

INTRODUCTION

RE: "The Last Circle"

The following condensed version of The Last Circle was provided in October 1996 to a secret Investigative Committee comprised of Congress people, lawyers and former POW's at their request. I originally contacted Congresswoman Maxine Waters in Washington D.C. and offered information relative to CIA drug trafficking, but was told the information was too complex and would I mind putting the information into a newspaper story, get it published and send it to her office?

I agreed and contacted a local newspaper reporter who, after reading portions of the material, decided it needed to be reviewed by individuals who had special knowledge of CIA drug trafficking, arms shipments, and biological warfare weapons.

After a brief meeting with these individuals, former Special Forces soldiers from the Vietnam era, they asked for copies of the manuscript, guaranteed an immediate congressional inquiry, and advised me NOT to place the information on the Internet as they feared the information could be, in their words, "taken as just another anti-government conspiracy."

I condensed the manuscript into the attached treatise, covering information relative to THEIR focus, and sent it to them along with key documents. Shortly afterward, they re-contacted me and set up elaborate security measures to insure my safety. As of this writing, I've had no need to institute those measures.

I have in my possession five boxes of documents, obtained from a convicted methamphetamine chemist whose closest friends were a 20-year CIA operative and a former FBI Senior-Agent-in-Charge of the Los Angeles and Washington D.C. bureaus. The labyrinthine involvements of these people and their corporate partners is revealed in this manuscript, along with information obtained by Washington D.C. journalist Danny Casolaro prior to his death in 1991.

A great deal of investigation still needs to be accomplished. I have neither the financial means nor the ability to obtain "evidence" for "prosecution." I am simply an investigative writer, placing this information into the public forum in hopes that someone, somewhere, will grasp the significance of the data and initiate a full-scale investigation with subsequent subpoena power.

With subpoena power, government agents can testify (some kept anonymous in this manuscript) who would otherwise lose their jobs and retirement if they came forward. Witnesses can be protected and/or provided immunity, and financial transactions of government and underworld figures can be scrutinized.

To date, I have not had more than one hour conversation with anyone associated with any Congressional investigation, and therefore am extremely limited in my ability to present the information I have. Much of what I learned during my five-year investigation cannot at this point be inserted into a manuscript. I must be assured the information and witnesses will be handled appropriately.

I personally do not believe the Department of Justice will ultimately "prosecute" this or any other drug trafficking case if it involves government officials. But I have made the effort to put forth enough information to generate interest and show good faith. I hope it will be of some value to the American public.

Please keep in mind as you read the attached pages that the complex corporate structures and technological projects described herein "may" have been nothing more than an elaborate smoke and mirrors cover for narcotics trafficking.

This aspect of my investigation was corroborated by several government investigators, one of whom was a House Judiciary investigator, who spent three years investigating the Inslaw stolen software case and said in response to my findings:

"There's some great information here. You did a very good investigative job, I have to commend

you on that. I realize it's only a fraction of everything you have. **What you have done, you have put the pieces of the whole thing together.** Little bits and pieces of things that I have known about, that I had theorized about, you have found answers to those specific questions." (See Chapter 13 for entire conversation). That investigator is now in the White House Office of Drug Control Policy.

To those interested, nearly everything noted in the attached manuscript is supported by documents or tape recorded interviews. Some are extremely bulky and not quoted extensively in the manuscript, such as lengthy FBI wire tap summaries.

I wish to thank Garby Leon, formerly Director of Development at Joel Silver Productions, Warner Bros. in Burbank, California for tirelessly prompting me to get a first draft of The Last Circle written in 1994 and helping me with countless tasks during our joint investigation of the death of Danny Casolaro.

THE LAST CIRCLE

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By Carol Marshall

NOTE:

This is a FIRST DRAFT, bare-bones, unpolished manuscript without prose, characterizations etc.

CHAPTER 1

For the deputies of the Mariposa Sheriff's Department, the awakening occurred on June 24, 1980, when deputy Ron Van Meter drowned in an alleged boating accident on Lake McClure. The search party consisted mainly of three divers, deputies Dave Beavers, Rod Cusic and Gary Estep. Although adjacent counties offered additional divers, sheriff Paul Paige refused outside help, even a minisubmarine offered by Beavers' associate.

In the shallow, placid waters of Lake McClure, Van Meter's body was not recovered that week, and indeed would not be found until ten years later, in September, 1990 when his torso, wrapped in a fish net and weighted down by various objects, including a fire extinguisher, washed ashore a few hundred yards from where Sergeant Roderick Sinclair's houseboat had once been moored.

Van Meter's widow, Leslie, had been at home baking cookies when she was notified of her husband's disappearance. She was an Indian girl who had no affinity with sheriff Paul Paige. The horror began for her that day also. Her home was ransacked and her husband's briefcase and diary were seized by the Mariposa Sheriff's department. Only she and a few deputies knew what Van Meter's diary contained. He'd told his wife he'd taken out a special life insurance policy two weeks before, but after the search that was missing also.

Leslie was taken to a psychiatric clinic for evaluation shortly after the incident. The story surfaced years later, one tiny bubble at a time. The selfinvolved little community of Mariposa did not cough up its secrets gladly. On March 23, 1984, Leslie Van Meter filed a Citizen's Complaint with the Mariposa County Sheriff's department alleging that the Sheriff's office had been negligent and unprofessional in their investigation of her husband's disappearance. His body had still not been found, despite private searches by Sergeant Beavers and other friends of the missing deputy. She wanted the case reopened.

Paul Paige was no longer sheriff, but newly elected Sheriff Ken Mattheys responded by reopening the investigation. Investigator Raymond Jenkins, a Merced College Police Chief, and retired FBI

agent Tom Walsh from Merced, were notified by Sheriff Mattheys in October, 1984 that the Van Meter case had been reopened and he wanted their help in cleaning up the Sheriff's Department.

Their investigation led them straight to the doorstep of **MCA Corporation (Music Corporation of America), parent company to Curry Company, the largest concessionaire in Yosemite National Park. A major drug network had surfaced in the park, compelling one park ranger, Paul Berkowitz, to go before the House Interior Subcommittee on National Parks and Recreation to testify about drug distribution by Curry Company officials.**

Ed Hardy, the president of Curry Company, was closely associated with Mariposa County officials, in particular, Mariposa District Attorney Bruce Eckerson, County Assessor Steve Dunbar, and Congressman **Tony Coelho**, whose district encompassed Mariposa and the Park. The annual camping trips that the three men took together was encouraged by the local townsfolk because most of Mariposa's tax base emanated from Curry Company. Coelho and Hardy were regular fixtures around town, seen at most of the social events. Coelho even cooked and served spaghetti dinners for the whole town annually at the Mariposa Fair Grounds, and purchased property in partnership with one member of the Mariposa Board of Supervisors. In fact, Mariposa was one of the first places he bid farewell to after resigning from Congress to avoid an investigation of his finances.

Meanwhile, investigator Raymond Jenkins had followed **the drug trail from Yosemite back to the Mariposa airport, where sheriff's deputies were seen regularly loading and unloading packages from planes in the dead of night.**

One Indian girl complained bitterly about **deputies using the Sara Priest land allotment (reservation) to grow marijuana and operate methamphetamine labs.** Jenkins, by now retired from the position of Police Chief of Merced College, was called in to interview the Indian girl. That same day, as a favor, he provided me with copies of his notes. I followed up with a tape recorded interview at her home in Bear valley. Her father and uncle operated a small auto dismantling business on the reservation in Midpines, and after locating them and gaining their confidence, the uncle drove me out to **Whiskey Flats, the site of the marijuana and methamphetamine lab operations.** That week I rented a horse and rode down into the rocky, isolated valley of Whiskey Flats. Brush and shrubbery tore at the saddle on the horse and at the end of the dirt path I encountered three snarling Rottweiler dogs who put the horse into a frenzied lather.

Nevertheless, I managed to photograph the irrigation system, artesian spring and pond from which the water was supplied as well as various points of identification for future reconnaissance. I later returned in a fourwheel drive pickup truck and managed to view the trailer and lab shack.

The tape recorded interview with the Indian girl, the photos and notes from my discovery were provided to the Stanislaus County Drug Task Force, but jurisdictionally, they couldn't enter Mariposa County without authority of the Mariposa Sheriff's department. It was a catch 22 situation. Ultimately I provided the same information anonymously to several related agencies. It was not until 1993 that the fields were eradicated, and 1994, before the labs were raided. However, **no arrests of any deputies were ever forthcoming. In fact, no arrests occurred at all, except for a few nonEnglish speaking Mexican nationals who had handled the "cooking."** The head of the Los Angeles Drug Enforcement Agency noted to a local newspaper that **the meth lab was part of a large California drug network, but they were unable to identify the kingpins.**

On July 6, 1985, Mrs. Van Meter filed a "Request for Official Inquiry" with the State of California Department of Boating and Waterways stating that no satisfactory investigation was ever conducted into the matter of her husband's disappearance.

That same month, shortly after a meeting at Lake McClure with Mrs. Van Meter, Sheriff Mattheys mysteriously resigned from his position at the Mariposa Sheriff's Department. Mattheys revealed to reporter Anthony Pirushki that he had been ordered by two county supervisors and the county's attorney "to stay away from the Van Meter investigation." But that was not the reason he resigned. The whole story would not surface until seven years later when a reporter for the Mariposa Guide

interviewed him.

However, while still in office, Mattheys and his internal affairs investigators had learned the reason for Van Meter's disappearance. A few weeks prior to his death in 1980, Van Meter had driven to the Attorney General's office in Sacramento and reported **drug dealing** and other types of corruption within the Mariposa Sheriff's Department. This, according to his friends whom he had confided in, deputies Dave Beavers, a fifteen year veteran of the sheriff's department, and Rod Cusic, a seventeen year veteran. Both deputies were ultimately forced out of the department and retired on stress leave.

On that same day, reserve deputy Lucky Jordan had driven to the Fresno office of the FBI to report similar information. According to Jordan, they had split up and reported to separate agencies in the event "something" happened to one of them. The crux of the story was State Attorney General Van De Kamp's response to the requested investigation by Ron Van Meter. When Ron returned home from Sacramento, he was confronted by Sheriff Paige. **Paige had received a call from the Attorney General informing him of the visit** and its contents, and the sheriff was livid about Van Meter's betrayal. **Van Meter had been photographing and journalizing drug activity by deputies at Lake McClure.** He was part of a California State Abatement Program which involved harvesting and eradicating marijuana fields in Yosemite National Park and adjacent counties. Instead, the harvested marijuana was being stored in abandoned cars and towed out of town by a local wrecker under contract with the sheriff's department. It was also being distributed at a hidden cove at Lake McClure.

On June 24, 1980, frustrated and angry at the Attorney General for betraying him, Van Meter had borrowed a boat and was on his way to arrest the deputies at Lake McClure himself. He never returned. The investigation of Van Meter's "accident" was initially handled by Sergeant Roderick Sinclair, who could not have known on that fateful day that in exactly three years, three months, and nineteen days, he would enter the Twilight Zone where his own private hell awaited him.

The first substantial hint that a tentacle of the Octopus had slithered into Mariposa County occurred on March 5, 1983 when a Mariposa County Sheriff's vehicle scouting Queen Elizabeth II's motorcade route rounded a curve in the Yosemite National Park foothills, crossed a highway and collided headon with a Secret Service car, killing three Secret Service agents. CHP (California Highway Patrol) Assistant Chief Richard Hanna reported that the collision occurred at 10:50 a.m. between Coulterville and La Grange on Highway 132 about 25 minutes ahead of Queen Elizabeth's motorcade. CHP Sergeant Bob Schilly reported that Mariposa County Sheriff's Sergeant Roderick Sinclair, 43, was driving with his partner, Deputy Rod McKean, 51, when "for some reason, [he didn't] know why," Sinclair crossed the center line and hit the second of the three Secret Service cars, which went tumbling down a 10foot embankment.

The three Secret Service agents killed in the collision were identified as George P. LaBarge, 41, Donald Robinson, 38, and Donald A. Bejcek, 29. Sinclair, who had sustained broken ribs and a fractured knee, was first stabilized at Fremont Hospital in Mariposa, then transported several days later to Modesto Memorial Hospital.

Years later, several nurses who had been present when Sinclair was brought into Fremont Hospital confided that Sinclair had been drugged on the day of "the Queen's accident" as it became known in Mariposa. For months Sinclair had been receiving huge daily shots of Demerol, "enough to kill most men," according to one billing clerk. Some former deputies who had feared punitive measures if they spoke up, later corroborated the story of the nurses.

Meanwhile, Assistant U.S. Attorney James White in Fresno ordered Dr. Arthur Dahlem's files seized to prove Sinclair's drug addiction. Sinclair's Mariposa doctor and close friend had been prescribing heavy sedatives to him for years. When White attempted to prosecute Sinclair for criminal negligence, he was called into chambers during the federal probe and told by U.S. District Court

Judge Robert E. Coyle to "drop the criminal investigation" because Sinclair's drug problem was not relevant to the prosecution and the drug records could not be used in court. Judge Coyle's reasoning was that no blood tests had been taken on Sinclair at the Fremont Hospital on the day of the accident, therefore no case could be made against him.

In fact, the blood tests HAD been taken, but later disappeared. A significant piece of information relative to Judge Coyle's background was passed to me during my investigation of the Queen's accident by retired FBI agent Thomas Walsh. Allegedly, the Judge was once the attorney of record for Curry Company (owned by MCA Corporation) in Yosemite National Park. I later learned, in 1992, that Robert Booth Nichols had strong ties to MCA Corporation through Eugene Giaquinto, president of MCA Corporation Home Entertainment Division. Giaquinto had been on the Board of Directors of Nichols' corporation, MIL, Inc. (Meridian International Logistics, Inc.) and also held 10,000 shares of stock in the holding corporation. MIL, Inc. was later investigated by the Los Angeles FBI for allegedly passing classified secrets to overseas affiliates in Japan and Australia. It is interesting to note, though unrelated, that shortly afterward, the Japanese purchased MCA Corporation, one of the largest corporate purchases to take place in American history.

Relative to the Queens accident, in the civil trial that followed the tragic accident, Judge Coyle ruled that both Sinclair and the deceased Secret Service agents were at fault. Mariposa County was ordered to pay 70 percent of the claim filed by the widows, and the Secret Service to pay 30 percent. The county's insurance company paid the claim, and ironically, Sinclair was subsequently promoted to Commander of the Mariposa Sheriff's Department where he is still employed as of this writing.

In an interview on March 7, 1988, at Yoshino's Restaurant in Fresno, former U.S. Attorney James White recalled that the original CHP report on the Queens accident was sent to the State Attorney General's office (Van De Kamp) in Sacramento. The report was first received by Arnold Overoye, who agreed with White that Sinclair should be prosecuted. But when the report crossed Van De Kamp's desk, he told Overoye and his assistant to discard it trash it.

Van De Kamp then appointed Bruce Eckerson, the Mariposa County District Attorney, to take charge of the investigation and submit a new report. Coincidentally, Bruce Eckerson's disclosure statements on file at the Mariposa County Courthouse indicated that he owned stock in MCA Entertainment Corporation. White added that ALL of the crack M.A.I.T.S. team CHP officers involved in the original investigation either resigned or were transferred (or fired) afterward. The CHP Commander and the Deputy Commander who supervised the M.A.I.T.S. investigation also resigned as did Assistant U.S. Attorney White himself after the coverup took place.

However, White noted that before he resigned, he quietly filed with Stephan LaPalm of the U.S. Attorney's office in Sacramento the transcripts of the trial and an affidavit which listed the "hallucinatory" drugs Sinclair had used prior to the accident. I privately continued with the Queen's accident investigation, interviewing deputies Dave Beavers and Rod Cusic who had been privy to Sinclair's drugged condition on the day of the accident.

Beavers, who was the first deputy to arrive on the scene, maintained four years later, in 1987, that he was cognizant of Sinclair's condition, but when he was questioned by James White he was NOT ASKED about the drugs. (James White had by then been ordered to drop the criminal investigation and stay away from the drug aspect of the case).

In January 1988, deputy Rod Cusic strode into the offices of the Mariposa Guide, a competitor newspaper to the Mariposa Gazette, and stated that he was "told by Rod Sinclair to lie to a Grand Jury" about Sinclair's drug addiction and the resulting Queen's accident. Cusic added that he officially disclosed this to the Fresno FBI on April 26, 1984 and again on October 9, 1987. In 1987, Cusic also noted that he witnessed a boobytrapped incendiary device explode at Rod Sinclair's home during a visit to his residence. Additionally, earlier on, Sinclair allegedly barricaded himself inside his home and boobytrapped the property, as witnessed by numerous deputies who tried to

persuade him to come out.

While reviewing old newspaper clippings from the Mariposa Gazette, I discovered an odd sidebar to the story. In December, 1984, during the Queen's accident civil trial in Fresno, U.S. Attorney James White had introduced testimony that Sinclair's vehicle contained "a myriad of automatic weapons including a boobytrapped bomb" when the collision occurred on March 5, 1983. It was not until 1991 that I discovered the depth of the coverup.

A CBS television executive and a Secret Service agent who had ridden in the third car of the Queen's motorcade in 1983, arrived in Mariposa to enlist my help in putting the pieces of the puzzle together on the Queen's accident. The Secret Service agent's best friend had been the driver of the car in which all three agents were killed. I signed a contract with the television executive for the sale of the story then drove them to the site of the accident, then to the site of where the damaged vehicle was stored near Lake McClure. The Secret Service agent broke down at the sight of the vehicle, remembering the gruesome appearance of his dead friend in the front seat. He turned, tears welling in his eyes, and said, "His heart burst right through his chest and was laying in his lap when I found him."

Dave Beavers joined us the next day. As did former sheriff Ken Mattheys. Beavers did not know that the same Secret Service agent whom he was sitting with in the car was the man who had tried to pull Sinclair out of the sheriff's vehicle on the day of the accident. There had been a scuffle, Beavers insisting that Sinclair go to the hospital with "his own people," and the Secret Service ultimately conceding. The Secret Service agent reflected sadly that they didn't know to ask the hospital for blood tests on Sinclair that day, didn't know of his drug addiction. By the time the case went to court, the records at the hospital were gone.

Two weeks after the agent left Mariposa, I received a packet containing copies of Sinclair's drug records for three years prior to the accident. They were the same records that U.S. District Court Judge Robert Coyle had disallowed in the Queen's accident trial. But it was not until producer Don Thrasher, a tenyear veteran of ABC News "20/20," came to town, that I learned of Sinclair's background, or the extent of his addiction.

By chance, at a book signing engagement at B. Dalton Bookstore, I had mentioned to the manager, Shaula Brent, that my next book contained information about the Queens accident. Surprised, Shaula blurted out that she had worked at Fremont Hospital when Sinclair was brought in from the accident. Shaula recounted the following: Rod Sinclair was brought into Fremont Hospital and placed in a room with an armed "FBI" agent outside the door. Sinclair had been receiving huge shots of Demerol in the arm every day prior to the accident, by order of Dr. Arthur Dahlem. Shaula noted that Sinclair was a big man and the amount of Demerol he had been receiving would have killed most men. After the Queen's accident, all drugs were withdrawn from Sinclair, and employees, including Shaula, could hear him raving aloud for days from his hospital room. The employees at the hospital were instructed not to speak about or repeat what took place at the hospital while Sinclair was there.

Because Shaula and her friend, Barbara Locke, who also worked at the hospital, were suspicious about Sinclair's hospital records, they secretly took photostats of the records "before they were destroyed by the hospital." Blood HAD been drawn on Sinclair on the day of the Queen's accident, and he HAD been under the influence, according to Shaula. Shaula gave the names of six nurses who were witness to Sinclair's condition at the time he was brought into Fremont Hospital. When his body was finally drugfree, Sinclair was transported, against his wishes, to Modesto Hospital.

In January, 1992, the final pieces to the puzzle fell into place. **Sinclair's background had been the key all along.** Producer Don Thrasher had interviewed the Secret Service agent and, although the information he obtained would not be used in his production, he advised me to follow up. The Secret Service corroborated the following profile: **Sinclair's father had been a military attache to**

General Douglas MacArthur during World War II. (I had privately mused how many of MacArthur's men later became arms of the Octopus). **In Japan, after the war, Colonel Sinclair (sr.) supervised the training of selected Japanese in intelligence gathering operations.**

According to the Secret Service, **he was an "international figure," highly regarded in the intelligence community.** Rod Sinclair, Jr. attended school in Japan during this time. He later reportedly worked in the Army C.I.D. **in a nonmilitary or civilian capacity, allegedly receiving training at Fort Liggett in San Luis Obispo, a training center for military intelligence operations.**

Could it have been possible for Colonel Sinclair, Sr. to have called upon old friends in high places to rescue his son, Rod, from the Queen's accident investigation? Did the Octopus have enough power to alter an investigation of the death of three Secret Service agents? **According to the Secret Service agent in Los Angeles, it did. And he intended to tell the story after he retired.**

CHAPTER 2

By this time three consecutive grand jury foreman's had sought help from the Attorney General, to no avail. It came to pass that one of the deputies, Dave Beavers, was having trouble obtaining his "stress leave" pay and hired a Jackson, California lawyer to represent him in the case. The lawyer, Ben Wagner, not only interviewed Beavers, but began interviewing other deputies who corroborated Beavers' story. Most of them, thirteen in all, had at one time or another testified before the grand jury and subsequently been forced out of the department. Interestingly, none of the deputies knew "why" the others had been placed on stress leave or resigned until Wagner finally assembled them together and the story was aired.

At that point some of the former grand jury members were called in to confirm the testimony of the individual deputies. Most refused to speak up, but a few corroborated the deputies' story. Ultimately, after numerous meetings, the group of deputies and grand jurors formed and later incorporated an organization they called D.I.G. (Decency in Government).

By now, Wagner was carrying a gun inside and out of Mariposa for the first time in his life and writing letters to the Attorney General, the FBI, and even President Ronald Reagan. One response was forthcoming, from a special agent at the Fresno Department of Justice, Division of Law Enforcement. This agent listened to Kay Ritter, a former grand jury foreman and several deputies after reviewing Wagner's evidence.

Wagner was contemplating a huge civil rights lawsuit against the county of Mariposa, but it was imperative that he first understand "why" the attorney general refused to help these people. When the special agent drove to Sacramento and reviewed the files within the attorney general's office emanating from Mariposa, and talked to some of the office staff there, he learned that everything pertaining to Mariposa was automatically "trashed" when it crossed the A/G's desk.

Disgusted, the agent called Ben Wagner and told him "Go ahead with the lawsuit." He had no idea why all the grand jury documents had been trashed, but he was convinced no help would be forthcoming from the attorney general's office.

On November 20, 1987, Wagner filed with the U.S. District Court in Fresno the first of two lawsuits, later revealed in a Sacramento newspaper to be the largest civil rights lawsuits ever recorded in California history. Newspaper reporters and television crews flocked to Wagner for interviews. In one instance, Wagner, former Sergeant Dave Beavers and others stood in front of the Fresno FBI building while being interviewed by Channel 3 Sacramento News.

On camera, without hesitation, Beavers recalled **observing deputies carrying packages of drugs** from the Gold Coin Saloon, a notorious drug hangout, and placing the packages in the trunk of their patrol car. A subsequent raid indicated the drugs had been stored by the owner in a historic underground tunnel once used by the infamous bandit, Juaquin Murietta, to escape the sheriff's posse.

Meanwhile, on February 10, 1988, attorney Wagner filed at the U.S. District Court in Sacramento a Writ of Mandamus against John Van De Kamp, the State Attorney General; George Vinson, regional director of the Fresno FBI; George Deukemejian, then Governor of California, and David F. Levi, United States Attorney for refusing to investigate corruption in Mariposa County.

The citizens of Mariposa were choosing sides, writing letters to the editor, arguing amongst themselves, and being interviewed on the sidewalks by news media. D.I.G. was the talk of the town. On February 17, 1988, Capitol News Service in Sacramento ran a story entitled, "Law & Order Failing on Hill County," by Jerry Goldberg. The article noted that Capitol News Service had had discussions with several Attorney General staff members who "stonewalled questions about any investigation of charges or direct answers on the willingness of Van de Kamp to meet with the citizen's group [D.I.G.]."

Goldberg mentioned the "Queen's accident" in his article: "The Fresno case charges destruction of records on individuals [Commander Rod Sinclair] involved in the case. This includes possible information about the fatal accident which occurred in the area [of Mariposa County] when an escort vehicle involved in the visit of Queen Elizabeth in 1983 [crashed]."

Goldberg went on to note that "several people had received threats about dangerous things happening to them if they continued to stand up to the sheriff and district attorney." A San Joaquin County official, who asked not to be named, told Goldberg that a key element to the problems in Mariposa County "related to the fatal accident which occurred to Queen Elizabeth's escort vehicle."

On February 19, 1988, Ben Wagner's wife, a legal secretary, sent a letter to President Ronald Reagan at the White House. The Wagners did not live in Mariposa County, indeed, lived far away in Jackson County, unfettered by corruption, yet they saw fit to take it upon themselves to write for help. That emotionally gripping letter was headed, "Restoring Equal Rights to the Citizens of Mariposa County." It read as follows:

"Dear **President Reagan**: I am writing to you not only as the wife of an attorney, but as a citizen of the United States. My initial concern is that you personally receive this letter and enclosures, as many residents of Mariposa County have literally placed their lives, and the lives of their families in jeopardy by coming forth to expose the local government corruption detailed herein. I understand that your time is at a premium, however, your immediate attention regarding these matters is of the utmost importance, and respectfully requested.

"In August, 1987, our office was approached by several exdeputies and individuals from Mariposa County requesting assistance in redressing unlawful and corrupt activities by officials and departments within their local government, and failure on the part of the State Attorney General John Van De Kamp, the Office of the Attorney General, and our Federal agencies, to investigate these alleged activities.

"What we found through our initial investigations and accumulation of evidence into these allegations was appalling. It took us time to realize that in fact, the Constitution of the United States had been suspended in this county.

"The organization, Decency in Government [D.I.G.], was formed, and on November 20, 1987, the first multimillion dollar Civil Rights suit was filed in Fresno. We felt media coverage would lay a solid ground of personal safety for other complainants to come forth. This coverage proved to be successful, and on February 11, 1988, the second Civil Rights suit was filed, along with the filing of a Writ of Mandamus in Sacramento.

"I have enclosed copies of these suits, including several newspaper articles regarding the situation. Since 1979, many residents, including individuals, sheriff's deputies, groups, organizations, members of Grand Juries and Grand Juries have taken their complaints to the Office of the Attorney General, State Attorney General John Van De Kamp and Federal authorities for investigation.

"These agencies have continuously and blatantly failed to redress the grievances of these citizens.

What appears to be a consistent procedure of one Arnold O. Overoye, of the State Attorney General's Office, is to refer the complaints directly back to the local agencies to whom the complaints were made.

"Over the years, this has perpetrated threats, intimidation and fear by these local officials to the complaining individuals. There has also been questions regarding the disappearance of citizens possessing incriminating evidence, and the incompleteness or failure to investigate 'homicides' and 'suicides'.

"Further, it has recently come to our attention, that Mr. Overoye's 'procedure,' and the inaction of State Attorney John Van De Camp and Federal agencies is not limited to Mariposa County, but in fact, **expands to a number of foothill counties** who are experiencing the same types of local corruption.

"The grievances of these citizens, as you will note in paragraph IV of the WRIT are: (1) Violation of Individual Civil Rights (2) Abuse of discretion in the prosecution of criminal complaints (3) Intentional obstruction of the due course of Justice (4) Malicious prosecution (5) Bribery (6) Intimidation of Grand Jury members and witnesses (7) The deprivation of property (8) Illegal and unlawful land transaction (9) **The failure to arrest and prosecute those involved in illegal drug sales, including individuals employed by the County of Mariposa** (10) Violation of Property Rights (11) Conspiracy to impede and obstruct criminal investigations (12) Homicide (13) Attempted homicide (14) Rape (15) Battery (16) Perjury.

"Why Mr. President, are we bound to the laws of this country, and our officials are not? Life in Mariposa is as if the citizens were being held in detention, and the local agencies, the criminals, were running the county.

"Needless to say, residents feel it is a way of life to literally arm themselves and their homes against their government! I have been in these people's homes, and have witnessed the arsenal of weapons they feel they must possess to protect themselves and their families.

"My husband must travel in, around and out of this county [Mariposa] with an armed escort. He is transported during 'the midnight hours' to interview Plaintiffs and witnesses.

"I ask you, Mr. President, what country are we living in? We should certainly make sure that our backyard is clean before we boast to the Soviets regarding the Civil Rights of Americans.

"On January 19, 1988, my husband took two witnesses, Kay Ritter, a former Mariposa Grand Jury Forewoman and Robert Ashmore, an exdeputy, to Mr. [George] Vinson, the Regional Director of the FBI in Fresno. The testimony, both oral and documentary, took approximately 3 hours to present. To this date, the FBI has failed to redress the grievances of these complainants, and Mr. Vinson did not even have the courtesy to return my husband's phone calls. It came to our understanding, through a reliable source, that Mr. Vinson felt the complaints had 'no substance.'

"Mr. President, my husband has been a trial attorney for 14 years. He certainly wouldn't waste his time or expertise, or the time of these witnesses, if he felt there was 'no substance' to the contents of their testimony. However, this attitude by Attorney General Van De Camp, his office, and Federal agencies is typical and consistent.

"Shortly after this incident, **a major drug dealer contacted our office with valuable information detailing the sale of illegal drugs to county officials**, and wanted information regarding the Federal Witness Program. Mr. Vinson, knowing this by telephone messages, again failed to return my husband's inquiries.

"There is evidence by another credible witness, who was informed by the FBI, that should they get involved now, it would be 'bad publicity,' and 'they have let the problems in Mariposa get too far out of hand.'

"You may wonder why my husband and I became dedicated to the citizens of this county. We

certainly don't foresee large amounts of money at the end of this case. Our investment in time and expenditures exceeds \$40,000 to date. What we do see are people, just like you and I, who have been suppressed by their own 'elected' officials, with no help or assistance from Attorney General Van De Kamp, his office, or Federal agencies. If someone doesn't help them, they will continue to live under these conditions, which I could never imagine would exist in America.

"My husband is not a righteous individual, nor is he perfect. None of us are you know. He also doesn't believe that he can solve the problems of the world. However, being an attorney, he is an officer of the Court, and he feels a professional obligation to uphold the laws of the State, and to maintain the freedom of the citizens of this country.

"This is, however, more than I can say about a number of 'representatives' and officials, who have failed to perform their appointed duties of their office, and are paid by the taxpayers. Through my involvement in this case, I have found, to my repulsion, that my lifelong conception of our government's representation of the 'people,' its vested authority and ability to uphold Civil Rights, and its duty to maintain the laws and the Constitution, has been only a shattering illusion.

"Our system has failed, Mr. President. And by its failure, has crushed and destroyed the lives of many innocent, lawabiding people. Why? There is an answer. And we will utilize every legal avenue to find it. We will not be discouraged, or give up in our effort to restore the Constitution of the United States in Mariposa County, and other foothill communities. We will continue until the answer is found. Even if it means presenting the problem to you, Mr. President, on the steps of the White House.

"Our best regards to Mrs. Reagan. Respectfully yours, Vivian L. Wagner."

Shortly before Ben Wagner's first scheduled appearance in U.S. District Court in Fresno on behalf of D.I.G. (Decency in Government), Wagner received an obscure response from **"Chuck" at the Reagan White House**. Wagner excitedly called Kay Ritter and Dave Beavers, myself and a few others to note that a meeting with "Chuck" was scheduled that week. It was to be a somewhat secret meeting as requested by the White House.

However, the day after meeting with "Chuck," Wagner unplugged his phone and walked out on his law practice and his home in Jackson, California, taking nothing with him except his clothes and his wife, never to be seen again. I was later told that Jerry Goldberg of Capitol News Service did the same, on the same day, and I was never able to locate either of them again.

CHAPTER 3

The last remnants of the D.I.G. group were beginning to call themselves "The Loser's Club," resembling forlorn characters out of a Stephen King novel. They had squared off against a labyrinthine evil so incomprehensible, they didn't know what they were fighting. It was time to bring in some outside help.

During a strategy meeting in Jackson, California, Ben Wagner had received an impressive 700 page report commissioned by the Tulare City Council. The report, compiled by Ted Gunderson, a former Los Angeles FBI agent, was in depth and straightforward about deputies receiving payoffs and distributing drugs in the small farmtown of Tulare. Wagner had given me a copy for my files.

On an impulse, I picked up the phone and called Gunderson's telephone number listed at the top of the attached resume. The resume was impressive. He'd worked as SAC (Senior Special Agent in Charge) at Los Angeles FBI headquarters, Washington D.C. headquarters and in Dallas, Texas. It would be two years before I would grasp the significance of the Dallas connection. After retiring from the FBI, he'd worked for F. Lee Baily, Esq., then formed his own investigative agency in Los Angeles county.

I left a message with the answering service and he returned the call a few days later. His voice was

open, attentive, devoid of the bureaucratic hollowness I had come to expect from FBI agents. We talked briefly, mostly about the problem DIG was experiencing in Mariposa. I said I needed help, anticipating his next question. But none came forth. Instead, a clipped knowingness entered his tone, as if nothing more should be said on the phone. He agreed to meet with me at his home a few weeks later and we hung up.

Unknown to me at the time, I had taken a quantum leap in the direction of the Octopus when I contacted Ted Gunderson. The mystery of the Mariposa coverups would soon be divulged through an associate of his, a former member of "The Company" in nearby Fresno, California.

On November 30, 1991, Ted Gunderson opened the door at his Manhattan Beach home and ushered us into a small living room cluttered with toys. He made no explanation for the toys scattered around the floor and the couch, but offered coffee and donuts, then proceeded to eat most of the donuts himself. I had expected someone dripping with intrigue, instead he was classic in the sense of an investigator; rumpled shirt and slacks, nervous movements, distracted behavior. We sat on the couch bunched together amongst the toys. Gunderson pulled a kitchen chair up in front of us, leaned over and began stuffing his mouth with cheese and crackers, all the while talking, his body in perpetual motion. He was a big, handsome man with an aging face and tossed silver hair. He seemed entirely unaware of his appearance or the appearance of his home, but his pale eyes were intelligent and probing. Intuitively, I knew he was more than he appeared to be.

A young woman, perhaps early thirties, entered the room brushing long blond hair, still wet from the shower. Her faded jeans and sundrenched appearance reminded me of friends I'd known growing up in Newport Beach. Gunderson introduced her as his "partner," as she seated herself silently on the floor next to him. The flush on her face brought a fleeting prescience to me that they had been making love shortly before the meeting.

Ray Jenkins recounted the Mariposa story for several hours, with the rest of us digressing to insert a fact here or there. The investigation had led beyond Mariposa into MCA Corporation, and various State and Federal levels of government. I noted that Danny Casolaro's research had started at the eastern end, in Washington D.C., yet he had been preparing to travel to California for the rest of the story, **before his death three months earlier.**

Gunderson listened carefully, occasionally interrupting to ask questions, then motioned us to follow him to the backyard. There we stood in a circle in the middle of his yard while he surveyed the area. Satisfied that he was not being watched, he agreed to come to Mariposa, with media, and perform a citizens arrest on the corrupt officials. He pulled a frazzled piece of paper from his pocket and gave me a list of telephone numbers to write down. They were numbers to telephone booths at various locations in the vicinity of his home. Each booth had been coded 1,2,3,4, or 5. He instructed that the next time I called him, he would give me the code number of the booth and a time to call. I would then call him at the designated booth.

Eight hours later, I handed him a copy of my first book, as a courtesy, then left Manhattan Beach loaded with newspaper clippings and documents, mostly relating to Casolaro's investigation of the Octopus. One packet was titled, "The Wonderful Weapons of Wackenhut," others related to the Inslaw affair, Iran/Contra and various savings and loan scandals.

In the van, reviewing the documents, I wondered what relationship they had to Mariposa County and why I was given the packet. The documents were far ranging, beyond anything I had heretofore imagined. But within days of my visit to Gunderson, I would be introduced to the Octopus.

The following morning, at 7:30 a.m., I received a collect call from a man who identified himself as Michael Riconosciuto (pronounced Riconoshooto). Riconosciuto, calling from the Pierce County jail in Tacoma, Washington, said he had been informed by Gunderson that I was investigating a

corruption/drug ring in Mariposa County. **For 45 minutes Riconosciuto related the names of those in charge of methamphetamine operations in Mariposa, Madera and Fresno counties.**

A ton of methamphetamine had been seized in the area of my investigations, according to Riconosciuto. **Richard Knozzi was a high level "cooker" and Jim DeSilva, Ben Kalka, and others were medium level distributors or lieutenants.** Kalka was currently serving time in a Pleasanton prison; 900 pounds of methamphetamine had been seized under his control.

"Who's behind this ring?" I asked. Riconosciuto paused for a moment, then took a deep breath. **"It's The Company. Arms get shipped to the Contras, the Afghanistan rebels [Mujahaden], the Middle East. You know, to fight the Soviet influence. But the Contras and the Mujahaden don't have money to pay for arms, so they pay with drugs, cocaine or heroin. The Company handles the drug end of it in the U.S ..."**

"What's The Company ...?," I asked. Riconosciuto interrupted, "Wait a minute. It's a long story. You have to start at the beginning." Concerned that Riconosciuto might have to hang up, I hurriedly pushed for answers. "Arms for drugs, do you have proof?"

"Oh, yeah. It's a selfsupporting system, they don't have to go through Congress ..."

"Michael," I pressed, "who ships the arms?" Riconosciuto quieted for a moment, gathering his thoughts. "Let's start with Wackenhut. I didn't play ball with Wackenhut so they poisoned the well for me. I'm in jail because I worked for Wackenhut. The government has put together a very simple drug case against me ... as if that's what I'm about, just a druggie."

"Tell me about Wackenhut."

"It's a security corporation headquartered in Coral Gables, Florida. Wackenhut provides security for the Nevada nuclear test site, the Alaskan pipeline, Lawrence Livermore Labs, you know, all the high security government facilities in the U.S. They have about fifty thousand armed security guards that work for minimum wage or slightly above.

"On the other hand, on the Wackenhut board of directors, they have all the former heads of every government agency there ever was under Ronald Reagan and George Bush; FBI, CIA, NSA, Secret Service, etc.

"You know, they've got retired Admiral Stansfield Turner, a former CIA director; Clarence Kelley, former FBI director; Frank Carlucci, former CIA deputy director; James Rowley, former Secret Service director; Admiral Bobby Ray Inman, former acting chairman of President Bush's foreign intelligence advisory board and former CIA deputy director. Before his appointment as Reagan's CIA director, the late William Casey was Wackenhut's outside legal counsel ..."

I interrupted him, wanting to know where HE fit into the picture?

"Well, I served as Director of Research for the Wackenhut facility at the Cabazon Indian reservation in Indio, California. In 198384 I modified the PROMISE computer software to be used in law enforcement and intelligence agencies worldwide. A man named Earl Brian was spearheading a plan for worldwide use of the software, but essentially, the modified software was being pirated from the owners, Bill and Nancy Hamilton."

I asked, "So how did that cause your arrest?" Michael was articulate, but his story was becoming complicated. He continued. "I signed an affidavit for the Hamiltons stating that I had been responsible for the modification. The House Judiciary Committee on Inslaw was investigating the theft of the software and I was afraid I would be implicated since I had performed the modification. Nine days later, in an attempt to discredit my testimony, I was arrested for allegedly operating a drug lab."

I didn't want to push Riconosciuto on the subject of a drug lab at that point, but voiced my foremost concern. "Will the House Judiciary Committee be bringing you in to testify?"

"Eventually, yes."

"Are you in any danger where you are right now?" I was unaware at the time that Riconosciuto had been recruited at Stanford University into the CIA nearly twenty years earlier, and danger was a matter of fact in his life.

"Oh, you bet! Several of the jail guards here moonlight for Wackenhut here in Tacoma."

Riconosciuto went on to discuss the Wackenhut setup. "Basically, what you have is a group of politically well connected people through Wackenhut who wanted to get juicy defense contracts when Ronald Reagan got elected president. And they did! They also preyed on high tech start up companies, many of them out of Silicon Valley in California.

"They saw technology that they wanted and they either forced the companies into bankruptcy or waited on the sidelines, like vultures, and picked them up for pennies after they were bankrupt."

I made profuse notes as Riconosciuto spoke, not knowing where he was leading, but assuming his narrative would eventually intersect with **my investigation of government sanctioned drug operations**. Finally it did. According to Riconosciuto, **Wackenhut Corporation "made inroads" into the methamphetamine operation. A man named Richard Knozzi allegedly headed major government sanctioned meth laboratories in Fresno, Madera and Mariposa counties. A man named Al Holbert, a former Israeli intelligence officer with U.S. citizenship, was the liaison or connection between the Knozzi operation and the U.S. government.**

In subsequent documents obtained from Michael's secret hiding place in the California desert, I located documents which indicated Michael had first been recruited into the CIA by Al Holbert. However, during this first of many phone conversations with Riconosciuto, I found myself searching for a beginning, something concrete to get a foothold. "Michael, is there any proof that you worked at Wackenhut?"

Michael responded diffidently. "CNN recently ran a piece, and they filmed a location shot from the parking lot of the casino. Then they aired another location shot on the [Cabazon] reservation of just an expanse of bare land, blue sky, sand and sagebrush. Then the narrator says, 'Here on the Indian reservation is where Michael Riconosciuto claims to have modified the PROMISE software.' They didn't show the tribal office complex, they didn't show the industrial park. They showed a bare expanse of land, like I had a computer out in a teepee in the middle of the desert! The government is doing a character assassination on me. I'm fair game now that I'm in jail, because I've raised too many provocative questions, you know, and they're trying to relegate me to the area of delusion ..."

