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FORMER ALASKA STATE SPEAKER OF THE HOUSE

PETER KOTT SENTENCED ON PUBLIC CORRUPTION CHARGES

WASHINGTON - Peter Kott, a former elected member of the Alaska House of Representatives and former Alaska Speaker of the House, has been sentenced to 72 months in prison in Anchorage, Alaska, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Chief U.S. District Judge John W. Sedwick for the District of Alaska also ordered Kott to pay a \$10,000 fine and serve three years of supervised release.

In calculating Kott's sentence, Judge Sedwick found that portions of Kott's testimony at trial constituted perjury and enhanced Kott's sentence accordingly. Judge Sedwick also found that the advisory Sentencing Guidelines were insufficient to provide a fair and just sentence given Kott's conduct, and departed upward to a sentence of 72 months.

On Sept. 25, 2007, a federal jury in Anchorage convicted Kott of bribery, extortion, and conspiracy for corruptly soliciting and receiving financial benefits from VECO Corporation in exchange for performing official acts in the Alaska State Legislature on the company's behalf.

Evidence at trial showed that Kott, while serving as a member in the state legislature, solicited bribes from and took action to benefit the financial interests of VECO Corporation, a major Alaska oil services company. Trial evidence, including more than 60 recordings of conversations involving Kott and former VECO executives, showed that Kott repeatedly promised to cast votes in VECO's favor on a key petroleum production tax proposal pending before the Alaska legislature. In exchange, Kott received cash, checks and the promise of a future job with VECO. The VECO executives who testified at trial, former Chief Executive Officer Bill J. Allen and former Vice President of Community Affairs and Government Relations Richard L. Smith, pleaded guilty in May 2007 to providing more than \$400,000 in corrupt payments to public officials from the state of Alaska.

This case was prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by the FBI and the Internal Revenue Service Criminal

Investigative Division.

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