The Book of Sarah (Palin)

Strafing the Palin record
By Wayne Barrett
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Along with the winks and folksy "doggone" moments early in her debate with Joe Biden last week, Sarah Palin repeated her familiar claim to the title of "maverick," declaring that "as a governor and as a mayor," she's had a "track record of reform" and has now "joined a team of mavericks."

Despite the free fall that her polling numbers went into after her disastrous interviews with Katie Couric, that branding as a "reformer" has been resilient. Introduced skillfully before tens of millions during an intense surge of interest six weeks ago, it's been hammered home with repeated soundbites.

But the label doesn't hold up under close scrutiny. From the controversy that catapulted her to the governorship, to her ties to the indicted patriarch of Alaska's GOP, to the multilayered nexus of lobbyists and Big Oil interests around her, and, finally, to the Wasilla sports complex that capped her mayoral career, the myth of Sarah Palin, reformer, withers under inspection.

PALIN'S CLAIM to fame as an Alaska reformer—that she risked her career to expose the chairman of the state GOP—is revisionist. In fact, Palin supported the methane-drilling project that helped sink GOP boss Randy Ruedrich before she later decided she was against it—a mirror of her flip-flop on the infamous Bridge to Nowhere. And her reversal had more to do with seizing a political opportunity than following her conscience.

In 2003, Ruedrich, an oil executive known for his ability to raise industry contributions for the party, was appointed to the powerful Alaska Oil & Gas Conservation Commission (OGCC) by Governor Frank Murkowski at the same time as Palin, who had finished her second term as Wasilla mayor the year before. Murkowski had given Palin the plum position to compensate for overlooking her when he appointed his own daughter Lisa to the U.S. Senate seat he vacated when he was elected governor in 2002. Palin's near-win in the Republican primary for lieutenant governor earlier that year—losing to the first Alaskan of native ancestry ever elected to state office—had made her a statewide star. She had filmed commercials and stumped for Frank Murkowski that fall, so he owed her. But she rejected other top posts that he offered until she got the one she wanted—a position that allowed her to live at home and commute to Anchorage, rather than relocate to Juneau. She certainly also saw the commission appointment as a stepping-stone, and as late as October 2003, she told reporters that she was considering a race against Lisa Murkowski in the upcoming 2004 special senate election.

When Murkowski made Palin the $122,400 chairwoman of the OGCC, one of her jobs was to oversee commission ethics, meaning she was charged with reporting any possible ethics violations by staff or commission members to the governor's office. By her own account, she first did that in September 2003, reaching out to a top Murkowski staffer about Ruedrich. But what she complained about then, according to a source familiar with these conversations, was Ruedrich's party business
on state time. She said nothing about his blatant championing of a methane-drilling project by a company called Evergreen Resources—even though she'd witnessed it herself at a standing-room-only community meeting in August. Palin and Ruedrich went to the meeting because the commission had oversight powers over the drilling, and homeowners in the Wasilla area where she was once mayor were up in arms over the effects they feared it would have on their property and drinking water.

Chris Whittington-Evans, chair of the citizens' group that helped organize the meeting, says that Ruedrich presented a slideshow very similar to one the company itself had presented at any earlier session. Palin remained quiet through most of the meeting, though Evans recalls that she was questioned about a possible conflict of interest she might have. Palin was then chairing the campaign committee of a pro-Evergreen candidate for Borough Mayor of Mat-Su, the county that includes Wasilla. The candidate, Charlie Fannon, her former police chief, had taken $2,500 in donations from three Evergreen executives and a consultant, though community outrage eventually forced him to return some of the money. Ruedrich had given Fannon $500.

The same three executives had also just given $1,747 to Palin's 2002 campaign for lieutenant governor. In fact, with the low campaign-finance limits in Alaska, Evergreen was the second-largest giver to both Palin and Fannon. While still mayor, Palin had backed an Evergreen-designed bill that allowed the state to override local objections to the drilling and permitted an ordinance—introduced by her closest ally on the city council authorizing methane extraction—to become law. But the focus of the question at the community meeting was Fannon. Palin had asked Fannon to run and had filmed an ad for him. He was the only candidate she'd ever contributed to—and her father contributed as well. Evans says he found it odd when she insisted that there was no conflict between backing "a big promoter of methane-drilling" and sitting in judgment on the project.