For three months Riconosciuto called daily from the Pierce County jail in Tacoma, Washington. At his request, I attached a tape recorder to my phone and unraveled a complicated web of illegal overseas arms shipments, espionage, CIA drug trafficking, biological warfare development, computer software theft, money laundering and corruption at the highest levels of government.

Throughout this time span, I also obtained every newspaper and magazine article I could lay my hands on relative to Riconosciuto's background and contacts. Riconosciuto had been communicating regularly with journalist Danny Casolaro prior to his death on August 10, 1991 when Danny's nude body was found in the bathtub of room 517 of the Sheraton Hotel in Martinsburg, West Virginia. His wrists had been slashed ten or twelve times. No papers were found in his hotel room or in his car, though he was known to cart a briefcase and files everywhere he went. An XActo blade found in the bathtub was not sold locally and his briefcase is still missing to this day. Casolaro was working on a book entitled, "Behold a Pale Horse," which encompassed the October Surprise story, the Inslaw computer software case, the Iran/Contra affair, the B.C.C.I. scandal, and M.C.A. entertainment corporation, all overlapping and interconnecting into one network which he dubbed, "The Octopus."

He told friends that he "had traced the Inslaw and related stories back to a **dirty CIA 'Old Boy'**

network" that had begun working together in the 1950's around the Albania covert operations. **These men had gotten into the illegal gun and drug trade back then** and had continued in that business ever since.

Before his death, Danny had made plans to visit the Wackenhut Corporation in Indio, California, and even considered naming his book, "Indio."

CHAPTER 4

The history of Wackenhut Corporation is best described from its own literature. An outdated letter of introduction typed on Wackenhut letterhead once sent to prospective clients provided me with the following profile: (Excerpted) "Wackenhut Corporation had its beginnings in 1954, when George R. Wackenhut and three other former Special Agents of the Federal Bureau of Investigation formed a company in Miami, Special Agent Investigators, to provide investigative services to business and industry.

"The approach was so well received that a second company was formed in 1955 to apply the same philosophy to physical security problems. In 1958 the companies were combined under the name of Wackenhut Corporation, a Florida company. From the outset, George Wackenhut was President and chief executive officer of the enterprise. Wackenhut established its headquarters in Coral Gables, Florida in 1960, extending its physical security operations to the United States government through formation of a whollyowned subsidiary, Wackenhut Services, Incorporated. This was done in order to comply with federal statute prohibiting the government from contracting with companies which furnish investigative or detective services.

"In 1962, Wackenhut operations extended from Florida to California and Hawaii. On January 1, 1966, the company became international with offices in Caracas, Venezuela, through half ownership of an affiliate.

"The Wackenhut Corporation became public in 1966 with overthecounter stock sales and joined the American Stock Exchange in 1967. Through acquisitions of subsidiaries and affiliates, now totaling more than 20, and expansion of its contracts into numerous territories and foreign countries, the Wackenhut Corporation has grown into one of the world's largest security and investigative firms.

"In 1978 acquisition of NUSAC, a Virginia company providing technical and consulting services to the nuclear industry, brought Wackenhut into the fields of environment and energy management. In 1979, Wackenhut acquired Stellar Systems, Inc., a California company specializing in outdoor electronic security.

"The executive makeup of the company reflects the stress Mr. Wackenhut placed on professional leadership. **The Wackenhut Corporation is guided by executives and managers with extensive backgrounds in the FBI and other military, governmental and private security and investigative fields.**

"The principle business of the company is furnishing security and complete investigative services and systems to business, industry and professional clients, and to various agencies of the U.S. Government.

"Through a whollyowned subsidiary, Wackenhut Electronic Systems Corporation, the company develops and produces sophisticated computerized security systems to complement its guard services.

"Major clients of Wackenhut's investigative services are the insurance industry and financial interests. These services include insurance inspections, corporate acquisition surveys, personnel background reports, preemployment screening, polygraph examinations and general criminal, fraud and arson investigations.

"The wide variety of services offered by Wackenhut Corporation also includes guard and electronic security for banks, office buildings, apartments, industrial complexes and other physical structures;

training programs in English and foreign languages to apply Wackenhut procedures to individual clients needs; fire, safety and protective patrols; rescue and first aid services; emergency support programs tailored to labor management disputes, and predeparture screening programs widely used by airports and airlines.

"The company now has some 20,000 employees and maintains close to 100 offices and facilities with operations spread across the United States and extending into Canada, the United Kingdom, Western Europe, the Middle East, Indonesia, Central and South America and the Caribbean."

On the surface, Wackenhut Corporation seemed innocuous enough, but through documents later obtained from Michael Riconosciuto, I learned there was another, darker side to Wackenhut operations, at the Cabazon Indian reservation near Indio, California.

Because Indian reservations are sovereign nations and do not come under federal jurisdiction, Wackenhut International had formed a partnership and entered into a business venture with the Cabazon Indians to produce hightech arms and explosives for export to thirdworld countries. This maneuver was designed to evade congressional prohibitions against U.S. weapons being shipped to the Contras and middle eastern countries.

In the early 1980's, Dr. John Nichols, the Cabazon tribal administrator, obtained a department of Defense secret facility clearance for the reservation to conduct various research projects. Nichols then approached Wackenhut with an elaborate "joint venture" proposal to manufacture 120mm combustible cartridge cases, 9mm machine pistols, lasersighted assault weapons, sniper rifles and portable rocket systems on the Cabazon reservation and in Latin America. At one point, he even sought to develop biological weapons.

Again, through Michael Riconosciuto's files, I later obtained interoffice memorandums and correspondence relating to biological technology, but more on that in chapter 10. Meanwhile, in 1980, Dr. John Nichols obtained the blueprints to Crown Prince Fahd's palace in Tiaf, Saudi Arabia, and drafted a plan to provide security for the palace.

The Saudis were interested enough to conduct a background check on the Cabazons. Mohammad Jameel Hashem, consul of the Royal Embassy of Saudi Arabia in Washington, D.C., wrote former South Dakota Senator James Abourezk at his offices in Washington D.C. and noted, "According to our black list for companies, the Cabazon Band of Mission Indians/Cabazon Trading Company and Wackenhut International are not included." Translated, that meant that neither the Cabazons or Wackenhut were Jewishrun enterprises.

George Wackenhut's political leanings were once described in a book entitled, "The Age of Surveillance, The Aims and Methods of America's Political Intelligence System," by Frank J. Donner (Knopf, 1980), pp. 424425 as such: "The agency's [Wackenhut] professional concerns reflect the political values of its director, George Wackenhut. A rightist of the old blood, he selected as his directors an assortment of ultras prominent in the John Birch Society, the ASC, and other rightwing groups. The agency's monthly house organ, the 'Wackenhut Security Review,' systematically decried the subversive inspiration in virtually all the protest movements of the sixties, from civil rights to peace. This vigilance earned the publication the accolade of rightwing organizations, including (in 1962) the George Washington Honor Medal and the Freedom Foundation Award at Valley Forge, Pennsylvania; and (in 1965 and 1966) the Vigilant Patriots Award from the AllAmerican Conference to Combat Communism."

Of all the articles written about Wackenhut Corporation, probably the most provocative was written by John Connolly for SPY magazine, published in September 1992, pp. 4654. Connolly, a former New York police officer turned writer, began his story with the following introduction: "What? A

big private company one with a board of former CIA, FBI and Pentagon officials; one in charge of protecting nuclearweapons facilities, nuclear reactors, the Alaskan oil pipeline and more than a dozen American embassies abroad; one with longstanding ties to a radical rightwing organization; one with 30,000 men and women under arms **secretly helped Iraq in its effort to obtain sophisticated weapons?** And fueled unrest in Venezuela? This is all the plot of a new bestselling thriller, right? Or the ravings of some overheated conspiracy buff, right? Right? WRONG."

Connolly highlighted George Wackenhut as a "hardline rightwinger" who was able to profit from his beliefs by building dossiers on Americans suspected of being Communists or leftleaning "subversives and sympathizers" and selling the information to interested parties. By 1965 , Wackenhut was boasting to potential investors that the company maintained files on 2.5 million suspected dissidents one in 46 American adults then living.

In 1966, after acquiring the private files of Karl Barslaag, a former staff member of the House Committee on UnAmerican Activities, Wackenhut could confidently maintain that with more than 4 million names, it had the largest privately held file on suspected dissidents in America.

Connolly wrote that it was not possible to overstate the special relationship that Wackenhut enjoys with the federal government. **Richard Babayan, claiming to be a CIA contract employee, told SPY that "Wackenhut has been used by the CIA and other intelligence agencies for years. When they [the CIA] need cover, Wackenhut is there to provide it for them."**

Another CIA agent, Bruce Berckmans, who was assigned to the CIA station in Mexico City, but left the agency in January 1975 (putatively) to become a Wackenhut internationaloperations vice president, told SPY that **he had seen a formal proposal submitted by George Wackenhut to the CIA offering Wackenhut offices throughout the world as fronts for CIA activities.** In 1981, Berckmans joined with other senior Wackenhut executives to form the company's Special Projects Division. **It was this division that linked up with exCIA man Dr. John Phillip Nichols, the Cabazon tribal administrator, in pursuit of a scheme to manufacture explosives, poison gas and biological weapons for export to the contras and other communist fighting rebels worldwide.**

SPY also printed testimony from William Corbett, a terrorism expert who spent 18 years as a CIA analyst and is now an ABC News consultant in Europe. **Said Corbett, "For years Wackenhut has been involved with the CIA and other intelligence organizations, including the DEA. Wackenhut would allow the CIA to occupy positions within the company [in order to carry out] clandestine operations." Additionally, Corbett said that Wackenhut supplied intelligence agencies with information, and it was compensated for this "in a quid pro quo arrangement" with government contracts worth billions of dollars over the years.**

On page 51, in a box entitled, "Current and Former Wackenhut Directors," SPY published the following names: **"John Ammarell, former FBI agent; Robert Chasen, former FBI agent; Clarence Kelly, former FBI director; Willis Hawkins, former assistant secretary of the Army; Paul X. Kelley, fourstar general (ret.), U.S. Marine Corps; Seth McKee, former commander in chief, North American Air Defense Command; Bernard Schriever, former member, President's Foreign Intelligence Advisory Board; Frank Carlucci, former Defense Secretary and former deputy CIA director; Joseph Carroll, former director, Defense Intelligence Agency; James Rawley, former director, U.S. Secret Service; Bobby Ray Inman, former deputy CIA director."**

CHAPTER 5

Danny Casolaro's body was found at 12:30 p.m. in a bloodfilled bath tub by a hotel maid who called the Martinsburg police. The body contained three deep cuts on the right wrist and seven on the left wrist, made by a single edge razor blade, the kind used to scrape windows or open packages. At the bottom of the bathwater was an empty Milwaukee beer can, a paper glass coaster, the razor blade and two white plastic trash bags, the kind used in wastepaper baskets. On the desk in the hotel room

was an empty mead composition notebook with one page torn out and a suicide note which read: "To those who I love the most, please forgive me for the worst possible thing I could have done. Most of all, I'm sorry to my son. I know deep down inside that God will let me in."

There were no other papers, folders, documents of any sort, nor any briefcase found in the room. Danny's wallet was intact, stuffed with credit cards. The body was removed from the tub by Lieutenant Dave Brining from the Martinsburg fire department, and his wife, Sandra, a nurse who works in the hospital emergency room. The couple, who often moonlighted as coroners, took the body to the Brown Funeral Home where they conducted an examination. Charles Brown then decided to embalm the body that night and go home, rather than come back to work the next day, Sunday.

No one in Danny Casolaro's family had been notified of his death at that time, nor had they requested the body be embalmed. When Casolaro's family learned of the death, they insisted it was not a suicide and called for an autopsy and an investigation. Though the body had already been embalmed, an autopsy was performed at the West Virginia University Hospital by a Dr. Frost. The findings indicated that no struggle had taken place because there were no recent bruises on the body. The drugs found in Casolaro's urine, blood and tissue samples were in minute amounts but they were also unexplainable by his brother, Tony, who is a medical doctor.

According to Tony Casolaro, Danny did not take drugs or have any prescriptions for the drug traces of Hydrocodone and Tricyclic antidepressant that were found in the body. No pill boxes or written prescriptions were found. Dr. Casolaro searched through his brother's Blue Cross records and found no record of the prescriptions or doctor visits.

During the autopsy of the body, Dr. Frost had found lesions within the brain which were characteristic of Multiple Sclerosis. It was possible that Danny was having blurring of vision, but Dr. Frost downplayed the possibility that this contributed to any suicide. Of particular interest, was Frost's observation that the deep razor wounds on Danny's wrists were inflicted "without any hesitation marks." However, the lack of hesitation did not indicate one way or the other whether they were or were not self-inflicted. Investigators and police never found Danny's missing briefcase.

On August 6, 1991, Casolaro's housekeeper, Olga, helped Danny pack a black leather tote bag. She remembered he also packed a thick sheaf of papers into a dark brown or black briefcase. She asked him what he had put into the briefcase and he replied, "I have all my papers ..." He had been typing for two days, and as he left the house, he said, "Wish me luck. I'll see you in a couple of days."

By August 9th, Casolaro's friends were alarmed. Noone had heard from him and Olga was receiving threatening phone calls at Danny's home. On Saturday, August 10th, Olga received another call, a man's voice said, "You son of a bitch. You're dead." After learning of Danny's death, Olga recalled seeing Danny sitting in the kitchen on August 5th with a "heavy man ... wearing a dark suit. He was a dark man with black hair he turned towards the door, I saw he was darkskinned. I told police maybe he could be from India."

At 3:00 p.m. on Friday, the day before Danny's death, Bill Turner, a friend and confidante, met Danny in the parking lot of the Sheraton Hotel to deliver some papers to him. The papers allegedly consisted of two sealed packages which Turner had been keeping in his safe at home for Danny, and a packet of Hughes Aircraft papers which belonged to Turner.

Danny had appeared exuberant to most of his friends before his death, noting that he was about to "wrap up" his investigation of The Octopus. Casolaro was trying to prove that the alleged theft of the Inslaw computer program, PROMISE, was related to the October Surprise scandal, the IranContra affair and the collapse of BCCI (Bank of Credit and Commerce International).

Turner later admitted to police that he had indeed met with Danny on August 9th, but at that time he refused to specify what time and would not describe what was in the papers he delivered to Danny. I later learned that Turner had been investigating discrepancies involving his former employer,

Hughes Aircraft Company. The documents he had delivered from his safe to Danny had been sealed, with Casolaro's name written across the seal, and he claimed not to have known what they contained. Nevertheless, it is feasible to assume that Turner may have known who Danny was preparing to meet that evening at the Martinsburg Hotel because, for reasons of his own, Turner apparently wanted Danny to show the Hughes Aircraft documents to whoever he was meeting with.

Turner later noted to reporters that he was "scared shitless" about information he had seen connecting Ollie North and BCCI. "I saw papers from Danny that connected back through the Keating Five and Silverado [the failed Denver S & L where Neil Bush had been an officer]," he said.

To his friend, Ben Mason, Danny showed a 22point outline for his book. Included in the information he shared with Mason were papers referring to IranContra arms deals. Photocopies of checks made out for \$1 million and \$4 million drawn on BCCI accounts held for Adnan Khashoggi, and international arms merchant and factotum for the House of Saud, and by Manucher Ghorbanifar, an arms dealer and IranContra middleman, were presented.

"The last sheet," noted Mason, "was a passport of some guy named Ibrahim." Casolaro had emphasized that Ibrahim had made a big deal of showing him (Casolaro) his "Egyptian" passport. "Ibrahim" was obviously the informant whom Olga, Casolaro's housekeeper, had seen sitting in the kitchen with Danny on August 5th. **Hassan Ali Ibrahim Ali, born in 1928, was later identified as the manager of Sitico, an alleged Iraqi front company for arms purchases. Casolaro had obtained these papers from Bob Bickel, who in turn obtained them from October Surprise source Richard Brenneke.**

Ari BenMenasche, a self proclaimed Israeli military intelligence officer, was responsible for the tipoff to an obscure **Lebanese magazine about what later became known as the IranContra scandal.** After Casolaro's death, Menasche called Bill Hamilton, the president of Inslaw Company and creator of the PROMISE software. (Hamilton had been in daily contact with Casolaro until about a week prior to his death).

Menasche claimed that two FBI agents from Lexington, Kentucky, had embarked on a trip to Martinsburg to meet Casolaro as part of their investigation of the sale of the PROMISE software to Israel and other intelligence agencies. **Ben Menasche told Hamilton that one of the FBI agents, E.B. Cartinhour, was disaffected because his superiors had refused to indict high Reagan officials** for their role in the October Surprise. Ben Menasche claimed the agents were prepared to give Casolaro proof that the FBI was illegally using PROMISE software.

It is highly unlikely that the two FBI agents were enroute to Martinsburg to GIVE anything to Casolaro, but they may well have been on their way to obtain HIS documents and those belonging to Bill Turner. If, in fact, Danny had disclosed to any one of the many "sources" he had developed during his investigation, **that he was turning over his documents to the Lexington FBI,** that may well have alarmed a few of them.

Casolaro was also investigating Colonel Bo Gritz's expose of CIA drug trafficking, and had requested to meet with a former police officer who had information on Laotian warlord Kuhn Sa's Golden Triangle drug trade proposal to the U.S. He had learned through a Sacramento Bee newspaper article, dated June 2, 1990 that Patrick Moriarty, the Red Devil fireworks magnate convicted of laundering political contributions and bribing city officials in Sacramento, had been subpoenaed to testify on behalf of Gritz at his trial in Las Vegas where he was tried for using a false passport. Gritz was acquitted of the charges.

Moriarty's lawyer, Jan Lawrence Handzlik, told the Bee that **Moriarty had paid Gritz to make business trips to China, Singapore and other parts of Asia. Gritz said his business trip to Asia in July 1989** was for the purpose of negotiating an oil interest that he and Moriarty had set up between the People's Republic of China and Indonesia.

It is noteworthy that **Patrick Moriarty is the longtime (30 years) partner of Marshall Riconosciuto, Michael Riconosciuto's father. They owned several California businesses together, two of which were Hercules Research Corporation, of which Michael was a partner, and Pyrotronics Corporation.**

Casolaro at one time considered the title of "Indio" for the book he was writing about "The Octopus." His death occurred just days before he planned to visit the Cabazon Indian reservation near Indio, California. Though his notes did not divulge what role the Cabazons may have had in the conspiracy, **Casolaro listed Dr. John Phillip Nichols, the Cabazon administrator, as a former CIA agent.**

A source of information which Danny may have read is entitled, "DARK VICTORY, Ronald Reagan, MCA, and the Mob," by Dan E. Moldea. Moldea named this unholy alliance "The Octopus" in his book.

Numerous publications reporting on Casolaro's death corroborated that one of his sources included Michael Riconosciuto, a "44yearold former hightech scientist who had connections with Wackenhut Corporation ..." What brought Casolaro to Riconosciuto was an affidavit signed by Riconosciuto claiming that when he worked on the WackenhutCabazon project, he was given a copy of the Inslaw software by Earl Brian for modification. Riconosciuto also swore that Peter Videnieks, a Justice Department official associated with the Inslaw contract, had visited the WackenhutCabazon project with Earl Brian.

Earl Brian was a businessman and Edwin Meese crony who served in Governor Ronald Reagan's cabinet in California. The \$6 million in software stolen from William and Nancy Hamilton, coowners of Inslaw Company, was allegedly sold by the Justice Department through Earl Brian to raise offthebooks money for covert government operations.

On May 18, 1990, Riconosciuto had called the Hamiltons and informed them that the Inslaw case was connected to the October Surprise affair. Riconosciuto claimed that he and Earl Brian had traveled to Iran in 1980 and paid \$40 million to Iranian officials to persuade them NOT to release the hostages before the presidential election in which Reagan became president of the United States.

Riconosciuto's information created a domino effect in Washington D.C., opening numerous investigations and causing a media blitz. At that time, Casolaro headed the Hamilton's private investigation of the theft of their software and he had regular communication with Riconosciuto.

Former U.S. Attorney General Elliott Richardson, the Hamilton's attorney, subsequently sent Riconosciuto an affidavit to sign, to be filed by Inslaw in federal court in connection with Inslaw's pending Motion for Limited Discovery. The affidavit, Case No. 8500070, entered into court records, resulted in Riconosciuto's arrest within days. It read as follows:

"I Michael J. Riconosciuto, being duly sworn, do hereby state as follows:

"(1) During the early 1980's, I served as the Director of Research for a joint venture between the Wackenhut Corporation of Coral Gables, Florida, and the Cabazon Band of Indians of Indio, California. The joint venture was located on the Cabazon reservation.

"(2) The WackenhutCabazon joint venture sought to develop and/or manufacture certain materials that are used in military and national security operations, including night vision goggles, machine guns, **fuelair explosives, and biological and chemical warfare weapons.**

"(3) The Cabazon Band of Indians are a sovereign nation. The sovereign immunity that is accorded the Cabazons as a consequence of this fact made it feasible to pursue on the reservation the development and/or manufacture of materials whose development or manufacture would be subject to stringent controls off the reservation. As a minority group, the Cabazon Indians also provided the Wackenhut Corporation with an enhanced ability to obtain federal contracts through the 8A Set

Aside Program, and in connection with Governmentowned contractoroperated (GOCO) facilities.

"(4) The WackenhutCabazon joint venture was intended to support the needs of a number of foreign governments and forces, including forces and governments in Central America and the Middle East. The Contras in Nicaragua represented one of the most important priorities for the joint venture.

"(5) The WackenhutCabazon joint venture maintained close liaison with certain elements of the United States Government, including representatives of intelligence, military and law enforcement agencies.

"(6) Among the frequent visitors to the WackenhutCabazon joint venture were Peter Videnieks of the U.S. Department of Justice in Washington, D.C., and a close associate of Videnieks by the name of Earl W. Brian. Brian is a private businessman who lives in Maryland and who has maintained close ties with the U.S. intelligence community for many years.

"(7) In connection with my work for Wackenhut, I engaged in some software development and modification work in 1983 and 1984 on the proprietary PROMIS computer software product. The copy of PROMIS on which I worked came from the U.S. Department of Justice. Earl W. Brian made it available to me through Wackenhut after acquiring it from Peter Videnieks, who was then a Department of Justice contracting official with responsibility for the PROMISE software. I performed the modifications to PROMIS in Indio, California; Silver Spring, Maryland; and Miami, Florida.

"(8) The purpose of the PROMISE software modifications that I made in 1983 and 1984 was to support a plan for the implementation of PROMIS in law enforcement and intelligence agencies worldwide. Earl W. Brian was spearheading the plan for this worldwide use of the PROMISE computer software.

"(9) Some of the modifications that I made were specifically designed to facilitate the implementation of PROMIS within two agencies of the Government of Canada; the Royal Canadian Mounted Police (RCMP) and the Canadian Security and Intelligence Service (CSIS). Earl W. Brian would check with me from time to time to make certain that the work would be completed in time to satisfy the schedule for the RCMP and CSIS implementations of PROMIS.

"(10) The proprietary version of PROMIS, as modified by me, was, in fact, implemented in both the RCMP and the CSIS in Canada. It was my understanding that Earl W. Brian had sold this version of PROMIS to the Government of Canada.

"(11) In February 1991, I had a telephone conversation with Peter Videnieks, then still employed by the U.S. Department of Justice. Videnieks attempted during this telephone conversation to persuade me not to cooperate with an independent investigation of the government's piracy of Inslaw's proprietary PROMIS software being conducted by the Committee on the Judiciary of the U.S. House of Representatives.

"(12) Videnieks stated that I would be rewarded for a decision not to cooperate with the House Judiciary Committee investigation. Videnieks forecasted an immediate and favorable resolution of a protracted child custody dispute being prosecuted against my wife by her former husband, if I were to decide not to cooperate with the House Judiciary Committee investigation.

"(13) Videnieks also outlined specific punishments that I could expect to receive from the U.S. Department of Justice if I cooperate with the House Judiciary Committee's investigation.

"(14) One punishment that Videnieks outlined was the future inclusion of me and my father in a criminal prosecution of certain business associates of mine in Orange County, California, in connection with the operation of a savings and loan institution in Orange County. By way of underscoring his power to influence such decisions at the U.S. Department of Justice, Videnieks informed me of the indictment of these business associates prior to the time when that indictment was unsealed and made public.

"(15) Another punishment that Videnieks threatened against me if I cooperate with the House Judiciary Committee is prosecution by the U.S. Department of Justice for perjury. Videnieks warned me that credible witnesses would come forward to contradict any damaging claims that I made in testimony before the House Judiciary Committee, and that I would subsequently be prosecuted for perjury by the U.S. Department of Justice for my testimony before the House Judiciary Committee."

It is noteworthy that in January, 1992 when I obtained boxes of Michael Riconosciuto's hidden documents, included in those documents were handwritten pages of telephone numbers belonging to various Washington D.C. dignitaries. One number, "(202) 4260789" was listed as belonging to "PV," but it was no longer in service.

Danny Casolaro was, of course, intent on interviewing Peter Videnieks. A strange coincidence occurred during the week prior to his death. While sitting in a pub, having a beer, a man named Joseph Cuellar approached him and they began talking. At some point during the conversation, Danny disclosed the contents of his investigation and expressed a desire to interview Peter Videnieks.

To Danny's astonishment, Cuellar, claiming to be a Special Forces operative, said he could arrange a rendezvous between Peter Videnieks and Casolaro. Cuellar's connection to Peter Videnieks allegedly came through Videnieks' wife, Barbara, who was the executive assistant to the powerful **West Virginia Democratic Senator, Robert Byrd. Byrd played a major role in the effort to have the CIA move some of its administrative offices to Charlestown, 20 miles from Martinsburg, on the Virginia border.** It was apparently through Barbara Videnieks that Cuellar intended to arrange the interview.

Casolaro confided to friends that he was unnerved by this supposedly chance meeting. He met with Cuellar at other times that week, but it is unknown whether he ever spoke with Videnieks. To date, that question remains unanswered.

Significantly, Elliot Richardson, the respected former U.S. Attorney General representing Inslaw, called for the appointment of a special counsel to look into the death of Casolaro.

CHAPTER 6

At Michael Riconosciuto's trial in Tacoma Washington, Peter Videnieks testified that while working for the Justice Department he had contact with the PROMISE software. He "conducted the competitive contract competitive procurement for acquisition of the services to implement PROMISE." Under cross examination he testified that "it required preparation of a request for proposals issuance of that document to industry ... negotiating, selecting, and awarding the contract. Then after award, administering the contract to see that the work that the government paid for was properly performed."

So, essentially, Videnieks administered the Inslaw contract with the government. His employment record included work with the Internal Revenue Service as a revenue officer from 1964 to 1967. From 1967 to 1972 as a contract specialist with NASA. From 1972 to 1973 with Customs as a contract specialist. From 1973 through 1975 back at NASA as a contract specialist. From 1975 through 1981 as a contract specialist with Customs, supervisory at this time. From 1981 through September, 1990, with the Department of Justice as a contract specialist. And from September 1990 through present (January 1992) as a supervisory contract specialist at Customs again.

Thomas Olmstead, Riconosciuto's attorney, showed Videnieks the Inslaw affidavit signed by Riconosciuto. Videnieks said he had seen the affidavit prior to court, but testified that he'd never heard of the WackenhutCabazon joint venture and never visited the WackenhutCabazon facility in Indio, California. He also testified that he'd never met Earl Brian.

Olmstead asked Videnieks if he knew **Robert Chasen [Executive Vice President of Wackenhut]?** Videnieks testified that he knew him "by name since he was head of Customs for about a threeyear

period, from about 1977 through 1980. **I met him once in the line of my duties."**

Interestingly, according to his resume, **Robert Chasen was Commissioner of Customs in Washington D.C. from 1969 to 1977, then Executive Vice President of Wackenhut from 1981 to present (1991).** And Peter Videnieks, a contract officer at Customs in Washington D.C. from 1972 to 1974, then again at Customs from 1976 to 1981, said he did not know Robert Chasen. How could that be? Videnieks had worked in the same department with Chasen, off and on, for at least three years.

Videnieks also testified that he met Chasen in the line of his duties sometime between 1977 and 1980. Yet, Chasen no longer worked at Customs between 1977 and 1980?

Olmstead asked Videnieks to reiterate his position with the PROMISE software. "I worked on the [PROMISE] contract. ... The procurement was assigned to me by a lady named Patricia Rudd. ... My function was to conduct a competitive procurement, negotiate an award of contract, and then administer the contract."

Olmstead: "What time frames are we talking when you were ...?"

Videnieks: "We're talking about from the day that I reported for duty at Justice, which was in September 1981, through about 1985."

Olmstead: "Are you familiar with Hadron Company?" (This was a loaded question because Earl Brian, who Videnieks testified he did not know, owned Hadron Company at the time of the court proceedings.)

Videnieks responded, "Yes, I am."

Olmstead: "Have you done work for Hadron Corporation in your procurement contract?"

Videnieks: "I supervise currently a contract specialist who is administering a contract with Hadron."

Olmstead: "Prior to supervising someone, did you personally handle that particular contract?"

Videnieks: "I have administered well over a hundred contracts, maybe a couple hundred or several hundred over my career, and I don't recall whether I have or not."

Olmstead: "And you have never given a deposition in regards to the Inslaw matter?"

Videnieks: "My recall is not that good. Like I said, I have administered hundreds of contracts, and I may or may not have administered one with Hadron."

Again Olmstead asked Videnieks if he knew Earl Brian? Videnieks responded, "No, sir."

Olmstead: "Do you know who owns Hadron?"

Videnieks: "I really don't. I've heard I mean, I don't want to speculate now. He may be an officer with Hadron. He may be."

Olmstead: "You don't recall any questions in any depositions at all regarding that?"

Videnieks: "I do recall questions along these same lines. But again, from general knowledge, I think he is an officer or has been an officer with Hadron."

Olmstead: "In fact, in your deposition, you admitted you knew that he was an officer of Hadron, didn't you?"

Videnieks: "I would like to see my transcript from my deposition as to what I said ..."

Olmstead went on to question Videnieks about "Modification No. 12" of the PROMISE software. Videnieks stated that he knew what Modification No. 12 was, but repeatedly refused to discuss it until someone produced the original Inslaw contract. Finally, under pressure to give a general recollection, he said it dealt with the twelfth modification to the PROMISE software.

Olmstead asked, "Were you personally chastised as a result of Modification No. 12 in the way you

handled that?"

Videnieks: "Please define `chastised.'"

Olmstead: "**Were you told that you took, converted, and stole six million dollars worth of Inslaw software through the way you handled Modification No. 12?**"

Videnieks: "**A judge in the bankruptcy court ruled that. Since then the record was erased. And that language should not be the way a nonlawyer like me understands, it is no longer in existence ...**"

It is necessary to digress here to disclose the magnitude of the apparent government coverup relative to Riconosciuto's case. About two weeks before Riconosciuto's trial began, I had received a call from Michael asking me to contact **Brian Leighton, a former assistant U.S. Attorney in Fresno, whom Michael claimed to have provided information to.** Michael was lining up his ducks. **Essentially his defense rested on his ability to prove he worked for the U.S. government in intelligence operations,** but his lawyer was behind schedule in making the contacts.

Brian Leighton had been instrumental in prosecuting 29 members of a drug/arms organization called "The Company." The Company had been written up in the San Francisco Chronicle on April 28, 1982 under the heading "Story of Spies, Stolen Arms and Drugs." According to reporter Bill Wallace, The Company consisted of (quote) "about 300 members, many of them former military men or expolice officers with nearly \$30 million worth of assets, including planes, ships and real estate."

The article went on to say that "federal drug agents said the organization had imported billions of dollars worth of narcotics from Latin America, and was also involved in gunrunning and mercenary operations." Specialized military equipment consisting of nine infrared sniperscopes, a television camera for taking pictures in darkness, 1500 rounds of small arms tracer ammunition for night combat, a fivefoot remotecontrol helicopter, and secret components from the radar unit of a Sidewinder guided missile **were stolen from the U.S. Naval Weapons Station at China Lake in the Mojave Desert.**

Federal agents said some of the stolen equipment was going to be used to make electronic equipment for drug smugglers and some was traded to drug suppliers in Columbia. Twentynine members of the Company were indicted by the Fresno federal grand jury in 1981. Amongst those indicated was Andrew "Drew" Thornton, 40, a former narcotics officer.

On September 13, 1985, the Los Angeles Times published the story of Thornton's death, entitled, "Former Narcotics Officer Parachutes Out of Plane, Dies with 77 Pounds of Cocaine." **The article said Thornton was indicted in 1981 for "allegedly flying a plane to South America for a reputed drug ring known as `The Company.'"** In an interview with the Los Angeles Times, Brian Leighton said, "I'm glad his parachute didn't open. I hope he got a hell of a high out of that ..."

Thornton's mysterious death was discussed at length in a book written by Sally Denton entitled, "The Blue Grass Conspiracy." **Part of The Company was headquartered in Lexington, Kentucky. Prosecutors in Lexington, Fresno, California (Brian Leighton), and Miami, Florida were working together in a joint effort to bring down The Company.**

The San Francisco Chronicle noted that in **January, 1982, Gene Berry, a state prosecutor in Charlotte Harbor, Florida, was shot in the face as he answered his door. Police subsequently arrested Bonnie Kelly as Berry's murderer. Bonnie's husband, Mike McClure Kelly, was a suspected member of The Company who later pleaded guilty in the Fresno, California case.**

In Michael Riconosciuto's documents, I discovered a letter dated March 24, 1982, written on Cabazon letterhead to **Michael McClure at Hercules Corporation** from Art Welmas, President of the Cabazon Band of Indians. Copies (cc:) were also noted to Marshall Riconosciuto and Michael

Riconosciuto. The letter complimented McClure's competence in presenting a clear and lucid explanation of a power pack under development at Hercules. (Hercules was owned by Marshall Riconosciuto, Michael Riconosciuto and Patrick Moriarty, the Red Devil fireworks mogul. More on Moriarty later.)

Throughout Michael's documents, I found references to Michael McClure and Bonnie Lynne G. Kelly. Michael's code word for Mike McClure was "Gopher."

Journalist Danny Casolaro had been communicating regularly with Michael Riconosciuto and obviously learned about The Company. It is not to be overlooked that coincidentally or not, Ari BenMenashe (a former Israeli intelligence agent who lived in Lexington, Kentucky) told Bill Hamilton that two Lexington FBI agents had been enroute to meet with Danny at the Martinsburg Hotel on the day of his death. The Company was headquartered in Lexington. Danny was not meeting with the FBI relative to PROMIS, he was preparing to turn over drug trafficking information on The Company.

BenMenashe further told Hamilton that one of the agents, E.B. Cartinhour, was angry that the Justice Department was not pursuing Reagan administration officials for their role in the October Surprise.

Meanwhile, it was necessary to contact Brian Leighton to corroborate Riconosciuto's story that he had been instrumental in helping Leighton identify members of The Company.

I did not directly contact **Leighton, who had resigned from the U.S. Attorney's office shortly after the prosecutions** and entered into private law practice, but asked the Secret Service agent in Los Angeles who had visited my home regarding the "Queen's accident" in Mariposa (mentioned in the first chapter of this book) to run a check on Riconosciuto.

Instead, he called Brian Leighton and when I checked back with him, he acknowledged talking to Leighton about Riconosciuto. **Leighton confirmed to the Secret Service agent that he recalled a threehour facetoface meeting with Riconosciuto and remembered him well. He gave specific details of Riconosciuto's cooperation with the U.S. attorney's office.** I thanked the Secret Service agent and hung up.

I next contacted a retired police officer and colleague in the Mariposa investigation, and asked him to put me in touch with someone trustworthy in government who could corroborate Leighton's information. The contact was made and this individual agreed to call Brian Leighton to see if he could glean further details of Michael's cooperation with the U.S. attorney's office. For purposes of anonymity, this source will be identified as "R.J." When I checked back, **he confirmed that Leighton did indeed remember Michael's help with the case and, in fact, said Michael led law enforcement officers to a marijuana cache belonging to members of The Company.**

At that point I was satisfied that Michael had been operating within the framework of The Company and had spoken accurately about his cooperation with Brian Leighton. I called Thomas Olmstead, Michael's attorney, and related the above information.

Two weeks later, on January 15, 1992, at Michael's trial in Tacoma, Washington, Brian Leighton testified that the case in question involved the theft of military equipment from the China Lake Naval Weapons Center in California. "The FBI and Naval Intelligence Service began the investigation," he said, "and there were several people that were targets of the investigation. One of those targets began cooperating with us and then it became a DEA and FBI investigation. The thefts occurred in 1979 and 1980, and the case continued on for a couple of years."

Leighton testified that he "could not recall ever meeting personally with Mr. Riconosciuto and he didn't know if he spoke to him personally or spoke to him through a government agent." Under crossexamination, Leighton testified that he thought Riconosciuto was brought to him by an agent Barnes from the Oakland or San Francisco office of the FBI, **but he couldn't remember**

exactly ..."

After Leighton's testimony, Michael called me and asked, "What happened?" I was astonished at Leighton's testimony. What was at stake here? Michael speculated that Leighton was operating out of fear. He said Leighton retired from the U.S. Attorney's office shortly after prosecuting members of The Company, and recalled that the prosecuting attorney in Florida had been shot in the head.

I called the Secret Service officer and R.J. individually and asked them to repeat what Leighton had told them **before the trial**. They both repeated verbatim what Leighton had told them the first time about Michael Riconosciuto. I said it appeared Leighton had perjured himself in court. Neither could understand why?

In August 1994, I received from a friend of Bill Hamilton's (President of Inslaw) a Declaration, signed by Hamilton, which stated that " ... On or about April 3, 1991, I spoke by telephone with Mr. Brian Leighton, an attorney in private practice in Fresno, California. He stated that during the early 1980's, while serving as an Assistant United States Attorney in Fresno, California, he had investigated a nationwide criminal enterprise known as **'The Company,' which was engaged in illegal drug trafficking on a massive scale.**

"Mr. Leighton told me that (A) Michael Riconosciuto had furnished Mr. Leighton `valuable intelligence' on illegal drug activities and The Company; (B) Mr. Leighton had been unable to use the information in prosecution but (C) the failure to use Mr. Riconosciuto's intelligence information was not because of any fault of Mr. Michael Riconosciuto."

Also mentioned in the affidavit was corroboration of Riconosciuto's work in the defense and national security fields. **Section six of the affidavit noted that during the course of a telephone conversation with Robert Nichols on or about April 18, 1991, Hamilton learned that Nichols had attended a meeting that had been organized by a Colonel Bamford, an aide to General Meyer, then Chairman of the Joint Chiefs of Staff. Others participating in the meeting were department heads from Department of Defense scientific facilities.**

Michael Riconosciuto was the principal presenter to this group of seniorlevel national security research and development officials. According to Nichols, Riconosciuto made a day long presentation to this meeting of scientists lasting from approximately 9 a.m. until approximately 4 p.m., answering questions from the participants and filling the halls of the conference facility with his handprinted notes on the scientific and technical issues that arose in the course of his presentation.

I was able to locate in Riconosciuto's files, a letter written on July 20, 1983 from **Tom Bamford**, Vice President of Research and Development at FMC Corporation in Santa Clara, California to William Frash in Escondido, California. At that time, Frash, a retired USMC Colonel, was Chairman of the Board and Chief Executive Officer of Lilac Corporation.

Essentially, the letter expressed enthusiasm for the potential application of technologies being proposed to FMC Corporation by Meridian Arms, and called for a list of all active participants in the joint venture. At that time Riconosciuto was vice president of Meridian Arms. Bamford added, " ... You may want to do this only for Mike at this stage."

Frash hastened to respond to Bamford on July 27, 1983 to apprise him of a meeting between himself and Michael Riconosciuto, Robert Booth Nichols, Peter Zokosky and Patrick Moriarty (Michael's father's business partner) regarding "energy transfer phenomena." A proposal was underway to outline technology in the form of patents applied for jointly between Meridian Arms and FMC. Frash noted that the technology would "supercede all existing world patents in the field."

"Had we patented previously, it would only have announced our `edge' in the field," he wrote. Three of the four major patents that would be forthcoming were (1) the application of Perturbation Theory to enhanced energy transfer, (2) the application of stationary methods with powders and aerosols to

enhanced energy transfer and (3) the application of Perturbation Theory to hydrodynamic flow regimes.

It is noteworthy that the submarine propulsion system depicted in the movie, "Hunt for Red October" utilized this theory. Frash concluded, "Tom, as you well know, Mike's tried and true value is in the field of high voltage and electrostatics and their application. The meetings in San Jose highlighted application of this technology in over one hundred areas that are inhouse FMC." He added, " ... Per your reference to meetings in Washington, D.C., I assume the meetings with **Dr. Fair**, Admiral Renkin and the ACCOM people will suffice in this matter. In closing we are very enthused, Tom, and we look forward to an expeditious closing. Sincerely, William Frash."

Frash's payment for putting together the above referenced joint venture, if successful, would be \$500,000 for the first fifteen million invested, or \$166,666.66 for only five million invested, a onehundredthousanddollar per year salary for a period of 20 years, and a 2% share in the gross profits. This, according to a Letter of Understanding sent to and signed by Robert Booth Nichols and Michael Riconosciuto in July, 1983.

In questioning Michael Riconosciuto about the FMC agreements, he said he attempted to break away from Robert Nichols in 1984. "The guy nearly got me terminated," declared Riconosciuto. "At the time I was working with Nichols on a proposal to FMC Corporation, which is Food Machinery Corporation, they produced the Bradley Personnel Carrier. I've got a complete papertrail on the technology that was being presented. **We conducted a test demonstration of an enhanced airfield device which I developed. We also conducted a test of a hydrodynamic implosion type of explosive device.**

"The implosion device settled the Nevada Test Range by about 30 feet. The Lawrence Livermore Labs and the Gallup Ordinance people built a prototype of the device, but they overbuilt it because they wanted an impressive demonstration. It created an international incident because the demonstration was picked up by Soviet monitoring satellites.

