

UP&L 'political influence' feared



SALT LAKE CITY -- A former auditor for a Utah Power & Light subsidiary says an attorney general's investigator told him the company's 'political influence' might be used to quash a probe into alleged irregularities.

James J. Simmonelli, an Internal Revenue Service agent who formerly worked for UP&L subsidiary Emery Mining, said Attorney General's investigator Wayne Wickizer warned him of the company's influence last May after Simmonelli went to him with allegations of wrongdoing.

Wickizer said 'it was a good possibility that the power company would use all of its political influence to kill the case at the Attorney General's level,' Simmonellis said Monday during a Public Service Commission hearing.

He testified for a second day at a PSC hearing on UP&L's request for a \$92 million rate increase.

Simmonelli was cross examined Monday on his testimony Friday that Emery Mining had squandered millions of UP&L rate payer dollars by overpaying for services and engaging in a series of business activities he described as 'crooked.'

He did not elaborate on his claims against the mining company and his call for an investigation into 82 alleged areas of abuse or mismanagement. The charges include references to Emery Mining's continued payment for equipment lost or inoperable and its use of rate payers' money for special benefits to high-level employees.

Other charges include abuses in the use of computers, alleged purchasing equipment from related companies at inflated prices and nepotism.

Simmonelli said he took his evidence against the mining contractor to the Utah Committee for Consumer Services, which sponsored his testimony, after having discussed it with Wickizer and other law enforcement officials.

Simmonelli also acknowledged he was the source of several local television stories on abuses at Emery Mining. He said the idea of going to the news media with his charges was proposed during one of his conversations with Wickizer. He said the investigator expressed concern the matter might be squashed by UP&L's political weight before it was publicly aired.

Simmonelli also said while employed by Emery Mining, he and Wickizer 'went the rounds ... had a knock-down, drag-out' while Wickizer was investigating the company.

He said he attempted to 'hinder' the purported investigation into Emery Mining by giving employees subpoenaed by the Attorney General's Office 'a third degree to make sure they didn't know anything that would embarrass the company.'

Following that disclosure, PSC Chairman Brent Cameron recessed the hearing and urged Simmonelli to consult with an attorney before continuing his testimony.

Cameron complained the commission was entering an area in which it has little expertise.

'It is our duty to set rates that are reasonable, not to investigate criminal conduct,' Cameron said.

He requested that Attorney General's representatives appear before the PSC Tuesday to discuss in private that office's interest in Emery Mining operations.