That's what Tim Anderson, the Borough Mayor who beat Fannon and opposed the drilling, says now as well: "You could say that it was a conflict of interest" for Palin to be on the commission and supporting Fannon. Anderson was also at the August meeting and says that Palin sat up front with Ruedrich and Evergreen. "They were trying to convince the people that drilling underneath their homes wasn't a big problem." Fannon's narrow loss to Anderson, wrote the local newspaper The Frontiersman, confirmed the political potency of the methane issue. In early November, Evans sent Palin an e-mail detailing the case against Ruedrich and demanding that he be fired from the commission. Palin finally acted, forwarding the Evans e-mail to the state's attorney general. Two days later, Ruedrich resigned.

A few days after Ruedrich's resignation, Palin searched his commission e-mail and found damaging evidence of his ties to Evergreen and his party abuse of the commission. For reasons she has never explained, she took a month to send those e-mails to the attorney general. In that intervening time, she talked twice to the attorney general's office, and her own subsequent notes indicated that she expressed "concerns" about whether a continuing investigation was needed, since Ruedrich had already stepped down.

By the time she finally forwarded the e-mails, which were very damaging to Evergreen as well, the company had dumped its top Wasilla-based executive and had begun to withdraw from its Alaska adventure. A couple of weeks later, she surprised everyone and resigned herself, attributing it later to the dilatory response she was getting from state officials. In fact, when she quit, she had given
the officials less time to act after getting the e-mails than she’d taken to send them.

Michelle Church, who was the director of the same citizens’ group that Evans chaired, believes that Palin was "definitely supportive of the drilling" and "opportunistic" when she switched and went after Evergreen and Ruedrich. "It really strengthened her support in the community," recalls Church, who was elected to the Mat-Su assembly as a result of the methane controversy. "She turned on them because it was to her political advantage to do so." The target was the governorship.

When she resigned from the commission in January 2004, Palin was simply trying to decide which Murkowski she would challenge—Lisa for U.S. Senate, or Frank for the governorship. Lisa Murkowski had a couple million in the bank, while the governor's campaign kitty was strangely barren. Frank Murkowski’s nepotism, proposed sales tax, and elimination of a longevity bonus for seniors—all of which happened before Palin took Ruedrich on—had depressed his approval ratings so badly that many thought he wouldn’t seek re-election. Palin wrote an op-ed in the Anchorage Daily News in April 2004, reliving her days as basketball point guard "Sarah Barracuda" and lauding the good competition of public life. But a week later, she announced that she would not run against Lisa Murkowski, attributing it to her son Track, who she said opposed it. Then she set her sights on the governorship. When Murkowski, the oldest governor in America at 73, finally did decide in May 2006 to run again, Palin had already been an announced candidate for seven months, perfectly positioned as his reform nemesis. He spent a third of what he did in 2002 and lost badly.

SARAH PALIN’S MAVERICK image flies in the face of her longtime ties to the Republican patriarch of Alaska politics, Senator Ted Stevens, who is on trial in Washington for taking $250,000 in gifts from VECO, an oil-services company that was once Palin’s biggest donor. Palin remained nominally neutral in the recent GOP primary, shunning two Republicans who tried to give the already-indicted Stevens a serious challenge. Her chief of staff, Mike Tibbles, left his state post to become Stevens's campaign manager, and she did a press conference with Stevens shortly before the vote. (Tibbles's wife is still a top appointee in Palin’s administration.) A Stevens campaign consultant, Art Hackney, says: "She has campaigned with him, and they are enjoying a good relationship." Asked on a visit to New York recently if she was supporting Stevens's re-election, Palin replied that his trial had just started. "We'll see where that goes," said Palin, who forced the resignation of Ruedrich and another top Murkowski aide on ethics charges that never came close to reaching the level of an indictable offense.

Vic Vickers, a wealthy banker who ran against Stevens in the GOP primary and spent $700,000 of his own money, tells the Voice that Palin and Stevens "are very close" and that the two organizations "merged to defeat my candidacy." While Palin has called for the resignation of Stevens's son Ben as national committeeman, Vickers said that "vicious attacks" against him were "coming out of her office" during the primary. "They just torched me in the end," the anti-Bush and anti-war Republican said. Dave Cuddy, a more conventional Republican and former legislator who also challenged Stevens in the primary, said he reached out to Palin: "We did call, and we played telephone tag. I think she was uncomfortable. She didn't support me because she thought that I was not going to win."

Palin's ties to Stevens go back nearly a decade, when she retained Stevens's former chief of staff, Steve Silver, as the Washington lobbyist for Wasilla. He opened doors for her on lobbying trips to Washington for earmarks. Silver's firm was so tied to Stevens that it also included the senator’s
former counsel and, according to registration forms, his son. It also lobbied for Ketchikan Gateway Borough, the beneficiary of Stevens's pork-barrel favorite, the since-killed Bridge to Nowhere, as well as for the Alaska Knik Arm Bridge and Toll Authority, sponsor of the second Nowhere Bridge that’s still alive and runs near Palin’s house. Ironically, the firm was also so tight with Frank Murkowski that it was Murkowski’s since-convicted top aide, Jim Clark, who once headed its lobbying unit and brought Silver aboard.