"Anyway, the bona fides were established. The next thing was to get the business done and get me into harness in a program. I was all for it, but Bob [Nichols] started getting spooky on me. He wanted to receive the setup of our end offshore, in Singapore. He wanted to receive \$20 million dollars in cash in Singapore, **and he wanted to use certain of the technology overseas, namely in Australia, OK?**

"Bob started drinking a lot. He was obviously under a lot of pressure from somewhere, and his facade of respectability started to crack. About that time Bob began pressuring me to do things a certain way. We'd already been approved at the executive level by FMC. But we still had to go through the legal department and FMC is a publicly held stock corporation. So we still had to go through the shareholders for about eight months, which put us about a year away from consummating the deal.

"So, I asked Bob for some extra money to meet my everyday expenses, but Bob said, 'Hurry up and get the business done and then you'll have plenty of money.' I tried to explain to Bob that there was no way he could expedite this thing, and so on and so forth. Well, Bob became really overbearing. And that's when he demanded that I state things in the contract proposal to FMC which would have been misstatements, to the point of being illegal. That's when I started having second thoughts about it.

"There were other people involved in the development of that technology. Bob wanted me to pay him out of my share and make no reference to the other people in the agreement. But when you've got the University of California and the University of Chicago having 16 percent of your company, having 16 percent of Hercules Research and Interprobe, you know, how could I misrepresent the interests of my dad, Moriarty and [Admiral] Al Renkin in a deal with a U.S. publicly held corporation [FMC]?"

"At that time, Riconosciuto had been Vice President of Meridian Arms, a subsidiary of Meridian International Logistics. But he was also technical advisor for F.I.D.C.O. (First Intercontinental Development Corporation) of which Nichols was on the Board of Directors. Noted Riconosciuto, "I walked into F.I.D.C.O. in equal good faith. And that also turned sour because Bob wanted me to illegally take embargoed technology out of the United States, to run an operation with embargoed armaments and high technology outside of the United States.

"So I walked out on Bob. And Bob put the heat on me and they wouldn't leave me alone. When I got remarried [to Bobby Riconosciuto], they continued to harrass me by putting out false intelligence reports on me to law enforcement ..."

I asked Michael why he didn't fight back? Michael responded, "You don't seem to understand. All my involvements were under closely controlled situations. There's only one time in my life when I was planning on doing something offcolor, and it never went anywhere. All the rest of the time, everything was under complete controls. I never took any elective actions. Everything was, you know, on direct orders. And I got to the point where I balked with Bob Nichols and that's when he went ballistic on me."

Riconosciuto said he was in the process of cleaning up his life in Washington state when a private investigator from Inslaw contacted him. "I didn't want to get nailed for piracy of that software, so I talked to my attorney, who talked to the Inslaw attorneys, and I gave them a declaration. And about that time, Peter Viedenieks, who was an associate of both Robert Booth Nichols and Dr. John Nichols, called me and told me I was my own worst enemy. He said if I didn't cool it, if I didn't stonewall any further requests for information from the House Judiciary Committee, I was going away forever. I told Viedenieks that I was already in too deep, and he repeated that 'I was my own worst enemy.' Seven days later I was arrested on drug charges."

Ted Gunderson was one of the few "cooperating" witnesses at Michael's trial. **Through his affidavit and testimony, Ted hoped to supply the defense with needed corroboration of Michael's covert government sanctioned activities.** Unfortunately for Michael, Ted could not disclose **numerous activities which had included Robert Booth Nichols.** At one time Gunderson, Nichols and Riconosciuto had been inseparable, like the three musketeers. **But, Nichols was currently under investigation by the Los Angeles FBI for alleged involvement in organized crime in the U.S. and abroad.**

Fortunately, however, Gunderson's resume added credibility to the provocative affidavit he entered into court on Michael's behalf. **He had been Senior Special Agent in Charge (SAC) at Los Angeles FBI headquarters from 1977 to 1979** when he retired from the FBI and went to work as chief investigator for F. Lee Bailey, Esq. Prior to that, **from 1960 to 1965, Gunderson was Special Agent Supervisor at FBI headquarters in Washington, D.C..** Interestingly, amongst a prestigious list of positions nationwide, **he was also SAC from 1973 to 1977 in Dallas, Texas (where he became friends with Clint Murchison, Jr., according to his livein partner, J.M.. J.M. stated in phone interviews that she and Gunderson attended parties with Murchison in Dallas, and Gunderson phoned him often from their Manhattan Beach home).**

In 1979, Gunderson received the Alumni Highest Effort Award in the Field of Law Enforcement from Sigma Alpha Epsilon Social Fraternity at the University of Nebraska. In 1979, he also received the Distinguished Alumnus Award from the University of Nebraska in recognition of distinguished and devoted service to his country.

Gunderson's handwritten affidavit, submitted to Michael's lawyer on September 27, 1991, read as follows (excerpted): "I, Ted L. Gunderson, make the following free and voluntary statement. No threats or promises were made to get me to make this statement. I was born 11/7/28 at Colorado Springs, Colorado.

"In early 1986, I met one Ralph Olberg through a friend of mine, Bill Sloane. Sloane is a former official with HUD. Sloane was appointed by President Ronald Reagan to the HUD position after the president was elected in 1980.

"Olberg is a prominent American businessman who was spearheading procurement of U.S. weapons and technology for the Afghanistan rebels.

"In late Spring or early summer of 1986, Ralph Olberg, one Tim Osman, Michael Riconosciuto and I met in a room at the Hilton Hotel, Ventura Blvd., Sherman Oaks, California. I accompanied Michael Riconosciuto, and Osman and Olberg were together. We were there to discuss Olberg's role with the worldwide support network involving the **Mujahaden, Afghanistan Resistance Movement** against the Soviets.

"In particular we discussed the ability of the **Mujahaden's willingness to field test weapons, new and esoteric in the field and to return a research report, complete with photos.**

"We also discussed the capture and/or defection of high ranking Soviet military personnel who had sensitive compartmentalized information and the availability of their briefings. We discussed one person who was a Soviet defector and was a communications officer who had detailed information of the highest levels of Soviet military C3I (Command Control Intelligence and Communications).

"We also discussed the Soviet directed weapons system referred to in the conversation as 'Blue Death.' Michael and I were told by Olberg that witnesses stated the corpses did not decay even after being exposed and unburied for six months.

"We discussed the possibility of Michael analyzing one of these units captured in the field by the Afghan rebels for the purpose of having Michael help their technical experts develop effective countermeasures.

"We discussed a military **joint venture in Turkey** to produce specialized ammunition. We discussed a lobbying effort to legally obtain Stinger II missiles as well as the various Stinger post and Stinger alternates. Michael was to formulate a plan to sanitize the electronics of any Stingers that would be at risk of Soviet capture so any information gained from a captured Stinger could not be effectively used against the U.S. or NATO forces.

"This report was to be presented to a Congressional position as support for the lobbying effort **to convince Congress to legally sanction the shipment of these missiles to the Afghan rebels.**

"We discussed Michael's proposed modification of Chinese 107 MM rockets and how to reconfigure the package into a backpack portable effective artillery counter battlery system.

"We discussed Michael's connection with the Chinese weapons position, Norinco, to provide the basic components for the unassembled rocket system. We discussed the modification and assembly of these 107 MM rockets and their launchers at a facility in **Pakistan** known as the Pakistan Ordinance Works.

"It was my understanding from the discussion that we were working on a legally sanctioned arms assistance project to the Afghan rebels and that Ralph Olberg was working through the Afghan desk at the State Department as well as through Senator Humphreys office. "This was subsequently confirmed by journalist Danny Casolaro who was recently 'suicided.'

"Olberg indicated a potential turf battle problem with certain factions of the CIA and his group MSH (Management Science For Health). In negotiations and/or lobbying efforts with Congress, the CIA MSH people were arguing that Ralph and Tim Osman's group did not truly represent the leadership of the Afghan rebel resistance.

"Tim and Ralph proposed calling their people and having an unprecedented leadership meeting in Washington D.C. to prove that their group did in fact represent the full leadership of the Mujahaden.

"When I recently called Ralph, he denied that the above meeting had taken place and then after

prodding, he finally admitted to it and he asked me not to talk about it. This five page statement is true and correct to the best of my knowledge. Ted L. Gunderson."

Later in my investigation, I obtained from Michael Riconosciuto's files in the desert, a handwritten note from "T.G." to "Michael" which read as follows: "Raymond is arriving at LAX 7:55 p.m. Air Canada via Flight 793 from Toronto. Will have to go through Customs. **This will give us another member for our drug/arms operation.**" The note gave a telephone number where "T.G." could be reached. "Raymond," referred to in the note, is presumably Raymond Lavas, Gunderson's former forensic's expert during his tenure in the FBI.

Michael's trial was not going well. He called and asked me to contact R.J. and bring him to my house. Michael was ready to talk **he wanted me to set up a phone conversation in which he could preliminarily open negotiations for entry into the Federal Witness Protection Program.** I was out of my depth here. I had no idea whether R.J. would cooperate with such a request. Nevertheless, I called him and related Michael's proposal. He said he had no authority to approve such a request, but he would take the information and pass it along.

He arrived at my home early the following week and Michael called as scheduled. Excerpts from that first taperecorded conversation went as follows: (Michael did most of the talking) " ... In the Fresno area, there was a group of people known as the **Fresno Company**, and the Bernard brothers were involved in it and Jamie Clark was involved and all of these people seemed to have charmed lives ...

"The Company was originally out of Lexington, Kentucky and Mena, Arkansas. Brian Leighton was the assistant U.S. Attorney who was the most effective person in formulating a strategy in the Justice Department to go after these people.

"We recognized what they were, for what they were, at that time, and there were a few ATF guys down in Los Angeles that recognized them for what they were, OK? **Here was a group of over 300 people, most of them exlaw enforcement and exmilitary, exintelligence people involved in a major drug and smuggling operation. And they were involved in compromising activities. The bottom line was espionage.**

"And all Leighton served to do was vaccinate the group against further penetration. Just hardened them. And all the major sources that were developed from inside turned up dead. A federal judge in Texas turned up dead.

" ... This is a nasty bunch of people. And they're still alive and well. Now where that dovetails into my current situation, **is in 1984 I was involved with Robert Booth Nichols who owns Meridian Arms Corporation and is a principle in F.I.D.C.O., First Intercontinental Development Corporation.** The CEO of FIDCO is George Pender and Bob Maheu was Vice President ...

"FIDCO was an NSC [National Security Council] corporate cutout. FIDCO was created to be the corporate vehicle to secure the financing for the reconstruction of the cities of Beirut and Damour in Lebanon. And they were working out of an office in **Nicosia, Cyprus.**

" ... And here I got involved with a group of people that were all high profile and should have been above reproach. FIDCO had a companion company called Euramae Trading which operated throughout the Middle East. I came in contact with the PROMISE software (unintelligible). Euramae had a distribution contract with several Arab countries and I was asked to evaluate the hardware platforms they had chosen. That was IBM/AS400 stuff ...

" ... That had come from IBM Tel Aviv but it came through a cutout, Link Systems, because they couldn't deal directly with the Arabs.

"And I came across a guy named Michael T. Hurley and I thought he worked for the State

Department but it turned out he was incountry attache for the DEA in Nicosia, Cyprus. [Nicosia is the capital of the island of Cyprus, off the coast of Lebanon]. Now, the DEA had no real presence in Lebanon. Neither did anybody else, including the Israelis. They had their usual network of contacts but it was very ineffective. **The only way to penetrate that situation, was to get into the drug trade.**

"Euramae got into the drug trade and I was told that it was a fully sanctioned NSC directed operation, which it turns out that it was ... All those operations were bonafide and all the people who were in them were definitely key government people, although they were not who they said they were.

"They all worked for different agencies other than was stated. Probably part of the normal disinformation that goes with that. And I was technical advisor for FIDCO and we had auspices through the government of Lebanon to get in and out of Lebanon.

"But as far as going to the eastern part of Lebanon, unless you were connected with the drug trade, your chances were slim coming out unscathed ... They built a network throughout the Bekaa Valley, and [Robert Booth] Nichols ... he is under Harold Okimoto from the Hawaiian Islands.

"Harold Okimoto was represented to me as being an intelligence person, which he is. He has worked under the auspices of [Frank] Carlucci for years. [Carlucci was former CIA deputy director and former Defense secretary]. Apparently Harold performed services for the U.S. government during World War II. He's of Japanese ancestry. I guess he was rewarded for services well done.

" ... Harold operates through a company called Island Tobacco Corporation. He has contracts for all the condiments at all the casinos in Atlantic City, in Reno, in Vegas, in Macao, China ... he's got contacts in Honolulu, the Orient ... a couple of Jews he knows in Bankok ... and there is a casino, no a city about 15 miles north of Beirut that Harold has his fingers in.

"When FIDCO was wheeling and dealing on financing for the reconstruction of the infrastructure of Beirut, they were making sweetheart deals with Syrian mobsters and the brother of the president of Syria, Hafez Assad.

" ... The intelligence people in their infinite wisdom decided to capitalize on the longstanding battle between Rifat Assad and his group and the Jafaar family. Selectively they were backing both people, but they were also playing them off against one another, developing networks. They got a bunch of prominent Syrians thoroughly compromised and they were in tow in the intelligence game. And they had people that could get me in and out of the Bekaa Valley, even out of certain areas of Syria.

"From an intelligence standpoint, it was a success. **But to maintain the credibility of those intelligence operations the heroin had to flow.** To make it real. **And the stuff was starting to accumulate in a warehouse outside of Larnaca.** "I personally was in a warehouse where Hurley and George Pender and George Marcobie (phonetic spelling) told me there was **upwards of twentytwo tons.** And even though it was packaged for shipment, the smell of it in that closed warehouse was overpowering. **You know, white heroin like that** has a certain odor because of the way it's processed.

"They had authorization for what they called `controlled deliveries' into the United States. And they would target certain cities and then follow the stuff out, ostensibly unmasking the network and conducting prosecutions.

"However, the operation became perverted at the U.S. end of the pipeline. Controlled heroin shipments were doubled, sometimes tripled, and only one third of the heroin was returned to the DEA.

"At a certain transfer point at the airport in Larnaca, the excess baggage from the original

controlled delivery would be allowed to go through. I was given the names of the narcotics people who were handling that. But there were a couple of agents who were on the up and up, and they had suspicions.

"An intelligence agent who worked with DIA is now deceased. His name was Tony Asmar and he got on to the operation early on, and started going toe to toe with Hurley [DEA]. He died in a bomb blast and it was ascribed to terrorists. And it actually was terrorists who did it, but his cover was deliberately blown. Myself and others suspected Hurley and Bob Nichols and Glen Shockley were responsible for that ... "

After researching Michael Riconosciuto's information, R.J. noted to me that Michael gave mostly valid information, but he could not prove that Michael had been involved. **He did, however, verify (through Customs) that Michael HAD been in Lebanon,** but he could not verify the details of the drug operation.

Michael responded (on a taped message to R.J.) by visually recounting the DEA apartment/condo in Nicosia, Cyprus: "The DEA had a condo, I think it was on Columbra (phonetically spelled) Street, in Nicosia, Cyprus [off the coast of Lebanon].

"They had a ham radio station there. It was an ICOM single side band amateur radio setup, with a linear ..."

"Were you actually there?" I asked. Michael quipped, "Yes, I was there," then continued. "I can describe the antenna system, on the top floor and the way it's wired up and everything. Unless you were there, you wouldn't know it was ICOM equipment.

"Now, the game plan with Euramae and Hurley's operation ..." Pause. "... You need to understand that the airport in Lebanon was closed down. I took the ferry from Larnaca to Jounieb. Now Jounieb was slightly south of where the casino city was and the casino city was intact. Beirut was a nightmare, and so was Damour, because the PLO destroyed the infrastructure by burrowing bunkers, and there was no water, electricity or phones. It was a combat zone.

"The Syrian mob controlled the Casino du Liban in a little city north of Beirut. **It was used as a front by narcotics people.** Island Tobacco, owned by Harold Okimoto, sells all the cigarettes there. Now, I could give you the names of the families. They pitted them off against one another. F.I.D.C.O. was to finance the reconstruction of the infrastructure of the cities of Beirut and Damour. Deals were cut as to who got what concessions. There were certain families, like the ElJorr family that had to be placated. And there was Rifat Assad and his group. "Tony Asmar figured out what was going on with Hurley, **that they were shipping `noncontrolled' loads of heroin back to the U.S.. They killed Tony ..."**

"What were the names of the people you were working for over there?," I asked. Michael's time was always limited on the phone.

"Ok, there was a man named Maurice Ganem. He had a relative, either a brother or a cousin, who is a senior DEA official with Michael Hurley. I can't remember his name right now. **Anyways, Maurice was agency, you know, in country, in Lebanon.** And Maurice and I and George Pender worked together."

"Which agency? CIA or DEA?," I asked.

"CIA." Michael continued. "... And then there was Danny Habib. Danny Habib and Bob Nichols worked out of Cario (phonetic spelling) and Italy."

"And Bob was NSA or ..." "No, Bob was NSC at that time."

"George Pender and Bob Clark were the high level contacts on all of this. Bob Clark got drummed out because he was clean. And McFarland then took over, OK?"

"Uh huh."

"So, it was George Pender and McFarland and **Michael McManus**[Assistant to President Reagan at the White House]."

I asked, "What was your involvement with that particular operation?"

"I handled communications protocol. All the communications and financial transactions. **If I could get my records on line I could show all the money flows, everything.**"

Michael called back later that day and we continued our conversation. He was intent on talking to someone in FinCen (Financial Crimes Enforcement Network). " ... The keystone cops are working on my defense. You know it's really an ordeal. Have you talked to R.J. again?"

"No Mike, he's not giving much information."

"Listen, tell him that not only am I willing to polygraph, but I need some expert help and I think he needs some expert help. In the league we're playing in, the only guys we can get that have the wherewithall are with FinCen. That stands for Financial Crimes Enforcement Network. Get me a technical guy that speaks my language."

"Alright, Mike ..."

"I'm talking about Swift Chips. That stands for Clearing House Interbank Payment System, Ok?"

"Right."

"Im mad, OK?"

"Uh huh."

"I'm real mad. The government has all my files and records. They've got all of my optical storage disks. Each of those optical storages, 130 of them, contains 20,000 plus pages. They jacked me around so bad ..."

"Mike ..."

" ... Get an expert that speaks my language, and I'll tell him everything I know and he can do so much damage, they won't need my testimony or anything else."

"Mike, everything you know about what?"

"Tell R.J. it goes all the way back to the Cayman Islands and the Bahamas and Castle Bank. Norm Caspar ... Resorts International Bank ..."

"How'd you get this stuff?"

"I handled the money for them, OK?"

"For who?"

" ... For the Wackenhut people. For Norm Caspar who was a Wackenhut employee during all of this. Now, there was the Workers Bank in Columbia. I can't pronounce the Spanish name for it, I just know it as Workers Bank. I set up their virtual dead-drops ..."

"What's that?"

"It's a way to get around A.C.H. reconciliations on a daily basis. It'll take an expert, you know, I can't even talk to a normal human being about this ..."

"O.K."

" ... And the bottom line here is Bob Nichols and Gilbert Rodriguez, Michael Abbell, whose now an attorney in D.C., but he was with the criminal section of the Justice Department and

Harold Okimoto, and Jose Londodo, and Glenn Shockley are all in bed together. (Three years after this conversation, Michael Abbell was indicted for laundering money for the Cali Cartel).

"Now Ted Gunderson ..."

"Mike, have you got any paperwork on that?"

"Now, wait a minute. Gunderson was physically with me when Wayne Reeder, Peter Zokosky and his wife and several of Wayne Reeder's lieutenants, Bob Nichols and his wife, Harold Okimoto, George Pender, Deborah Pender, Dill Pender, and myself were all together ..."

" ... Where?"

" ... At Wayne Reeder's country club, golf club, in Indio, California. And Bob discussed openly in front of Ted Gunderson and myself and everyone present bragged about Glenn Shockley and Jose Londono having 3,500 soldiers. It's now almost double that ..."

"What does that mean? What are the soldiers?"

Mike: "R.J. will know what it means."

"Alright. OK."

"This took place in 1983. I have correspondence on the things we were doing. But I was in fear of my life because Bob was starting to act irrational. The guy was getting drunk all the time, waving a gun out of the car window, shooting in the air, you know, just really doing a mind trip on me. I've been on the run ever since ..."

"Listen, Mike, what do you need from FinCen?"

"If I had help from the FinCen people, I could reconstruct my files. Tell them that I need two types of computers. I need a VAX 11730 set up with two RLO II disks; one RA80 and a TU80 tape drive. That's one package. And then I need a VAX 3900 computer. Now the reason why I need the older, slower VAX and I know where to get all this stuff, no problem, I've got the VAX's in Southern California, but I need a place to set them up and somebody to operate them, and just follow my instructions."

"Alright."

"Now, the VAX Series 3900 machine ... it's too complicated to go into what mass storage devices, but those are the two levels of machines I need."

"Ok, I'm thinking about going to visit your wife in Southern California, do you want us to bring those computers up here?"

"No, No! No, leave them where they're at. Tell R.J. to find someone at FinCen. If we move them around, we're going to wreck them. I'm not trying to talk down to R.J., but this is too far above him."

"Mike, **Raymond Lavas** turned some of your disks over to the Jack Brooks investigative committee (House Judiciary Committee on Inslaw)."

"Yeah, I know. There's no data on those disks. What that is, is that is a subset of VAX B.M.S., OK? What I do is I modify some of the VAX BMS routines to activate a one time pad encryption scheme. That's why I have to have two RLO2 drives on the VAX 11730, because one RLO2 Platter is a system planner, the other one is the one time pad. The data is on a 1625 BPI 9 track tape on the TU80 tape drive. That's the system configuration."

"If you say so."

"Now, R.J. needs to put me in touch with somebody he trusts at FinCen. There's about 120 experts there. There are a few guys there that speak my language."

"What's the encryption key?"

"Well, they're ten digit numbers ... it's a one time pad, but it has a pseudorandom, prime number expansion system ..."

"Mike, do you have access to PROMISE through this system?"

"What? Oh, I've got access to PROMISE, I've got access to FOIMS ..."

"Well, PROMISE is the one that's going to get you off the hook in court."

"Ok, I understand that. But PROMISE and FOIMS are one and the same. Now they will say no, that's not true, but in Virginia where the FBI has their center, and where the Justice Department has a center in D.C., they're both Amdahl mainframes, OK?"

"Yes."

"... You see, I want that RLO II Platter out of the hands of the Brooks Committee and into the hands of somebody who'll do with it what I tell them to do. I don't want somebody to run it up without first getting my instruction."

"Does it have to be that particular one?"

"Yes, either that or it will take me six months to rewrite the subset. They want me to give them the codes to unravel everything. If I did, they wouldn't know what to do with it anyway. They'd make a mess out of things."

"Mike, what are you going to provide to FinCen?"

"I'm going to show them how these boys handled the life blood of the cash flow on a day to day basis. I'm going to unmask the whole operation ..."

"Anything specific on Robert Booth Nichols?"

Mike: **"Nichols is Harold Okimoto's godson. He's also Renee Hanner's (phonetic sp.) boy, and Wolfgang Fosog's (phonetic sp.) boy."**

"... And who are they?"

"The FinCen people will know. There's also Octon Potnar "

"Alright. Well, if I'm going to play around with this, I don't want to be in the dark ... I could end up like Danny. I've got to know what I'm dealing with ."

"If you get the right guy at FinCen, he'll jump at this, OK? We've got to start right now. We're talking about some time getting things up and rolling to where we're fluid and flexible and functional in their system internationally. They'll be able to watch the daily transactions ..."

Michael continued to request of R.J. that he be connected with someone "trustworthy" at FinCen, to no avail. He also requested to be placed into a Witness Protection Program, again offering to assemble his computer equipment in a secret location and provide FinCen with a day by day view of Mob (and MCA Corporation) illegal banking transactions.

According to Michael, before his arrest, he had been handling gold transfers, money laundering, "virtual dead drops," altered ACH daily reconciliations and other transactions for various underworld figures including Robert Booth Nichols, Harold Okimoto, George Pender, Wayne Reeder, Michael A. McManus, Norm Caspar, Gilbert Rodriguez, Jose Londono, Glen Shockley, and others.

Michael continued to call and give me taperecorded (at his request) messages to pass on to R.J. The man accepted the messages, but they just went down the big, black hole and never emerged again.

One message in particular later became significant to me. The message from Michael to R.J. went as follows: (Quote) **"There are three dozen C130's down at the Firebird Lake Airstrip on the**

Gila Indian Reservation in Arizona. Check out J & G Aviation, it's an FBO. The Fresno Company is alive and well down there.

"The real activity is not at Mirana, it's at Firebird Lake Airstrip. Other airlines operating at Firebird are Beigert, Macavia International, Pacific Air Express, Evergreen and Southern Air.

"Question to R.J.: How much cocaine or heroin can be transported in a C130? Do you want the C130, or do you want the guys who orchestrate it?"

"Do a matrix link analysis, then sit down and pick the targets. Otherwise, you will tip off the others and the proof will dry up.

" ... Brian Leighton made 29 arrests out of five hundred within the Fresno Company. All Leighton succeeded in doing was to `vaccinate' the Fresno Company against further penetration."

Riconosciuto said he had a fragile window into this organization (The Company), but Leighton and others were causing the window to close by being too public about their investigation.

The message continued regarding Robert Booth Nichols: "Bob Nichols runs Glen Shockley. Glen Shockley runs Jose Londono. I [Michael] sat with Bob Nichols and Mike Abbell. Bob handed him \$50,000 cash to handle an internal affairs investigation that the Justice Department conducted which would have led to the extradition of Gilbert and Miguel Rodriguez and Jose Londono.

"Bob Nichols told me [Michael] that it was necessary to `crowbar' the investigation because they were `intelligence people.'

"Michael wanted to hand The Company and Bob Nichols over to FinCen in exchange for entry into the Witness Protection Program, but nothing was forthcoming from R.J.

It was two years before I learned who Mike Abbell, Gilbert Rodriguez and Jose Londono were. **Abbell had worked in the criminal division of the Justice Department**, according to Bill Hamilton. Hamilton added that, to his knowledge, Abbell had left the DOJ in 1982 and went directly into the Bogota, Columbia law offices of Kaplan and Russin.

A member of our loosely coalesced investigative team, George Williamson, a former San Francisco Chronicle reporter, obtained Abbell's background from library directories: From 1973 to 1979 Abbell was staff assistant to the Assistant U.S. Attorney General. **From 1979 to 1981 he was the Director of the Office of International Affairs of the Criminal Division of the Department of Justice.**

After leaving the Department of Justice in 1982, Abbell became counsel at the law firm of Kaplan, Russin and Becchi, **with offices in San Francisco, California Bogota, Columbia Santo Domingo in the Dominican Republic Bangkok, Thailand Tapai, Taiwan New York Madrid, Spain and Miami, Florida.**

As of this writing, Abbell was listed as working in his own firm with a partner named Bruno Ristau (Ristau and Abbell) in Washington D.C. Ristau was also formerly with the law firm of Kaplan, Russin and Becchi. And from 1958 to 1963 he was an attorney in the Internal Security Division and Civil Division of the Department of Justice. He was also with the DOJ from 1963 to 1981 where he was Director of the Office of Foreign Litigation. Ristau speaks German, Polish, Spanish and French. He was Chairman of the Division of International Law of the Washington D.C. Bar from 1971 to 1973. In the American Bar Association from 1981 to 1984, he was Chairman of the Committee of Private International Law Practice. He is also a member of the American Society of International Law. Ristau is obviously a heavyweight in the field of international law.

A TIME magazine article, dated July 4, 1994, described **Gilbert Rodriguez as a "leader of the Cali [Columbian drug] cartel, which controls 80% of the world's cocaine trade."** The newly elected president of Columbia, Ernesto Samper Pizano, was accused of taking \$3.7 million in

campaign funds from Rodriguez, which in effect, put Samper in league with Columbia's drug lords. Three audio tapes of conversations between Rodriguez and Samper's campaign manager, Santiago Medina, had been handed over to U.S. State Department officials before the election, but nothing was done. **DEA officials were furious, stating to TIME that "No one did anything. They [the State Department] allowed this travesty to take place. Everybody, including the U.S. government, is participating in this coverup."**

The State Department responded, "We can't interfere with elections."

I pulled out a book from a dusty corner of my library entitled, "Cocaine Politics" by Peter Dale Scott and Jonathan Marshall, and looked up the name Gilbert Rodriguez. On page 83, **Gilberto Rodriguez Orejuela and Jose Santacruz Londono were mentioned as part of the early leadership of the Cali cartel.** On page 88 it was noted that the "Calibased Ocampo and Gilberto Rodriguez had been the principal targets of a major DEA Centac investigation that resulted in indictments of Rodriguez in Los Angeles and New York in 1978."

At that time, President Jimmy Carter's Human Rights foreign policy in Latin America distanced the CIA under **Stansfield Turner (later a Wackenhut Board Director)** from any death squad interdiction. The Carter administration was also reportedly reluctant to go after Ocampo because of its determination in 1977 to sign a Panama Canal treaty with General Torrijos, even though Torrijos and family members were heavily involved at the highest levels of the world cocaine trade.

The Cali cartel, described in a 1983 Customs report, laundered its profits through Miami banks, one of which was Northside Bank of Miami, owned by Gilberto Rodriguez. Rodriguez popped up again as the leader of a delegation to the "cocaine summit conference" in Panama City in the early 1980's. **Yet, Rodriguez's name was subsequently removed from DEA reports under the Ronald Reagan administration. In fact, according to disgruntled DEA agents, some of whom suspected they were stumbling into a CIA connection, the case was never pursued past the indictment level and the Centac 21 task force was totally dismantled when Reagan and Bush came to office.**

So, Gilbert Rodriguez and Jose Londono were revealed to be high ranking members of the Cali drug Cartel in Columbia. I wondered if they were also CIA intelligence operatives? Or CIA drug operatives? Or both, as Manuel Noriega had been? Noriega had ultimately been ousted when he chose to back the violent Medellin cartel, George Bush's target. If in fact Gilberto Rodriguez had been compromised and forced to cooperate with U.S. officials after his 1978 indictment, and taking into account his strategic position of leadership in the Cali cartel and his alleged funding of the newly elected president of Columbia in 1994, it would indeed place the U.S. government in a powerful controlling position within the cartels today. In fact, it would place CIA drug operatives behind the election of the president of Columbia! The implications were earthshaking.

It is important to point out here that, on August 5, 1991, Michael Riconosciuto had called Bill Hamilton at Inslaw and asked him to obtain information on former DOJ official Mike Abbell. Riconosciuto planned to trade information on Abbell, Rodriguez, Nichols and others to the FBI in exchange for entry into a Witness Protection Program.

But Hamilton, pressed for time and not comprehending the significance of the "drug" connection, **had turned the investigation over to Danny Casolaro.** Riconosciuto had stressed to Hamilton that **Abbell's activities might be risky to track** and he should not take the information lightly.

That same day, August 5, **Casolaro called Bob Bickel,** the Texas oil engineer who once worked as an informant for the Customs Bureau, **to discuss Mike Abbell. Bickel later confirmed that Casolaro had in fact discussed Abbell, Nichols and Rodriguez at length during that last phone conversation. And he added, "Danny confronted Robert Booth Nichols about his relationship with Mike Abbell."**

Hamilton and Casolaro secretly devised a plan whereby Danny would conduct an inquiry with the Department of Justice, but would couch a number of other inquiries in with the Mike Abbell inquiry to avoid alerting authorities to the real "focus" of their search.

An October 15, 1991 Village Voice investigative piece, entitled "The Last Days of Danny Casolaro," by James Ridgeway and Doug Vaughan, shed further light on Casolaro's investigation during those last five days: (Note that most of Danny's last calls focused on "drug connections.") On Monday, August 5th, "Riconosciuto called Bill Hamilton from his jail in Tacoma. **He wanted some information about a former Justice Department attorney [Mike Abbell], and warned Hamilton that getting the information might be dangerous. Hamilton called Casolaro to help him find out about the attorney.**

"That same day, Danny called Bob Bickel to say that he was "getting close to the source, and he would soon go to Martinsburg and bring back the head of the Octopus."

Tuesday, August 6: Casolaro had been typing steadily since Monday, and by afternoon, he'd finished. Olga, his housekeeper, helped him pack a leather tote bag. She also remembered him packing a thick sheaf of papers into a dark brown or black briefcase. Danny walked out the door saying, "I have all my papers ... Wish me luck. I'll see you in a couple of days." That was the last time Olga saw Casolaro alive.

Wednesday, August 7: According to Inslaw records, Casolaro called the Hamiltons in the afternoon, and was put on hold. Before Hamilton could get free, he had hung up. At some time on that same day, **Riconosciuto called Hamilton again to ask for the information about the Justice Department lawyer [Mike Abbell]. Hamilton called Casolaro, but he had already left for Martinsburg.**

Thursday, August 8: Casolaro called Danielle Stalling and asked her to set up appointments for him the next week with a former police officer, now employed as a private investigator, **to learn more about the Laotian warlord Kuhn Sa's proposed Golden Triangle drug trade.**

Friday, August 9: By now Hamilton was starting to worry. "I talk to Danny everyday," Hamilton said. "I had never [gone without speaking to him for so long] before, so I called Bob Nichols in Los Angeles and asked whether he had heard from Danny recently."

Nichols told Hamilton "Yes," he had spoken with Danny late Monday night [August 5th] and he had been "euphoric." Nichols told Hamilton he (Nichols) was taking off for Europe that evening.

It was at that point that Olga, Danny's housekeeper, received four or five threatening phone calls. The first was about 9 a.m., a man's voice, in good English, said, "I will cut his [Danny's] body and throw it to the sharks." About a half hour later, another call came in. "Drop dead," the man's voice said.

Saturday, August 10: At 12:30 that afternoon, a maid knocked on the door of room 517 at the Sheraton Martinsburg Inn. Nobody answered, so she used her passkey to open the door; though it had both a security bolt and a chain lock on the inside, neither one was attached. When she glanced into the bathroom, she saw a lot of blood on the tile floor and screamed. Another hotel maid came into the bathroom and saw a man's nude body lying in the bloodfilled tub. There was blood not only on the tile floor but splattered up onto the wall above the tub as well. The police were called to the scene.

At 8:30 p.m. that night, unaware that Danny's body had been found, Olga, Danny's housekeeper, returned to Casolaro's house to look for him. The phone rang. A man's voice said, "You son of a bitch. You're dead." It was not until Monday, August 12, that authorities notified family and friends that Danny Casolaro was dead.

Had Danny in fact called Robert Booth Nichols on Monday, August 5th, and confronted him about his relationship with Mike Abbell? Had he told Nichols he planned to meet with FBI officials from Lexington, Kentucky? And what about FBI agent Thomas Gates, Nichols'

antagonist? SPY magazine's article on Danny Casolaro indicated that **he spoke with Gates three days before his death, relating a conversation in which Nichols had warned him to abandon the investigation.**

Riconosciuto later conceded that he had tried repeatedly to reach Hamilton and Casolaro between August 5 and 10th **to warn them NOT to mention Abbell or Rodriguez to Nichols, but it had been too late.** Bill Hamilton told one investigator that he did NOT know WHY Riconosciuto was inquiring about Mike Abbell - until AFTER Danny's death.

Bob Bickel's confirmation that Danny WAS trailing Mike Abbell in the last days before his death indicate that Danny may have unknowingly stepped into the largest narcotics trafficking/intelligence operation the world.

Another indepth article came to my attention which further corroborated Danny's investigation of Gilberto Rodriguez. "The Strange Death of Danny Casolaro," by Ron Rosenbaum in Vanity Fair's December 1991 issue included an interview with Michael Riconosciuto. According to Rosenbaum, Danny's investigations were taking him into areas that involved dangerous knowledge and dangerous characters. It was Danny's habit of "bouncing" Riconosciuto's stories off Robert Nichols that put him in peril, Riconosciuto told Rosenbaum. **One of the things he reportedly "bounced" involved a major heroinrelated sting operation.**

Another involved Riconosciuto's claim about an "effort by the Cali cocaine cartel to derail the extradition of an alleged Columbian kingpin called Gilberto."

Nichols "went ballistic," according to Riconosciuto, when Danny bounced the Gilberto (Rodriguez) matter off him. Riconosciuto said he tried to warn Danny. "I called from that day on it was on a late Monday Tuesday, Wednesday, all the way through the weekend when they found Danny [dead]," he said. "Every day I was calling the Hamiltons, asking if anybody had heard from Danny. And I was frantic."

Labeled by Rosenbaum as the "resident demon of the labyrinth," Riconosciuto said "Danny's theory was different from the typical megaconspiracy theory. Danny was dealing with real people and real crimes."

Rosenbaum asked Riconosciuto about the **germ warfare technology** he had found in Danny's notes. Riconosciuto admitted that he had learned about "horrible things" going on at the Cabazon Indian reservation but did not elaborate on the subject. Wrote Rosenbaum, "This is the labyrinth [that] Riconosciuto was leading Danny into the one he died in."

Just days before his death, Danny had planned to visit the reservation. In his notes were cryptic references to **slowacting brain viruses** like Mad Cow Disease, which could be used against targeted people **by slipping the virus into meat pies.** Riconosciuto told Rosenbaum that Danny was "concerned" that he may have been a target of this virus. "That was one of the reasons he [Danny] had such an obsession with this story. He felt he had been hit by these people."

Accordingly, Riconosciuto filled Danny's head with allegations of Robert Booth Nichols' sinister, international covertworld connections. **He painted a picture linking Nichols to organized crime syndicates, the fearsome Japanese Yakuza, and various CIA and British intelligence plots emanating from Nichols' friendship with "a legendary Bondish Brit known as 'Double Deuce' [Sir Denis Kendall]."**

Riconosciuto said Nichols was the key to Danny's Octopus. But Danny was receiving warnings from Riconosciuto's counterpart as well. Robert Booth Nichols had flown to Washington D.C. from Puerto Rico to warn Danny to stay away from Riconosciuto.

Danny's girlfriend, Wendy Weaver, had been present at one of the meetings at the Four Seasons Hotel bar when Nichols issued the warning: "You don't know how bad this guy Riconosciuto is ...

he might not get you today, he might not get you next month. He might get you two years from now. If you say anything against him he will kill you."

Nichols repeated the warning several times, said Weaver. "At least five times." Weaver described Nichols as "very charming, very handsome," but said "it [the meeting] was a weird night, so weird."

Another friend of Danny's met Nichols at a luncheon at Clyde's in Tysons Corner where Nichols allegedly informed them that he had just been asked to become "minister of state security" on the island of Dominica. Reportedly, the island was going to be transformed into a CIA base. The friend, who spoke to Rosenbaum on condition of anonymity, said Nichols was "very slick, very civilized appearing" ... "oozing intrigue," but he added that he had never witnessed a performance like the one that ensued.

After lunch Danny had pulled his friend aside and showed him a purported FBI wiretap summary on Nichols. The summary was part of FBI agent Thomas Gates's affidavit in Nichols' slander suit against him. The summary linked Nichols to the Yakuza and to the Gambino crime family as a money launderer.

Danny's friend had been shocked. "You just put me in a meeting with this man and didn't tell me what the hell why didn't you tell me before?," he asked Danny. Danny said he wanted to see how Nichols would react. The friend told Rosenbaum, "In other words, he gaffed me with a hook and tossed me in the water to see if the Octopus would move!"

Danny HAD in fact been receiving death threats on the phone. One threat reported by his housekeeper, "You're dead, you son of a bitch," which came hours AFTER Danny's body had been found, ruled out Danny himself as a possible source of the threats. And his prophesy to his brother, Tony Casolaro, "If anything happens to me it won't be an accident," made it unmistakably clear that Danny did, indeed, feel threatened.

Nevertheless, Danny appeared upbeat to most of the people he talked to prior to his death. Dr. Tony Casolaro, a specialist in pulmonary medicine, told Vanity Fair that he didn't believe his brother committed suicide because Danny was so excited and upbeat about his investigation on that last Monday when he saw him.

The autopsy examination of Danny's brain had revealed possible symptoms of Multiple Sclerosis, but friends and family dismissed this as irrelevant because Danny had never complained of symptoms or, to their knowledge, known of the disease, if he had it.

Tony was also troubled by a number of facts, one of which was Danny's current papers and files which he took to West Virginia were missing from his motel room. His body had been embalmed even before family members were notified of the death, and the motel room had been commercially cleaned before any type of investigation, other than a cursory look at the death scene by police, could occur.

In his Vanity Fair article, Ron Rosenbaum wrote that he had obtained one of **Casolaro's surviving notebooks and found mentioned under the heading of August 6, four days before Danny's death, the name "Gilberto."** It read: "Bill Hamilton August 6. **MR ... also brought up `Gilberto.'**" Rosenbaum did not speculate publicly who Gilberto might be, but it was obviously Gilberto Rodriguez, head of the Cali Cartel, at that time deeply involved with Michael Abbell, formerly of the Department of Justice.

A dozen or so drafts of Casolaro's proposed manuscript along with notes and phone bills had been sent to the Western Historical Manuscript Collection at the University of Missouri by his brother, Dr. Tony Casolaro. Tony Casolaro had sent the material to the University because, at one time, the IRE (Investigative Reporters and Editors) Association, headquartered at the University, had researched the fatal carbombing of reporter Don Bolles in Arizona.

