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Renkes KFx Probe Should Include Frank Murkowski
Attorney General's connections to KFx include hunting trip with Governor

ANCHORAGE -- Senator Hollis French and House and Senate Democratic Leaders Ethan Berkowitz and Johnny Ellis today asked special counsel Robert Bundy to expand his probe of Attorney General Gregg Renkes' possible conflict of interest. The lawmakers asked Mr. Bundy to investigate whether or not Governor Frank Murkowski knew about Renkes' close ties with Denver-based coal technology company KFx when the two officials announced a deal between KFx, the State of Alaska, and high-ranking government representatives from Taiwan.

It was reported for the first time today in the Anchorage Daily News that in 2001 Governor Murkowski went on a hunting trip with Renkes and Ted Venners, KFx's chief executive.

Governor Murkowski and General Renkes have both publicly promoted KFx, a company tapped to process Cook Inlet coal from the Beluga coal fields in Southcentral Alaska. Mr. Bundy began conducting an investigation at the request of Governor Murkowski after it became clear that Renkes owned KFx stock while promoting the company in his capacity as Attorney General.

"Today's Anchorage Daily News article regarding the Attorney General's dealings with KFx raises an issue that we believe should be explored in your work as independent investigator in this matter," said the letter. "The story reveals for the first time that Governor Murkowski and General Renkes were participants in a KFx-sponsored hunting trip in South Dakota in 2001. This disclosure calls into question whether Governor Murkowski was truly unaware of General Renkes' investment in KFx, as has been asserted by his spokesmen."

The letter points out several salient facts:

1. The Governor and the Attorney General are long-time close associates. General Renkes has run two U.S. Senate campaigns for Mr. Murkowski, and managed his 2002 gubernatorial campaign as well.
2. General Renkes disclosed his KFx investments in his public filings with the Alaska Public Offices Commission and the Alaska Permanent Fund Corp.
3. Someone misinformed Governor Murkowski that the KFx had a coal drying technology that was "up and in operation," according to quotes attributed to the governor in an Oct. 1, 2004, Daily News story.
4. The governor's Chief of Staff is delaying the release of state documents related to KFx until Nov. 4.

"We believe that these facts call into question Governor Murkowski's knowledge regarding General Renkes' investments in KFx. In short, we believe that you should include within the ambit of your investigation the question of what the Governor knew, and when he knew it, insofar as the Attorney General's investments in KFx are concerned. The Alaska public deserves a thorough and complete investigation into all the facts of this matter," concluded the letter.

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