But one Stevens law firm wasn’t enough for Palin. She hired the firm that included Stevens’s brother-in-law, Bill Bittner, as counsel to the city, ultimately steering hundreds of thousands in payments to it, much of it associated with a costly lawsuit sparked by a Palin development decision. Bittner, who has engineered real-estate investments for Stevens, also rented an apartment to the state for Murkowski’s use whenever he visited Anchorage. A year after Palin stepped down as mayor, she was one of three incorporators of a nonprofit called the Ted Stevens Excellence in Public Service Committee that he helped establish to support Republican women.

It’s unclear why Bill Allen, the VECO president who has pled guilty to bribery charges and is expected to testify against Stevens, became such a large Palin donor in 2002. His contributions and bribes were usually connected to his business interests, and he had none in Wasilla. News accounts in Alaska indicate that in 2001, Palin drove from Wasilla to Allen’s home in faraway Cook Inlet. Allen, other VECO executives, and their wives then gave Palin’s campaign committee $5,000, contributing $500 apiece over a two-day period in late December.

No one else in Palin’s underfinanced bid for lieutenant governor came close to VECO. Virtually the same group of executives repeated the pattern in 2003—giving $1,600 to Charlie Fannon’s campaign committee, chaired by Palin. No one seemed to mind that the Alaska Public Offices Commission had collected the largest fine in its history ($28,000) from VECO who were paying employees to make illegal campaign contributions. In the current VECO scandals, which have already led to the convictions of several state legislators, it’s clear that VECO continued the practice of reimbursing the campaign donations of its executives. Palin’s lieutenant governor, Sean Parnell, who recently did a Fox News Sunday appearance on her behalf, collected $16,000 in VECO contributions as a state legislator.

JOHN McCAIN AND Palin share at least one common bond beyond their self-proclaimed independence: They’re both very comfortable with lobbyists. Sean Parnell—who is running Alaska’s government while Palin travels and is so trusted that he was one of only three Alaskans named to the national campaign’s truth squad for Palin—was a lobbyist in the Anchorage office of the legendary Washington firm, Patton Boggs, before he was elected with Palin. Ironically, one of the charges in the eventual ethics complaint against Ruedrich was that he’d sent numerous e-mails to Evergreen’s lobbyist, Kyle Parker, a Patton Boggs partner. Ruedrich admitted that he had even leaked a confidential commission memo on the methane controversy to Parker. Ruedrich was reporting at the time to Kevin Jardell, an assistant commissioner of administration who oversaw the commission. Jardell had lived for months in Ruedrich’s home while he worked with Parker representing the state GOP in a reapportionment case, hired by Patton Boggs, which was the party’s outside counsel.

This intertwining of interests was exposed when all the details of the Ruedrich scandal hit the headlines in 2004. Parnell was then Murkowski’s deputy director of Oil & Gas. Undeterred by Patton’s reputation, Parnell left his state job in 2005 to join the firm, where he soon had his own oil
clients. Before joining the Murkowski administration, he had been the in-house lobbyist for ConocoPhillips. Parnell's bio makes him an odd choice to lead a truth squad—having moved from the state senate to an oil company, then back to a state oil job, and finally, becoming an outside lobbyist for oil interests while running for lieutenant governor.

Even closer to Palin than Parnell is the Alaskan lobbyist whose firm topped the charts in earnings: Wendy Chamberlain. Palin lists Chamberlain on her personal-disclosure forms because Chamberlain took Palin's daughter Willow and her own daughter on a 2007 summer trip to a basketball camp in Mexico. Palin insisted on the form that she had reimbursed Chamberlain—the legislature had passed a bill that barred executives from taking gifts from lobbyists. A Washington Post story last week revealed that Chamberlain's clients have deluged Palin with gifts, including three, worth $2,650, from the chief executive of a mining company (Parnell used to represent the same firm, Calista). Todd Palin took two trips from other Chamberlain clients, though the lobbyist claims she had no idea her clients were so generous with her friend.

In fact, Chamberlain tried to minimize her relationship with Palin in a Voice interview ("I know her about the same as any other lobbyist"), though news clips describe Palin and Chamberlain together working the sidewalks for Frank Murkowski in the 2002 campaign. Chamberlain was then married to Eldon Mulder, a state legislator who now runs his own lobbying firm. "We first met Governor Palin many years ago," Mulder says, "when our daughters were in basketball camp together. About six to eight years ago."