Bolles had been researching a mobconnected gold smuggling operation in that state. Through Tracy Barnett at IRE, I learned that a graduate student at the University had been assigned to catalog all Danny's material for eventual insertion into a data base. In contacting the graduate student, who by then (September 1994) worked for ABC in Houston, Texas, I learned that **few if any journalists had inquired about the notes.**

But, interestingly, Chief Assistant U.S. Attorney Steve Zipperstein from Los Angeles, working for the Department of Justice, had requested copies of Danny's NOTES, but declined Danny's phone records. The graduate student noted that the notes and drafts of Danny's proposed **manuscript focused on a Cabal of intelligence people who, originally consisting of numerous names, were subsequently narrowed down to about eight. One of those names was Glen Shockley. Shockley, of course, was listed on the Board of Directors of F.I.D.C.O. along with Robert Booth Nichols.**

Shockley was also a corporate partner in Meridian International Logistics, headed by Nichols. Shockley was also a CIA contract employee (according to several sources) who allegedly "ran Jose Londono" of the Cali Cartel. This according to Riconosciuto's taped interview with government agents while negotiating for Witness Protection.

I purchased everything of any significance pertaining to Danny's writings and documents, including the FBI wire tap summaries which corroborated everything I had learned to date.

In reviewing the summaries, it became apparent that the FBI had inadvertently stumbled onto a CIA drug trafficking operation which included high ranking La Cosa Nostra figures, the Gambino crime family and the Japanese Yakuza.

One affidavit in support of an application to intercept wire communications over the telephone listed names of those to be intercepted: **Robert Booth Nichols, Eugene Giaquinto (then President of MCA Corportion Entertainment Division, and corporate partner with Nichols in Meridian International Logistics), Angelo Commito, Edward Sciandra, Michael Del Gaizo, Joseph Garofalo, and others.**

The purpose of the interceptions was to determine "source, type and quantity of narcotics/controlled substances, methods and means of delivery, and the source of funding for purchasing of narcotics/controlled substances."

The intercepted conversations read like a "Who's Who" of organized crime. It was also apparent that Eugene Giaquinto enjoyed a special relationship with John Gotti.

Ann Klenk, a long time friend of Danny Casolaro's and former associate of Washington D.C. columnist Jack Anderson, held all his personal notes which were not sent to the University. In a September 14, 1994 phone interview, she noted that the last time she talked to Danny, that last Monday before his death, he told her he'd cracked the Inslaw case.

I asked her, "Do you think he resolved that?"

Ann responded, "Oh, yes. I KNOW he did. He TOLD me he did. He said, 'Ann, I broke Inslaw.' And I said, 'Geez, Danny that's great!' But, I never asked him what he found because he was very despondent about it. He said, 'You can have it. You and Jack [Anderson] can have the story. I don't even want it.'"

Ann said Danny was disgusted and related their last conversation: "I said, 'Danny, you worked on this [so long] and now you don't want it?' He said, 'It's just a little piece of the puzzle anyway.' **See, Inslaw led him into this, but Danny quickly became more involved with the drug aspects ... with the CIA aspects, with the Wackenhut aspects.**"

I said, "I know what you mean, because I followed the same trail."

Danny's proposed drafts and notes obtained from Western Historical Manuscript Collection at University of Missouri revealed information never published in mainstream media. Typewritten and handwritten lists of contacts included names and telephone numbers of Ted Gunderson, Raymond Lavas, Robert Nichols, Peter Zokosky, Bob Bickel, Fahim Safar, Earl Brian, Peter Dale Scott, Art Welmus, John Vanderwerker, Jack Blum, Dr. Harry Fair, Bill Hamilton, Bob Parry, Bill McCoy, and numerous others.

Most of Danny's drafts focused on the Southeast Asian heroin connection, CIA drug money used to finance the Contras, and the ability of terrorists to send missiles containing dangerous chemicals and biological diseases into the U.S.

One typewritten draft, entitled, "Behold, A Pale Horse," described an "international cabal [in Southern California] whose freelance services covered parochial political intrigue, espionage, sophisticated weapon technologies that included biotoxins, **drug trafficking**, money laundering and murder-for-hire." According to Danny, the cabal continues today, "its origins spawned thirty years ago in the shadow of the Cold War."

Casolaro's June - July (1991) phone bills told a story of their own. Having followed Danny's investigative trail for three years, I had an entire directory of phone numbers relating to his inquiries. Most obvious were Danny's numerous calls prior to his death to Robert Booth Nichols in Los Angeles. Most of the calls from Washington D.C. to Los Angeles lasted an average of one to two hours, invariably in the wee hours of the morning 1:50 a.m., 12:36 a.m., 1:13 a.m., 12:18 a.m., etc.

It was also apparent that Danny was riding a seesaw with Nichols and Riconosciuto. He would talk to one, then the other, often on the same day, back and forth for months. Then suddenly, he cut off Riconosciuto and his calls to Nichols increased in frequency.

Other phone numbers matched those of Ted Gunderson, Alan Boyak, a lawyer in Utah, Bo Gritz, Heinrich Rupp and Chuck Hayes, a self-professed (on the Internet) CIA operative. Danny often called Hayes immediately after he spoke with Nichols. Oddly, Hayes never came forward during the official investigation of Danny's death to disclose the content of those conversations.

Within six months of Casolaro's death, Riconosciuto was again attempting to trade information in exchange for entry into a Witness Protection Program. But this time, instead of using Casolaro or Bill Hamilton, he was using me to make the contacts.

At Riconosciuto's request, I contacted a man whom I will identify as N.B. at the BATF (Bureau of Alcohol, Tobacco & Firearms) in San Francisco. Michael had advised me to call this agent because the BATF was "Treasury Department" as was FinCen.

I set up the phone meeting and Riconosciuto called the San Francisco BATF collect, as scheduled. N.B. listened attentively to Michael, then ran a check on him through the departmental computer system. Shortly thereafter, I received an unnerving phone call.

N.B. advised me in strong terms to "get out of this" while I still could. He said I would end up getting subpoenaed as a witness if I didn't discontinue my investigation. He added that sometimes people got killed or committed suicide when they got involved with Michael Riconosciuto or Robert Booth Nichols.

N.B.'s computer inquiry had bounced back on him. His superior in the BATF had been notified by someone from another agency he didn't say who who had instructed N.B. that he was to have NO further contact with Michael Riconosciuto or me.

When I related this conversation to Michael, he indicated no surprise, but immediately wanted to be put back in touch with R.J. He needed someone in the government with access to his files to verify

his credibility and get that information back to Tom Olmstead, his attorney. Regarding the computer inquiry, Riconosciuto explained as follows: "I know what's happening here. Tell R.J. if he uses FOIMS, Field Office Information Management System, and if he leaves an audit trail, he's going to be exposed. There are all sorts of different levels of flags on my name. Whenever the computer gets a hit, the issuing agency is notified as to who made the request and from where it came."

"Mike," I asked, "how can he get around that? I don't understand ..."

"Listen, whenever there's a hit on one of those flags, whether it's a want or [a] warrant, or whether it's simply an administrative interest, unbeknownst to the user who's making the request, his access is audited. Tell R.J. before he starts making inquiries, no matter how discreet he thinks they are, that he should have someone totally uncoupled from him to enter into FOIMS."

"Alright."

"Now," Michael continued, "if he goes into NCIC or NADDIS, ah, NCIC is the least dangerous as far as making inquiries, because NADDIS can track just like FOIMS ..."

"Alright."

"Now, on NCIC there is a `nonelectric' filing on me and he can make the request that way without alerting anyone. If he has trouble checking anything out, tell him I can help him along."

"He can't call you at the jail. How can he get in touch with you?"

"Through my attorney. The minute he [R.J.] gets a line on me, ask him to notify my attorney. Tell him he can check my attorney out through the government. Tom has excellent records with the government."

"Alright."

"Explain to R.J. that I know PROMISE, I know FOIMS inside out. I helped develop that internal tracking audit trail ..."

I had lost all hope of R.J. rescuing Michael Riconosciuto, and I think in his heart, Michael knew that too, but I passed the information along as requested. R.J. politely accepted the information as he always did, then I never heard from him again.

CHAPTER 7

Through one of Michael's contacts, I was able to obtain the corporate documents on F.I.D.C.O. Corporation (First Intercontinental Development Corporation). This formidable organization lead me straight to the head of The Octopus. The Board of Directors of FIDCO consisted of the following principles:

- (1) **Robert Maheu, Sr**, Vice President, Director former FBI agent, former CEO of Howard Hughes Operations, senior consultant to Leisure Industries.
- (2) **Michael A. McManus**, Director, Vice President and General Counsel to FIDCO former **Assistant to the President [Reagan] of the United States at the White House in Washington D.C.**
- (3) **Robert Booth Nichols**, Director, Sr. Vice President and Chairman of Investment Committee Chief Executive Officer of R.B.N. Companies, International, a holding company for manufacturing and development of high technology electronics, real estate development, construction and international finance.
- (4) **George K. Pender**, Director former Director of Pacific Ocean area of Burns & Roe, Inc., an international engineering & construction corporation with active projects on all seven continents of the world. Senior engineer consultant to Burns & Roe, Inc.
- (5) **Kenneth A. Roe**, Director Chairman and President of Burns & Roe, Inc., International engineers

and Constructors, a family corporation owned by Kenneth Roe and family. Major current project of the company is the engineering design and construction of the U.S.A. Fast Breeder Nuclear Reactor Plant in conjunction with Westinghouse Electric Corporation which is responsible for the nuclear system supply of steam. Construction value of present business backlog of Burns & Roe, Inc. is in excess of six billion U.S. dollar.

(6) Frances T. Fox, Vice President and Director former General Manager of L.A. International Airport, former Director of Aviation for Howard Hughes Nevada operations, now called Summa Corporation, City Manager of San Jose, California.

(7) **Clint W. Murchison**, Jr. Director Owner of the Dallas Cowboys NFL football team.

(8) William M. Pender, Director and Sr. Vice President licensed contractor, State of California.

(9) **Glen R. Shockley**, Director Consultant to Fortune 500 Companies in business management. Internationally known as financial consultant in funding.

The list of directors was accompanied by a letter dated January 11, 1983 on FIDCO letterhead originating out of Santa Monica, California addressed to Robert Booth Nichols in Marina Del Rey, California. The letter, signed by George K. Pender, briefly referenced a copy of a resolution resulting from a meeting of the Board of Directors of FIDCO.

On April 13, 1983, Robert Booth Nichols wrote a letter to Joseph F. Preloznik in Madison, Wisconsin, outlining proposed arms projects, one of which was to build a two story building of approximately 7500 square feet with concrete walls and floors to house the "R & D position." (I later found the R & D facility referenced in a 1981 Wackenhut Interoffice memorandum as a companion facility to Wackenhut to be constructed on the Cabazon Indian reservation for the assembly of shell casings, propellants, war heads, fuses, combustible cartridge cases and other weapons systems).

Nichols wrote to Preloznik, "Should there be any questions with regard to my credibility, **verification can be made through F.I.D.C.O.** I have enclosed a copy of that appointment."

If in fact, F.I.D.C.O. was a vehicle of The Octopus, then the tentacles of its Board of Directors lead straight to the head. Clint Murchison, Jr. of Dallas, Texas was the son of Clint Murchison, Sr. who, according to Dick Russell, author of the book, "The Man Who Knew Too Much," (pp. 521523) was cut from the same political cloth as H.L. Hunt.

Wrote Russell: "Back in 1951, after General Douglas MacArthur was relieved of his Korean command by President Truman, H.L. Hunt accompanied MacArthur on a flight to Texas for a speaking tour. **Hunt and Murchison were the chief organizers of the proMacArthur forces in Texas.** They would always remember the general standing bareheaded in front of the Alamo, urging removal of the 'burden of taxation' from enterprising men like themselves, charging that such restraints were imposed by 'those who seek to convert us to a form of socialistic endeavor, leading directly to the path of Communist slavery.'"

According to Russell, Hunt went on to set up a MacArthurforpresident headquarters in Chicago, spending \$150,000 of his own money on the general's reluctant 1952 campaign, which eventually fell apart as MacArthur adopted the strident rhetoric of the right wing.

"Still, connections were made," wrote Russell, "Charles Willoughby, for example, was a regular part of the MacArthurHunt entourage and undoubtedly was acquainted with Murchison as well." Both [the Hunts and the Murchisons] cultivated not only powerful people on the far right, but also J. Edgar Hoover, Richard Nixon, organized crime figures, and Lyndon Johnson, whose rise to power emanated directly from his friends in Texas oil.

"Like Hunt, **Murchison was an ardent supporter of Senator Joseph McCarthy's anticommunist crusade. McCarthy came often to the exclusive hotel that Murchison opened in La Jolla, California, in the early 1950's. So did Richard Nixon and J. Edgar Hoover.**

"In 1961, after Nixon had lost the presidential election to JFK the previous year, Murchison sold Nixon a lot in Beverly Hills for only \$35,000 **a lot Murchison had financed through a Hoffa loan** which Nixon sold two years later for \$86,000.

When Hoover visited the (Murchison) Hotel Del Charro, as he did every summer between 1953 and 1959, Murchison picked up his tab. That amounted to about \$19,000 of free vacations for the FBI Director over those years.

Whether Hoover knew it or not, **almost 20 percent of the Murchison Oil Lease Company in Oklahoma was then owned by Gerardo Catena, chief lieutenant to the Genovese crime family.**

By the autumn of 1963, a major scandal was brewing around Bobby Baker, whom Vice President Lyndon Johnson had made secretary of the Senate Democrats in 1955, when LBJ was majority leader. LBJ called Baker "my strong right arm, the last man I see at night, the first I see in the morning."

On October 8, 1963 Baker was forced to resign, as a Senate investigation of his outside business activities began producing sensational testimony on numerous questionable deals. **"Baker's deals were tightly interwoven with the Murchison family and the Mob,"** wrote Dick Russell. "What first attracted the attention of Senate investigators was a lawsuit brought against Baker in 1963 by his associates in a vending company, alleging that he failed to live up to certain bargains. Those associates were, for the most part, Las Vegas gamblers; one of them, Edward Levinson, was a lieutenant of Florida mobster Meyer Lansky, whose Fremont Hotel in Vegas was financed through a Hoffa loan.

"Baker, it later turned out, did considerable business with the Mob in Las Vegas, Chicago, Louisiana, and the Caribbean. Through Baker, Levinson had also gotten to know Clint Murchison."

"Clint Murchison, Jr. [listed on the Board of Directors of FIDCO] tried to persuade the Senate Rules Committee in 1964 that his own real estate dealings with Jimmy Hoffa in Florida were 'hardly relevant' to the Baker investigation."

Robert Maheu (Senior Vice President and Director of F.I.D.C.O.), was also mentioned in Russell's book, "The Man Who Knew Too Much," (pp. 190). Wrote Russell: "Back in 1960, with then vice president Richard Nixon serving as the White House's liaison to the CIA's Cuban operations, the CIA had initiated its long series of assassination attempts against Castro. **The 'cutouts' in the operation started with Las Vegas billionaire Howard Hughes's righthand man, Robert Maheu, who got in touch with organized crime leaders Sam Giancana, Johnny Rosselli, and Santos Trafficante, Jr.** They in turn enlisted the direct assistance of Cuban exiles ..."

Throughout my conversations with Michael Riconosciuto the names of Robert Booth Nichols, George Pender, Glenn Shockley and Michael McManus (other directors of F.I.D.C.O.) cropped up repeatedly, but I found few references to them in any published books or magazines. **Riconosciuto often stated that George Pender and Glenn Shockley were CIA officials, which I later corroborated through Peter Zokosky, a partner of Robert Booth Nichols's.**

In August, 1994, I did, however, manage to obtain three significant letters with the signatures of **Michael A. McManus and George Pender** on them.

The following letters on F.I.D.C.O. confirm its presence in Lebanon.

Letter No. 1 Written on White House letterhead stationary, dated, **June 29, 1983, from Michael A. McManus, Assistant to the President (Reagan)** to George K. Pender in Santa Monica, California:

"Dear George: It was good to see you again. I appreciate the update you and your associates gave me concerning the status of your efforts in the rebuilding of Lebanon.

"Without question FIDCO seems to have a considerable role to offer particularly in the massive financial participation being made available to the government of Lebanon.

"As you are aware, the United States government is providing financial aid. We are very interested in the success of the rebuilding effort in Lebanon. I will appreciate your continuing to keep me posted. Best personal regards. Sincerely, Michael A. McManus, Assistant to the President."

It is interesting to note that in 1982, one year before the above letter was written, Israel invaded Lebanon in a bid to crush the PLO strongholds there and install the Gamayel family in power. At that time Tel Aviv was supporting the ultraright Christian Phalange militia. **It was the Christian Phalangist militia which first brought Lebanon into the heroin trade.** And the powerful Christian Gamayel family which led the way in turning to outside forces for money, guns and political support. **Foremost among those sources was the international heroin trafficking network.**

This according to Bill Weinberg, editor of High Times magazine, who wrote the indepth article, "The Syrian Connection" in March 1993. Weinberg also noted that as far back as 1955, U.S. Senate Judiciary Committee hearings learned that **Sami el Khouri, the Gamayel's chief of finances, was importing raw Turkish opium into Lebanon, where it was processed into heroin** and then shipped to Sicily for reexport throughout America and Europe.

El Khouri controlled the Gamayel family's shipping lines, trading, trucking and air freight companies. El Khouri's machine was the Lebanese wing of the French Connection the wing that continued to do business with the Sicilians in a bid to propel the Gamayel family to power.

After the Israeli invasion, **the Lebanese Parliament elected to the presidency Bechir Gamayel who had long been on the CIA payroll.** But before he could take office, Bashir was killed by an assassins bomb, and Bechir's brother, Amin, was installed as president.

The following letter from George Pender, President of FIDCO, to President Amin Gamayel in Beirut is printed in its entirety here.

Letter No. 2 Written on F.I.D.C.O. letterhead stationary, dated July 12, 1983, from George K. Pender, President of **FIDCO, to President Amin Gamayel, Presidential Palace, Beirut, Lebanon.:**

"Dear Mr. President: I had visited Beirut in February and May, 1983 to discuss FIDCO participation in the redevelopment of Lebanon. These meetings were held with the Chamouns, **Maurice Ghanem** and Mourad Baroudy. Of particular interest is the fact that FIDCO offered to arrange the financing of projects considered, provided they were in the government sector. Unfortunately, the response, to date, is dragging and a golden opportunity for Lebanon is slowly dying.

"I had made no effort to see you at that time as I thought it more prudent to delay until I had something more tangible to present. I expressed specific interest in the rebuilding of Damour and Alkhyam. FIDCO has presented these projects to an international Trust with whom we have a close relationship, and we are very confident that we can arrange the funding under International Chamber of Commerce format, provided FIDCO can negotiate turnkey contracts on both projects. We are ready, willing and able to proceed immediately on this basis.

"I understand you will be at the White House on July 22nd. Would it be possible for me to meet with you in Washington, D.C. on July 21st briefly so that I may personally present our interest in Lebanon? As per copy of attached letter, the White House is actively interested in our efforts.

"For your personal information, I was a good friend of Bechir. I was with him in Beirut in 1976 when the Syrian Army came in to police. When he later visited the United States on a speaking tour, my wife and I went to Framingham, Massachusetts to meet with him. I miss him tremendously.

"I would appreciate your reply as soon as possible. You can also reach me **via telex 652483 RBN [Robert Booth Nichols] ASSOCS LSA.** Thank you for your time and consideration. Sincerely yours, George K. Pender."

I cannot stress enough the importance of this letter From George Pender to Amin Gamayel. In the

very first paragraph of Pender's letter he noted that "**Maurice Ghanem**" participated in the meetings held in Beirut in May 1983 to discuss F.I.D.C.O.'s participation in the redevelopment of Lebanon.

Michael Riconosciuto had stated (on page 40 of this manuscript) that he had worked directly under "Maurice Ganem" and George Pender in Lebanon! Riconosciuto had explained that Maurice had a "relative, either a brother or a cousin, who was a senior DEA official with Michael Hurley."

Then, in a 1993 book entitled, "Trail of the Octopus" by Donald Goddard with Lester Coleman, on page 152, I stumbled across the name of **Fred Ganem** in the following context: "**The number of DEA controlled deliveries of heroin down the pipeline to the United States had increased noticeably during the winter as a result of Fred Ganem's special knowledge of the Lebanese communities in Detroit, Houston and Los Angeles.**"

This was independent corroboration of a link between F.I.D.C.O. (George Pender and Michael McManus) and **the very same heroin operation in Nicosia, Cyprus which Riconosciuto had described in detail to me in December 1991!**

It also directly connected George Pender with Michael T. Hurley. Goddard and Coleman recounted how "members of the Jafaar clan and other DEA couriers would arrive at Larnaca with suitcases full of highgrade heroin, white and crystal, and be met off the boat ... by officers of the Cypriot Police Narcotics Squad, who then drove them up to the Euramae office in Nicosia." In his interview with R.J. (page 37), Riconosciuto had maintained that "F.I.D.C.O. had a companion company called Euramae Trading ..." **Three years later**, "Trail of the Octopus," described Euramae as such: "Coleman was given a desk at the **Euramae Trading Company, Ltd.**, a DEA/CIA 'front' newly set up by the Cypriot Police Narcotics Squad in a luxury threebedroomed penthouse apartment down the street from the US Embassy. It gave him the creeps from the start.

"Intended as a place where DEA and CIA agents could meet unobserved with informants and clients, as a message drop for **CIA arms dealers supplying Iraq and the Afghan rebels**, as a waiting room for DEA CI's and couriers from Lebanon, and as a transit point, **not just for heroin**, but for cash, documents and bootleg computer software moving to and fro along the BeirutNicosiaUS pipeline, Eurame, as run by ElJorr, was more like a lowlife social club than a secret intelligence centre." Coleman had complained to Hurley, but Hurley had just brushed it aside.

It is noteworthy that George Pender listed Robert Booth Nichols's "telex" number at the bottom of his letter to Lebanon President Amin Gamayel. During that time span, Nichols and Pender (when they weren't in Lebanon) **were operating a NSC listening post from a condo at Marina Del Rey. It was allegedly the U.S. end of the Nicosia, Cyprus operation.** Michael Riconosciuto, Ted Gunderson and Allan Boyak, an attorney representing Riconosciuto, all had stories to tell about apartment number "007." More on this in a moment. Next, was the Lebanese response to George Pender's aforementioned letter (No.2).

Letter No. 3 Written on Arab Bank Limited letterhead, dated November 23, 1983, from Abdul Majeed Shoman, Chairman/General Manager of Arab Bank Limited in Amman, Jordan to George K. Pender in Santa Monica, California:

"Dear Mr. Pender: Mr. Ahmad has talked to me about the fund to reconstruct Lebanon and we the Arab Bank together with a group of other banks will be glad to cooperate with you concerning this respect.

"We shall discuss, in future, how this cooperation will be made and on what conditions and plans.

"You have mentioned in your letter to Mr. Ahmad on September 27th that **this fund amounts to US\$ three billion or more.** There is no problem to take care of this by the Arab Bank and the other group of banks as stated above. The terms and conditions will be discussed with you provided the condition is clear in Lebanon and subject to the approval and counter guarantees of the Lebanese

Authority. Yours sincerely, Abdul Majeed Shoman, Chairman/General Manager."

It is unlikely any "reconstruction" (funded by F.I.D.C.O.) ever took place in Lebanon. Only a Congressional investigation could determine what the US\$three billion dollars was actually used for.

The next document, pertaining to Robert Booth Nichols, Senior Vice President of F.I.D.C.O., originated from an interview between Jeffrey Steinberg, a writer for Executive Intelligence Review, and **Allan Boyak**, an attorney in Utah whom Michael Riconosciuto contacted immediately after his arrest in Washington state.

Michael T. Hurley had allegedly been transferred from Nicosia, Cyprus to DEA in Washington state shortly before Michael's arrest. Riconosciuto's arrest had taken place with a week after signing the Inslaw affidavit.

It is noteworthy that Danny Casolaro also contacted and interviewed Allan Boyak shortly before his death. According to Ted Gunderson and others who knew Danny, Boyak met with Casolaro in Washington D.C. and provided him with a copy of a transcript of the meeting between himself (Boyak), Riconosciuto, and Ted Gunderson, who at that time was Riconosciuto's investigator.

I later obtained the same transcript from Gunderson's live-in partner, J.M., and have related the contents of that explosive transcript in Chapter 13.

Meanwhile, the following "Memorandum for the File," dated 62591, was written by Steinberg after his interview with Boyak: (Excerpted) "I met at length Saturday, June 22, 1991 with Allan Boyak, an attorney from Utah who is representing Michael Riconosciuto in his pending drug case. Boyak is not the lead attorney and will not apparently be making court appearances in the case.

"Boyak recounted the following personal background information: He was in the U.S. Army in Special Forces and apparently did some contract work for the CIA during the 1960's and early 1970's. At some point in the early 70's, he worked briefly for the Drug Enforcement Administration (or its antecedent agency), being stationed in California.

"Boyak had some falling out with the DEA and left the government service altogether, entering law school. While in law school, **Boyak became friendly with Jim Nichols, a classmate. Nichols told him that he had a brother who was heavily involved in organized crime** and had been disowned by his family.

"Once out of law school, Boyak joined a Hollywood law firm and became involved in criminal defense work, representing a number of well placed West Coast drug traffickers. At some point, Boyak moved to Utah (he is a practicing Mormon), while retaining his California law practice on a parttime basis.

"In addition to his o.c. [organized crime] clientel, Boyak also maintained contacts and apparently did some legal work for some of his old buddies from his Green Beret and CIA days. One such pal was Art Suchesk, who ran a CIA proprietary company called Hoffman Electronics.

" ... At some point in the late 1970's, one of Boyak's clients, a Mormon old boy named Cap Kressop, who was a technical wizard, was approached by Robert Nichols and asked to manufacture a prototype laser site for a rifle. Kressop was offered a \$200,000 contract for the job but he became suspicious when Nichols wanted to pay him in cash.

"Boyak contacted **Nichols at his Marina Del Rey, California home/office [apartment "007"]** and the two had a lengthy meeting there. Boyack's description of that meeting is that it was continuously interrupted by telephone calls and **telex messages**. Boyak came away **convinced that Nichols was involved in large scale illegal drug operations**.

"After consulting with one of his close friends from Green Beret days, then an assistant U.S. Attorney named Dexter Leitonen (now the Miami U.S. Attorney), Boyak went to the Los Angeles

FBI office with the suspicions about Nichols' activities.

"The FBI background check [conducted by Ted Gunderson] on Robert Booth Nichols (born 1943 or 1944 he couldn't remember for sure) revealed that he was 'squeaky clean.' In fact, he had a Class I machine gun license.

"Boyack did discover, however, that one of the people Nichols referenced as a business associate and personal friend, **Harold Okimoto, was believed by some of his sources to be a top Japanese organized crime figure based in Hawaii. Okimoto was described as a top agent in the Yakuza overseas.**

"Over the next two year period, after the L.A. FBI had dropped any interest in the Nichols matter, Boyack's friend, [Arthur] Suchesk, **repeatedly ran into Nichols in such places as Singapore, the Philippines, and Taiwan. Suchesk was based out of Zurich, Switzerland** during this period, apparently still **doing his front man work for the CIA.**

"Boyack says that information developed during this period, through Suchesk and others, [indicated] **that Nichols was indeed a bigtime drug dealer who was very well insulated** from any U.S. law enforcement problems. Nichols operated exclusively overseas. Whenever he came to the United States, he never engaged in any illegal activities.

"However, Boyack described Nichols' rum importing business as **a cover for bigtime heroin trafficking from the Golden Triangle.** Nichols was also named as 'Mr. Big', according to Boyack, in the Medellin Cartel, in drug prosecutions in Utah and Los Angeles.

"Three to four years ago, Boyack received an out of the blue telephone call from Michael Riconosciuto. Michael identified himself as a former employee of Robert Nichols. He also referenced Ted Gunderson as a 'mutual friend.' Boyack had only met Ted once very briefly when he was pressing the L.A. FBI to look into the Nichols dope suspicions ..."

"... Then in April 1991, Boyack received a phone call from Ted Gunderson, informing him that 'Michael was in trouble. He was caught in a government frameup.'

"Boyack returned to his background profile of Bob Nichols, parts of which were apparently provided by Bob's estranged brother, Jim Nichols. It seems that **as a young man, Robert Nichols wound up in Hawii functioning as a hitman for the Tongs. He was 'adopted' as the Yakuza godson of Harold Okimoto,** a 67yearold car dealer in Hawaii.

"**Nichols grew up to be a big business front man for the Far East syndicate.** He reportedly laundered between \$50200 million for Ferdinand Marcos. He now owns an estate in Hawaii, a feudal castle outside of Milan, Italy and the referenced Marina Del Ray home in California.

"Nichols has an office in Zurich. At one point, **he was reportedly involved in the smuggling of China White heroin into Mexico** where it was treated to look like the Mexican brown heroin which was more popular at the time.

"It should be emphasized that all of this information about Robert Nichols comes exclusively from Allan Boyack. None of it has yet been independently corroborated to my knowledge. Bill Hamilton and some other people involved in tracking the Inslaw story have all spoken to [Robert] Nichols and report that he has been straightforward with them and has provided leads and documents re: Michael Riconosciuto.

"Nichols is listed on the board of directors of First Intercontinental Development Corporation (FIDCO) along with George Pender and several officials of the Howard Hughes linked Suma Corporation."

One of the most surprising, and disturbing, documents I found in Michael Riconosciuto's hidden files (see Chapter 9) was an envelope with a notation on it, handwritten and signed by Ted Gunderson, which read as follows:

"Michael: Raymond [Lavas] is arriving at LAX, 7:55 p.m., Air Canada via flight 793 from Toronto. Will have to go through Customs. This will give us another member for our drug/arms operation. Only problem [is] Raymond will probably be using instead of selling. Sorry I didn't get to D.A. office. I tried to call, but no answer. By the time I fought the traffic to the bank and did my banking, it was too late Will be home tonight (818) 8806238. T.G."

Raymond Lavas was Ted Gunderson's forensic expert when he worked for the FBI. Lavas was in constant contact with Bobby Riconosciuto after Michael was incarcerated. In fact, everyone was watching Michael and Bobby very closely.

CHAPTER 8

In March, 1993, **two years after** Michael Riconosciuto had attempted to trade information on the F.I.D.C.O./Euramae drug/intelligence operation in Lebanon to the government, the aforementioned magazine article printed in High Times magazine by Bill Weinberg, entitled, "The Syrian Connection," exposed **CIA penetration into the Bekaa Valley drug trade in Lebanon.**

Essentially, this article validated much of Riconosciuto's earlier information. The following are some excerpts:

" ... Many of Lebanon's armed factions depend on the international drug trade for funds," wrote Weinberg. **"Each paramilitary group controls its own port in or around Beirut which serves as a transfer point for drugs on the way out of Europe and America and weaponry on the way in from the international market. Whoever holds the fertile Bekaa [Valley] holds the ticket to power. As the war escalated in the late 1970's, hashish, the traditional mainstay of the Bekaa, started to be replaced by the more lucrative heroin. Marijuana fields were converted to opium fields, hashish production compounds converted to heroin labs."**

Heroin production exploded in the Bekaa Valley under the Syrian occupation. However, the Syrian occupation forces didn't touch the drugs, but "profited from the trade and protected it." It was estimated that up to \$2 billion in protection money was paid annually by dope plantation operators to Syrian occupation forces.

DEA official Felix Jimenez told a reporter in 1990 that the Syrian occupation received \$10,000 per kilogram of Bekaa heroin. With the valley producing over 20,000 pounds a year, that was a lot of money.

Bekaa also became a center for processing Columbian cartel cocaine for reexport to European markets.

In 1988, two Syrians arrested with large quantities of heroin and coke in Milan [Italy] claimed to be working for a Syrian colonel in Bekaa. Prior to Desert Storm, Syria's president Hafez Assad and Iraq's Saddam Hussein were rival factions in the Arab nationalist Ba'ath Party. Syria was the only Arab nation to back Iran in the long and brutal war against Iraq in the 1980's. So when President George Bush invited Syria to join the Arab coalition against Saddam after Iraq's invasion of Kuwait, Assad accepted.

After Desert Storm, Assad closed ranks with the White House and even softened his stand against Israel. President Bush and Secretary of State James Baker peddled a postwar peace plan for the region and Syria and Israel were encouraged to recognize each others' Lebanese occupation zones.

Under a 1990 accord, Christians and Muslims were finally granted equal representation, officially bringing the civil war to an end. A new Syriabacked Muslimled government came to power. **Under the accord, Syria maintained control of the Bekaa Valley. Among the areas still under Syrian control were the notorious drug ports north of Beirut.**

High Times maintained that there were long standing backchannel relations between Washington D.C. and Damascus. According to a 1987 Pentagon memo leaked to the Chicago paper, In These Times, Lt. Col. Oliver North was personally notified that Syrian intelligence in Lebanon was

willing to negotiate with the White House for release of the hostages held by Lebanese terrorists.

The Washington Jewish Week reported that Bush himself had made secret visits to Damascus for hostage negotiations. But there were other reasons for the U.S. to be in Lebanon. In 1988, when Pan Am Flight 103 exploded over Scotland, Pan Am hired the private investigative firm of Interfor to look into the bombing. The owner, Juval Aviv, was reportedly a former Mossad agent.

Interfor maintained that the Syrianbacked Popular Front for the Liberation of Palestine General Command (PFLPGC) was behind the bombing. The PFLPGC had been able to get their bomb on board the 747 because **the flight was part of a heroin smuggling route run by a drug trafficking ring connected to the Syrian regime and protected by both the U.S. DEA and the CIA.**

Interfor claimed the ring was overseen by Syrian kingpin Monzer AlKassar often known as the world's biggest arms dealer. **The CIA was protecting the AlKassar operation because he was cooperating with efforts to free U.S. hostages in Lebanon.**

Reporter Bill Weinberg added that "the CIA and DEA had apparently both instructed Germany's internal intelligence agency, the BKA, to allow certain suitcases to pass uninspected onto USbound flights at the Frankfurt airport, where Flight 103 originated."

Apparently, unknown to anyone except the PFLPGC and AlKassar, **a suitcase which was supposed to be full of the usual heroin was covertly substituted with a suitcase full of explosives.**

A London Times news article, dated July 22, 1991, entitled, "US Drugs Sting Gave Pan Am Bomber Cover," noted that **the DEA admitted that the protection program had existed.** The explanation for this operation, which was codenamed Khourah, was provided by **Ronald Caffrey, acting assistant administrator of the operational division of the DEA.** In a U.S. government submission, dated March 20, 1991, **Caffrey said the drug operation was a "controlled delivery."**

According to Caffrey, in a controlled delivery, a law enforcement agency permits and monitors shipments of contraband, including drugs, to move from a source or transit location to its intended destination. Use of this technique is sometimes essential to enable law enforcement agencies to identify and arrest highranking members of trafficking organizations, rather than simply arrest low level couriers.

Pan Am argued in court that it had been the pawn of an international intelligence operation, but still lost the case and was forced into bankruptcy.

In 1990, when the White House started to woo Syria as a partner in the Allied coalition, blame for the Pan Am bombing suddenly shifted from Assad's Syria to Qaddafi's Libya, and that is pretty much where it stands today.

Meanwhile, AlKassar was alleged to have provided Oliver North with drug profits to purchase arms for the Nicaraguan Contras. The U.S. Tower Commission probe into Irangate revealed that AlKassar had been paid \$1.2 million by Oliver North's coconspirator General Richard Secord to move weapons from Israel to the Contras.

In her book "October Surprise," **former Reagan White House aide Barbara Honegger alleged that AlKassar's heroin smuggling network in Italy was used to launder NATO arms stocks for diversion to Iran with the help of corrupt Italian intelligence officials** linked to the secretive fascist Masonic lodge, P2.

It is noteworthy that AlKassar was reported to hold large tracts of land in the Bekaa Valley. The PFLPGC also has camps in the Bekaa which were the target of Israeli air strikes in 1989.

The U.S. government's presence in Lebanon is not to be taken lightly according to Lester Coleman, a selfemployed freelance writer, editor and security consultant who once moonlighted as a DIA (Defense Intelligence Agency) covert intelligence officer when he was called to serve. Coleman,

age 47, told the London Times that for six years he worked as an intelligence officer with the secret unit, Middle East Collection 10 (MC10) in Cyprus, running a network of agents in Beirut whose mission was to find American hostages held by extremists.

Coleman was paid in travelers checks sent from the Luxembourg branch of the now collapsed Bank of Credit and Commerce International (BCCI). Two senior MC10 members, Mathew Kevin Gannon and Major Charles Dennis McKee, had been on PanAm flight 103 and had just returned from a mission in Beirut.

Coleman explained that the DEA, with the narcotics squad of the Cypriot national police, the German BKA police and British customs, ran a "drug sting operation" through Cyprus and airports in Europe, including Frankfurt.

The operation involved delivering heroin from the Bekaa Valley in Lebanon to the United States; the operation was codenamed "Khourah." Coleman maintained that Pan Am Flight 103 was being used by the DEA as a "controlled delivery" flight.

After the explosion, the Beirut end of MC10 had obviously been "blown." There were five key members of the MC10 cell in Cyprus and Beirut, one of whom was Lester Coleman. Another was Werner **Tony Asmar**, a German Lebanese, who was killed in a bomb explosion at his office in east Beirut on May 26, 1988.

Another member of MC10 was Charlie Frezeli, a Lebanese army officer, who was shot dead at his home in east Beirut in November 1989. When Asmar was killed, the DIA ordered Coleman home.

Danny Casolaro had contacted Coleman in Sweden on August 3, 1991, seven days before his death in Martinsburg, West Virginia. They talked about the sale of the PROMISE software by the U.S. Government to foreign governments, the Bank of Credit and Commerce International (BCCI), and the IranContra scandal.

After Coleman learned of Danny's death on August 10th, 1991, he provided Inslaw president Bill Hamilton with an affidavit in October 1991. **That affidavit read as follows:**

"Affidavit of Lester K. Coleman, being duly sworn, do hereby state as follows:

"(1) I am currently selfemployed as a freelance writer, editor, and security consultant. I am a United States citizen and am temporarily outside of the United States.

"(2) In November 1984, the Defense Intelligence Agency (DIA) offered me a position in human intelligence operations in the Middle East. I was raised in the Middle East, where I lived in Iran, Libya and Saudi Arabia. I speak three dialects of Arabic and some Farsi. I accepted the position and received training from the DIA. I was assigned to a Middle East intelligence unit.

"(3) Between February and September 1987, I was seconded by DIA to the Drug Enforcement Administration (DEA) in Nicosia, Cyprus, reporting to the DEA Country Attache, Michael T. Hurley.

"(4) After a cover assignment in the United States, I was again seconded to the DEA in Nicosia, Cyprus, in early 1988.

"(5) During April and May 1988, I worked in the office of Euramae Trading Company, Ltd. in Nicosia, Cyprus, a DEA proprietary company. On or about May 29, 1988, because of my concern about poor security in the DEA operation in Cyprus, I returned to the United States, having previously obtained the concurrence of DIA.

"(6) During my two stints as a DIA covert intelligence officer seconded to the DEA in Nicosia, Cyprus, I became aware of the fact that DEA was using its proprietary company, Euramae Trading Company, Ltd. to sell computer software called PROMISE or PROMIS to the drug abuse control agencies of various countries in the Middle East, including Cyprus, Pakistan, Syria, Kuwait and Turkey.

"(7) I personally witnessed the unpacking at the Nicosia, Cyprus, Police Force Narcotics Squad of boxes containing reels of computer tapes and computer hardware. The boxes bore the name and red logo of a Canadian corporation with the words 'PROMISE' or 'PROMIS' and 'Ltd' in the company name.

"(8) The DEA objective in inducing the implementation of this computerized PROMIS[E] system in the drug abuse control agencies of the Middle East countries was to augment the drug control resources available to the United States Government by making it possible for the United States Government to access sensitive drug control law enforcement and intelligence files of these Middle East governments.

"(9) It is also my understanding that thirdparty funds were generally made available for the purchase of these computer software and hardware systems. One thirdparty funding source was the United Nations Fund for Drug Abuse Control in Vienna, Austria.

"(10) As DEA Country Attache for Cyprus, Michael T. Hurley had overall responsibility for both the Euramae Trading Company, Ltd. and its initiative to sell PROMIS[E] computer systems to Middle East countries for drug abuse control.

"(11) In 1990, DEA reassigned Hurley to a DEA intelligence position in Washington State.

"(12) I became aware in 1991 that Michael Riconosciuto, known to me as a longtime CIA asset, was arrested in Washington State by DEA for the manufacturing of illegal chemical drugs. I had also become aware of the fact that Riconosciuto had made a sworn statement, prior to his arrest, about his participation in a covert U.S. intelligence initiative to sell Inslaw's PROMISE software to foreign governments.

"(13) In light of Hurley's personal involvement in the U.S. Government's covert intelligence initiative to sell PROMIS[E] software to foreign governments and his reassignment to a DEA intelligence position in Washington State in advance of the DEA's arrest of Riconosciuto, the arrest of Riconosciuto should be regarded as suspect. I do not believe that Hurley's posting to a drug intelligence position in Washington State in advance of Riconosciuto's arrest on drug charges is merely coincidental. Rather, the probability is that Hurley was reassigned to Washington State to manufacture a case against Riconosciuto in order to prevent Riconosciuto from becoming a credible witness about the U.S. Government's covert sale of the PROMIS software to foreign governments.

