

**March 29, 2022**

### **Board of Trustees' Response to Ongoing LB&A Investigation**

As Alaskans, we can all agree that the investment and management of the Alaska Permanent Fund must be held to the highest of standards – those of fiduciary duty, uncompromising integrity, political independence, and straightforward accountability. In accordance with these standards, the Alaska Permanent Fund Corporation, our Trustees and our Staff are fully committed to the long-term interests of the Alaska Permanent Fund and the public that we serve.

As an independent public corporation, it is essential that we proceed in a manner that protects the organization's integrity and supports the long-term interests of the Alaska Permanent Fund. That said, the Board also acknowledges the important role the Alaska Legislature plays in enacting and amending the state laws that provide for the Board's core governance and investment responsibilities. As such, the Trustees have informed the members of the Legislative Budget & Audit Committee that they are willing to voluntarily appear in a public session before the Committee and answer questions regarding: (1) the Trustees' decision to remove Angela Rodell as the Executive Director; and (2) the processes used by the Trustees in its annual performance evaluation of the Executive Director.

Because the Legislative Budget & Audit Committee's audit and investigation authorities are designed to inform the Legislature of the possible need for statutory changes, the Trustees feel strongly that this discussion should happen in open public meetings before the members of this Committee.

Attached to this statement is a copy of the letter provided to the Legislative Budget & Audit Committee.

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THE STATE  
of ALASKA  
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March 28, 2022

Legislative Budget & Audit Committee  
Alaska State Capitol, Room 504  
Juneau, AK 99801

Sent *via* email

Re: *Legislative Budget and Audit Committee Investigation*  
AGO No. 2021200596

Honorable Members of the Legislative Budget & Audit Committee:

The Board of Trustees<sup>1</sup> wishes to advise the Committee that it has concluded that the best interests of the Alaska public would be served by the Trustees appearing before the Committee in a public hearing and answering the Committee's questions regarding "(1) the termination of Angela Rodell as Executive Director/CEO of the Alaska Permanent Fund Corporation ("APFC"), and (2) the processes adopted and used by the Board of Trustees for its annual evaluation of the Executive Director/CEO of APFC."<sup>2</sup>

The Board believes that this would be the best pathway forward for the Alaska permanent fund, the legislature, and most importantly Alaskans. The Board did, of course, previously offer the option of having a retired Alaska judge review these issues and prepare a report. The Committee declined that proposal and the Board respects that decision. The Board also previously submitted legal analysis to the Committee regarding the Board's legal authority over employment decisions as well as issues raised by a legislative investigation of this nature. Although the Board stands by those legal positions articulated by the Department of Law, the Board also believes that at this time the best interest of Alaskans would be served by the Trustees appearing in a public hearing before

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<sup>1</sup> Trustees Schutt, Rieger, Moran, Feige, and Mahoney are prepared to present public testimony to the Committee as outlined in this letter. Chair Richards is represented by outside counsel in this matter and will follow up separately by his counsel if there are any issues unique to his representation.

<sup>2</sup> Schwabe Williamson & Wyatt letter dated Feb. 16, 2022.

your Committee and explaining what the Board did and why. Additionally, the Board respects and acknowledges the important role the Alaska Legislature has played and will continue to play in enacting or amending state laws, including state laws that created the Alaska Permanent Fund Corporation and provide for the Board's core governance and investment responsibilities.

We do have an important request that we hope the Committee will give full consideration to. The decision to dismiss the former executive director and the processes adopted and used by the Board in relation to its evaluation of the executive director – were decisions and actions taken by the Board of Trustees. They were not actions taken by employees and the employees are not responsible for those actions. Accordingly, the Trustees strongly believe the employees should not be forced to be involved in this matter. It is critical that the Corporation be able to retain and recruit employees who can focus on the important day-to-day operations of APFC and not be drawn into potential disputes involving different branches of the government. The Board believes this is very important to maintaining the morale of employees and the continuing ability of the Corporation to hire and retain employees to serve a function so important to Alaskans as administering the Alaska Permanent Fund. Consequently, the Board respectfully requests the Committee reconsider its decision to require employee testimony.

There are also a few administrative matters that will need to be addressed, but they are certainly not insurmountable. As the Committee is aware, the Board met in executive session under AS 44.62.310(c) when it discussed the former executive director's employment. We believe only Ms. Rodell can waive the executive session privilege and to date she has declined to do so. Accordingly, although the Trustees will testify regarding why dismissal was appropriate (or why they dissented from that position), they could not testify regarding what occurred in executive session unless the Committee has obtained a waiver from Ms. Rodell. Please let us know if such a waiver has been obtained. If a waiver is achieved, the Trustees will also be prepared to testify and answer questions regarding the discussions held in the executive session. Additionally, please provide your thoughts as to how this legislative hearing would proceed including whether the hearing would take place on one day or over a course of a couple days given the number of trustees.

Thank you for your consideration. We are hopeful that we can now move forward on this matter in the interest of all Alaskans.

To: Hon. Members of the LB&A Committee  
Re: LB&A Investigation

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Sincerely,

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Cc: Board of Trustees