Chamberlain acknowledged that back then, one of her firm's clients was VECO. Mulder collected $9,000 in VECO contributions from 1999 to 2001, and, according to press reports, he used his position as chair of the House Finance committee to push for a tax-break bill introduced at VECO's request by another legislator eventually convicted of taking payoffs from VECO. Mulder was accused by a third House member—also a Republican—of threatening to cut off state funds if he got in the way of the VECO bill. Chamberlain became a lobbyist two years after her husband was first elected to the House in 1992 and ran into problems three times with the ethics committee—mostly for using state offices and funds for her lobbying business. Once, she was sanctioned for "poor judgment" when her husband weakened a cruise-ship-pollution bill in the interests of a Chamberlain client. Mulder and Chamberlain's lobbying partner, former House Speaker Joe Hayes, contributed $1,500 to Palin in 2006.

One Chamberlain client, the Pebble Partnership, has fared so well with Palin that the governor spoke out against a state initiative that would have erected environmental obstacles to its proposed mining project. A state watchdog group whose members she appoints is now looking at whether Palin's highly unusual public opposition to a ballot issue—with her saying, "Let me take my governor's hat off" for a moment of "personal privilege"—violated state laws. Chamberlain pushed so hard against the initiative that other clients, like the Alaska Association of Realtors, decided to oppose it at an executive meeting she attended. Chamberlain's husband also lobbied for Pebble, and three other lobbyists recently tied to the partnership, one of whom is dating Palin's legislative director, donated $4,150 to her.

In her 2006 race, Palin received $24,000 in contributions from lobbyists, most of them tied to the oil industry.

**EVEN PALIN'S** most plausible claim—that she's taken on Big Oil—is at best a half-truth. She did
hike their taxes and push through a natural-gas pipeline deal that, at least for now, has cut them out. But delegates weren’t chanting "Drill, baby, drill" during her convention speech without reason. Shortly after she became governor, she was elected chair of the Interstate Oil and Gas Compact Commission (IOGCC), a pro-industry coalition of 30 producer states. She soon tapped Michael Smith, who was assistant secretary of fossil energy at Bush’s Energy Department, as its new executive director. Smith left the Abraham Group, the lobbying and consulting firm of former Energy Secretary Spencer Abraham, to join IOGCC. Harper's Magazine said of Smith: "While in government, he pushed to promote oil drilling wherever a drop might be found"—and that was before Bush and McCain began pushing offshore drilling.

Smith isn’t the only Palin connection to the most pro-oil administration in American history. One of her 2002 campaign treasurers, Hans Neidig, was named special assistant for Alaska in the Bush interior department. Neidig was selected by Drue Pearce, a former Alaska state senator now in charge of overseeing the federal role in the giant pipeline project. Pearce, a gushing Palin champion in recent news stories, joined in Palin’s 2006 victory party.

Palin also selected Larry Hartig as state environmental-conservation commissioner, though Hartig’s law firm, Hartig Rhodes, lists a dozen Alaska oil and drilling companies as clients, as well as a few mining companies. One well-known Hartig client, Halliburton Energy Services, has surprisingly extensive investments in the state—and even services the company that acquired Evergreen’s Alaska interests. Another, Anadarko Petroleum, is owned by the 30th-largest corporate polluter in the country. Even Randy Ruedrich’s onetime employer is a Hartig client, and the man Murkowski selected to replace Palin when she quit the Oil & Gas Commission in ostensible protest was a Hartig partner.

As commissioner, Hartig rushed to the aid last year of Shell when it ran into trouble getting offshore drilling permits from Bush’s EPA. The onetime Evergreen lobbyist Kyle Parker actually e-mailed Hartig a draft letter for him to forward to an EPA appeals board, and Hartig obliged—altering the language but requesting an "expedited review" so "drilling can proceed this season." Palin has put Hartig in charge of the climate-change subcabinet she bragged about during the debate as well, suggesting that Carl Pope of the Sierra Club might not be far off when he declared: "No one is closer to the oil industry than Governor Palin."

Marathon Oil, a Wendy Chamberlain client and sponsor of Palin’s inaugural, has already benefited from one unnoticed Palin decision—her support of an extension of a license that allows it and ConocoPhillips to continue exporting natural gas to Japan and other Asian countries. Palin championed this license though several gas users in Alaska objected that it would worsen the problem of declining gas reserves, and one, a major fertilizer-maker, shut its plant when the extension was granted, forcing 130 workers out of jobs. As frequently as Palin’s lack of foreign-policy experience has been noted in the media, she has never cited her meeting with Japan’s consul over gas issues, perhaps because it might appear inconsistent with her claim that Alaska is a bulwark of production for the U.S. itself.