"(14) The investigative journalist Danny Casolaro contacted me in Europe on August 3, 1991. Mr. Casolaro had leads and hard information about things that I know about, including Department of Justice groups operating overseas, the sale of PROMIS[E] software by the U.S. Government to foreign governments, the Bank of Credit and Commerce International (BCCI), and the IranContra scandal. I subsequently learned of Mr. Casolaro's death in Martinsburg, West Virginia, one week later, on August 10, 1991. I contacted Inslaw in October 1991, after learning about Mr. Casolaro's death under suspicious circumstances."

CHAPTER 9

Village Voice magazine ran an article entitled, "The Last Days of Danny Casolaro," by James Ridgeway and Doug Vaughan on October 15, 1991 which gave a brief profile of Michael Riconosciuto's background:

"The 44yearold Riconosciuto is to put it mildly a colorful character, wilder than anything in 'The Falcon and the Snowman.' He was a gifted child. When he was just 10 years old, Michael wired his parents' neighborhood with a working, private telephone system that undercut Ma Bell; in the eighth grade, he won a science fair with a model for a threedimensional sonar system. By the time he was a teenager, he had won so many science fairs with exhibits of laser technology that he was invited to be a summer research assistant at Stanford's [University] prestigious Cooper Vaper Laser Laboratory. Dr. Arthur Schalow, a Nobel laureate, remembered him: 'You don't forget a 16yearold youngster who shows up with his own argon laser,' he told Casolaro."

Bobby Riconosciuto lived with Michael Riconosciuto at the time of his arrest in Washington state. Immediately upon learning of his arrest, she had fled to California with her four children, the youngest of which, Elizabeth, had been fathered by Michael.

Bobby was well situated in an exclusive suite at the Embassy Suites Hotel in Orange County, California. Her suite contained a living room and bar overlooking lush indoor tropical gardens and water fountains, marble walkways over bridgecovered ponds and a gazebo where free breakfasts were cooked and served to order.

Within the room, she had at her disposal office equipment, phones in every room, answering machines, room service and anything else she needed for herself and her children. Patrick Moriarty, Marshall Riconosciuto's business partner of 40 years, was paying the bills.

Moriarty and the Riconosciutos, father and son, had once owned Hercules Research Corporation together in Hercules, California. An old Contra Costa County newspaper article, dating back to April, 1981, gave the story of Hercules. The subheading of the article pretty much said it all, "Device Could Make Hercules a Silicon Valley."

In 1981, Hercules had developed a small electronic power supply the size of a tissue box, designed to specifically feed 30,000 volts of electricity to another device, a METC (Modular Energy Transfer Catalyzer) unit, that would cut the heating and cooling time in food processing and of making glass, metal and other products by 40 percent.

The METC unit, patented by Interprobe of Chicago, worked by electrostatically exciting air molecules by moving them through a charged field. This removed a boundary layer of molecules that inhibited the exchange of thermal energy. Hercules' highvoltage power supply was essential to the application of Interprobe's METC unit, so both companies were in the process of working out a merger in order to market both technologies as a complete system.

Admiral Henry Rankin, vice president of Interprobe, was a longtime family friend, and was very enthusiastic about incorporating the Hercules power pack with Interprobe's high voltage electrostatic technology.

Patrick Moriarty and Marshall Riconosciuto had funded research for 15 years and spent about \$1 million of their own money on the project.

By 1983, things were not looking so good for Patrick Moriarty. The Los Angeles Times newspaper reported in a series of articles that "fireworks magnate W. Patrick Moriarty, his business and associates spent nearly half a million dollars in the last three years to influence government decisions throughout California."

Moriarty's relationships with several key state legislators and his campaign contributions to elected officials from Anaheim to Sacramento had made him a powerful force in state and local politics. His association with the notorious Robert Ferrante, head of Consolidated Savings and Loan which failed in 1985, and who was the subject of a disorganized, onagain offagain FBI investigation, was written up in the book, "Inside Job," by (Mary Frick?).

Patrick Moriarty was described as "the manufacturer of Red Devil fireworks, who founded the Bank of Irvine. The bank failed in 1984, the victim of fraud and mismanagement, according to regulators." In 1985, Moriarty pleaded guilty to mail fraud in a case that became the biggest political scandal in California in 30 years. Over 10 prominent politicians, including one state senator, were indicted for taking bribes from Moriarty.

Though I'd spoken with her on the phone numerous times, I first met Bobby Riconosciuto facetoface on January 15th, 1992. On the day I visited her hotel suite, I hauled my Mita copy machine on a cart up to her room and we talked and made copies of documents all morning. Bobby was young, boxom and attractive in a natural, mother earth sort of way. Her long blond hair hung

loosely around her shoulders, she wore no makeup, and her nose and mouth had an impish upturn that made her appear to be smiling even when she was not.

We became friends as the day progressed. Bobby confided that some of the more sensitive material was stored at Michael's hidden trailer in Trona, California.

While working at Wackenhut, Michael had anticipated a future need to have a hiding place for himself and his files in the event that things got out of control. Bobby, who had met Michael in Washington state after he left Wackenhut, had been instructed by Michael to stay away from the trailer in case she was being surveilled.

The files and computer equipment stored there were Michael's last ace in the hole. Nevertheless, Bobby was frustrated by the slow progress of Michael's court defense, by R.J.'s lack of response to Michael's request for Witness Protection - and she had been barraged by reporters who wanted documented proof of Michael's statements.

I offered to drive her out to Trona, near Death Valley, to retrieve Michael's files and ultimately, she acquiesced. We arrived at the isolated trailer at dusk and began sorting through documents that could substantiate Michael's claim that he worked for the government.

The electricity had been shut off and as it became dark, we were forced to use flashlights. Bobby was terrified that we might get caught in that Godforsaken place. The children were cold and tired, and from sheer exhaustion, she finally offered to turn all the boxes and documents over to me to make copies at home.

We threw everything helter skelter into large plastic trash bags, dumped the bags into my Chevy van, and quickly headed back to civilization.

It is noteworthy that before we left, Bobby pointed the flashlight towards another, smaller trailer situated on a knoll overlooking the road, which she claimed contained Michael's hidden computer equipment.

It was several weeks before Michael learned that Bobby had turned the documents over to me. She never told him, nor did I. It was through Jonathan Littman, a San Francisco Chronicle reporter whom I had confided in, that Riconosciuto learned of our secret.

Upon arriving home from my trip to the desert, I had xeroxed roundtheclock for five days with help from trusted friends. The documents corroborated everything Michael had related over the phone, and more.

It was an exciting time. Boxes and boxes of documents provided me for the first time with a window into the CIA corporate structure, arms deals, drug operations, money laundering, biological technology, all the connecting tentacles of Danny Casolaro's "Octopus."

After making copies, I squeezed the originals into eight large packing boxes, sealed them tightly, and sent them back to Bobby Riconosciuto, via a friend, who gave them to Michael's father, Marshall Riconosciuto.

I later learned Marshall allegedly shipped them to Ian Stuart Spiro for safekeeping. It was not until April, 1993, that I learned what became of Spiro and the documents.

An Associated Press news story entitled, "Deaths Linked to Spy Network," published in the Merced Sun Star newspaper, outlined the death of **Ian Stuart Spiro**, 46, who was found dead of cyanide poisoning in the AnzaBorrego desert on November 8, 1992, one week after his wife and children were found shot to death in their Rancho Santa Fe home.

The news story, originating from the Oceanside Blade Citizen, noted that **"documents and U.S. intelligence sources implicated Spiro in the IranContra armsforhostages affair and an alleged Justice Department conspiracy to pirate software from a private company and sell it to foreign intelligence agencies."**

Spiro's name also appeared in Lt. Col. Oliver North's personal notebooks documenting the IranContra affair, according to the National Security Archives in Washington D.C..

Former hostage David Jacobsen told the BladeCitizen shortly after Spiro's death that Spiro helped negotiate the release of hostages in the Middle East.

After obtaining a copy of a followup BladeCitizen article dated June 3, 1993, entitled, "Spiro Probers Want to Talk to North" by Wade Booth, Stacy Finz and Michael Williams, I learned that **Ian Spiro lived in Beirut, Lebanon during the 1970's and 1980's where he "made contacts with Lebanese religious leaders and the Islamic Jihad."**

Greg Quarton, Spiro's brotherinlaw, told reporters at the BladeCitizen that Spiro maintained communication with Lebanese business associates until the time of his death, but investigating officers had possession of Spiro's phone bills, and as of this writing, they had not released them.

San Diego sheriff's Capt. Jim Marmack said detectives were investigating allegations by **Spiro's relatives that his file cabinets and business papers were missing.**

The week of the Spiro family's death, Robert Corson, a business associate of Spiro's indicted in a savings and loan scam, was found dead in an El Paso, Texas, motel room. **Corson, who reportedly worked for the CIA, died of a heart attack, officials said. The BladeCitizen reported that Corson once carried money to South America in a deal to deliver covert weapons. Corson also allegedly associated with California investor Wayne Reeder who was seen at a Wackenhut/Contra meeting in Riverside county (See Chapter 10).**

The newspaper article went on to say that **Alan Michael May**, age 50, [a former Northern California field director in Richard Nixon's presidential campaign and attorney for Nixon's brothers Donald and Edward] was found dead in his San Francisco home on June 19, 1991, four days after a newspaper story in the Napa Sentinel outlined his role in an alleged plot by Republican Party officials to bribe Iranian officials to delay the release of U.S. hostages until after President Reagan's inauguration.

Immediately after May's death, **Raymond Lavas**, Ted Gunderson's former forensic's expert, (and a former protege of Robert Maheu according to Michael Riconociuto) wrote a letter to one of Michael's friends, expressing his professional opinion about the death of Michael May. A copy of that letter was faxed to me and the following excerpts quickly captured my attention:

"... I don't understand why it's going to take two weeks to determine May's cause of death. Did you know that certain chemical assassination methods will have been evaporated out of the body by that time?

"Then, the cause of death would be ruled as natural, since the chemical agents are the primary cause that result in a secondary action such as heart failure, kidney or liver damage, etc.

"Some examples of these agents include BZ2, Ricin, Tropodotoxin, shellfish toxia and a variety of methlamine based neurotoxinsthat affect the central nervous system and cause failure of one or more organs in the human body.

"Some, if not most of these toxins are solvent based [DMSO] and may be introduced in minute quantities through the skin. Their effect [may] vary and some toxins take weeks to months to take effect. Others take moments to damage the nervous system, then evaporate within hours.

"Unless the body is immediately refrigerated, the toxins are quickly evaporated, leaving only one or two parts per million in quantity. Unless there are suspicious circumstances surrounding the death, a trained forensic expert would never detect any traces of the toxin.

"So there you have it. [Michael] May is dead and they are dragging their asses to find out how! What is next? A statement that May died of natural causes? Let me predict this now ... and we'll see. Regards, Ray."

Michael May also apparently attended briefings connected with Lawrence Livermore Labs in California according to an official listing of Lawrence Livermore employees at a "Briefings and Discussions" document obtained from Riconosciuto's files.

The document, stamped, "Official Use Only," listed Edward Teller along with nine other names, including Michael May, under the heading "Lawrence Livermore Laboratory." Other headings with names listed underneath included the Department of Energy, Department of State, Defense Nuclear Agency and Naval Research Laboratory. There were no other pages accompanying the document, so it was impossible to determine from what manual it came from.

May's name also popped up in a letter Michael Riconosciuto wrote to Dr. John Phillip Nichols at the Cabazon Indian reservation when he was being screened for security clearances to work on the Cabazon/Wackenhut joint venture.

The letter focused primarily on **Al Holbert, an Israeli intelligence officer who allegedly recruited Riconosciuto into the CIA**, and May's name was mentioned only once, in connection with members of "The Company." That one sentence read as follows: "Ben Kalka's relationship with Holbert and 'May' will give the proper authorities the necessary auspices to come in and swiftly clean it [The Company] up."

Other portions of the letter gave a history of Riconosciuto's experience with Al Holbert (Excerpts):

"... My problems stemmed from my association with Al C. Holbert. I first met Holbert when I was still in high school and I was led to believe that he was an 'unofficial' representative of the Israeli government. I was further led to believe that his interests were not contrary to those of the United States. It was not until July of 1981 that I learned the truth about Holbert. It came directly from him to me personally in what I will call a confrontational situation.

"August of 1981 was when I first brought Holbert to your [Dr. John Nichols] attention. At that time, I still did not know much and I was still in a sort of state of shock from my 'new awareness' of Holbert. I was in deep with this guy and so was **Paul [Morasca]**.

"At first Paul thought that I was off base and overreacting and then by degrees he started to come around. Much of the incredible account of Paul's doings (**money transfers, gems, weapons, drugs**) were the result of his relationship to Burt and Jensen. Burt, Jensen and Kalka all met Paul through his brother Joe. I was the one who introduced Al Holbert to Paul, and Paul was the one who introduced me to Burt, Jensen and Kalka. This was in early 1967.

"I was introduced to [Al] Holbert through the Stanford crowd at the home of [name withheld] in Portola Valley, California. Interesting enough, [name withheld] is a former State Department employee ..."

"... The realization of who and what Holbert is, and Paul's death, have taken me some time to adjust to. And that required professional help. I now have a clear idea and good perspective on what has really happened in my life.

"I am in awe of Holbert and his group's power [The Company]. During the last year, I have forced this structure to rear its ugly head in many different times and places, and in ways that can't be covered up. I have also spread far and wide what knowledge I have with the intent to first protect others involved and secondly to chisel the story in stone.

"Where it all stands now is that no matter who the group attempts to silence or what ruse they attempt to perpetrate, the truth cannot be destroyed. This is now in the hands of a competent attorney. My direct involvement is finished except to be available to answer questions.

"... **I feel that Holbert and his group represent a current national security nightmare to this country.** I feel that I have been extricated from the hold of this group. But I also feel that the destruction by legal means of this group ranks in importance with my scientific and engineering skills to the overall picture.

"Ben Kalka's relationship with Holbert and May will give the proper authorities the necessary auspices to come in and swiftly clean it up. I would now like to start out where we should have been a year ago. The first point I will start with is a recap of our visit to Pickitunny Arsenal ..."

It is noteworthy that two of the people mentioned in the above letter are now dead: Paul Morasca and Michael May.

The bizarre circumstances of Morasca's death are detailed in the next few pages. Ben Kalka of The Company, is now serving time in prison for having 900 pounds of methamphetamine in his possession at time of arrest.

Through one of Michael's contacts, I managed to locate the current (1991) whereabouts of Al Holbert and confirm his identity. A letter written on "Solomon Investigations" letterhead, dated June 13, 1991, to a client requesting payment for the services of Holbert read as follows: (Excerpted) " ... **I enlisted the services of my electronic countermeasures expert, A.C. Holbert, for an immediate survey and sweep of the premises. Mr. Holbert is highly regarded as the best electronics man in the [San Francisco] Bay Area and has recently worked with Israeli intelligence services in the field of electronic countermeasures.** He agreed to take on this job. I have enclosed a copy of Mr. Holbert's faxed report ..."

The mystery of Al Holbert was further uncovered in a 1983 transcript in which Michael stated, "After Paul's [Morasca] death, Holbert admitted to me that he was a Soviet backed agent, and they had a home, or he had a home for me, and I could be treated like royalty, and he reiterated that offer in the latest meeting, and he said, 'He was prepared to deliver some fivehundredthousand dollars cash to me as a show of good faith ..."

The transcript, originating from a series of tape recorded interviews between Michael Riconosciuto, Ted Gunderson and Robert Booth Nichols at Nichols' "007" apartment in Marina Del Ray, provided a window into the entire drug scene in California from the early 1960's through the 1980's, mostly relating to methamphetamine operations in the Bay Area. It had been typed by Ellen Nichols, Robert's wife.

Riconosciuto's relationship with Ted Gunderson dated back at least as far as 1982. Michael and Nichols dated back to 1967. In reading the transcript, it appeared that Gunderson and Nichols were interviewing Riconosciuto for recruitment into a drug/sting operation.

Riconosciuto later verified that he was, in fact, being recruited into the overseas Lebanon drug operation by Gunderson and Nichols because of his (Riconosciuto's) undercover experience in the drug trade.

It is noteworthy that Al Holbert, the Israeli intelligence agent who originally recruited Michael into the CIA, is mentioned extensively throughout the 71page transcript.

Riconosciuto's relationship with Holbert had lasted from 1966 to 1981, a span of fifteen years. Most of that time had been devoted to complex drug activities in California. In one passage, Riconosciuto stated that "Ben Kalka was one of [Al] Holbert's lieutenants. The other lieutenant with Kalka was Charlie Weinberg, who set up the Vortex Chemical Company in Berkeley, California for Holbert."

Holbert was also interested in technology. "I really confided in him. I was constantly steering him to various people in the Silicon Valley, you know, for requests that he made which were very sophisticated technical requests."

In the transcript, Ted Gunderson asked Michael, "Holbert had a technical mind for that sort of thing?"

Michael responded, "Absolutely! [He had] a firm grasp of physics, mathematics, chemistry, military hardware ..."

Gunderson asked, "Let's go back to '66 to '81, you were close to him?"

Michael: "Not on a regular basis. He would get in contact with me when he needed consultation in certain areas. I made some good money. I designed communications equipment for them. I did a lot of software development ..."

Ted: "And then he gave it to the Israelis?"

Mike: "Yes."

Ted: "And he admitted this?"

Mike: "Oh yeah, none of it was really classified. I did software for the analysis of radar change data. It was based on mathematical models that the Department of Defense wasn't using you know, my approach was new and different from theirs, but it wasn't connected with any of their projects, so technically it wasn't classified."

Michael developed other technology along the way and subsequently attracted the attention of Dr. John Phillip Nichols at Wackenhut/Cabazon who wanted his services. But Michael's association with Al Holbert was hindering Michael's security clearances. Through the screening process and Dr. John Nichols, Michael had learned more about Al Holbert.

Ted: "Well, how could he [Holbert] be a Soviet agent and an Israeli agent?"

Mike: "Your guess is as good as mine. I talked to Major General Peratt on that subject last May and he said, 'You don't understand the ways of the world.' Regarding Al Holbert, I said, 'That man has done more damage to my generation and my country [drugs] How can you people say that you're friends of the United States, when you send us a guy like that?'"

Michael continued ..."You know, Holbert came to the United States and he went to work for the Treasury Department out of Philadelphia and ..."

Ted interrupted. "In what way? As an agent?"

Mike: "I don't know what the relationship was. The Treasury Department wouldn't tell me. They wouldn't comment at all except to acknowledge that, 'Yes, he was involved at very high levels, giving special training.'

"... Holbert taught courses in interrogation techniques. He taught touchkill techniques you know, with the thumbs on the temples and various scare areas like that. He moved around to a lot of different agencies. He got involved with the FBI, and he was involved with the Drug Enforcement people ..."

Ted: "He indicated to you for fifteen years [that] he was with the Israelis?"

Mike: "Israelis. Yes."

Ted: "And then you realized through Dr. Nichols that he was a Soviet?"

Riconosciuto explained that he thought it was John Ammarell at Wackenhut who had "zeroed in on Holbert."

Gunderson continued to press Riconosciuto about Holbert being a double agent. Michael responded: "Well, he was with the Soviets, but he was also with the Israelis. Holbert definitely is connected with Israeli intelligence. I mean there's no ifs, ands, buts, or maybes ... He was decorated in combat for them."

Riconosciuto further recounted a visit to Israel in April 1982. He had met a man (name unspecified) who was the assistant Secretary of Defense of Israel for a number of years and was in charge of defense production for the Israeli government. This man was a friend of Ariel Sharon and he had introduced Riconosciuto to Sharon. It was through this man and a man named "General Peratt," that Riconosciuto confirmed Holbert's position with the Israelis.

"Holbert definitely is one of their boys. I got an admission out of General Peratt that Holbert was

funny, that he's a Trotskiite, and they knew about it, and I couldn't understand why they kept a guy like that around? I was told that I just didn't understand the ways of the world!"

Ted asked, "Who does Holbert report to?"

Mike: "Jean Pierre Boegner."

At this point in the transcript, Robert Booth Nichols interceded and provided Boegner's address: " ... His address in Paris is 114 Champs Elysees, Paris 8, France. That goes into my territory ..."

Mike added, "Jean Pierre reports directly to Colonel Stefan Uznanski of the Ukraine ..." Nichols noted, "I have strict files on him."

Ted asked, "And is he GRU?"

Mike answered, "No KGB."

Nichols added, "As high as you can go ..."

Ted asked, "And where is he, in the Kremlin?"

Mike answered, "No, he's in Vienna."

Nichols interjected, " ... Out of Salzberg. He has a home twenty minutes from Salzberg. His hobby is boar hunting. He has about a twenty man contingent."

Gunderson asked, "Is Boegner a Canadian?"

Nichols responded, "Boegner is French. Boegner was involved in the assassination attempt on de Gaulle. Boegner served time."

Ted: "He's KGB?"

Nichols: "Oh yeah, a Colonel."

Ted: "Okay, anything else. Anything more on Holbert that we should bring up?"

Riconosciuto noted that Holbert was very disappointed that he couldn't "turn him" (Riconosciuto) in August of 1981. Ted asked Michael if Holbert admitted at that time that he was KGB?

Michael corrected Ted, "GRU, he was GRU. He told me that he was GRU and he bragged that there were over thirtyfive thousand GRU agents active on the North American continent. And I checked with John Ammarall and with Robert Frye [executives at Wackenhut Corporation] and they told me it was about half that number.

" ... He [Holbert] wanted me to leave the United States, through Canada, and go to Israel."

Riconosciuto added, "You know, he's touched the Central Intelligence Agency, the Treasury Department, the Secret Service and various local law enforcement agencies all over the country ..."

The abovementioned transcript was mailed by one of three people to the "prosecutor" at Michael Riconosciuto's trial in Washington state where it was entered into evidence.

At that time, to Michael's knowledge, only Robert Booth Nichols, Peter Zokosky and **Jonathan Littman, a San Francisco Chronicle reporter**, had possession of it.

I subsequently received a copy of it from **Jonathan Littman, who coincidentally, I learned later, happened to be Ben Kalka's "cousin" (Kalka belonged to The Company, according to Riconosciuto, and had been arrested with 900 pounds of methamphetamine in his possession)**. Littman had obtained the transcript from Peter Zokosky, Robert Booth Nichols' partner.

Riconosciuto believed Littman had given the transcript to Kalka during one his visits with him at the Pleasanton prison, and Kalka had sent it on to the prosecutor at Michael's trial.

Nichols later confirmed to me that he (Nichols) had indeed interviewed Riconosciuto with Ted Gunderson in 1983 and **the transcript was legitimate**, though he wouldn't state the purpose of the interview.

It is significant that a passage in the 1983 transcript mentioned Michael May as "one of the top three guys in the Lawrence Livermore Laboratory management structure" who was associated with Riconosciuto.

Michael and Bobby Riconosciuto had been communicating with Jonathan Littman for months, as had Danny Casolaro before his death, and they wanted me to connect with him. At that point, Littman had written a series of indepth articles on the Cabazon Indians and Dr. John Nichols, and I hadn't been interested in talking to him ... until he wrote about the death of Michael's partner, Paul Morasca.

The article, entitled, "Bizarre Murders Puzzle Cops," published on the front page of the San Francisco Chronicle on December 30, 1991, noted that the body of **Paul Morasca**, 31, had been found by Michael Riconosciuto. Morasca's arms had been lashed behind his back as he was hogtied with a telephone cord from his curledup legs to his neck. Police believed he died when his legs finally gave out and the cord tightened like a bowstring, drawing the noose around his neck until he slowly strangled.

Before his death, Morasca and Riconosciuto had planned a business venture with Cabazon administrator John Phillip Nichols to develop hightechnology military hardware. **Morasca was also described as a "San Francisco entrepreneur suspected of being a money launderer involved in a major Northern California drug ring."**

Oddly, when Riconosciuto found Morasca's body, he drove 500 miles to the Cabazon reservation and told John Nichols about the death. Nichols then called his Los Angeles attorney, who telephoned the San Francisco police.

Just three days after Morasca's death, **Mary Quick**, a 63yearold school teacher **was shot in the face and her purse stolen** as she was about to enter Fresno's American legion Post 509, where she was president of the Woman's Auxiliary.

At first, police assumed it to be a routine mugging murder, until it was discovered that **her nephew, Brian Weiss**, who had been living at his aunt's house in Fresno, **was a business associate of Michael Riconosciuto's**. (Brian Weiss was also mentioned in the abovementioned 1983 "drug transcript").

Riconosciuto explained to police that he told Paul Morasca that he had given Mary Quick a card containing **secret bank account code numbers** because "she had no connection to any of the principles and could be trusted." She had been instructed to give the code numbers over the phone only to Paul Morasca or Michael Riconosciuto.

It was not until I obtained Michael Riconosciuto's "desert" files that the above story affected me personally. **Within one of the boxes was an envelope containing eight coded computer cards with large sums of money handwritten next to the account numbers. One card, containing ten account numbers, indicated sums of upwards of \$3.5 million dollars.** That was just one card of eight.

In my next conversation with Michael Riconosciuto, I inquired of him the "real" story behind Paul Morasca and Mary Quick's death. I did not reveal to him that I was in possession of his bank cards, but referred to the S.F. Chronicle newspaper story.

Michael remorsefully indicated that he had not, in fact, given any cards to Mary Quick as he had told Paul Morasca he did. Michael had kept them (and obviously hidden them at his desert trailer).

Nevertheless, Morasca believed, and under torture revealed, that one of the cards was being held by Mary Quick and the rest were stored in a safe deposit box. As we know, Mary Quick died three days later.

After that conversation I immediately took the cards to a professional photographer, had closeup photographs taken of them, and returned them in a separate envelope to Bobby Riconosciuto. I never knew what she did with them.

During subsequent phone conversations, Riconosciuto often referred to his former partner, Paul Morasca. During his attempted trade into the Federal Witness Protection Program, he had made a statement which caught my attention, and which I later inquired about. While relating his background in the electronics field, he had mentioned that he once worked at **Tyme Share, Inc.** Chuck Evert, a longtime family friend, had reportedly been one of the founders along with Tom O'Roarke.

Noted Riconosciuto, " ... And at the time of Paul Morasca's death, the biggest loss I received was a big bag of bearer shares of original Tyme Shares stock. And that was the main reason why Paul got killed."

Riconosciuto had stressed that only the FinCen people would understand the significance of that. I later learned that the computer cards which Paul Morasca and Mary Quick had died for belonged to the **Tyme Shares online financial clearing house used worldwide by banking institutions.** Essentially, the cards were provided to a subscriber or "user" who rented time on the computer for conducting banking transactions.

Riconosciuto chose not to elaborate on his operation at Tyme Shares from a "jail" phone, nevertheless, I was able to decipher that **he and Paul Morasca had accessed bank accounts using the computer cards in conjunction with a "password" determined by the user. Michael had created the passwords from the "pets" named in Phyllis Riconosciuto's (Michael's exwife's) diary.**

He did, however, randomly discuss his background with Tyme Shares: "I developed the modem, error trapping routines for Tyme Share used on the original network. I developed the protected mode memory for the scientific data systems, SDS, Sigma 7 computers. And I developed the capital PERT, Pert Software, which was the next generation of critical path method. That's a Programmed Evaluation Review Technique that Tyme Shares, for years, was the leader in.

"And then Electronic Data Systems bought a license from them, and you know, EDS's story is legendary. Now, PROMISE is an outgrowth of PERT. The Hamiltons had a woman programmer who was selftaught and she's the one, her signature is in the code structures of PROMIS. It's just like her signature because she was out of the mainstream and did things her own way ..."

Shortly thereafter, while reviewing Riconosciuto's documents, I came across a copy of an obscure statement submitted by Riconosciuto in **February 1984 to the San Francisco Grand Jury on the death of Paul Morasca. It cryptically tied Morasca to Wackenhut** and appeared to have been transcribed from a tape recorded interview. The statement in its entirety read as follows:

"I first heard of Phil Porath in December of 1981. John Phillip Nichols [Cabazon administrator] told Paul Morasca and myself that we needed Phil Porath as a consultant to Recovery Technology, Inc. Porath was represented by John P. Nichols as being able to smoothly handle metals transactions for RTI on a large scale. Phil Porath was one of the contacts that John Phillip Nichols had committed to arrange for Paul as part of our deal. Paul Morasca's body was found after he failed to contact Porath for that scheduled meeting in January 1982.

"After Paul's death, JPN [John Phillip Nichols] came to me with a request. He asked me if I could recover some of **Ben Kalka's LSD** because he had a sale for 5 lbs. of it to someone in Romania. John Phillip Nichols claimed that this was an authorized covert intelligence operation and **the proceeds would be used to purchase George Wackenhut's yacht, Top Secret.**

"Military electronics equipment to be delivered to South Africa was also to be purchased according to JPN and delivered by the yacht. I went along with the program because JPN told me that **the `agency' was involved through WSI**. I did some checking on my own and became suspicious of JPN. Then JPN met with myself and **Raoul Arana** of Central Carribean Research, Inc.

"At this meeting, the details were plainly discussed by Mr. Arana. At that point, JPN directed me to have PAT (Phillip Arthur Thompson) **recover [all] of Kalka's assets**. I then contacted **DeSilva, who had control of Kalka's assets** and he agreed to release them to me. **DeSilva later called the Indian reservation and gave the location of the assets which included: one bobtail semitruck with power lift gate loaded with amphetamine production chemicals; one red Datsun truck with a portable refrigerator containing the acid.**

"I accompanied PAT and Steve Finley to the locations of these vehicles in the Oakland area. The keys, title and registration were with each vehicle. PAT and SF drove the vehicles off and I reported to JPN that the vehicles had been located and picked up.

"I also reported to my attorney, DW (Don Wager), the details. I contacted JPN a few days later and he complained to me that PAT had made off with everything.

"... with George Wackenhut in Las Vegas. JPN told me that my problems would be over with if I went along with the program. **Brian Weiss** [Mary Quick's nephew] drove me to Palm Springs where I rented a car. JPN, myself and Brian Weiss then drove to Las Vegas.

"We arrived in Las Vegas late in the afternoon. We checked into the hotel. After we checked in, I was then introduced to Phil Porath by JPN. Porath seemed a little nervous and upset with JPN. JPN seemed desperate to have Phil Porath stall George W. on the sale of the yacht. Phil Porath seemed reluctant to go along with JPN.

"JPN, myself and Porath then went to a private section of the dining room and met with **GW [George Wackenhut] and JA[John Ammarell]**. During dinner, JPN outlined my situation. **[All] Holbert, [Ben] Kalka, [Richard] Knozzi, [and] the Fresno Company were covered in detail.**

"A cutaway, sectioned high security lock was also shown to JA and GW [George Wackenhut]. JA said that this should be presented to his personal friend, Bud Miller, for action and that I would be contacted.

"The sale of the WH [Wackenhut] yacht then came up. Porath gave GW a story [at] JPN's prompting. GW was impatient and asked where the `South African' Thompson could be reached? I then asked GW [George Wackenhut] if he was referring to PAT [Phillip Arthur Thompson] and he said, `Yes.'

"I then demanded to know what was going on? I laid out to GW what **PAT had done, including murdering PM [Paul Morasca]**. JPN interrupted me and told GW that I was mistaken and it was a different PT that I was talking about. It was at that point that GW [George Wackenhut] said he had a hearing problem and the dinner broke up.

"I went immediately to make telephone calls. I spread the word that I felt my life was in danger and that JPN, WH, and PAT had conspired to kill PM [Paul Morasca]. I then went back to the dining area where I saw PP [Phil Porath] and GW [George Wackenhut] at a small twoperson table talking about the yacht deal. JPN and JA were standing up and they asked me to come to JA's room.

"At JA's room, everybody acted like nothing had happened. There we talked for an hour or so about hitech projects. JPN and I then went to PP's room and talked [about] P's missed meeting with Paul M., Bill Jensen, Burt Gardener and metal projects. We then went to bed. The next morning JPN, BW [Brian Weiss] and I drove back to Indio. At no time did JPN mention the problem that came down at dinner."

In John Connolly's SPY magazine article on Wackenhut, September 1992 issue, on page 54, a brief

notation mentioned Riconosciuto's meeting in Las Vegas with George Wackenhut and **John Ammarell, a Wackenhut board member** and consultant to George Wackenhut. SPY contacted Ammarell regarding the meeting, and Ammarell confirmed that such a meeting did indeed take place in Las Vegas. "I don't remember any specific conversations," Ammarell said, "but I think we were there to discuss the sale of George's [Wackenhut] yacht, the Top Secret. I think Nichols said he had a potential buyer."

Wrote SPY, "**So, the wealthy president of a large security company with CIA ties and one of his board members meet with a drug dealer turned electronics expert and a spook turned arms supplier and all they discuss is the sale of a boat?**"

After reading the newspaper article on the death of Paul Morasca, I contacted **Jonathan Littman** at the San Francisco Chronicle. Littman jumped in the car and drove from San Francisco to Mariposa (near Yosemite National Park) when he learned I had obtained Michael's hidden documents.

Interestingly, when he arrived at my home he thumbed through piles of documents, but seemed to be looking for something specific. **I later learned he was searching for Phyllis Riconosciuto's (Michael's first wife's) diary.**

While Michael had worked at Wackenhut, Phyllis had been treated psychiatrically by the Cabazon administrator, Dr. John Phillip Nichols. Part of her treatment included writing a "diary" of her life with Michael. Michael later broke into Nichols' office at the reservation and stole the original diary before fleeing to Washington state.

The original diary was in fact included in the documents I had obtained in the desert, but I decided to withhold specific pages from Littman until I could determine what his purpose for wanting them was. An incident which I have enumerated in Chapter 10, confirmed that my instincts had been subliminally correct.

Meanwhile, I attempted to satisfy Littman with a few documents sent to me by Henry Weinstein, court reporter for the Los Angeles Times. I had contacted Weinstein to inquire if he had written anything on Robert Booth Nichols' (unrelated to Dr. John Phillip Nichols) lawsuit against the Los Angeles FBI, specifically FBI agent Thomas Gates?

Weinstein had not heard of the lawsuit, but immediately investigated at the Los Angeles courthouse. Shortly thereafter, he sent a package of documents relating not only to Nichols' lawsuit against Thomas Gates, but also relative to Nichols' corporate minutes on the facilitation of biological technology to Japanese institutes, copies of his weapons permits, and documents indicating that Eugene Giaquinto, Vice president of MCA Entertainment Division, was on the board of directors of Nichols' corporation, Meridian International Logistics.

Marvin Rudnick, now a Pasadena lawyer, **once tried to prosecute MCA Corporation for organized crime involvement**, but got shut down at the highest level, and the Organized Crime Strike Force was disbanded. One member of that investigative team was **Richard Stavin, who talked to Danny Casolaro shortly before his death.**

Eugene Giaquinto and Jack Valente played heavily in Rudnick's investigation of MCA, as did Curry Company (a subsidiary of MCA) in Yosemite National Park. Rudnick was written up in American Lawyer for his explorations through the MCA labyrinth, and at some point, worked closely with **Thomas Gates** during his investigation of Robert Nichols. Gates and Weinstein were also well acquainted with **Mariposa County government's relationship with Curry Company.** (See page 2 of manuscript).

In return for sharing copies of these documents with him, I asked Littman to collaborate with me on a story concerning the government sanctioned **(10 years!) methamphetamine operations at Whiskey Flats, on the Sara Priest Indian reservation in Mariposa.** I was still intent on forcing the arrest of deputies involved in the meth lab at that location. (See page 3 of manuscript). Littman

instructed me to put together a detailed synopsis which he would submit to the San Francisco Chronicle.

CHAPTER 10

Through Michael Riconosciuto, Danny Casolaro had compiled a sizable list of former CIA officers and arms dealers, the most noteworthy of whom was Robert Booth Nichols, described in various publications as a James Bond type who jetted around the world trading arms and other products.

At the time of Danny's investigation, Nichols headed Meridian International Logistics (M.I.L.), a Californiabased company that conducted extensive business in Australia and Japan. M.I.L. also controlled Meridian Arms Corporation of which Riconosciuto was briefly Vice President.

Out of the WackenhutCabazon endeavor grew a business partnership between Nichols and Riconosciuto, both interested in developing new, hightech submachine guns and powerful explosive devices that, like a nuclear blast, could produce an electromagnetic pulse that could wipe out an enemy's communicatins and electronics.

The secretive Nichols chatted with Casolaro frequently. Casolaro's July phone bills indicated that he called Nichols fifteen times that month, often in the wee hours of the morning. Several of those phone conversations lasted for more than two hours. Before his death on August 10th, Danny Casolaro told his brother, Tony, and Bill Hamilton that Nichols warned him that his investigations were risky.

According to FBI statements, Nichols is not a man whose warnings should be taken lightly. In September 1987, Special Agent Thomas Gates of the Los Angeles FBI had begun an investigation of the activities of Robert Booth Nichols and his corporation, Meridian International Logistics, through Japanese and Australian legal attaches abroad.

According to a subsequent deposition filed by Gates, the bureau suspected Nichols of being involved in a \$500 million stock fraud and of maintaining ties to the Gambino crime family and organized crime in Japan.

Gates's deposition was part of a 1987 wiretapping on the phone of Eugene Giaquinto, an official of the MCA entertainment corporation with reputed MOB links. Nichols was one of the people whose calls the bureau intercepted. According to the wiretap application, Nichols was allegedly an international money launderer for money generated through narcotics trafficking and organized crime activities.

In June, 1989, Nichols sued Thomas Gates in a California state court for libel, slander, and interference with contractual relationships when he (Gates) allegedly acted outside the scope of his employment by initiating contacts with the Australian Federal Police and various individuals in Australia and Japan. The complaint asked for damages in the amount of \$11,000,000.

Ted Gunderson submitted an affidavit on Nichols' behalf, stating that he believed Gates HAD acted outside the scope of his employment when investigating Nichols abroad, the suit was subsequently dismissed through the Ninth Circuit Court of Appeals.

Robert Booth Nichols was depicted in one eastern publication as a "handsome, dashing figure, frequently described as 'Clark Gable without the ears' ..." His friendship with movie actor Steven Seagal brought him a cameo appearance in the movie, "Under Siege," but his real purpose for being on the set was to act as technical advisor for the weaponry used in the movie.

The son of a prominent Los Angeles surgeon, Nichols is the inventor of a submachine pistol that he maintained was superior to the MAC10.

Nichols' weapons permit application, dated January 28, 1985 from the Santa Clara County Sheriff's Department, indicated that that he was born on March 6, 1943 at Loma Linda, California. In

addition to his residences in California, he maintained residences in Italy, France, Australia and London, England for "business purposes for twenty years."

His medical doctor was listed in Zurich, Switzerland. He had worked for Harold Okimoto in Hawaii for four years, from 1968 to 1972 as Vice President of Preventor Security Center, an intruder electronics firm.

The four guns registered to him included two Colt .45 automatics. His purpose for carrying a concealed weapon was listed as such: "I am involved in the research and development of weapons systems, ranging from the basic blowback automatic weapon to various advanced destructive devices. As I have detailed knowledge of the workings of these systems, I feel it is imperative to have personal protection for myself and for the good of the community."

Nichols' corporation, **Meridian Arms**, a subsidiary of Meridian International Logistics, was licensed in California in 1987 to possess and/or transport machine guns, Permit No. 01678, and to sell machine guns, Permit No. 01677. A 1985 Statement by Domestic Stock Corporation filed with the Secretary of State in Sacramento listed **Harold Okimoto, Peter Zokosky, and Glen Shockley as Directors** in addition to Nichols' family.

Okimoto, Zokosky and Shockley are also listed as Directors on Meridian International Logistics, Inc. (MIL). Eugene F. Giaquinto, president of MCA (Music Corporation of America) Home Entertainment Division in Universal City, was also a Director of M.I.L. until May 31, 1988, when he resigned and returned his 10,000 shares of stock as a result of the Los Angeles Organized Crime Task Force investigation, at that time headed by Thomas Gates.

The May 25, 1988 Minutes of an MIL Board meeting reflected Robert Booth Nichols concern with the investigation: " ... Upon meeting with Agent Gates on March 8, 1988, our legal counsel, Judge Mark Robinson, interpreted the line of questioning of Agent Gates as having a main focus on the relationship between Robert Nichols and MCA, Inc. (of which Mr. Giaquinto is an officer).

" ... Therefore, due to Mr. Nichols' concern, which Mr. Giaquinto understood and thus stated he would submit written resignation within two days; it was the unanimous decision of the Board to remove Mr. Giaquinto from the position of Director of MIL forthwith ..."

Nichols' concern with such an investigation can well be justified when you review the Minutes of an MIL board meeting held in Sherman Oaks on August 26, 1988. The following business was discussed and voted upon: (Excerpted)

"It was the unanimous decision of the Board to draft a letter to the President of an internationally recognized Medical School in Japan (as referenced in our corporate minutes of April 24, 1988) **with regard to our corporation's intention to make available a grant of funds** to said School, as the funds become available to our corporation, and under specific terms and conditions.

" ... The phenomenal success in the field of immunotherapeutics by the Immunology Department of said Japanese Medical School has convinced the Board [of MIL] that **the EXCLUSIVE training of qualified physicians under contract to and the direction of Meridian International Logistics, Inc., would be of great value and benefit to our company and it's shareholders.**"

While reading these documents, **I couldn't help wondering why an "arms" dealer, allegedly tied in with organized crime, wanted to fund the exclusive training of physicians at a Japanese medical school?**

The Minutes of MIL dated September 20th, 1988, referred to an agreement executed on September 14th, which discussed the three-way, equal ownership between MIL, Dr. Shigeyoshi Fujimoto, and Ajinomoto Co. Inc., of certain patented **biological technology identified as "a newly devised technology for induction and activation of cytotoxic Tlymphocytes (Tcells)**, referred to as CTL, directed to autologous cancer cells in vitro with high efficacy utilizing a serumfree medium."

