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SENATOR'S BROTHER POISED TO BE BIG ETHANOL WINNER

a milwaukeeworld.com exclusive
(c) 2005 By Michael Horne

The recent talk radio chatter on the impending legislative votes on ethanol has brought the issue to the forefront.

But, lurking in the background behind 2005 Assembly Bill 15 and 2005 Senate Bill 15 is a Wisconsin state senator whose brother is poised to be the biggest winner if the bills pass. If you connect the dots, it looks like the senator, **Luther Olsen** (R-Ripon), would do pretty well himself.

The bills would require, with certain limited exceptions, "that the minimum specifications for automotive gasoline must require that automotive gasoline contain not less than 9.2 per cent nor more than 10 per cent ethanol."

Seems like a great deal for **Paul Olsen**, head of an investor group that recently announced plans to purchase the former **Ladish Malting** plant in Jefferson from **Cargill Malt** to convert it to an ethanol plant and fish farm. Paul Olsen already operates **Utica Energy, LLC**, which owns an ethanol plant in Oshkosh, which last week settled an air pollution suit brought by Atty. Gen. Peg Lautenschlager for tens of thousands of dollars.

Paul Olsen is the brother of Luther Olsen. Luther Olsen was cautious not to include his name among the sponsors of the

Contributors

Joe Klein
Michael Horne

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bill. But, behind the scenes, he is all for ethanol, according to sources in the legislature who have spoken, under terms of confidentiality, with milwaukeeworld.

Luther Olsen is a part-owner of a number of large agricultural businesses in Wisconsin including **Berlin Feed, Inc.**, **Olsen Leasing, LLC**, and **Olsen's Mill, Inc.**, according to his Statement of Economic Interests filed with the State of Wisconsin Ethics Board in 2005 for the year 2004.

He derived more than \$1,000 income from Olsen's Mill in 2004, according to the statement, and could stand to gain quite a bit more.

Olsen's Mill is not a small operation. It has a number of facilities, which from the looks of the firm's website www.olsensmillinc.com, are significant structures -- stadium sized structures.

A press release from the firm says, "We have been working to team up corn growers with Utica Energy LLC. Dry mill ethanol plants are looking for corn that adds to their plant's efficiency and profitability. We are proud to offer **Processor Preferred High Fermentable Corn Hybrids** that can deliver higher levels of fermentable starch to Utica Energy LLC. ...

"Based on your level of support to Utica Energy LLC, and the **Fuel Your Profits** program, you could be eligible for substantial discounts on an unlimited number of any **General Motors E85** flex fuel vehicles."

For example, participating farmers could get \$5,050 off the negotiated purchase price of a **Chevrolet Silverado**, or **GMC Sierra**.

Now there's an incentive that plays in the heartland!

According to the **State of Wisconsin Domestic Corporation Annual Report from the Department of Financial Institutions**, which I picked up at the agency's offices on a trip to Madison, the officers of Olsen's Mill, Inc. are Paul E. Olsen, Secretary/Treasurer; **David A. Olsen**, President, and Luther S. Olsen, Vice-President.

The nature of the business is listed as "Agriculture, Forestry, Fishing and Fish Culture."

The proposed Ethanol Plant / Tilapia Fish Farm in Jefferson would process 70 million bushels of corn and other grains annually.

Eight million pounds of tilapia fish would be filleted on site, and the byproducts would be used for biodiesel fuel production. Along with other food waste, up to 20 million gallons of fuel would be produced from that source, with the remaining byproduct turned into animal feed -- the kind of product which you'd imagine might be marketed by Berlin Feed, Inc.

Interestingly, and perhaps significantly, the spokesperson for the pro-ethanol forces is **Bob Welch**, who previously held the Senate seat that now belongs to Luther Olsen, the Ripon Republican.

Interestingly, and perhaps significantly, Olsen serves on the powerful **Joint Finance Committee** and the **Agriculture and Insurance Committee** of the State Senate. Both committees deal with ethanol issues.

Utica Energy, according to its website, was "founded by a group of five investing farmers." I called Sen. Olsen's office to ask if he were one of the investing farmers. His spokesperson said he was not.

Still, his close connection to Utica Energy should be explored. For example, **Winnebago County Case Number 2005CV000278** lists Paul Olsen, Olsen's Mill, Inc. and Utica Energy as co-defendants in a suit brought by **Christensen and Wisnet**. The three defendants share an attorney, **John B. Selsing**. I got this information from a simple search of the Wisconsin Circuit Court Access website.

Utica Energy also has branded a product called **Utica Renew E85**, and has created an LLC by that name. The firm has announced plans to open a number of retail outlets for the 105 octane motor fuel that contains a mix of 85 per cent ethanol and 15 per cent gasoline, but not in any Wisconsin media.

According to the firm, "the corn used by Utica Energy to produce ethanol is purchased from Wisconsin farmers, giving them another market for their product." And, another source of money for the Olsen brothers.

Of course, the seed for the Processor Preferred High Fermentible corn used by Utica Energy could likely be purchased from Olsen Mills. Berlin Feed, Inc. would probably be happy to sell you the byproducts of the Tilapia fish farm operation.

It makes the **Ewing Brothers** operation in the show "Dallas," look like small potatoes, which can be used to make vodka. (Utica also distills grain for alcoholic beverages under the name of "Utica Gold Distiller").

The connections just never end, and I have not had time to explore all of them, but here's one more. As mentioned above, Luther Olsen serves on the Agriculture and Insurance Committee of the Senate.

He is also a member of the board of directors of **Manitowoc Mutual Insurance Company**, which paid him compensation of \$600 in the calendar year 2004 -- below the \$1,000 threshold for reporting on his ethics statement.

I found this information during my trip to Madison. Manitowoc Mutual purchased an insurance company named Utica Silver Lake Insurance Co. within the last five years.

The responsibility of a director of a corporation is to the corporation. The responsibility of a legislator is to the Public. How Olsen can reconcile his directorship of an insurance company with his position on the committee that oversees insurance companies raises still more questions.

For a republican caucus that is ethically challenged, do the members fully understand the relationships between Sen. Olsen, one of Wisconsin's largest ethanol producers and the insurance company whose board he sits on? Can they sort out all of the LLCs and Inc's that Olsen is involved in also?

This is the same Olsen who has suggested his former colleagues like Brian Burke and Scott Jensen deserve prison time -- not jail

time -- for alleged offenses that nobody claims involved personal gain.

Maybe the U.S. Attorney can sort this out, because it's been giving me a hell of a time.

posted by Michael Horne @ 6:14 PM

1 comments

1 Comments:

At 12:42 AM, Peter DiGaudio said...

Excellent .. I found the link on Sykes Writes. I also added a link and entry to my blog as well. I will have to check back for updates.

Sounds like ol' Luther has a little conflict of interest on his hands.

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