Even Palin’s ballyhooed pipeline is more a pipedream than it is the blow to Big Oil that Palin pretends it is. (Murkowski was about to award the deal to the oil giants when she beat him.) Two days after Palin’s deal with TransCanada was approved, the company’s chief executive, Hal Kvisle, repeated what he’d been saying all along: "Nothing goes ahead until Exxon is happy with it." While he was forced to pull back a bit from that moment of candor, his statement that "the five key players"—
including TransCanada, the state, and three main producers—have to still "get together" and "craft something" is indisputably true.

All Palin has done is outsource the negotiations with the producers to TransCanada, who can conduct them very privately. She also offered the company a half-billion-dollar state bonus if it can get a deal going, though Palin's natural-resources commissioner, Tom Irwin, quit the Murkowski administration in part because it gave the producers financial incentives that he said were unnecessary. The only way Palin's pipeline becomes real (she claimed, absurdly, during the debate that the state was already "building" it) is if the producers, who have announced their own project now, are brought back into it—something, like Troopergate and her possible Pebble Mine violation, that won't be resolved until post-election.

THE $12.5 MILLION sports complex and hockey rink that is the lasting monument to Palin's two terms as Wasilla mayor is also a monument to the kind of insider politics that dismays Americans of both parties. Six months before Palin stepped down as mayor in October 2002, the city awarded nearly a half-million-dollar contract to design the biggest project in Wasilla history to Kumin Associates. Blase Burkhart was the Kumin architect on the job—the son of Roy Burkhart, who is frequently described as a "mentor" of Palín and was head of the local Republican Party (his wife, June, who also advised Palin, is the national committeewoman). Asked if the contract was a favor, Roy Burkhart, who contributed to her campaign in the same time frame that his son got the contract, said: "I really don't know." Palin then named Blase Burkhart to a seven-member builder-selection committee that picked Howdie Inc., a mostly residential contractor owned at the time by Howard Nugent. Formally awarded the contract a couple of weeks after Palin left office, Nugent has donated $4,000 to Palin campaigns. Two competitors protested the process that led to Nugent's contract. Burkhart and Nugent had done at least one project together before the complex—and have done several since.

A list of subcontractors on the job, obtained by the Voice, includes many with Palin ties. One was Spenard Builders Supply, the state's leading supplier of wood, floor, roof, and other "pre-engineered components." In addition to being a sponsor of Todd Palin's snow-machine team that has earned tens of thousands for the Palin family, Spenard hired Sarah Palin to do a statewide television commercial in 2004. When the Palins began building a new family home off Lake Lucille in 2002—at the same time that Palin was running for lieutenant governor and in her final months as mayor—Spenard supplied the materials, according to Antoine Bricks, who works in its Wasilla office. Spenard actually filed a notice "of its right to assert a lien" on the deed for the Palin property after contracting for labor and materials for the site. Spenard's name has popped up in the trial of Senator Stevens—it worked on the house that is at the center of the VECO scandal as well.

Todd Palin told Fox News that he built the two-story, 3,450-square-foot, four-bedroom, four-bath, wood house himself, with the help of contractors he described as "buddies." As mayor, Sarah Palin blocked an effort to require the filing of building permits in the wide-open city, and there is no public record of who the "buddies" were. The house was built very near the complex, on a site whose city purchase led to years of unsuccessful litigation and, now, $1.3 million in additional costs, with a law firm that's also donated to Palin collecting costly fees from the city.

Dorwin and Joanne Smith, the principals of complex subcontractor DJ Excavation & Development, have donated $7,100 to Palin and her allied candidate Charlie Fannon (Joanne is a Palin appointee
on the state Board of Nursing). Sheldon Ewing, who owns another complex subcontractor, Weld Air, has donated $1,300, and PN&D, an engineering firm on the complex, has contributed $699.

Ewing was one of the few sports-complex contractors, aside from Spenard, willing to address the question of whether he worked on the house as well, but he had little to say: "I doubt that it occurred, but if it did indirectly, how would I know anyhow?" The odd timing of Palin’s house construction—it was completed two months before she left City Hall and while she and Todd Palin were campaigning statewide for the first time—raises questions, especially considering its synergy with the complex.

Salon’s David Talbot recently visited the complex, which, he said, resembled “a huge airplane hangar” so far away from the city's center that kids can't bike or walk there. It’s adorned by a plaque commemorating Palin. Even as a governor, she is still such a champion of the complex—which loses money every year—that she just steered state funding for a new kitchen to it.