A Power of Attorney was issued to attorney Fujio Kubota in Japan to file patents and registrations

on the technology entitled "**The Method for Induction and Activation of Cytotoxic T Lymphocytes.**"

The signatories on the Agreement to file Registrations and Patents on September 14, 1988 were listed as Dr. Shigeyoshi Fujimoto; Takasha Miyamae (Ajinomoto Co., Inc.); Hidetoshi Onogi (representative of MIL); Kanehiro Ishida (International Service Center, Inc.); and Takashi Kumakawa (American Embassy).

Hidetoshi Onogi was granted full power of attorney to negotiate and execute an equity position for Meridian International Logistics related to the filings and "any other documentation pertaining to the technical knowledge and the mechanical and/or chemical processes for the production of T Cells as are present in the immune system of the human body or any other organism."

In and of itself this transaction seemed innocuous enough. **But again I asked myself, why was an international arms dealer on the Board of F.I.D.C.O (First Intercontinental Development Corporation), a CIA front corporation, which offered three billion dollars to rebuild Beirut to President Amin Gamayel of Lebanon, whose chief of finances (Sami el Khouri) was shipping tons of heroin to Sicily for reexport to America, want to invest in "a method for induction and activation of cytotoxic T Lymphocytes"?**

Was this technology being developed with the authority of the U.S. government, or independently? If Nichols' operations were in fact government sanctioned, then it must have been frustrating for him to be investigated by the FBI. **The concept of the FBI inadvertently investigating the CIA was ironic. And what had Danny Casolaro learned about this technology?**

I found a possible answer in an obscure letter written on Wackenhut/Cabazon letterhead, dated January 20, 1983, addressed to Dr. Harry Fair at Tactical Technology in Arlington, Virginia, from Dr. John P. Nichols, Cabazon Administrator. The letter noted that on February 15th, 1983, Dr. Nichols would be forwarding to Dr. Fair "a unique list of agents and production techniques related to **biological warfare.**"

The letter went on to say that the Storemont Laboratories business plan Dr. Nichols mailed to him was to prepare him for what was to be sent in the area of **biological warfare.** Added Dr. Nichols: **"[These] products could be utilized in small countries bordering ALBANIA or large countries bordering the Soviet Union. You will be amazed at the scope ..."** I could not help recalling the Village Voice article ("The Last Days of Danny Casolaro," October 15, 1991) which had stated, tongue in cheek, that "Casolaro had traced the Inslaw and related stories back to a CIA 'Old Boy' network that had begun working together in the 1950's around the ALBANIA covert operations ..."

The hybridoma technology discussed in attached documents (in Michael Riconosciuto's files), centered around the ability to reorganize and synthesize genetic structures and to modify "lymphocytes" (immune cells).

Under the heading "Possible Military Applications Utilizing Hybridoma Technology" was the notation that **"genesplicing technology provides the ability to produce pathogenic (harmful) agents, i.e. viruses."**

"In fact," noted the writer, "biological warfare weaponry of this nature (both production and supply) is limited only by the imagination of the scientist."

Included in the above mentioned documents (attached to the Dr. Harry Fair letter), was a proposal to develop monoclonal antibody kits to detect the presence of such harmful biological agents in a field (combat) environment. In other words, develop a laboratory created vaccine for a laboratory created virus. The very same proposal had been submitted to Peter Zokosky in December 1982 by John P. Nichols.

I wondered, was THIS the same technology that Robert Booth Nichols and the Directors of MIL, including Peter Zokosky, Glen Shockley and Harold Okimoto, were fronting to the Japanese? What

kind of "weapon" was this?

Other weapons discussed in the same letter included the Cabazon Arms CA 9 SMG which "Peter Zokosky had the British interested in." The CA 9 SMG could be produced for \$75.00 per unit on the reservation and sold for \$100 to \$125.00. "It meets all the needs of a small, poor democracy for 9MM parabellum," said Nichols.

"They can afford to purchase this one. We have fired over 50,000 rounds with the test model using South Korean ammunition without jamming. We could begin manufacturing within two weeks in a country like Guatemala, Chile, etc., utilizing USA produced dies and Swedish extrusion machinery." ... **Peter Zokosky** has fired both the Viper and the CA 9 SMG and was impressed with both, but particularly with the CA 9 SMG. Kuwait has been particularly interested in financing the production of the CA 9 SMG ..."

Dr. Nichols concluded: "We would initially manufacture on the reservation. **We can purchase an existing small company with all the licenses to manufacture and export.** [Meridian Arms?] We are ready. We are continuing to experiment with the combination sniper rifle (9MM) equipped with micropressor vision enhancement (no tubes) (night vision). **Michael Riconosciuto and some friends of the reservation have been working cooperatively on this project.** Within another 90 to 120 days we should have a working model to use on the CA 9 SMG and the sniper rifle."

The ongoing projects listed in research and development were a second 9MM calibre machine pistol, an assault rifle with laser sighting, a longdistance sniper rifle, and a small portable rocket system which could be attached to the assault rifle.

Three months later, on April 13, 1983, Robert Booth Nichols wrote to Joseph Preloznik in Madison, Wisconsin, recapitulating exactly the same weapons proposal as outlined above by Dr. John Nichols to Dr. Harry Fair.

I never found out who Joseph Preloznik was, but Dr. Harry Fair's name popped up in a Wackenhut InterOffice Memorandum in Michael's files. Dated May 25, 1981, from Robert Frye, a Vice President of Wackenhut in Indio, to **Robert Chasen, a Vice President of Wackenhut** in Coral Gables (and former Commissioner of U.S. Customs) the memorandum detailed a May 1213 visit to **Dr. Harry Fair**, Chief of Propulsion Technology, Applied Sciences Division and others at **Pickitunny Arsenal in Dover, New Jersey.**

The arsenal was listed under the official heading of "U.S. Army Armament Research & Development Command, Large Caliber Weapon Systems Laboratory" or ARRADCOM.

The fivepage memo not only outlined the depth of Wackenhut's commitment and involvement at the Cabazon reservation, but it delineated Peter Zokosky's importance to the projects underway there. One of those projects included proposed construction of an "R & D" (Research and Development) facility on the Cabazon Indian reservation for the manufacture of 120 mm. combustible cartridge cases for sale to the U.S. Army, with sales also to NATO, and especially to the Federal Republic of Germany which at that time, was adopting the use of such cases in their Leopard tanks.

Wrote Frye: "**The obvious key to any such endeavor is [Peter] Zokosky.** He is reportedly one of only 67 personnel in the world who have had any significant experience in the development and manufacture of the slurry process involved in combustible cartridge cases. He is under present noncompete agreement with Armtec, his former company, until August 1981. Armtec is the present sole source supplier of 120 mm. combustible cartridge cases to the U.S. Government. Zokosky is also serving as a consultant to the British Government ..."

It is noteworthy that the Cabazon Indians had enlisted the aid of other Indian tribes to join in their endeavor. Use of adjacent tribal lands as a location for a large caliber weapons range test site was obtained from a sister tribe, the Torres Martinez, involving some 30,000 acres of very remote and desolate land near the Salton Sea. Potential use of a test firing range for the "railgun" on the Santa Rosa Mountain, under the control of the Santa Rosa Indians, had also been pledged to the Cabazons

and the U.S. Government.

A notation was included in the lengthy memorandum to "firm up the deal between the Joint Venture and **John Vanderwerker, President of Intersect Corporation, [in] Irvine, California,**" who had the exclusive rights for foreign marketing with the Litton Electron Tube Division in third world countries.

Mention of John Vanderwerker in the Wackenhut memorandum was singularly important in my investigative leap from overt arms operations to "covert" intelligence operations.

According to Peter Zokosky, Vanderwerker was on the CIA payroll. In Riconosciuto's files, I located a letter dated April 11, 1983, written to Vanderwerker at Intersect Corporation from **Glenn Shockley, a Board Director of both F.I.D.C.O. (First Intercontinental Development Corporation) and MIL (Meridian International Logistics), under investigation for organized crime activities. Robert Booth Nichols was also on the Board of both corporations.**

The Octopus trail gets a little complicated here, but it is a significant trail. **Both Vanderwerker and Shockley were on the CIA payroll.** Documents to that effect will be noted in future pages. In the aforementioned letter, **Shockley was offering to Vanderwerker fortytwo AH1S Cobra Helicopters** at a unit price of seven million eight hundred thousand U.S. dollars each.

The rest of the letter read as follows: (Note a few words had been damaged while xeroxing) "The price offered is F.A.S. location at Seller's option Europe. The price is net to Buyer possessing the proper documentation and does not include any government considerations (taxes), if any, all of which (indecipherable) to the Buyer's account.

"For verification of the existence of these products, you are requested to refer to telex transmission occurring during the Spring of 1981 between **Union Bank Suisse of Zurich**, Switzerland, and Omega Industries of Long Island, New York. The transmissions were addressed to Mr. Parvis Lavi at Omega and were signed by Mr. N.A. (indecipherable) bank officer. Your immediate response to this offer would be greatly appreciated. Sincerely, Glenn. R. Shockley."

Attached to this letter was a handwritten memorandum, obviously taken from the above referenced "telex" transmission. The memo delineated the procedure for "airframe I.D. number acquisition." The buyer's bank officer was instructed to telephone Seller's bank officer at 8:00 a.m. Tuesday morning to relay the following Seller's bank data: "**Bank Credit Suisse, Geneva. Officer Mr. Eucomun. Telephone number 0114122365380. Account Number 02746590 54821 Reference Code J.H.**"

If the connection was missed, then it was to be repeated Wednesday at 8:00 a.m. \$10 million U.S. dollars was to be exchanged at the bank for [a] Frame I.D. No. on Wednesday. If all was ready to proceed in Geneva in 5 banking days, then the \$10 million would be credited to the buyer's account toward acquisition of all craft. If not, then \$10 million was to be forfeited.

The bank officer's followup monologue as noted on the memorandum read as follows: "**Acting on behalf of our client, I confirm that he has on deposit the sum of \$10 million U.S.D.** Upon receipt of one airframe identification number, the price of one craft will be set aside irrevocably for your client. If our client does not present to you within 5 banking days in Geneva, Switzerland, all necessary data, documents and fund commitments, he has agreed to forfeit the price of one craft to your client's account."

Also attached to these documents, was a sheet of handwritten notes obviously related to the above transaction. The names of various banks and their locations, along with the name of a bank officer, notations about **metric tons of gold**, and a code name, "Messenger Boy," were cryptically scrawled on the sheet.

I inquired of Michael Riconosciuto what the story was on the sale of the Cobra helicopters? Riconosciuto briefly related the following story. The fortytwo Cobra helicopters had been ordered by/for NATO, then after the helicopters were built, the funding was not available. **Nichols and**

Glenn Shockley, working for the CIA, were contracted to "get rid of the helicopters." John Vanderwerker was brought into the operation and the helicopters were shipped to a warehouse in Europe, destined for North Korea, then Iraq.

It is important to note here that North Korea was a conduit for arms to Iraq from both the United States and the Soviet Union. In essence, the United States was forced to "compete" with the Soviets in providing arms to Iraq.

This is discussed in further chapters, but in summary, what it all boiled down to was Oliver North supplied arms to Iran. The CIA supplied arms to Iraq. And Wackenhut supplied arms to the Contras. All under the authority and supervision of the U.S. Government.

I asked Michael Riconosciuto if Danny Casolaro had knowledge of the "helicopter" deal? Michael responded, "I gave him the names of the people that were involved and Danny went out and confirmed it."

I asked him to elaborate. "Well, Danny went and talked to Roy Furmarc (phonetic sp.), William Casey's exright hand man, and Furmarc admitted that he had contact with them [the helicopters]. And when the NATO stuff disappeared, Bob [Nichols] disappeared with it. They weren't going to pay Bob and his accomplices what they wanted, per the original deal, and Bob got angry and just walked away with it all. **But Bob got help from some people in the White House, and they cut a certain group of guys in the agency [CIA] out.**"

I asked, "Who was involved with the helicopter sale besides Nichols?"

"Well, **Glen Shockley**, Parvis Lavi (phonetic sp.), he's an Iranian, but he worked with the Israeli (indecipherable word) Mission out of New York ..."

Riconosciuto paused, remembering, then continued with his story: " ... I brought in Stan Singer, former deputy Israeli Defense Minister, to try and take all those helicopters off everybody's hands. I would have made a nice, tidy sum of money for myself ..."

"Who were the helicopters originally destined for?"

Mike: "NATO. During the Carter administration, there was a slip up on some funding, they were really screwy in the way they handled certain things ..."

"Was this some kind of an undercover operation?"

Mike: "It was on the up and up, regular deliveries from the United States to NATO, but there was some kind of a misunderstanding between the upper reaches of the Carter Administration and some of the other NATO countries, so while they were having highlevel discussions, no financial instruments exchanged hands.

"They finally came to terms on the financial end of it, but by that time the stuff [helicopters] had been removed from the loading docks and warehouses."

"So, they were gone?"

Mike: "They were gone."

"To North Korea?"

Mike: "Into storage in Europe. Later they got sold to North Korea, and other places. It was hotter than hell ..."

"Where in Europe, do you know?"

Mike: "Well, I don't want to go into it on the phone [from jail], but I know the whole story behind it. While it was in storage, everbody and their brother was trying to buy the stuff and the price got jacked way up. Casey's faction and Carlucci and those guys, they wanted it all, wanted to screw Bob and his guys, and Bob made an alliance with somebody else for the stuff ..." "Who?"

"Well, later with Mike McManus in the White House." (McManus was assistant to President Reagan, and on the Board of Directors of F.I.D.C.O. with Nichols).

"Why did they call upon Nichols to do this? What was his connection?"

Mike: "Bob had been doing errands for them for years ..."

"Who in particular?"

Mike: "Bob was working under Larry Kern basically. And Ellen's father [Nichols' wife] was somewhere in there ..."

"Was he working for the NSC at that time?"

Mike: **"Just the CIA. He was just doing contract type work.** He was good at what he did. Whatever objectives were given to him, Bob always achieved them. You know, he has an impeccable track record ..."

In a subsequent interview with Robert Booth Nichols, I asked him about the helicopter deal. **Nichols confirmed that he had, indeed, participated in the shipment of the helicopters to Europe through the CIA.**

In news interviews, Wackenhut had denied association with Michael Riconosciuto, yet in Michael's files, I found a letter written on Meridian Arms letterhead, dated February 10, 1984, from Robert Booth Nichols to Dr. Harry Fair referring to the Wackenhut visit to Pickitunny Arsenal in May, 1981. Nichols reminded Dr. Fair of the demonstration at Pickitunny in which "Michael Riconosciuto [had] discussed electrostatic heat transfer augmentation in a wide range of applications ... and demonstrated control of heat in electric discharge."

This letter was significant in that it confirmed that Riconosciuto HAD in fact accompanied Peter Zokosky and Robert Frye, Vice President of Wackenhut, to the Pickitunny Arsenal to demonstrate the above mentioned technology.

The crux of the Wackenhut involvement in arms development and shipments through various sources, including Peter Zokosky, Robert Booth Nichols, John Vanderwerker, and others, was tied irrevocably to the Reagan administration's efforts to aid the Nicaraguan Contras.

A Special Operations Report emanating from the Riverside, California, District Attorney's office which was sent to John Cohen, investigator for the House Judiciary Committee on Inslaw, provided indisputable proof that Wackenhut sold arms to the Contras.

The Special Operations Intelligence Report entitled, "Nicaraguans and Earl Brian at Lake Cahuilla 9/10/81" described a meeting held between two groups, the Nicaraguans and Wackenhut/Cabazon officials, at a countyowned police firing range at Lake Cahuilla in Riverside County.

According to the surveillance report, the purpose of the meeting was "to test a new night vision device and weapons. All [the] weapons tested were semiautomatic. [A} new sniper rifle tested was a 50 caliber with a 308 bullet."

The report went on to note that "some automatic weapons were present, but all had necessary **permits through Meridian Arms.** Meridian Arms [is] owned by Michael Riconosciuto, Robert Booth Nichols (no relation to John Phillip Nichols), and **Don Oliver former Undersheriff of San Diego County.** Meeting and testing took about one hour, then all parties left."

Police officers had been placed around the surrounding area in a surveillance/protection type mode. Each of the six Indio police officers participating in the range surveillance were named individually in the report.

The license plate numbers of each car that arrived on the scene was included in the Report along with the names and identification of everyone who attended the demonstration. Some of those

names and I.D.'s were:

"Michael Riconosciuto Researcher for Cabazon Indians."

"Peter Zokosky President of Armtech Coachella."

"John D. Vanderwerker and a couple of his friends Vanderwerker, CIA Research Director for CIA [for] 8 years."

"Earl Brian Wisconsin businessman and CIA employee."

"Two Nicaraguan Generals **Eden Pastora, Commander Zero** and Jose Curdel, Commander Alpha."

"Raul Arana Central Caribbean research procurement front for liberation of Nicaragua (PreContra days)."

"John Phillip Nichols Cabazon Indian Manager."

"Wayne Reeder Builder/Developer""Jimmy Hughes Security Chief Cabazon Indians"

"Art Welmas Tribal Chairman of Cabazon Indians."

"Scott Wesley United States Army."

"Honduran Telephone Company Military connection network in Southern Hemisphere." And others.

The surveillance report indicated that Wayne Reeder and Earl Brian arrived together in a 1981 White Rolls Royce, License Plate Number OK 2XG2302. The two Nicaraguan Generals arrived in a 1981 Honda, License Plate Number AZ AFM877.

A newspaper article in the Los Angeles Times, dated May 16, 1991, entitled, "Noriega Papers Claim CIA Sent Him Millions," by Mike Clary, reported that General Manuel Noriega, Panama's former strongman leader, **was paid more than \$11 million from a CIA slush fund.** A 107page Noriega defense document contended that Noriega once warned the CIA to put an end to cocaine shipments to the United States that were being used to raise funds for the Contras in Nicaragua.

Noriega, who was scheduled to go on trial for drug smuggling on July 22, **maintained that planes carrying arms to Nicaraguan rebels returned to the United States loaded with illegal drugs. It was clearly a guns for drugs policy, he said.**

The article concluded that **"Noriega served as a conduit for cash payments from the CIA to onetime antiSandinista leader EDEN PASTORA."**

So, in 1981, Eden Pastora attended the Wackenhut nightvision goggles demonstration in Indio with numerous CIA employees in attendance, and ten years later, the L.A. Times reported that Pastora was a recipient of cash payments, via Noriega, from the CIA.

I believe it is safe to theorize at this point that the various tentacles of the Octopus heretofore outlined were used to develop and ship arms to various countries such as Nicaragua, Afghanistan, Lebanon, Pakistan, and other third world countries in exchange for cocaine and heroin. These countries certainly didn't have the funds to pay with cash. And it is possible that The Company was in fact the mechanism used to distribute the drugs after entry into the United States.

The reader may be wondering how I obtained a copy of the abovementioned "Special Operations [surveillance] Report." I had requested a copy of it from both the Riverside District Attorney's office and John Cohen, investigator for the House Judiciary Committee on Inslaw, but the report was confidential and neither would send me a copy.

I then called Peter Zokosky and asked him to corroborate the report's existence. He not only corroborated it, but he offered to send me a copy. When I asked how HE had obtained a copy, he said, "I asked a friend in Washington D.C. to go into the [House Judiciary] vault and make a copy

for me."

I received a copy shortly thereafter from Peter Zokosky. When I called John Cohen and mentioned I'd obtained a copy, he said he was aware that "someone" had gotten past the guards and into the House vault. He didn't know what had been taken, but he validated the document in my possession.

CHAPTER 11

Michael Riconosciuto had some, if not all, of the answers to the gene splicing technology that Zokosky and Wackenhut had attempted to sell to the Army weapons division in 1983, and later fronted to the Japanese, through Meridian International Logisites, in 1988.

I felt that time was of the essence in uncovering the nature of this technology, so I pushed Riconosciuto to talk about it. "It looks like Earl Brian, Sir Denis Kendall, Hercules Research, Wackenut, Zokosky and Bob Nichols were all involved in the same biotechnological agenda ..."

Michael answered, "You got it."

I asked, "Are they connected, or are they all individually working on their own projects?"

Michael: "Yes."

"How?"

Michael: "Check out Bio-Rad Laboratories. Their international headquarters are on half of the property that used to be the Hercules plant, in Hercules, California. Do you understand what I'm saying? BioRad makes the most toxic biological and radioactive compounds known to man. And they're now located in the town of Hercules. BioRad Industrial Park. That building of theirs, the headquarters, doesn't look like much, but it goes 20 stories down into the ground. It's a huge underground complex.

"See, BioRad was the flagship company, and then they [Earl Brian] started InfoTech, and then they got mired in lawsuits and then Hadron was formed to be a cutout parent corporation, you know, just to be a firewall from law suits ..."

I asked, "What do they do at BioRad?"

"Well, they make the most hazardous biological and nuclear chemicals in the world, for medical research."

"Who do they sell it to?"

"Well, front line researchers all over the world. BioRad is the single source for this stuff ... actually Aldrich Chemical sells it, there's about 100 companies, but BioRad is head and shoulder above all of them by a factor of ten on many things like Cytotoxins."

I remembered reading about Cytotoxins in the Wackenhut/Cabazon biological warfare letters to Dr. Harry Fair.

Michael continued ... "You look at Cytotoxic T Lymphocytes. You go ask any medical professional what they're doing on the leading edge of research there? What the full implications to humanity are, OK?"

I wanted clarification from Michael, so I answered, "It looks to me like research on a cure for cancer."

Michael took the bait. "Go ask a professional. I'd rather have you hear it from a collateral source other than from me."

"Well, give me some indication ..."

Michael responded hesitantly, "It would have been Hitler's wet dream. It's selective to such a degree that it's awesome. With the appropriate genetic material, you can wipe out whole segments of humanity. There's no stopping it."

"I asked, "You mean you could selectively wipe out certain races of people?"

"Sure."

"Jeez."

Mike continued ... "And, also, from the beneficial side, you can very specifically wipe out disease cells, cancer cells. Look at the patents. Look at Immunix (phonetic sp.) Corporation, look at the patent portfolios on BioRad."

"Who's BioRad's main buyer?"

"Well, the National Institute of Health, you know, every hospital in the world buys BioRad products."

I had read about Sir Denis Kendall, the famous M16 British intelligence officer during World War II, in "Who's Who in America," 1989 issue. Kendall had worked with Michael in some, as yet, undefined capacity. Bobby Riconosciuto had noted to me that Kendall and Ted Gunderson had counseled Oliver North prior to his testimony to Congress. Kendall was also heavily involved in arms and biotechnology, according to Michael Riconosciuto.

"Who's Who" described Denis William Kendall as a "medical electronic equipment company executive," born in Halifax, Yorkshire, England on May 27, 1903. Kendall came to the United States in 1923, was naturalized in 1957. His background included being a consultant to the Pentagon on high velocity small arms from 1940 to 1945. He was listed on Churchill's War Cabinet Gun Board from 1941-45. He was later executive vice president of Brunswick Ordnance Plant in New Jersey from 1952 to 1956. From 1961 to 1973, became president of Dynapower Medonics in Los Angeles, and chief executive of Kendall Medical International, Inc. in Los Angeles in 1973.

In 1983, the same year that Wackenhut was offering biological warfare agents to the Army, Sir Denis Kendall was the chairman of Steron Products, Inc. His club membership listings indicated he was a 32 degree Shriner in the Pacific Palisades (California) Masons and a member of the Religious Society of Friends (Quaker), amongst other things.

I asked Riconosciuto, "What was Sir Denis Kendall's connection ...?"

Michael broke in ... "He's involved in all of it. You might be able to get a handle on Kendall through Tiny Roland, a subsidiary of which is Penguin Books. And the other goodoleboy in the nail work is Octav Botnar. Then there's Wolfgang Fosog (phonetic sp.), Renee Hanner, Count Otto Linkee (phonetic sp.) ..."

"How did you meet these guys?"

"I was introduced through Joe Snell and Norman Davis. Snell was considered the father of industrial design. He was an industrial design artist who did the logos for Coca Cola, Chanel No. 5, Life Magazine. Norm Davis owned (unintelligible) brewery until he sold to Carling. My dad was his advertising and public relations man. My dad didn't know Kendall personally, but Norm Davis did. I met Kendall through Davis."

"Do you know what Kendall is into currently?"

"Sure."

"What would that be?"

"There's a pharmaceutical company in Los Angeles. There's a medical electronics company ... Ted Shannon in Los Angeles supervises all the production for that stuff. It's very exotic, far out stuff. And he's still in a controlling position in Brunswick [Ordnance] Corporation."

I asked Riconosciuto, "How close was BioRad to your father's plant, Hercules?"

Mike answered, "It's on the same property!"

"Mike, when you were conducting research at Hercules, you were incubating something in fish tanks there. What was it?"

Michael's response had a nervous edge to it. "Where ... where are you getting this?"

Riconosciuto was unaware at that point that his hidden files were in my possession. "I'm just thumbing through some old documents ..."

" ... Those documents aren't supposed to exist any more. They've all been destroyed."

"By whom?"

"Well, it was a matter of routine, you know ... they COULDN'T exist ..."

"Uh, huh."

"That's what they're doing with all this stock manipulation, you know. The biologicals are what got them in the door at such a high level in Japan ..."

I sensed Riconosciuto's possible involvement in the project, his reluctance to discuss it. But he believed I had "all" the records and he stammered on. " ... That paperwork trail shouldn't exist. I mean it was kept in a safe place, and then it was shredded. And the only people that had any direct knowledge of it was [Peter] Zokosky and Earl Barber, John Nichols, Bob Nichols, you know, those people ..."

Michael was attempting to disengage himself from any responsibility for the research.

" ... If there are any records left, those are their records, not any of ours [at Hercules], because I'm sure all of ours were destroyed."

I asked, "Why did you destroy them?"

"Well, do you understand the nature of this technology? You're talking in vague, general terms."

I answered, "I have an idea ..."

Michael interjected, " ... Horrible things. You know, it makes what the Nazi's did to the Jews look mild. The Romanian Project, do your homework on that project, you know it's a horrible germ warfare project ..."

"Uh, huh."

" ... And the Soviets were involved in it, and we countered it with our own methods."

I noted to Michael that Bill Turner, the man who had met Danny Casolaro in the parking lot of the Sheraton Martinsburg Inn (with Hughes Aircraft documents) on the day before his death, was currently in jail. Turner had written a letter in which he talked about an Iraqi from the Iraqi Embassy who was facilitating the transportation of biological warfare items to Iraq.

Michael responded, "Listen, Saddam Hussein introduced chemical and biological warfare agents to all his top military leaders. And he became enamored with this technology. He's been on a binge of sorts. Even when he was in the secret police of Iraq, he used chemical means on a wide scale ..."

I asked, "But none of these various entities that I've just named were dealing directly with Iraq, were they?"

"No, no. Not directly. All they needed was a VENDORS LIST."

Riconosciuto noted that the shipments were all ITAR (International Trafficking of Armaments) regulated chemicals, electronics, communications equipment, anything that was on the ITAR list.

In August, 1991, the Financial Post ran a story on Dr. Earl Brian. At that time, Brian's main company, Infotechnology Inc. of New York was bankrupt, and its subsidiary United Press

International (UPI) was on the verge of collapse.

According to the Financial Post, the Securities and Exchange Commission and the FBI were investigating Brian, and a flurry of affidavits filed in the Inslaw Inc. scandal accused him of selling bootleg copies of the computer company's casetracking software (PROMIS) to the intelligence services of Canada, Israel, and Iraq.

Brian was referred to as "Cash" in the intelligence community and reportedly had a close relationship with the CIA. He was a highly decorated combat surgeon in the Vietnam war in the late 1960's, allegedly working in the controversial Phoenix Program. This, according to a 1993 "Wired," premier issue, entitled "INSLAW, The Inslaw Octopus" by Richard L. Fricker. Wrote Fricker, "After a stint in Vietnam, where he [Brian] worked as a combat physician in the unit that supplied air support for Operation Phoenix, Brian returned to California ..."

In 1970, Ronald Reagan appointed Brian director of the California Department of Health Care Services. He was only 27 and destined to remain a part of Reagan's inner sanctum. U.S. and Israeli intelligence sources linked Brian's name to the sale of weapons to Iran in the 1980's. "He was serving U.S. intelligence people," said Ari BenMenashe, a former Israeli intelligence officer who claims he met Brian several times, once in Tel Aviv. Brian allegedly had more to do with the financial end of the transactions.

Other publications listed Brian's holdings in the rapidly developing biotechnology field. The hightech empire of Dr. Brian was a grab bag of fledgling companies involved in all the hot areas lasers, cancer detection kits, bloodtesting products, **genetic engineering**, computer programs, telecommunications and investment databases.

One of Brian's companies, Hadron, Inc. of Fairfax, Virginia, which, incidentally, both Michael Riconosciuto and Robert Nichols maintained Peter Viedeniaks was involved in, was a laser manufacturer and computer services company.

According to Bill Hamilton, president of Inslaw, Hadron had attempted to buy Inslaw in 1983. Dominic Laiti, Hadron's chairman at the time, had phoned Hamilton out of the blue and said Hadron intended to become a dominant vendor of software to law enforcement agencies. Would Hamilton like to sell? Hamilton demurred. "We have ways of making you sell," Laiti is said to have replied.

Laiti, in an interview in 1988 with the Senate Subcommittee on Investigations, said he didn't remember calling Hamilton. Nevertheless, Hamilton said he believes his rejection of Hadron on that day in 1983 triggered an attempt by the Department of Justice to put Inslaw out of business, or at least bankrupt the small, Washingtonbased software maker.

At that time, Peter Viedeniaks was the administrator of the contract between Inslaw and the DOJ. Within a few months of Hadron's call, the Department of Justice, citing contract violations, stopped making payments on Inslaw's \$10 million deal to install PROMIS software in its 20 largest U.S. attorney's offices nationwide. (PROMIS stands for Prosecutor's Management Information System.)

Inslaw, starved of cash, was forced into Chapter 11 bankruptcy protection in 1985. Hamilton sued the DOJ for theft of property in 1986.

In February 1988, Federal Bankruptcy Court Judge George Bason ordered the DOJ to pay Inslaw \$7 million in licensing and legal fees. The DOJ, Bason ruled, had "stolen PROMIS from Inslaw through trickery, fraud and deceit," then tried to put the company out of business.

The DOJ appealed Bason's ruling, but it was upheld. However in May, the U.S Court of Appeals reversed the decision on a technicality. Hamilton believed Dr. Brian and his old crony, former Attorney General Edwin Meese, were behind the attempt to bankrupt and liquidate Inslaw. When Inslaw refused to sell to Hadron, Hamilton believed the DOJ tried to bankrupt and liquidate Inslaw to force the sale of its assets, perhaps to Hadron, at firesale prices.

Several journalistic publications accused Dr. Brian of profiting from the Justice Department's theft of the PROMIS software. According to a number of sources, Brian traveled the world during the mideighties, selling the data management program to intelligence and law enforcement agencies the world over.

Brian's role, if any, in the October Surprise was less well publicized. The primary source thus far for the allegations that Brian was involved, is former Israeli intelligence officer Ari BenMenashe. Menashe alleged that Earl Brian helped make one of the first contacts between Republicans and the government of Iran in 1980. BenMenashe claimed Brian accompanied Robert C. "Bud" McFarlane to Tehran in late February 1980. The trip came shortly after the New Hampshire primary, when insiders knew that there would be a ReaganBush ticket.

Earl Brian and McFarlane, then an aide to Senator John Tower (RTX), allegedly contacted Iranians with whom Brian had conducted business prior to the fall of the Shah. According to BenMenashe, one of these was Mehdi Bazargan, onetime Prime Minister, and in February 1980 still closely connected to the Iranian leadership.

An old 1975 Sacramento Bee newspaper article, dated January 12, 1975, reported that Earl Brian, called the Genius Doctor by his friends, was out to get a little "of that Middle Eastern oil money." **The article went on to say that Brian was "helping to write a proposal on health care for Iran."**

Brian, then at the University of Southern California, was working with Samuel Tibbetts of the California Lutheran Hospital Association, which in turn was working with a Chicago group. The Chicago group was not named and details of the proposal were not known. It is significant that Brian left his post one year before this proposal was written, in 1974, as Governor Ronald Reagan's Health and Welfare secretary. It was not known whether the contract with the Iranian government was ever consummated.

Another interesting facet of Brian's background included his relationship with **Senator Terry Sanford** (DN.C.). Prior to his election, Sanford had been the attorney representing Earl Brian in his 1985 takeover bid for United Press International (UPI). Sanford was also instrumental in winning Brian an appointment to the board of Duke University Medical School. At that time, Sanford was the president of Duke University.

Dr. Brian ultimately directed his energies towards biological technology. Another of his companies, Biotech Capital Corporation of New York, became 50% owner of American Cytogenetics, which was planning in 1982 **to create a subsidiary to engage in genetic research.** One notable investor in Biotech, when it went public in 1981, was **Edwin Meese.** Today, American Cytogenetics in North Hollywood, California, conducts Pap tests for cervical cancer. It also tests tissue samples for cancer and related diseases. Sales in 1985 were \$3.4 million.

Hadron, of which Dr. Brian was a director, provided engineering and computer consulting services, along with telecommunications products. Sales were \$25.7 million in 1985. Clinical Sciences, Inc. sells biochemical products used for diagnostic tests and antibody analysis. Dr. Brian was also a director of this company. Sales in 1986 were about \$4 million.

Michael Riconosciuto had stated that he believed Earl Brian held a financial interest in Bio-Rad Laboratories in Hercules, California. I was unable to locate Brian's name in Board directories, but obtained some documents on an OEM agreement between California Integrated Diagnostics, Inc., a wholly owned subsidiary of the InFerGene Company, ("Manufacturer") a Delaware corporation, and BioRad Laboratories, Inc. ("Customer") a Delaware corporation, which listed the terms under which the manufacturer would provide the customer with various products.

Various exhibits outlined the product price list, delivery schedules, engineering specifications, etc. What made this agreement significant was a newspaper article published in the San Francisco

Chronicle on May 31, 1991, entitled, "S.F. Firm Faces Toxics Charges." A criminal complaint had been filed against a law firm, an investment banking house and several lawyers and financiers involved with InFerGene Company for abandoning its toxic wastes after filing for bankruptcy.

According to an affidavit filed by the Solano County District Attorney's office at the Fairfield Municipal Court, after InFerGene was evicted from the premises, a county inspector found several hundred containers including petri dishes and vials marked "chlamydia, herpes, and HSV2." Many others contained "bacteria of unknown etiology."

A Vacaville newspaper reported that on December 7, an environmental health inspector found 36 55gallon drums of radioactive Butanol containing "beef mucosa." They were improperly stored and lacked labels showing content, hazard warning or the owner's business address. A followup report made by the environmental health office noted that a Halloween 1990 investigation into a smell was traced to a door with a radiation warning on it. The department had recommended that the lab doors be sealed and the pipe opening sealed.

In all, the county Environmental Health Department had responded four times to complaints about smells from the InFerGene labs in the Benicia Industrial Park well before it shut down in February. One complaint listed persistent smells causing nausea, a problem also cited by others still working in the area.

Founded in 1983, InFerGene specialized in DNA technology, making diagnostic test kits for AIDS, hepatitis and other diseases.

My research led me to another article on Bay Area bio-labs. In June, 1991, the San Francisco Examiner published a story entitled, "Germ War Lab Alarms Berkeley" which noted the community of West Berkeley **"was home to the Defense Department's one and only supplier of antiplague vaccine."** On December 28, 1990, four maintenance men made an unauthorized entrance into a room at Cutter Biological which housed *Yersinia pestis*, commonly known as "The Black Plague," which once killed a quarter of the population of Europe 650 years ago.

There was no harm to the workers and no release of the live bacteria, but if an accident had occurred, all of Berkeley would have been wiped out.

It is impossible NOT to compare the two incidents in the San Francisco bay area with the Wackenhut proposal to develop biological warfare viruses on the Cabazon Indian reservation in Indio, California. In order to develop vaccines, which sounds innocuous enough, the virus must first be created. In the case of biological warfare viruses, the disease would have to be highly sophisticated indeed, if it were to be used in military applications. Certainly nothing that would be easily recognizable, if it escaped the laboratory, to a layman medical doctor in Indio, California, or for that matter at any Indian reservation in the United States.

Any type of biological research on an Indian reservation would not be subject to scrutiny by the federal government because Indian reservations are sovereign nations. Nevertheless, if a virus DID escape a secret government installation at an Indian reservation, the reservation would provide an ideally "isolated environment" for further study (by a government entity) of affected subjects or victims under quarantine. Not a very pretty picture. Yet this was the exact nature of the proposal by Wackenhut to Dr. Harry Fair of the Army weapons division.

For the first time, I began to notice various "mysterious" illnesses cropping up in the media. I'm sure there have been unidentified diseases throughout history, but for the first time, I was conscious of what was written about them.

The first to capture my attention was the sudden deaths of twelve Navajo Indians in New Mexico and Arizona. A June 3, 1993, Department of Health Services interoffice memorandum distributed to public health laboratory directors throughout California labeled the virus a "Mystery Illness in New Mexico and Arizona." The memo asked, "Is it in California too?"

On June 2, 1993, New Mexico officials had reported a total of 19 cases, summarized as follows: Of the 19 cases, 12 were Native American Indians. Twelve died. All of the victims were residents within a 100 mile area in northwest New Mexico and Northeast Arizona. The symptoms included fulminant respiratory distress which killed within hours. There was "NO IDENTIFIABLE CAUSE." This was printed in capital letters.

Under "Etiology" (origin), the memorandum noted, "[The illness] remains a mystery despite extensive testing at University of New Mexico Hospital, New Mexico Department of Health, and CDC. If etiology were plague, anthrax, tularemia, some cases should have been identified by cultures/stains ..."

Oddly, nationwide media printed stories stating that the illnesses were caused by rat droppings, yet the actual documents from the Department of Health Services in Berkeley, California, confidentially given to me by a laboratory director in June 1993, mentioned nothing about rat droppings.

I later read about a mystery illness in TIME magazine, November 22, 1993 issue entitled, "The Gulf Gas Mystery," which reported that American troops in the Persian Gulf, upon returning home, were complaining of chronic diarrhea, aches in all the joints, and difficulty breathing. Several veterans and their families testified before a congressional committee that the Defense Department had ignored their complaints, and the Veterans Affairs Department downplayed the affair. The veterans themselves were convinced they had been exposed to "diseasecausing chemical agents" while in the Persian Gulf. Eightthousand veterans registered their symptoms with the U.S. government, thus labeling the disease "Gulf War Syndrome" (GWS).

Ultimately, the disease was determined by Major General Ronald Blanck, commander of the Walter Reed Army Medical Center, to be "multiple chemical sensitivity," syndrome. A board of inquiry was created headed by Joshua Lederberg of Rockefeller University, a Nobelprizewinning expert on rare and emerging diseases. But, noted TIME, "It is up to the Pentagon to bridge the credibility gap that seems to have sprouted over the strange new syndrome." It was not until 1996 that the Pentagon admitted GWS may have been caused by exposure to bombed chemical/biological plants in Iraq.

By far the most provocative incident occurred in February, 1994. The SpokesmanReview, out of Spokane, Washington, printed a story on August 9, 1994, entitled, "Victim of Mysterious Fumes Seeks Investigative Reports." In Riverside, California, **the county in which the Cabazon Indian/Wackenhut facility is located**, Dr. Julie Gorchynski, an emergency room doctor, was overcome by mysterious fumes while examining a woman who later died.

"This is a bona fide, genuine medical mystery, and we intend to solve it," said Russell S. Kussman, attorney for Dr. Gorchynski. Gorchynski suffered from osteonecrosis, avascular necrosis of bone, posttraumatic stress disorder, shortness of breath, restrictive lung disease and other ailments, as a result of exposure to the dying cancer patient on February 19th. Coincidentally, her symptoms matched those of GWS.

Later, in the same newspaper, dated September 3, 1994, another article emerged regarding the Riverside mishap. The bizarre episode had sent six emergency room workers to hospitals after being exposed to fumes emitting from patient Gloria Ramirez's blood samples drawn on February 19, 1994.

According to the state's 15page report, 11 people reported smelling an unusual odor after blood was drawn from Ramirez. After five collapsed and the emergency room was evacuated, 23 people complained of at least one symptom, most commonly headache, dizziness, and nausea. More serious complaints included muscle spasms and breathing disruptions. "Despite extensive epidemiologic, toxicologic and environmental investigations, the cause of the outbreak of symptoms among emergency room staff members ... remains unknown," the report concluded.

Dr. Gorchynski's lawyer stated that it could only be a toxin. "It's physically impossible for Julie to have had the symptoms, and not just the symptoms, the laboratory findings and test results that

showed ... clearly Dr. Gorchynski was poisoned that day."

But epidemiology experts could find no culprit to explain the bizarre episode. The Department of Health Services ultimately described the incident as an outbreak of "mass sociogenic illness," perhaps triggered by an odor.

I could not help wondering if the deceased Gloria Ramirez was an Indian, or had ever been on the Cabazon reservation in Indio? I later learned she had been receiving experimental cancer treatments at a clinic in Mexico.

J.M., Ted Gunderson's live-in partner, on more than one occasion had noted that she held in her possession **a photograph of Gunderson and Sir Denis Kendall, the British M-16 officer who owned bio-labs in Los Angeles, standing in front of a Mexican cancer clinic.** According to J.M., the photo had been used in an advertisement seeking nurses to work at the clinic. Without a copy of the photo, I was unable to determine if it "might" be the same clinic which Gloria Ramirez attended prior to her death.

In February 1993, I was contacted by a **U.S Customs agent** who was conducting an inquiry into the whole Inslaw, Peter Viedeniaks, Wackenhut affair. The man had flown in to California from back east to interview Mike and Bobby Riconosciuto and other witnesses associated with the Inslaw case. Someone, whom he would not identify, advised him to contact me.

