whistle on conduct? Yes, I think they are, and we certainly have over the years.

LAMB: What's happening to the Anchorage Daily News?

MAUER: Just like everyone else. We're – our newsroom is down from a hundred-something people a couple of years ago to now 55, and I think we're going to have some cuts in the next week or two.

LAMB: Rich Mauer, by the way, how long – how many days did you sit in the trial?

MAUER: It was just – almost 5 weeks, I believe, that I was there.

LAMB: Did your paper pay for all of that?

MAUER: They paid for my salary and for me to get here. My in-laws lived in this area, and so I stayed with some friends.

LAMB: Thank you for joining us, and to close this out, we're going to go to a very small portion of Ted Stevens' farewell speech on the floor of the Senate on November 20. He had been defeated, he had been convicted, and here is a point where he actually didn't – part of it he didn't read. Most of it was read from a statement, his farewell address to the Senate.

Thank you for joining us.

MAUER: Thanks.

BEGIN VIDEO

STEVENS: My mission in life is not completed. I believe God will give me more opportunity to be of service to Alaska and to our nation, and I look forward with a glad heart and with confidence in His justice and mercy. I told the members of the press yesterday I don't have a rearview mirror. I look only forward, and I still see the day when I can remove the cloud that currently surrounds me.

That's it, Mr. President. Forty years distilled into a few minutes. I close by saying and asking that God bless Alaska and our Governor, God bless the United States of America and our President, and God bless the Senate and every member of this body.

I yield the floor for the last time.

UNIDENTIFIED PARTICIPANT: The majority leader is recognized.  
APPLAUSE

END VIDEO

END