On February 5th, he and his partner drove to my home in Mariposa and spent the day. I provided him with an affidavit relative to Riconosciuto's attempted trade into the Witness Protection Program. **The affidavit contained mostly drug-related information on The Company and Robert Booth Nichols' connection to Michael Abbell (DOJ) and the Cali Cartel.** The agent also obtained a tape-recorded statement, under oath, relative to my findings and left with an armload of documents. **(Two years later, in 1995, Abbell was indicted for money laundering for the Cali Cartel and drug related charges).**

He called frequently after that (1993), once from a phone booth in the dead of night after visiting Langley, Virginia. We subsequently struck up an investigative collaboration of sorts. On September 3, 1993, **I received a call from him in Palm City, Florida. He had interviewed Robert Chasen, former Executive Vice President, Systems and Services Group, of Wackenhut Corporation in Coral Gables. Chasen, 70, was still senior consultant at the Florida facility, but was allegedly dying of cancer and weighed less than 100 pounds at the time of the interview.**

Because he (Chasen) had once been Commissioner of Customs in Washington D.C., he felt a rapport with this young agent and spoke candidly about his experience with Wackenhut in Indio.

Of significance, was Chasen's confirmation of the horrendous properties of the "virus" which he encountered at the Indio facility. **He said, "Wackenhut was running amuck." Robert Nichols and Peter Zokosky had attempted to sell the biological warfare technology (developed in cow uterus) through Wackenhut, using Robert Frye, Vice President of the Indio facility, as the front man.**

According to Chasen, **Frye went behind his [Chasen's] back in facilitating the project; when Chasen learned of the project, he shut it down.** (Chasen supervised the Indio facility from Coral Gables, Florida.) Because of the projects underway at the Cabazon reservation, **Chasen chose not to step foot on the property, but instead met with the Indio executives in Palm Springs.**

In other respects, Chasen was not so candid. Though the Customs agent said Chasen "said a lot of derogatory things about Wackenhut in Indio," he did not admit to knowing Peter Viedeniaks. The agent's investigation had led him to believe that the PROMIS software WAS stolen, and Viedeniaks WAS involved in the theft, but he did not have enough evidence to take his case to court.

Chasen was evasive on the subject of PROMIS, though his background would indicate that he must have been knowledgeable about it. He had been a Special Agent in the Washington D.C. Federal Bureau of Investigation from 1943 to 1952. From 1952 to 1968, he was Vice President and President, respectively, of ITT Communications Systems in Chicago, Illinois and Paramus, New Jersey. He became Commissioner of U.S. Customs in Washington D.C. from 1969 to 1977 the same time span that Peter Viedenieks was in and out of Customs.

I called Dick Russell (author of "The Man Who Knew Too Much") to act as a "cutout" for me and interview Chasen. At that point, I didn't want to expose myself to Wackenhut, so Russell agreed. When Russell called back, he said Chasen didn't trust Robert Booth Nichols. **Wackenhut had "run a check" on Nichols and couldn't learn anything about his background.** This had bothered Chasen, but, he said, Robert Frye and Dick Wilson were "dazzled" with Nichols.

Chasen believed Nichols worked for the CIA, said he was a "slippery guy," and couldn't understand why Frye and Wilson were dazzled by Nichols for such a long time. Reportedly, George Wackenhut liked Frye and Dick Wilson, but did not trust Riconosciuto or Nichols. Michael Riconosciuto had been introduced to Chasen as a "specialist engineer in weapons."

Chasen acknowledged the biological technology introduced by Nichols and Zokosky, saying it had been presented to him as something that could "create anything from chicken soup to long range missiles." **When he learned of the properties of the technology, he halted it immediately. When pressed for further details, he added reluctantly, "It was the kind of thing your mind erases."**

Regarding the Cabazons, Chasen said he felt an affinity with Arthur Welmas, Chairman of the Cabazon Band of Mission Indians, because his [Chasen's] wife is part Cherokee. He noted that he sympathized with their situation and wanted to protect them.

Perhaps he protected them more than he realized when he shut down the Wackenhut proposal to the Army to develop biological viruses (and vaccines) on the Cabazon reservation.

One year later, on September 5, 1994, TIME magazine published an article on page 63 entitled, "A Deadly Virus Escapes," in which a Yale University researcher was exposed to the deadly Brazilian "Sabia" virus when a container spinning on a highspeed centrifuge cracked, causing the potentially lethal tissue to spatter. Fortunately, the researcher was wearing a lab gown, latex gloves and a mask, as required by federal guidelines.

Every surface of the area was scrubbed with bleach, all instruments were sterilized, then wiped down again with alcohol. Having decided the danger was over, he didn't bother to report the accident, and a few days later he left town to visit an old friend in Boston. Soon after the researcher returned to Yale, he began running a fever that reached 103 F.

An experimental antiviral drug eventually stopped the illness, but the man had exposed five people, including two children, before being confined to a hospital isolation ward, and another 75 or so healthcare workers after that.

The Sabia virus is particularly frightening because it kills in such a grisly way. Characteristic symptoms are high fever, uncontrolled bleeding in virtually every organ and finally shock. The liver turns yellow and decomposes. Blood can leak from literally every bodily orifice, including the eyes and the pores of the skin. **Sabia was never seen before 1990, when a female agricultural engineer checked into a hospital in Sao Paulo, Brazil, with a high fever.** Within days she was dead.

Fortunately, in the Yale University incident, none of the potential victims died or showed any evidence of symptoms. A book and movie on the Sabia virus's counterpart, the lethal Ebola virus from Central Africa, which is as deadly and as gruesome as AIDS, yet has an incubation period of only one week, was underway at the time and was later released in 1994.

The book, "The Hot Zone," described a victim who contracted Ebola. TIME wrote, "His eyes turn red and his head begins to ache. Red spots appear on his skin and, spreading quickly, become a rash of tiny blisters, and then the flesh rips. Blood begins to flow from every one of the body's orifices. The victim coughs up black vomit, sloughing off parts of his tongue, throat and windpipe. His organs fill with blood and fail. He suffers seizures, splattering virussaturated blood that can infect anyone nearby. Within a few days the victim dies, and as the virus destroys his remaining cells, much of his tissue actually liquifies ..."

The Ebola virus, found in the rainforest regions of Central Africa, once caused an outbreak in 1976 through villages near the Ebola River in Zaire, killing as many as 90% of those infected. Such dangerous viruses may seem a distant menace, wrote TIME, but "The Hot Zone" details a 1989 Ebola crisis that occurred in the Reston, Virginia Primate Quarantine Unit, run by a company that imports and sells monkeys for use in research laboratories.

When an unusual number of monkeys originating from the Philippines died, tissue samples were sent to a U.S. Army research center. There a technician identified the strands as either Ebola Zaire or something very close. Even more alarming, the virus found in Reston, Virginia, unlike the African one, could be transmitted through the air. Frantic phone calls were made to Virginia health authorities and to the Centers for Disease Control in Atlanta. An Army team, wearing space suits, went into the Reston building and killed 450 surviving monkeys, then placed them in plastic bags for safe disposal. Before the building was boarded up, the Army sterilized every square inch of the interior. No humans were infected with the virus, but Richard Preston, the author of "The Hot Zone," wrote, "**A tiny change in its genetic code, and it might [have] zoomed through the human race.**"

A rival 1995 film on the same subject entitled, "Outbreak," directed by Wolfgang Peterson, also focused on the Ebola virus.

CHAPTER 12

It was time to interview Robert Booth Nichols. I was communicating regularly with Ted Gunderson and one day, on an impulse, I asked him for Nichols's telephone number. Gunderson hesitated, then gave me the telephone number of a "relative" of Nichols' in Los Angeles, stating that he really couldn't give out Robert's home number without first consulting him.

I called the relative and left a message for Nichols to return my call. The call came back on December 31, 1991. There was an intriguing international flavor to Nichols' voice. The tone was hostile but polite, and inquiring. Essentially, Nichols wanted to know why I was communicating with Michael Riconosciuto?

I explained to him that I was writing a book on government sanctioned drug trafficking and Michael had information to offer on local corruption. During the conversation, which lasted about 45 minutes, Nichols admitted that he worked for FIDCO and used the code word "Wa Lateral" for the operation in Lebanon.

The following are some excerpts:

CM: "Do you know anything about Michael Riconosciuto in Lebanon?"

Nichols: "Never."

CM: "He [Michael] talked about an interesting operation in Lebanon."

Nichols: "What was it called, the operation? I've heard of quite a few projects in Lebanon. If I've heard of it, I'll tell you."

CM: "Well, what was the code name of the one that you heard about?"

Nichols: "Wa Lateral."

CM: "Wa Lateral? And what type of operation was that?"

Nichols: "Well, it was trading in two directions. Now what's yours?"

CM: "Same thing."

Nichols: "Wa Lateral? Yours is the same name?"

CM: "No. I've never heard that name before."

Nichols: "Well, what was the code word of the one Michael said he was involved in?"

CM: "I would have to go over all of my notes, to tell you the truth. It didn't seem important at the time, so I don't have it off the top of my head ..."

Nichols: "What the project was, I can tell you very clearly, there's nothing secret about it now, was to develop an agenda whereby all sides, the Muslim and the Christian sides, would come to an agreement on a redevelopment project to where their respective areas would have the same capitalization, and the same benefit to stop the fighting."

CM: "Did this include rebuilding of the infrastructure of Beirut?"

Nichols: "Very definitely."

CM: "Did this have anything to do with FIDCO?"

Nichols: "Uh, FIDCO was involved in it, right. That was an effort by that company, as I understood it ... the project was to make sure that both sides developed building programs that were initiated concurrently and the development was fair and equitable to all sides, to stop the fighting." (I wondered why an "arms dealer" wanted to stop the fighting in Lebanon?)

CM: "Was there ever any subsidiary of that corporation called Euramae?"

Nichols: "I never heard that name before."

CM: "Ted Gunderson gave me a huge manual on The Octopus ..."

Nichols: "In my opinion, to research anything of that magnitude you are looking at -- it would require a lot of money and a lot of travel and a lot of patience. I don't think Ted Gunderson knows anything, personally. He's domestic. It's not his area."

CM: "Did you operate a telex company with him during the Olympic Games?"

Nichols: "Absolutely not. A telex company. Absolutely not. Oh, jeez. Did you ask Ted Gunderson that?"

CM: "Well, no, I didn't ..."

Nichols: "Well, you can't be shy. You have to ask questions, or else how do you know?"

CM: "What did Danny Casolaro spend so much time on the phone with you for?"

Nichols: "Danny used to ask me different things. But Danny was more into the names in Paris and Switzerland and -- Danny was investigating the whole international situation. You have to spend a lot of money and do a lot of traveling. Danny had said to me that he had a whole agenda worked out, you know, where he was going to go and who he was going to see. And I mean it was literally a global trip ..."

Nichols said he believed Danny was murdered and did not commit suicide. He believed Danny's death had to do with the international scene, someone Danny had contacted overseas.

I asked him, "Do you suppose his death had anything to do with the Justice Department?"

Nichols answered, "I would say, `Time will tell. Time will tell.'"

I pressed Nichols about his civil suit against FBI agent Thomas Gates:

Nichols: "The activities that I've been involved with, I can tell you very clearly, **an effort was made**

for many years to benefit a lot of people that were involved in the corporation. That effort was destroyed by certain moves [by agent Gates]. And it caused a great deal of hardship to myself and quite a few other people who are very angry about it. And we'll deal with that matter in court."

CM: "What was Gates investigating?"

Nichols said he wrote two stories for some Italian movie producers. **"They were `sensitive' stories, about overseas. What I did, was I took two little, very brief parts of two stories to copyright in the United States.** And so they're very diluted, but enough for the copyrights.

"That's when I met the guy from Universal [studios], because he wanted the stories. And the French wanted the stories ... in 1987, but the stories haven't changed, they're still pertinent."

Gates had overheard the "pertinent" parts on the wiretap and initiated an investigation. I made a mental note to try to convince Nichols at a later date to provide me with the manuscripts. But I didn't want to push him during our first conversation.

I later asked a friend in Washington D.C. to research Nichols' copyrights at the Library of Congress. There were indeed two stories copyrighted by Robert Booth Nichols under the pseudonym of R.N. LeDevoilier. Perhaps he was unaware that a cross-reference would reveal his true identity.

The 20-page manuscript entitled "Acceptable Casualty," essentially outlined gays and I.V. drug users as targets of bio-war by a cabal of military intelligence officers. In the story, a secret file, "C-911-Tuhnekaw," revealed the origin of the first AIDS infection. Field research dated November 12, 1977 originated from a Bay Area laboratory destroyed by fire in December 1975. Assorted bio-labs were mentioned, one in Palo Alto, California. The hero of the story obtained the secret cure from "the Chosen Ones" and escaped to Singapore with his family.

Interestingly, the names of those involved included "Yutaka Okimoto" and "Lawrence Zokosky," the last names of which match those listed on Nichols' "real life" corporation, Meridian International Logistics (MIL).

Nichols also copyrighted a 90-page James Bond type treatment entitled, "Decision of Conscience," which described state-of-the-art electromagnetic technology (launchers) used to demolish a two-story concrete building. I later found the words, "Decision of Conscience," written in Danny Casolaro's handwritten notes also.

Nichols' secret desire to write about his exploits in the CIA had led him to contact Jack Valenti, president of the Motion Picture Assn. of America, through his (then) corporate partner Eugene Giaquinto. The three met at the Beverly Hills Hotel where Nichols attempted to sell Valenti manuscripts disclosing top secret CIA technology.

Nichols later said Valenti refused the manuscripts because they contained "classified national security information." (Valenti once served as assistant to President Lyndon B. Johnson).

During several phone conversations with reporter Jonathan Littman, I learned that he had communicated with Danny Casolaro on a regular basis prior to Danny's death. At the time, I wondered why Littman hadn't written a story on Danny, since he was one of the few reporters to have spoken extensively with him?

I would have that answer soon enough. My confidence in Littman nearly cost me my life. An incident which I am about to relate forced me to document the following events, which I titled, **"Vortex," and subsequently turned over to John Cohen, investigator for the House Judiciary Committee on Inslaw. Cohen had strenuously advised me to send it to him as he feared for my life. "Vortex" was also the "affidavit" I supplied to the Customs Agent who interviewed me in February 1993.**

During the course of our conversations, Littman had noted to me that he had a close relationship with Robert Booth Nichols, Peter Zokosky and Ben Kalka of The Company. **Littman also verified to me that he was in fact, Kalka's cousin,** but he (Littman) was a secretive, noncommunicative individual and I didn't press him for explanations. Kalka was currently serving time in prison for possession of 900 pounds of methamphetamine.

Littman did, however, confide that Kalka hated Michael Riconosciuto because Riconosciuto was responsible for Kalka's imprisonment. I described how former Assistant U.S. Attorney Brian Leighton appeared to have perjured himself at Michael's trial, and asked Littman's opinion of that. Littman stated simply that it didn't matter if Leighton had perjured himself, nothing should be done to get Michael out of jail. There should be no mistrial or acquittal or anything of that nature because Michael was probably guilty of the crime for which he was incarcerated. I didn't pursue the matter further at that point.

Meanwhile, Littman offered to arrange an interview with Robert Booth Nichols and Peter Zokosky for me. In exchange for this, he wanted me to arrange an interview with Tony Patterson and Raymond Lavas (Ted Gunderson's former forensics expert) through Bobby Riconosciuto. Tony Patterson had allegedly served with Robert Booth Nichols in Vietnam, and Raymond Lavas had access to Michael Riconosciuto's hidden computer tapes.

Both men were watching over Bobby Riconosciuto while Michael was in jail. I said I would do the best I could to arrange the interviews. Bobby was the only person communicating with these individuals and only she knew how to contact them. I never mentioned to Littman that I had been communicating with Robert Nichols on the phone. I can't say what my reasoning was at the time. Intuition, I suppose.

Bobby Riconosciuto reluctantly agreed to set up the interviews with Patterson and Lavas, though she pointed out that neither man trusted journalists. I naively assured her that Littman would be okay. It is noteworthy that Littman had been communicating with Bobby and Michael for several months prior to my introduction to them, yet, they didn't completely trust him at that stage of their relationship. When they learned of his relationship with Ben Kalka, they didn't trust him at all.

Elizabeth Riconosciuto's fifth birthday party was scheduled to be celebrated at the La Mirada Gateway Holiday Inn on February 14, 1992 at 11 a.m.. Reportedly, Patrick Moriarty and Marshall Riconosciuto had a financial interest in the hotel and they were paying the bills.

Littman and I decided that would be a good weekend to confidentially interview Robert Booth Nichols and Peter Zokosky in Los Angeles, and it would give Littman the opportunity to meet Bobby Riconosciuto face-to-face. We would also squeeze the Patterson/Lavas interviews in during that time.

Michael Riconosciuto was cooperative about allowing his wife to be interviewed by Littman because it would give the journalist a closeup view of Michael's "family" in action. Tom Olmstead, Michael's lawyer, was scheduled to attend the birthday party as was Patrick Moriarty and Marshall Riconosciuto. After the luncheon celebration, the children and those adults who wanted to tag along would go to Disneyland.

Michael Riconosciuto had dual motives for wanting Littman in attendance. Olmstead had been instructed to pressure Littman to reveal "who" had sent the incriminating 1983 "drug" transcript to the prosecuting attorney in Michael's trial - only Littman knew if it had been Ben Kalka or Littman himself. (Littman had obtained it originally from Peter Zokosky).

On Tuesday evening, February 11th, Littman confirmed a Thursday appointment with Robert Booth Nichols. However, he stressed that Nichols had insisted that the meeting be kept absolutely confidential. No one in media or Michael Riconosciuto's circle was to know of the interview.

I agreed, but explained that I had already mentioned briefly to Michael that I "planned" to interview Nichols at some future date. Michael had said he understood the importance of interviewing

Nichols and he would cooperate. I even asked Michael to notify Tony Patterson and Raymond Lavas, via Bobby, that Littman and I would be interviewing them during our trip to Los Angeles.

Littman said that was alright, but I was to tell no one else associated with Michael. I noted to Jonathan that he might want to inform Nichols that I had already mentioned to Michael that I "intended" to interview Nichols at some time in the future. Littman said leave it at that. No problem.

Littman spent the night at my home in Mariposa on Wednesday night. The following morning, on February 13th at 7 a.m., we departed for Los Angeles. Strangely, at the last moment, Littman decided to follow us to Los Angeles in his own car. I rode intermittently with Littman, then with my husband, during the fivehour drive. At hour intervals, Littman pulled off the freeway to report to Nichols - and to a police officer in San Francisco whom he did not identify, but described as his "security."

At noon, we arrived at Nichols' Sherman Oaks apartment building. Littman punched in #68 and spoke briefly to Nichols, who buzzed the door open. At Nichols' apartment, #103, Littman pointed out the electronic security system on the front door, then at the last moment, instructed my husband to wait in the van. We owned a 1991 Chevrolet conversion, so he napped and watched television the rest of the afternoon. Towards the end of the fivehour meeting, Nichols invited him up for coffee and cake.

Peter Zokosky and his wife (former Mayor of Indio), Robert Booth Nichols and his wife, Ellen, were present inside the apartment. Littman had previously warned me that the apartment was electronically wired to detect any listening devices I might be wearing on my body. I said I had none.

Littman had also warned me that I would be seated on a couch next to a stuffed lion which had a tape recording device (bug) under its tail. Sure enough, when I entered the apartment, I was seated on a white couch near the lion. A giant anaconda skin hung stretched across the wall. European and African relics decorated the apartment. It was instantly obvious that Nichols and his wife didn't live in the apartment, it was a meeting place.

Nichols smoked cigarettes and as a result, kept the upstairs windows in the apartment open, allowing a cool February breeze to flow through the apartment. Nerves, and the cool air induced me to keep my light coat on during most of the interview. At first, Peter Zokosky, a friendly, congenial man, did most of the talking. As the conversation warmed up, Nichols entered intermittently, then took over completely.

A formal gourmet luncheon was served of curried soup, salmon and turkey finger sandwiches, wine and homemade strawberry cake. Ellen Nichols was the perfect hostess, but rarely said a word.

At one point during lunch, Nichols instructed Ellen to get the camera and snap a front and side picture of me, which she carried out silently. There was no explanation given for the picture. After lunch, Nichols often stood or sat at the open window while he talked and smoked. It was cold and rainy, and I wondered why he kept glancing down at my van. Littman frequently left the room to attend to something in the back of the apartment. I was unable to determine what he was doing, but noticed that he took no notes and never once joined in the conversation.

Nichols was aptly described in magazine articles as "Clark Gable without the ears." But his mannerisms were intense, simultaneously controlled and dramatic. I intuitively sensed the violence in him, but only through his eyes. He studied me intently as I spoke, making every effort to throw me off balance by continuously correcting me. He also would not speak while I wrote on my notepad, stopping mid-sentence each time I put pen to paper.

It worked in some cases, but I finally rallied. I was in HIS apartment, with women present, though they were busy in the kitchen, and my husband was parked outside the apartment. I was certainly in no physical danger, so I gathered myself and bluntly asked the questions I had driven 350 miles to ask.

Referring to the U.S. currency and gold transfers into Swiss bank accounts, Nichols admitted that he was contracted by the government to "handle" the 42 Cobra helicopters which Michael had said were stored in Europe, then shipped to Iraq via North Korea.

At first he would not say what he did with the helicopters, but then revealed the entire operation. **John Vanderwerker at Intersect Corporation in Irvine, California, had been the CIA facilitator. It was a "classified" CIA operation, though Nichols would not give the name of the White House official behind it. I assumed it was Michael McManus, but didn't push it. Glenn Shockley had brought Nichols into the operation.** At least I had verbal confirmation of the operation, and unknown to Nichols, I had the entire paper trail.

Regarding Danny Casolaro, Nichols and Zokosky both insisted that Danny had been "murdered." Danny's book research had progressed to a point where he was looking overseas for answers and Nichols had offered to direct him to certain connections that would have completed his investigation.

Nichols confirmed that he was privy to Danny's findings on a regular basis, but chose not to elaborate on the content of his last conversation with Danny.

I continued to press him for information on the "cause" of Danny's death; what had he discovered that caused him to be murdered? Nichols responded defiantly that he knew why Danny died, but he said "no journalist or investigator had done enough work to be deserving of that information yet."

It was not until the end of the meeting, when we had established a tentative rapport, that Nichols offered to take ME to Europe, as he had Danny, to find the answers to my investigation of the Octopus. But, he stressed it would be very expensive and I would be gone for several months. I remember the probing look on his face as he made the offer. I had nodded slowly, stating I would give it some thought. I wondered fleetingly if he was trying to recruit me into the CIA? Or create a new Manchurian Candidate?

Regarding the stolen PROMISE software, Nichols said he believed Michael Riconosciuto had been contracted by the government to "derail" Bill Hamilton at Inslaw. According to Nichols, Michael DID have the PROMIS software codes. **Allegedly, Peter Zokosky's "brother" sold copies of the software to Israel. Zokosky nodded in agreement at that statement.**

Nichols said Michael HAD to know he was going to be arrested for operating a meth lab, but he (Michael) thought the FBI would bail him out again. Someone named (Admiral) Al Renkin allegedly "covered Michael's drug act."

I never knew what that meant and didn't pursue it, as I wasn't there to learn about Michael Riconosciuto. **While we were on the subject of drugs, I took the opportunity to question Nichols's involvement. I lead in by describing the drug situation in Mariposa county, adding that the entire country seemed to be economically dependent on the drug trade. Nichols nodded in full agreement, then noted that Europe's economy was completely dependent on drug money. Without drugs, banks and whole countries would collapse financially.**

We moved into another area of discussion. Peter Viedenieks was an associate of Earl Brian, according to Nichols. Other names were tossed around such as Senator Terry Sanford, a family friend of Earl Brian. Sanford was Nichols' link with Earl Brian. And, noted Nichols, Viedenieks was associated with Earl Brian through Hadron Corporation.

Allegedly, all of these fellows had met at Nichols' "007" Playa Del Ray condo at one time or another, including Viedenieks.

It is noteworthy that at the time of this meeting, neither Nichols or I could have foreseen the importance of this information. The issue of Viedenieks' connection with Earl Brian or Terry Sanford, or even Nichols himself, had not been raised publicly yet. At the time, I didn't place any particular significance on Nichols' relationship with Earl Brian or Peter Viedenieks, I just took the information at face value and wrote it in my notes.

Nichols reacted violently when I asked him if he had any business dealings with Brunswick Corporation in New Jersey. He jumped up from his chair by the window and yelled, "Absolutely not!"

I quickly explained that I had looked up Sir Denis Kendall (the famous M16 World War II British officer) in "Who's Who in America" and learned that he had once been associated with Brunswick. Nichols said he did not know Sir Denis Kendall. His eyes told me otherwise.

I noted that was strange since Michael Riconosciuto seemed to know him well. Nichols and Zokosky exchanged glances. I further explained that Bobby Riconosciuto said she had been to Kendall's home on Doheny Drive in Beverly Hills with her children once. She had often called Kendall when she was trying to locate Michael, and within hours of calling Kendall, Michael always called her back. Nichols and Zokosky seemed disturbed by that statement.

I didn't mention that Riconosciuto had stated Kendall was Nichols' supervisor (CIA "handler"), or that J.M., Ted Gunderson's research partner, had found a brochure in Ted's files advertising for Swedish nurses at a medical research complex in Mexico. The brochure contained both Gunderson's picture and Sir Denis Kendall's.

I had obtained all of the documents pertaining to Nichols' current lawsuit against Thomas Gates of the Los Angeles FBI, his corporate activities and his weapons permits. Nichols had been investigated by Gates for allegedly turning over sensitive information to organized crime figures in America and the "Yakuza" crime syndicate in Japan.

Nichols' corporation, Meridian International Logistics, Inc. (MIL), the parent company to Meridian Arms, had filed a lawsuit against Gates for contacting Nichols' European and Japanese business associates.

As a result, not only were Nichols' weapons permits cancelled, but his associates were allegedly intimidated by the investigation, thus damaging Nichols' ability to transact business.

I was curious about how far Nichols would take the lawsuit, and exactly what the nature of the research was that MIL fronted to the Japanese. I started out by asking Nichols if he had provided a "grant" to a Japanese facility for biological research? Nichols said he had provided no grant to any Japanese facility and attempted to change the subject.

Nichols was not evasive, but aggressively direct when he did not want to discuss something. Michael Riconosciuto had once commented to me that the biological technology which Nichols was involved in was "Hitler's wet dream." According to Michael, who was uncharacteristically hesitant about discussing the subject, "biotechnology was the weapon of the future, making all other weaponry obsolete."

In Michael's files in the desert, I had retrieved a small cylindrical cannister, about six inches in length, with a cap on it. The metal cannister had not been marked, and instinctively, I had not opened it, but had placed it on a shelf in our empty guest house in Mariposa.

It was not until months later, after Michael learned I had copies of his documents, that I had asked him what the cannister contained. Michael had become disdraught, explaining that the cannister contained genetic material in a hybridoma base, a military concept, only to be used for military applications. Michael had stolen the cannister from a shipment at Wackenhut destined for King Fahd of Saudi Arabia and placed the sample in his files in the desert. (Proposals had also been underway with King Fahd to provide "security" for his palace).

His voice had been fraught with worry. He implored me to remove the cannister from my property immediately, take it to a "class 4 facility" where it could be disposed of. I was absolutely NOT to open the cannister as it contained lethal toxins.

Later, at the meeting with Robert Booth Nichols, I again wondered why arms dealers such as Peter Zokosky and Robert Nichols would be interested in genetic research? Five years earlier, Zokosky

and Wackenhut Corporation had attempted to sell "biological warfare viruses" and vaccine kits to the U.S. government to be used against small countries bordering Albania or large countries bordering the Soviet Union.

I did not openly confront Nichols at his apartment about the above documents, but asked him if he had sold or facilitated the research of specific biotechnology to the Japanese? Nichols adamantly denied any involvement in any such research.

When I rephrased the question, and he realized I knew about the MIL agreements, he admitted that he had in fact facilitated the research of methodology and induction of cytotoxic T lymphocytes through "five offshore [outofcountry] research institutes." But, he added that the research was "classified" by the sponsoring governments and "secret" and he could not discuss it.

When I pressed for the names of the sponsoring governments, he clammed up. Had I known more about the technology at the time, I would have pointedly questioned him about the properties of the virus, but in retrospect, my ignorance opened doors that otherwise wouldn't have been opened.

I did, however, mention to Nichols and Zokosky that Michael Riconosciuto had allegedly worked on the same technology at Hercules Research in the early 1980's, reportedly using fish for incubation purposes.

Zokosky responded, embarking upon a lengthy discourse on the processes by which "they" had incubated the virus in cow uteruses and udders in biolabs twenty floors beneath the ground. But Nichols interjected, discontinuing the narrative. It was obvious that both men were becoming agitated, so I dropped the subject for the time being.

Regarding Thomas Gates, Nichols expressed real anger and noted he would take the lawsuit against Gates as far as it would go. He said he didn't care if he was awarded any money (he was suing for \$11 million), but he would ruin Tom Gates, no matter what it took.

A thought crossed my mind that he was about to say that he would kill him, but instead, he sat silently glaring, waiting. I asked him how much the lawsuit had cost him so far, and he said not a dime. Originally, Michael McManus had advised Nichols, but then the case was handled by John Rowell.

It was already apparent that Nichols was warming to the interview, in a disarming, contentious sort of way. We were reaching a common ground, a netherworld of danger and intrigue. The room became his stage, the people his audience. He never took his eyes from mine, making every effort to distract me from my notes.

Unquestionably, he was a "game" player. The more I entered the game, the better he liked it. It was a trade off, I gave him a little information, he gave me a little. But he gave as much as he took ...

I asked him about his relationship with MCA corporation. He said Eugene Giaquinto, President of MCA Home Entertainment Division, had resigned from his company, MIL, after the FBI investigation was underway.

But Giaquinto was a smart man, noted Nichols. He had learned much from the man. Giaquinto drove an older car, as did Nichols. They hid their assets, living modestly when in the U.S., keeping a low profile. The FBI would "prove" nothing, said Nichols. He added that MCA Corporation was "going broke," and the only division that was making a profit was the home entertainment division, which Giaquinto headed.

I recalled privately the conversation in which Michael Riconosciuto had told R.J. that MCA was currently facilitating the largest leveraging scam ever conceived of in this country. MCA was subsequently sold to the Japanese, but I had no idea what connection that had to the above referenced conversation.

Nichols continued to lead the conversation towards Riconosciuto. Nichols and Zokosky could not understand why Ted Gunderson testified for Michael at his trial in Washington state. At a previous

dinner party at Nichols' apartment in Sherman Oaks, Ted reportedly told the two men that Michael had loaned him (Gunderson) \$60,000 for a joint business venture. Ted still owed Michael the money.

It is noteworthy that Ted also supplied Robert Booth Nichols an affidavit for HIS lawsuit against Thomas Gates.

Ellen Nichols had mentioned during lunch that Michael often buried secret documents and equipment. Obviously, they were trying to learn what documents I had acquired. I had not uncovered any "buried" documents, but had obtained his private files from the trailer in the California desert. I did not reveal this to Nichols, assuming that Littman had kept my secret.

However, as the conversation progressed, I came to realize that Nichols did, indeed, know I had obtained Michael's files. One statement which Nichols said in the presence of Jonathan Littman surprised me. Littman continued to leave the room to attend to something in the back of the apartment. When he returned, I asked Nichols to repeat what he had just said. Nichols obliged by reiterating that "Michael Riconosciuto would kill me if he learned that I had obtained his private documents."

I asked him "why" he believed Michael would kill me over that? Nichols seemed to want confirmation of something I'd obtained, something specific, but wouldn't define what it was and I had no intention of revealing anything to him at that point.

He randomly discussed the (coroner's grand jury) affidavit in which Riconosciuto had accused Phillip Arthur Thompson of killing Paul Morasca (Michael's partner) in San Francisco. Thompson had worked for the FBI under the code name of "Jason" in some capacity which Nichols would not define.

But, according to Nichols, it was Riconosciuto who had tortured and killed Paul Morasca. Peter Zokosky corroborated Nichols' comment. Both men said the torture of Paul Morasca was Michael's "style" that Michael had discussed torture techniques of that nature to Nichols prior to Morasca's death.

They added that "Jason," Phillip Arthur Thompson, was not so creative in his killing style. Thompson had allegedly killed many people in his career, but he chose to use a gun and get the job done quickly. Nichols also said at lunch, with Ellen listening, that he knew who killed Mary Quick. Ellen rolled her eyes at her husband and beseeched him to change the subject. I asked Nichols to name the killer or at least give me a clue. Nichols said the killer of Mary Quick had been arrested and released. Obviously they were talking about "Jason," who HAD been arrested and released.

Nichols and Zokosky both agreed in a conversation between themselves that Michael Riconosciuto had caused the death of other people also. Nichols repeated at least three times to my face, with Zokosky and Littman nodding in agreement, that he believed Michael would kill me.

I privately wondered why Nichols was making such an issue of this? I would understand soon enough. Meanwhile, Nichols continued to press his point. He said Michael was a patient man and would wait as long as necessary to accomplish this. I did not respond, as I had become somewhat immuned to the threat by then.

Littman had made similar statements on the drive up to Sherman Oaks. I simply did not perceive Riconosciuto as a killer. Nevertheless, I asked Nichols how Michael would kill me if he was in jail? **Nichols said it would be done by one of Michael's "drug flunkies." He said Riconosciuto HAD worked for the government, and had been "rescued" by the FBI for years.** He added that Michael could get away with murder.

I was becoming unresponsive to the game, so I presume Nichols decided it was time to "set the hook." It was not until two years later that I understood the significance of this incident. At one point during our conversation, and completely out of context with what we were discussing, Nichols played a video tape of the assassination of President John F. Kennedy. The southern wall of Nichols'

apartment contained a sixfootwide screen on which I watched a blownup (enlarged), slow motion "uncut" version of the famous Zapruder film.

I watched what appeared to be the standard media version of the film, seen so many times in film clips over the years, but then Nichols slowed the camera even more, and on the sixfoot screen, I observed the driver of the limousine turn to his right, first looking at Connolly, then at Kennedy. The driver's left hand came over his right shoulder, and he was holding a long barreled gun. Smoke and a bullet emerged from the gun, traveling ever so slowly across the screen into Kennedy's head, blowing brain tissue into the air as he fell back against the seat.

Stunned, I watched Jacqueline Kennedy open her mouth in horror as she glanced at the driver, then try to climb over the back seat of the car.

Littman and Zokosky and I stared at the scene in silence, unable to believe what we were seeing. Nichols then changed the tape and showed what he described as the "media" version of the Zapruder tape. In the media version, the driver continued to drive, unflinching, as the shots rang out. Then the scene switched to the back part of the limousine.

At this point, Nichols stopped the frame and pointed with a stick at a tree in the background behind the limousine. From the middle of the tree to the ground, there was no trunk, just air. The top part of the tree was growing in air!

I demanded that my husband be allowed to see the film. I felt I must have been hypnotized. When he arrived, he viewed both films up close, in slow motion, and saw the same thing. Nichols played both tapes backwards and forwards as often as we demanded, until the memory of it was burned forever into our minds.

I wondered if the video had been tampered with. I asked Nichols where he had obtained the original "uncut" version? He would not say. I had no idea at that time that his F.I.D.C.O. partner, Clint Murchison, Jr.'s father had had instant access to the Zapruder film immediately after the assassination in Dallas, Texas.

Nichols studied me for the longest time, then walked over to the window and lit a cigarette. He finally commented that the CIA can cover up anything it wants, even a president's murder. He wanted to show me the power of the Octopus. "Nothing is as it appears to be," he said.

Somehow, that statement rang true. He then noted that he'd read my first book, the one I had sent him, then handed me a book entitled, "The Search for the Manchurian Candidate." He told me to read it, appraising me silently. Inwardly, I recalled a conversation with J.M., in which she related a conversation she'd had with Ted after a dinner engagement with Nichols. Nichols had reportedly stated to Ted that he headed a 200man assassination team. Jackie had been too frightened to elaborate on this conversation, but had pointed out that Nichols once worked in the MKUltra (Manchurian Candidate) program during the Vietnam war. This program was part of the "Phoenix Project." Interestingly, numerous publications had mentioned that Earl Brian had also participated in the Phoenix Project during the war.

Nichols' sister was allegedly a professional hypnotherapist, and Nichols himself was reportedly trained in the art of hypnotism. According to Riconosciuto, they all called themselves "The Chosen Ones," wore skull and crossbones rings, and shared a common interest, if you could call it that, in the old German SS occultism, its tribal and inner circle rites.

As I was preparing to leave, Nichols pointed his finger at me and reminded me of the agreement I had made with him through Littman. I asked him what agreement? He said the agreement that I would tell noone about this meeting. I again assured him that I would mention it to noone. He said I had better not or I would end up like the rest ...

When we finally left Nichols' apartment around five p.m., I told Littman I did not intend to accept

any more collect calls from Michael Riconosciuto at the Tacoma jail. I might even wrap up the whole investigation at that point, because I had more than enough material for a story or a book.

Littman proceeded to issue a warning which I recorded in my notebook in the car. It read as follows: "Littman warned me today to watch out. Noone gets out of this alive. No one walks. If I cut them off, it would be very dangerous." I was completely numb at that point, and unresponsive to any further threats. We agreed to meet at 11:00 a.m. at the La Mirada Gateway Holiday Inn in La Mirada the following day to attend Elizabeth Riconosciuto's birthday party. Tom Olmstead, Michael's lawyer, would be flying in for the meeting, Ted Gunderson and J.M. would be there, Patrick Moriarty would be picking up Olmstead at the airport, Raymond Lavas would be there and possibly the elusive Tony Patterson, if Bobby could arrange it. Also expected was Janice Wynogradsky, the Australian reporter who produced the news story for Australian T.V.

I was exhausted and looked forward to a restful evening, but first I drove to the nearest toy store and purchased some birthday presents for Elizabeth.

That evening, I mentally reviewed the day's events. Nichols and Littman were undoubtedly screwing with my head. The doctored Zapruder tape gave them deniability. The information I had obtained at the meeting may or may not have had value, but I knew one thing, the deaths surrounding Riconosciuto and Nichols were real enough.

Behind the smoke and mirrors labyrnthe was a story, one they were working very hard to conceal. I felt sure the corporate and government connections were little more than "fronts" for large scale drug trafficking.

At 7:30 a.m. the following morning, Bobby Riconosciuto called the hotel where we were staying (the La Mirada Gateway Holiday Inn) and informed me that the luncheon meeting had been changed to a new location and Jonathan Littman was not going to be allowed to attend. I explained that I had not heard from Jonathan, did not know where he was staying, and could not get in touch with him to tell him about the change. Bobby and I argued about the inconvenience to Littman. I told her that Jonathan and I were not puppets to be manipulated by she or Michael. Bobby argued back that Olmstead had not shown up at the airport, Ted and J.M were having a tiff, and she did not trust Littman because of his relationship with Ben Kalka and Robert Booth Nichols.

She did not want her daughter's birthday turned into a "circus." I agreed with that aspect of the meeting, however, Bobby still had not arranged an interview with Raymond Lavas or Tony Patterson. Bobby argued that she did not think Lavas or Patterson would talk to Littman. I pleaded with her to arrange the appointments for Littman's sake, since he had driven from San Rafael for that purpose. I explained to her that it was important that Littman be present at the interviews with Lavas and Patterson because I was working on the Mariposa story with him and we had made an agreement.

Bobby asked me directly if I had interviewed Robert Booth Nichols? I said I had not. I felt it was really none of Bobby's business. I qualified that, however, by saying that I expected to interview Nichols at some time in the future. Bobby said she understood and would attempt to arrange the interviews with Lavas and Patterson for the following day, Sunday.

It is noteworthy that Littman wanted to interview Tony Patterson because Patterson "claimed" to have been in Vietnam (Phoenix/MK-Ultra) with both Earl Brian and Robert Booth Nichols. I doubted that. To my knowledge, Nichols had never served in the military.

Patterson had a rather provocative story to tell about Nichols. Allegedly, Nichols had smuggled several gold icons out of Vietnam into the U.S. He later killed the pilot so there would be no witnesses, and left Tony Patterson stranded in Vietnam to be captured and tortured by the Viet Cong. **Nichol's activities in Vietnam also allegedly included drug trafficking for the CIA, which both Bobby and Michael Riconosciuto maintained was still operational today. THAT**

sounded closer to the truth.

Bobby called me back and instructed me to arrange a dinner meeting with Littman that evening (Saturday) and she would show up to be interviewed, then if Littman agreed to provide her with the name of the person who had sent the 1983 "drug" transcript to the prosecutor at Michael's trial, she would call Patterson and Lavas for interviews on the following day.

I was becoming stressed at that point. The whole weekend was spinning out of control and I was caught in the middle. I noted to Bobby that I would wait for Littman to show up at the La Mirada Gateway Holiday Inn and tell him the meeting had been changed to a new location, but that he was not invited. I would then give him the new meeting time 7:00 p.m. at the Belle Isles restaurant in Anaheim. Bobby agreed to that arrangement.

My husband and I waited until 11:30 a.m., but Littman never showed. He also never called to say he would be late. At 11:40 a.m., I left a message for Littman at the front desk apologizing for the sudden change in plans, and said we would meet him at the Belle Isles at 7:00 p.m..

Bobby had changed the luncheon to the hotel where she was staying with her children in order to be able to sign the tab on Patrick Moriarty's bill. Janice Wynogradsky was present, along with Ted Gunderson, J.M. and her two children. Neither Olmstead, Moriarty nor Marshall Riconosciuto showed up at the birthday party. Elizabeth opened her presents, we ate lunch and cake and caravanned over to Disneyland. We had a good time with the kids until six p.m.

At 6:30 p.m., Ted, J.M., Bobby and all the children returned to Bobby's hotel suite. I drove directly to Belle Isles. At 7:00 p.m., neither Bobby nor Littman had appeared for dinner. It turned out that Littman had left a message at the restaurant that he was sorry he missed us at the La Mirada hotel, but there was no mention of whether he would be joining us for dinner or not.

I called Sheri Littman, his wife, and she said Jonathan was on his way home. She did not know why.

Bobby Riconosciuto sat with Ted Gunderson and J.M. in her hotel suite and ate pizza. When I called her, she said Ted had detained her at the hotel, she couldn't get away. My husband and I finished our dinner and drove to San Diego to see my mother.

I never spoke to Bobby or Michael Riconosciuto again until one week later when I learned Bobby had requested the return of Michael's eight boxes of documents. My husband had dropped me off at my mother's home and returned to Mariposa. For days he had been receiving urgent messages from Bobby requesting that I call her. He simply told her that I was tired and needed a rest.

Michael Riconosciuto called and asked him if we had interviewed Robert Booth Nichols? My husband said, "No."

When I returned home, **I called Bobby and learned that Littman had told Michael Riconosciuto all about the meeting with Robert Booth Nichols.** Bobby wanted to know why I had lied to her about the Nichols meeting? **She explained that Littman had also told Michael that he had dug through Michael's private documents at my home which I had obtained from Michael's secret trailer in the desert.** Bobby had never told Michael about this because Michael had instructed her to stay away from the trailer.

I told Bobby that I did not believe Littman would do such a thing. I added that if I HAD interviewed Nichols, and he requested confidentiality, I would keep my word to him. There was no reason to discuss such an interview with Bobby or Michael. Bobby accepted that.

However, to convince me that Littman had in fact told Michael about the contents of the meeting, she recounted that Michael had told her that the meeting took place on Thursday, it lasted five hours, and I would not take my coat off during the entire meeting, which allegedly made Nichols nervous.

Bobby also stated that I had been seated in a location where I could be scanned for electronic

devices, and since I was not "bugged," Nichols could not understand why I didn't take my coat off.

I immediately hung up from Bobby and called Littman. There was no answer at his home, so I called Robert Booth Nichols. Upon answering the phone, Nichols immediately accused me of "breaking my word to him." There was a sinister edge to his voice. I explained to him that, to date, I had not spoken to Michael Riconosciuto since two days prior to the Sherman Oaks meeting on February 13th.

Nichols countered that **Littman had called him** and told him that **"I" had immediately reported to Michael the entire contents of the meeting**, because Michael knew all about it. His tone was accusing, attentive, but devoid of anger. Then silence, waiting. I was indeed caught in the tentacles of the Octopus, and I felt the weight of it at that moment.

I told Nichols that I would have Bobby Riconosciuto call him and repeat what she had said to me, that Littman had betrayed both Nichols and myself.

Nichols laughed. "Why should I believe anything Bobby says? I don't want to talk to her, and I don't want her to have my telephone number. Did you tell her where we met?" His voice was deeper, throatier, and I felt like a fool. Why should he believe her? I was grasping at straws and I had no answers. Why would Littman betray me, with so much at stake?

I said I would get to the bottom of this and let him know the results. Nichols said he was leaving for Australia the next day, would not be back for three months. (He had said the same words to Bill Hamilton when he was searching for Danny Casolaro on August 5th).

Nichols said he was VERY interested in hearing the results. "For my sake." He added that I should keep Peter Zokosky apprised of the results of my inquiry, then he hung up.

I called Jonathan Littman and asked him, "What's going on?" His voice was withdrawn, cautious. "I don't know. What is going on?" I decided to taperecord the conversation. My life was in danger as a result of Littman's actions, and I needed a lifeline to save it.

I explained that I had been in San Diego visiting my mother, and when I returned, Bobby Riconosciuto related the details of my interview with Nichols. "She said YOU told Michael everything."

Littman said, "Michael knew the truth."

"I haven't talked to Michael since before the interview with Nichols! How did he know about it?"

Littman's voice took on a slow, malignant tone. "What I'm saying is, you told him beforehand, and you can't play games with people like Michael."

I was astonished. And somewhat flustered. But I wanted to give him every opportunity to explain himself. "No. No. Something has happened. Something's wrong. Bobby just told me that YOU told Michael all about the meeting. And I told her I didn't believe that. I told her I DIDN'T have an interview with Robert Booth Nichols ..."

Littman quickly responded, "You shouldn't lie to Michael ..."

I thought to myself, why should I have to report who I interviewed to Michael or Bobby? It was none of their business. But instead, I said, "Bobby told me she knew I interviewed Robert Booth Nichols on Thursday, for five hours, and I wore my coat through the entire meeting. And she said, 'That made Nichols paranoid.' Now, how in the hell could she have known that?" Littman answered in an eerie, robotic voice, "I want to tell you something ..."

I interrupted, " ... And how did she know that I allowed you to look at Michael's documents, Jon?"

Littman began again, "She didn't. She only knows you have them ..."

Littman was being evasive, outright lying. I was becoming increasingly frustrated. I hated being reduced to that level of conversation. But so much depended on it. "John, Bobby said Michael

called her. Michael NEVER knew I had those boxes until YOU told him. Bobby said YOU revealed to him that you had seen the documents, seen the diary, seen everything."

I had withheld portions of the diary from Littman, amongst other things. I couldn't understand why he would have alarmed Michael about the diary, or lied about having it. Michael had risked his life at Wackenhut to obtain the only copy, broken into Dr. John Nichols' office to retrieve it, and fled to Washington state to begin a new life. He had thought it was secure in the desert. Now I had it. And Michael knew Bobby and I had kept the secret from him. And Littman had betrayed us both.

I continued ... "How would Michael have known that I didn't take my coat off in the meeting with Nichols? Nobody knew that except you, Jon."

Littman stayed cool as ice. "Let me get one thing straight with you. I gave you the conditions under which you were to meet with Nichols ..."

"Absolutely."

" ... And you betrayed those conditions by telling Michael that we were going to interview Nichols. And that put all of us in an awkward position ..."

I was astonished at how twisted the whole situation had become. I stammered, "Jonathan, I didn't know I HAD an appointment with Nichols at the time I told Michael that. I simply told him I PLANNED to interview him at sometime in the future. I haven't spoken with Michael since the interview with Nichols? But YOU have ..."

Littman continued his train of thought, disregarding what I had said. "Once you told Michael you planned to interview Nichols, then you **had to tell him everything**. You had to tell the truth."

I asked pointedly, "Did YOU tell him the truth?"

Perversely, he confessed, "**I told him the truth exactly. Because he knew we'd been there. And I'm not going to lie to Michael. He knew we'd been there ...**"

I interjected, "But you gave your word to Robert Booth Nichols that you would never divulge the contents of the meeting to anyone. How could you do that?"

Littman attempted to change the subject, to put me on the defensive. "YOU are now the fly in the spider's trap ... You gotta be straight with all these people. With Michael, with Zokosky, with Nichols, these people can figure these things out. They're not dumb people."

"John, I've been straight with all of them. Every one of them. I have never betrayed any of them, **other than to provide you, as a journalist, with some documents you requested ...**"

He interrupted me, still speaking meticulously, ever so slowly. "You cannot fool people like Michael and Bobby and Ted Gunderson. Michael knew the meeting was going to take place. And it's not a good idea to go back and tell him a story that something didn't happen when it did happen."

There was a monotonous singsong to his voice. He sounded like a tape recording. I was incredulous. Why was I defending myself to this man? I tried once again. "Michael doesn't control my life. I didn't tell him the meeting never took place. I NEVER SPOKE TO MICHAEL AFTER THE MEETING WITH NICHOLS! I didn't lie to him because I haven't spoken with him. I was in San Diego. I still haven't spoken to Michael. Why can't you understand that?" "Well, you're in the middle of it, because you're involved with Bobby and ..."

" ... Well, I'm not. That's the point, I'm not. It's a dangerous game and I want no part of it. I made that very clear with Bobby today when I spoke with her, which is the first time I've spoken with her since the meeting in Sherman Oaks."

" ... You told Michael that you were going to have a meeting with ..."

I was determined to get a confession from Littman. My life might depend on it. "Jonathan! Jonathan! **You stood in that room with Robert Booth Nichols, and you heard him say aloud in**

front of both us, that if Michael ever found out what I have [the documents], he would kill me. I would be dead. Do you remember when he said that?"

"Sure."

"... Yet you told Michael you had come to my home and seen his documents from the desert? Why?"

Littman repeated over and over the same words. "You lied to Michael. That was very stupid ..."

I wondered if he was intoxicated. I cut in, "You set me up. You called Nichols immediately after YOU told Michael about the meeting. Then you called Nichols and told him that "I" told Michael about the meeting. Now, Nichols just told me that today. Why did you do that, Jonathan?"

Jonathan did not deny setting me up, but stammered lamely, "I ... I did not appreciate your phone call to Nichols earlier today. You have placed me in an awkward position with Zokosky and Nichols ..."

So, Nichols had informed Littman of my phone call! Had he accused Littman of betraying him to Michael? I would probably never know the answer to that. I responded, "I called Nichols and asked him what was going on? How in the world could this have come about? I told Nichols what Bobby had said."

Littman was outraged that I had called Nichols and conveyed what Bobby had said. He was also outraged that Bobby had called me and confronted me about the Nichols meeting. Obviously THIS had not been in the scheme of things. Littman had obviously NOT expected Bobby to confront me.

After the Los Angeles fiasco, I had been fed up with her treatment of Littman and was cooling off in San Diego for a week. **I had told Littman that I wouldn't be speaking with either Bobby or Michael again.** Littman had underestimated Bobby's determination to speak to me, and my assertiveness in calling Nichols. His plan had backfired. Perhaps he had expected me to be dead before I had an opportunity to talk to anyone?

I was immediately alarmed about the synopsis and backup documents I had turned over to Littman on the Mariposa drug lab. It had included the names of the Indians who had confided in me. We had planned to do a story together for the San Francisco Chronicle. "John, can I ask you one more question? Did you ever send the Mariposa information to the Chronicle?"

He answered curtly, "No."

"You asked me to send it to you. Why didn't you send it to the Chronicle? Why did you even ask for it?"

Jonathan hissed at me. "You lied to Riconosciuto's wife, or your husband did [regarding the Nichols meeting], and as a consequence of that, you're in hot water. I warned you about this whole thing ..."

"I'm in hot water because YOU betrayed me to Michael," I countered.

Again he repeated, **"I told him EXACTLY what happened. You're a fool, and you better start getting smart ... I think you should think twice about continuing with this ..."**

The Indians who had turned in the drug lab were at risk. Jonathan had their names, including detailed information on two deputies implicated in growing marijuana and distributing methamphetamine on the Indian reservation in Mariposa. I wanted my paperwork back.

"Jonathan, there's something I need to know right now. This is important. You have information on Mariposa ..."

Jonathan hung up. I paced the floor of my office for a moment, then called him back. He didn't answer, but I knew he was standing by the phone while I talked into his answering machine. I informed him that I intended to document everything that had transpired at the Nichols meeting, including his betrayal of me to both Nichols and Riconosciuto, and that he had attempted to set me

up to be killed by one or both of these men.

I said I was taking the report to the nearest U.S. Attorney and sending a copy to his editor at the San Francisco Chronicle. And, I wanted my Mariposa paperwork returned.

I then called Robert Booth Nichols, but there was no answer at his home, so I called Peter Zokosky. Zokosky, as always, was friendly and congenial, and confirmed that Nichols was very interested in the results of my inquiry. I recounted the conversation I'd had with Littman, in which he had confessed his betrayal, and offered proof of the conversation.

Zokosky said that would be fine and he would pass the information along to Nichols. On Sunday, February 23rd, I again talked to Bobby Riconosciuto. We again discussed what Littman had done and why he had attempted to convince Nichols that I had betrayed him [Nichols] to Riconosciuto.

Bobby and I both acknowledged that Michael had knowledge of Nichols' government and drug activities over a twentyyear time span. Unquestionably, Nichols wanted to discredit Michael in any way he could ... or deter anyone from obtaining Michael's information.

Suddenly, Bobby said she believed I was being "set up for a hit." I said I thought Michael was being set up with Robert Booth Nichols.

Someone, whoever was controlling Littman, was trying to create friction between Michael and Nichols, and attempting to use me to do it. My friendship with Bobby had unexpectedly thrown a monkeywrench into their plans.

Bobby confided that Michael had taperecorded the conversation in which Littman had reported the contents of the Nichols meeting. Michael had called a "friend," and had the friend patch Michael through to Littman. The conversation had then been monitored and tape recorded by the third party (obviously Ted Gunderson who performed this function often). Bobby agreed to send me a copy of the taperecording.

I asked her why Littman would try to turn both Nichols and Michael against me. Professional jealousy? Bobby said, "No, the same thing happened to Danny Casolaro."

Littman had been talking to Danny Casolaro regularly, as well as Nichols and Riconosciuto at the time of Danny's death. **Yet, Littman had never written a single word about Danny -- or Robert Booth Nichols!!**

We both agreed that someone was being set up, but Bobby insisted that it was me. She said she needed to check something out and she would call me back. Shortly thereafter, Bobby called back and breathlessly stated she had confirmed that I was about to die. She would not say who she had talked to, but intuitively, I felt it was Ted Gunderson.

Bobby said if I died, Michael would be held responsible. I had received collect calls daily from him for three months, then cut off all communication with him after meeting with Nichols. I had obtained ALL of Michael's documents in the desert without his knowledge, until recently. I held in my possession the bank cards which Paul Morasca and Mary Quick had died for.

It was a perfect set up, noted Bobby. Everyone, including my own husband, would believe Michael had contracted my death. Inwardly, I recalled the numerous statements by Nichols and Littman and Zokosky that "Michael would kill me."

Undoubtedly, they had expected me **to repeat those statements to others**, perhaps other reporters, or friends, or relatives. Who, in turn, would have repeated it to the police "after my death."

In fact, I hadn't repeated it to anyone, but it WAS scattered throughout my notes. Bobby advised me to get out of the house immediately, then call the FBI, the U.S. Attorney, the police or anyone else I could think of immediately. "They're going to kill you, if you don't RUN!," she yelled.

She said she was going to hang up, and when she called back, she didn't want me to be in the house. I became somewhat alarmed because of the various deaths surrounding Michael Riconosciuto.

Regardless whether anyone believed him or not, the deaths were NOT make-believe. To name just a few: Mary Quick; Paul Morasca, Michael's former partner; Michael May who had visited Riconosciuto in jail two weeks before his death; Dennis Eismann, a lawyer Michael tried to hire; and of course, Danny Casolaro who had been introduced to the Octopus through Michael Riconosciuto. There were others with less direct connections.

Just three months after Danny's death, I had been approached by Riconosciuto, and the game of Dungeons and Dragons had begun again, this time with a new player. It seemed as if Nichols and Michael and Ted, and others, played a real life game, and when one of the players got "accidentated" or "suicided" (as Ted called it), they simply recruited new players. Oddly, Michael had once said that anyone could leave "the game" by simply dropping out while they were still alive. Once it was known they had dropped out, they were left alone - if they kept their mouths shut.

Michael had used journalists to gather information he needed to stay abreast of the game. It was a subtle form of blackmail he used on Nichols and Ted and, indeed, the government whom he had worked for. I had once asked him why "they" didn't just kill him. He had answered that they didn't want to kill him. They wanted his technology. The FMC deal was, in fact, still on hold. The deaths around him were "punishment" for his indiscretions, and to keep a lid on their biological warfare, hightech weaponry, and largescale heroin and cocaine operations worldwide. But who would believe it all? There were hundreds of deadend gopher trails ... dried up corporations, discredited witnesses, dead bodies. Nichols had said only days before, in Littman's presence, that my death would be brought about by one of Michael's "drug flunkies." Who would believe otherwise?

Littman had seemed adamant, even outraged, that I HADN'T reported the contents of the Nichols meeting to Riconosciuto. Why? When it was Littman who originally warned me not to? When I didn't, Littman reported it himself.

Somehow, the success of the scheme had hinged upon Riconosciuto having knowledge of the meeting. I had unexpectedly kept my word to Nichols. Of course I had. My life depended on it. And, why had Nichols made a point of showing me the Zapruder film? What possible significance could that have on my investigation?

(Two years later, after speaking with Dick Russell, author of "The Man Who Knew Too Much," a 17year investigation of the Kennedy assassination, and Garby Leon at Silver Pictures, we theorized that the film had been shown to provide Nichols with "deniability." If I had mentioned the showing of the film to anyone in media, and placed any credibility on it, it would have invalidated everything else that took place at that meeting.)

The phone rang again, and it was Bobby Riconosciuto. She was even more agitated than before - and furious that I was still in the house. I assured her that I was leaving and hung up. I called Ray Jenkins and Roger Imbrogno and asked them to come to my home in Mariposa. Ray was a former Chief of Police of Merced College and a good friend. His companion, Roger, was in the State Guard with him. They arrived 45 minutes later carrying military rifles and a bulletproof vest.

I sat at my computer and documented the whole event, entitled, "Vortex." It was a 17page diary of sorts which began as follows: "The following is a detailed account of an investigation which I began on December 1, 1991 and continue to work on intermittently as time allows. In all my years as an investigator and journalist, I have never encountered anything as bizarre or as alarming as this story. The purpose of this diary is to document these occurrences for my own safety ..."

I did not send the report to the U.S. Attorney as I had threatened to do. Nor did I send it to Littman's editor, Michael Yamamoto, at the San Francisco Chronicle, though I should have. I simply kept it and sent a copy to R.J., where I'm sure it disappeared, as always, down the big, black hole.

At that point in time, my sense of reality was diminishing. I couldn't tell if I was overreacting to Bobby Riconosciuto's warning, or if my lack of experience might cause my death by staying at home. Ultimately, I decided to disappear for a while.

I drove to Fresno to stay with a friend, who subsequently accompanied me to Galveston, Texas where we stayed with her mother for three months. Walking the beaches of Galveston, I found some measure of balance within myself, and returned home in June, rested and ready to resume my life. For several months after that, I had no contact with any of the principles in my investigation until October, 1992.

CHAPTER 13

Sometime in midOctober, at the offices of the Mariposa Guide, I received a hurried phone call from Dave Massey, standing in the lobby outside the Washington D.C. offices of ABC's "20/20" news bureau. I had asked Massey to pick up key documents at the offices of producer Don Thrasher at "20/20" who had been holding them there as a safety precaution for me. ("20/20" had aired an indepth piece on the corruption in Mariposa County and I had developed a friendship with Thrasher at that time).

After Massey emerged from Thrasher's office building, he'd met with John Cohen, investigator for the House Judiciary Committee on Inslaw. They talked for a few minutes, then Cohen asked Massey if he would turn over my documents to him? Massey excused himself and hurriedly called me at my office in Mariposa. I instructed him NOT to hand over the documents. Most of them were my originals and I had no copies. (Thrasher had flown into California to pick the documents up, but we hadn't had time to make copies).

However, I mentioned to Massey that he was welcome to give Cohen my telephone number if he wished. Shortly thereafter, Cohen called me at my home and we had numerous conversations during the next several weeks. It was my understanding that he was the lead investigator in the House Judiciary Committee's threeyear investigation of the Inslaw stolen software. The final Investigative Report, dated September 10, 1992, titled "The Inslaw Affair," had already been published and I wondered why he bothered to call me.

After much coaxing, I finally agreed to send him some sort of an affidavit. I was working as a reporter for the local newspaper and didn't have time to put together a detailed report, so I simply attached a notarized cover sheet to "Vortex" and mailed it off to him.

On October 28, 1992, Cohen called back. He was very excited about Vortex. **"There's some great information here,"** he observed. "You did a very good investigative job, I have to commend you on that. I realize it's only a fraction of everything you have. **What you have done, you have put the pieces of the whole thing together.** Little bits and pieces of things that I have known about, that I had theorized about, you have found the answers to those specific questions." I explained to Cohen that I planned to publish a book on the subject and his professional opinion was valuable to me.

He added, "You've done some good investigative work here. It puts me in a position to say, 'Yeah, this stuff is good, and this is some stuff you may want to get out.' In fact, I can put myself out as being available to these media people to be an inside source, for background only, which would also add credibility to your project."

Cohen hesitated, seemingly uncomfortable with what he was about to say. He drew a deep breath, then proceeded. **"You are actually a key witness to this thing now.** And you might want to consider talking to a couple of the honorable law enforcement people that are still working on this. I do know there are currently some FBI investigations that are in place on this ..."

Cohen hesitated again, gathering his thoughts. "... There has been coordination on this." He waited for a response, a signal that I understood what he was trying to say. I said I understood.

"It's been unofficial, but there has been coordination. So, I'd like to know whether ... maybe it would even keep you out of the limelight, whether you would mind, as long as I talk about it and clear it with you first ..."

Cohen was leading up to something, but having trouble getting to the point. "... There is a certain sharing of information. Some of the leads and some of the stuff [in Vortex] (pause) ... Because I'll

tell you, one of the biggest hits (pause) ... **I always felt that there was a narcotics connection in this ..."**

I laughed aloud. Cohen continued ... **"regarding international narcotics distribution. And I've sort of made my expertise in my years in law enforcement, international narcoterrorism, the weapons/drugs connections in the intelligence agencies ..."**

I could only say, "Yes, yes, yes."

" ... And when I was in Los Angeles **I did a lot of undercover work with Columbians, where I worked international narcotics conspiracies with DEA and FBI and, being a local police officer, I didn't really get caught up in their systems, I just made some great contacts in these agencies. But I also learned quite a bit about Southeast Asian heroin and the rise of the Medellin Cartels and the other Cartels in Latin America."**

"Yes." By then, I knew Cohen had grasped the significance of **the information Michael Riconosciuto had attempted to trade to the FBI, as well as Danny Casolaro's fatal inquiry about Mike Abbell of the DOJ and his connection to Gilbert Rodriguez and Jose Londono of the Cali Cartel.**

Cohen continued ... **"And I also ran into quite a few law enforcement professionals who were pretty irritated because of the intelligence agency, drug dealer connection."**

"Yes. Right."

"Well, the thing that is interesting is, one of the most interesting things in the whole report, was the article on The Company."

"Yes."

" ... Because that immediately answered, or confirmed, what my suspicions had been. And I know the exact, right channel to push to get this thing hooked up. And he's a bigtime ... (pause) See this is a very good time for people like us, who are out for purposes of good, to ... (pause) You see, right now the FBI is in a war with the Department of Justice. And would like nothing better than to have an investigation that they can discredit the Department of Justice with. So, the time is ripe to feed this stuff to the right people."

I agreed that the drug operations needed to be cleaned up, because the drugs were filtering into the smaller communities. But, thinking of Mariposa, I added that there were law enforcement people involved in the drug trade.

Cohen agreed. "I'm very careful with who I deal with. And I think when these people contact you, you'll be somewhat surprised."

Reluctantly, I said, "Ok, I will work with them."

Cohen concluded by saying, **"You said some real interesting things. I like the section where you said 'Bob Nichols runs Glen Shockley, Glen Shockley runs Jose Londono.' Now that corroborates some information that I got in the past which talked about one of the reasons PROMISE was stolen. You see, I've had a side theory about another reason why PROMISE was taken. And it was that PROMISE could also be modified to track money laundering.."**

"Oh, absolutely."

"... And it could also be used as an active information gathering, or an active moving software program that can go into other data bases. And it could be modified to control hundreds of accounts and move money through the international banking system."

I interjected, "This is what Michael Riconosciuto was trying to trade to the FBI and to FinCen ..."

Cohen added, "What a lot of people don't realize is that there are two international banking systems. There's CHIPS and SWIFT. And the word Swift Chips has been spread out throughout this whole

[investigation]. And a lot of people don't realize what that meant. Well, Swift Chips is a referral to those two clearing house systems. The clearing house interbank payment system and then the European counterpart, Swift. And they do \$2 billion dollars worth of banking transactions a day."

"Yes ..."

" ... And if one was able to move accounts through there, you could move money around the world ..."

In a subsequent conversation with Cohen he asked me how I had obtained the document in which **Ted Gunderson had mentioned their "drug/arms operation?"** (See Page 60)

I explained that I had found it in Michael Riconosciuto's secret files in the desert.

Cohen remarked, "That's a great document."

I added, "I have the original."

Cohen: "You have the original?"

"Yeah."

Cohen noted, "You hang on to that. That's `key.'"

I was subsequently contacted by Thomas Gates of the Los Angeles FBI, and John Connolly of SPY magazine. Gates was somewhat cryptic and noncommunicative about his investigation. It was understandable since he had been sued by Robert Booth Nichols in a civil court.

Just before Gates called me, I had spoken with Gene Gilbert for the first time, the investigator at the Riverside District Attorney's office, and learned that drug activities at Wackenhut had been investigated for years, but a certain FBI agent, a Fred Reagan, had always shut the local investigations down.

I related this information to Gates, who seemed not particularly interested in that avenue of approach. "I'm mostly interested in Robert Booth Nichols," he said.

I explained to Gates that Nichols had made it very clear that I was not to discuss the meeting I'd had with him to anyone."

Gates inquired, "Why would he tell you that?"

I responded, "I have no idea. But I think he was serious. He had his wife take my picture front and side, and he wouldn't allow my husband into the interview. My husband had to sit downstairs in the van."

I summarized the interview briefly, then noted that I had obtained, through Bobby Riconosciuto, eight boxes of Michael's documents in the Mojave Desert near Death Valley. I believed those documents had caused Nichols and/or Jonathan Littman to want me out of the picture.

"Michael didn't know that we had done this," I noted. "Michael had instructed his wife not to go near the trailer out there. However, Bobby and I DID go out there. It was dark and it was cold and the kids were hungry, so rather than go through all those documents, she just gave them all to me. I put them in my van and I came home with them. All the originals. And I spent a week copying all this stuff, then I shipped the boxes back to her fatherinlaw."

Gates had a habit of saying nothing when I finished my sentence. So I continued ... "Some of this stuff was incredibly incriminating for all of them. And this is why they're all concerned. They're really afraid that I'm going to send some of this material to someone, somewhere. And, I did send a 17page summary ("Vortex") to John Cohen, but not the material itself. There's too much to send. Additionally, I have reams of notes. I kept notes on all the calls I received."

Gates asked what "Vortex" contained? I replied that it pretty much summarized everything that had transpired from the first day. "I had contacted Ted Gunderson regarding a problem here in Mariposa. He had compiled a 700page report on Tulare County and I wanted to know if he had anything on Mariposa county, where I live. We had a meeting for about eight hours and I discussed the things that were going on in our community, which is close to Fresno. And, the very next morning, Michael Riconosciuto called me. I'd never heard of the man before, but he proceeded to give me all the names of the people involved in The Company out of Fresno, which he was working within the framework of."

Again Gates said nothing. I waited, but there was no response. So I added, "Now, all of this starts to get real involved at this point. I don't know if you're interested in this, or not ..."

Gates replied, "The Company?"

"Yes."

Gates noted, "At a future date. I'm more interested in what Nichols had to tell you right now."

Nichols had sued Gates and lost his case quite recently. I wasn't sure I wanted to walk into a situation where I would be caught in the middle. I asked, "Well, I need to find out from you - I'm not real thrilled about playing with this guy, you know ..."

Gates: "I don't want you to play with him."

"Do you want me to come in as a witness on your behalf, or what?"

Gates explained, "The Civil suit is finished. **This is a criminal proceeding.** I want to know what he said to you."

I responded, "Well, I want to know where this is going to go. I want to know who's listening in ..."

"Nobody's listening in ..."

"... I want to know what you're going to do with it. Where it's going to go."

"Well, what do you WANT me to do with it?"

"Well, if I'm going to get involved in it, and once I tell you what I know, I'm going to be involved. I want to know in what capacity I'm going to be involved?"

Gates was evasive. "Well, I don't know what you have to say. **As far as looking at the gross amount of evidence we have, we're getting ready to do that real soon.** We have a lot of people out there talking to us, but we need to find the substance of the criminal act."

"Yes."

Gates continued ... "And you may have the key to some of that."

I was surprised. "So, you're putting together a `criminal case.' You're going to have to level with me to a certain point. I understand that you're FBI, and everything goes in and nothing ever comes out again, but still you're going to have to level with me to a certain point, because I need to know where I stand."

Gates drawled, "Well, if there's information that would be needed for criminal prosecution, then we'd have to talk to you about the use of that material. And if you decide you don't want to use it, or don't want to relinquish it, then we can't compel you to get on as a free witness and talk about this."

"Uh,hmmm."

"... So, we would hope that you would do it. Whatever information you provide at this point will remain confidential."

"Uh, hmmm."

"... You know what I'm saying?"

"Uh, hmmm."

" ... That's your choice."

"Yes, well I'll have to think about it."

"Well, if you could give me an idea as to what was mentioned, I could tell you, basically, how we can handle it."

I didn't know where to begin, what he wanted, so I asked, "May I ask what are the charges that you're going to bring against Nichols? Would this have to do with the government aspect of what he's been involved in, such as arms shipments, or would it have to do with drug trafficking ... murder, or what?"

Gates chuckled, "Well, that sounds like a pretty good package to me."

I laughed. "I'm just curious about what you're specifically focusing on."

He answered, "I'm focusing on any criminal activities that Nichols is involved in. Obviously, the most significant areas of interest are the drugs, the murders and the gunrunning."

I explained that it was very complex. I didn't have my notes or "Vortex" at my home, so I summarized as briefly as possible from memory what I had obtained from the boxes in the Mojave desert.

Gates listened attentively. When I concluded, he noted, "Do you have these things [referring to the documents] put away where nobody else can get at them?"

"Yes. They are not in my home or anywhere on my property."

Gates asked, "Does anybody else know where they are?"

I wondered if he thought I might NOT be around in the near future. "The person whose house they're at. Nobody else."

His next question confirmed my suspicion. "What if something happens to you? Where do we find them? How do we find them?"

I noted that I had copies out with two people. Gates asked, "Are they trustworthy?"

I said, "Absolutely."

Gates pressed further. "The place where the original documents are, can you trust that individual?"

"Yes. Absolutely."

Gates seemed satisfied that the documents were safe for the time being. He reiterated that I would have to be debriefed extensively and the information would be maintained under the Attorney General guidelines for confidential sources.

The word "Attorney General" struck a cord in my consciousness. "You said 'Attorney General,' you mean through the DOJ [Department of Justice]?"

Gates answered carefully, "Yeah."

I laughed sardonically. "This is getting funny ..."

Gates hurried to explain that it was only through the DOJ "guidelines." He added, "It's their rules, but they don't have access to the information."

I pointed out that I might consider talking to him, because I knew of his commitment to busting the drug cartels and finding Casolaro's murderer. I added that I would never talk to "the FBI, quote, unquote," and Gates said that was okay. He understood. So I said, "We'll go on from there then ..."

I proceeded to describe the interviews with Robert Booth Nichols. When I was finished, Gates asked me what I was going to do with the information? I explained that I planned to write a

nonfiction book about it because much of the information I had obtained through my investigation had been independently substantiated by the recently published House Judiciary Committee Report on Inslaw.

However, I had not decided what the focus of the book would be - the story still had to develop. A thought occurred to me. "I would be very interested in what you've experienced in your investigation right from day one. That's what the public wants to read about."

Gates agreed, "It would make a hell of a book." Then he added, "**So, how do we put Nichols and his group away?**" I answered simply, "I don't know, Tom, that's your department."

I never sent the documents and never spoke to him again until two years later when I was hot on the trail of Mike Abbell.

John Connolly, a former New York police officer turned writer, was also researching the death of Danny Casolaro. Through sources unknown to me, he learned of my investigation, and after several conversations, I agreed to send him documents which he needed for his "Octopus" investigation. But first, I demanded that he fax me a letter protecting my copyrights and giving due credit.

Connolly faxed back the following letter, dated October 22, 1992: "I hereby agree that any and all information, documents, etc. sent to me from you will be treated confidentially. Any information supplied by you will not be used by me without your express permission. Furthermore, in the event that I publish a future story and use any of the information supplied by you, you will receive the proper reporting credits or bylines. Sincerely, John Connolly."

Connolly was a gungho journalist, and apparently found it impossible to withhold such provocative information. The January, 1993 issue of SPY included much of the information I had sent him in a story entitled, "Dead Right," by John Connolly.

He had not obtained my permission nor given me a byline, but I didn't hold it against him. The story was well written, and gutsy, and I had to respect that. Essentially, the story focused on the death of journalist Danny Casolaro, but pages 6365 gave an indepth profile of Robert Booth Nichols, who was portrayed as Danny's "dangerous friend" ... "The Lethal Robert Booth Nichols."

Wrote Connolly, "By the late Spring of 1991, Robert Booth Nichols had become one of Danny Casolaro's most important sources. They spoke frequently and at length ...

"We know Nichols was a man as comfortable in the underworld as in the intelligence community and that he was associated with people who treated killing as an ordinary part of doing business."

FBI agent Thomas Gates had identified Nichols in his sworn affidavit as a drug trafficker and money launderer stemming from a 1987 investigatin of MOB activities in Hollywood.

Interestingly, Nichols had been identified by the FBI as early as 1978 as being involved in drug trafficking, the very same year that Gilbert Rodriguez was indicted in Los Angeles. I wondered if Nichols and Gilbert Rodriguez had been connected in the FBI investigation?

In 1989, Nichols represented a group of unknown investors who wanted to take over Summa Corporation, the holding company of Howard Hughes' empire. Hughes had just died, and Nichols had convinced a Saudi company called Ali and Fahd Shobokski Group to become partners in the (failed) takeover attempt.

Joseph Cicippio, who was later taken hostage in Lebanon, was at that time the London manager of Ali & Fahd. **Cicippio told SPY he specifically remembered Nichols telling him he was representing interests in the U.S. Government and had been shown U.S. Justice Department identification by Nichols.**

By 1981, Nichols had become partners with retired arms manufacturer Peter Zokosky and they

formed Meridian Arms, which in turn joined up with Wackenhut Corporation in a scheme to manufacture arms on the Cabazon Indian reservation.

In Meridian's quest to provide guns for the Contras, Nichols had obtained all the required California permits to possess and sell machine guns **using recommendations from CIA official Larry Curran.**

Connolly pointed out Nichols' listing of Harold Okimoto as a former employer on his application to carry a concealed weapon, describing **Okimoto as "believed by intelligence sources to be a highranking member of Japan's Yakuza crime syndicate."**

Eugene Giaquinto, president of MCA's Home Entertainment Division, was mentioned as one of M.I.L.'s board directors. (Nichols' Meridian International Logistics corporation). Noted Connolly, "[FBI] agents caught Giaquinto and Nichols lunching at Le Dome, the swank Los Angeles show business restaurant, and afterward transferring a box from Giaquinto's car to Nichols's. The [wire] taps caught them discussing possible takeovers of MCA, and the effect on stock prices. **It was also evident from the wiretaps that Giaquinto enjoyed a special relationship with John Gotti ..."**

Thomas Gates testified before the House Judiciary Committee on Inslaw that he had twice heard from informants that Nichols had put a contract out on his life. In July 1991, Danny Casolaro became somewhat alarmed and began confiding in Thomas Gates. Nichols had flown from Puerto Rico to Washington D.C. to meet with Casolaro, staying several days.

SPY didn't know what they talked about, but after Nichols left, Casolaro told Agent Gates that Nichols had warned him, "If you continue this investigation, you will die." Three days before his death, Danny had asked Gates whether he should take Nichols's threats seriously?

On July 31, 1991, Casolaro had also spoken with **Richard Stavin, a former special prosecutor for the Justice Department who had been assigned to the MCA case (see Page 78). In his investigation of MCA, Stavin had unearthed documents implicating Nichols as a money launderer with ties to the Gambino crime family and the Yakuza.**

Connolly wrote, "Danny must have thought he hit the jackpot." Six days after speaking to Stavin, Danny Casolaro, "who still had a young man's vision of his immortality," had a long phone conversation with Robert Booth Nichols, but the contents of that conversation were unknown to Connolly.

SPY also interviewed Allan Boyak, a former CIA operative now practicing law in Utah, who had known Nichols for 15 years. Boyak told SPY, "Nichols is lethal." A transcript of a conversation between Boyack, Michael Riconosciuto and former FBI agent Ted Gunderson, (which I had sent Connolly a copy of) described an occasion in which Nichols wanted to deliver a message to a mobster from Chicago. Nichols hung a man upside down on a hoist in an airplane hangar in front of a prop plane, then started the engine of the plane and revved it up, so that the man hanging on the hoist was sucked toward the propellers. According to Riconosciuto, "By the time Bob got finished with him, he wanted to die."

What Connolly failed to report in his article was the name of the man who had been "hung up." **His name was Sam Marowitz, a professional hit man,** who had been "the trigger man" in the nonfatal shooting of Robert Ferrante, head of Consolidated Savings and Loan.

Ferrante had been involved with Patrick Moriarti, Marshall Riconosciuto's partner of 40 years. It is important to remember that Robert Booth Nichols and Michael Riconosciuto had been close associates since 1967. Ted Gunderson had located, through his sources, the "trigger man" in the Ferrante shooting, and Nichols and Riconosciuto had forced Marowitz to confess to his crime by hanging him upside down in front of the airplane propellar.

Riconosciuto recalled, " ... So he [Marowitz] starts talking ... and Bob goes out of the room like this:

'Oh my God, I don't want to hear anymore,' covering his ears. **This Marowitz starts confessing to every hit he's ever done**, including the Dorfman killings in Chicago. ... I mean, all hell breaks loose. All of a sudden Ted has found the torpedo in the Dorfman killings ..." After the "hanging" incident, Marowitz fled to Israel.

The transcript was taken from Riconosciuto's first (taperecorded) meeting with Alan Boyak on May 5, 1991 at the attorney visiting room of the Tacoma, Washington house of incarceration.

Riconosciuto had been arrested on March 29, 1991 by **DEA agents**, reportedly under the supervision of Michael T. Hurley, who had been transferred from Nicosia, Cyprus to Washington state shortly before the arrest. It is significant that this arrest took place exactly eight days after Michael had signed the Inslaw affidavit on March 21, 1991.

Michael already had a law firm representing him, John Crawford and John Rosalini, but Ted Gunderson had brought Boyak into the case because of the intense political ramifications. **In other words, they needed someone to put together a case against the government officials involved, "so they could buy out cheap."**

Danny Casolaro had obtained a copy of that transcript from Boyak, according to Ted Gunderson and Bobby Riconosciuto. **Bobby noted that Danny had taken the transcript to people in the Department of Justice and confronted them with it.**

Michael Riconosciuto later added that Robert Nichols had flown to Washington D.C. and "followed Danny's trail through the DOJ, doing 'damage control' and repudiating the transcript."

This may well be the encounter (per SPY magazine) that Danny had with Nichols in Washington D.C. less than a month before his death in which Nichols had said, "If you continue with this investigation, you will die."

Danny had a unique habit of fearlessly "bouncing" information from one person to another, particularly between Michael Riconosciuto and Robert Booth Nichols. After the "transcript" incident, it undoubtedly created a hostile climate between Nichols and Riconosciuto. (Riconosciuto was attempting to trade information on Nichols' activities in exchange for his freedom).

Numerous passages in the transcript openly named narcotics traffickers allegedly working under Robert Booth Nichols. On page 53, just one of many named was **Bryce Larsen**, currently (1991) operating a hotel for "one of Harold Okimoto's people in Thailand," **who smuggled China White heroin into the U.S.. "The DEA seized two lear jets from him the last time they busted him," noted Riconosciuto.**

"Skip Jahota (phonetic sp.) was here trying to recruit people to go to work in Thailand, and to offload the boats when they bring the stuff in [to the U.S.]. **They've got some heroin coming in in the next few weeks, a rather large ..."**

Boyak interrupted, " ... There's a big case in Miami where a female black Assistant U.S. Attorney is handling this gal I was telling you about, but that's ... I don't want to go into details on that because she's in a witness protection program ..."

Riconosciuto added, "Well, she's probably working against the Martin brothers ..."

Boyak interjected, "No, it's against Larsen!"

On page 63, Riconosciuto brought Al Holbert, the Israeli intelligence agent, into the picture. " ... Now the other area where I can do some real damage is Al Holbert's procurement of chemicals nationwide. He has a mailorder chemical company that is mailing out chemicals right now. What they do is they mail out large multiple orders under threshold limit value for the reporting requirements under the new DEA regulations. Like with Phenol acidic acid, it's one kilo a month, so they mail out 800 grams per month to one customer. And they've got fifty customers ..."

Boyak asked, "Where are they doing that?"

Mike answered, "In Miami, Florida."

But, Riconosciuto added, in the California operation, Holbert and Richard Knozzi weighed their drugs on UHaul trucks! "When they do their meth lab, they usually do 1,500 to 2,000 pounds."

Holbert's address was listed at Ft. Mead. Riconosciuto informed Boyak that Holbert was a former Israeli intelligence officer who came to the United States to give special education classes to law enforcement agencies. "He's dirty as the day is long," he added. "He's out of OMV now. I don't know what OMV is doing at Ft. Mead."

Boyak had interjected, "Just so you know, because it may click with you. Ft. Mead has headquarters ISCOM (Intelligence Security Command) which has part of the intelligence network for the Delta Force."

In another section of the 65page transcript, Riconosciuto detailed his operation with Tyme Share Inc. something he had been unable to discuss with me on the jail phone. "Barry Smith, who is an associate of Bob Nichols, had done some research on some interlocking directorates with the board members of Wackenhut, and I started to realize how deeply involved in the NugenHand Bank the Wackenhut people were.

"Paul Morasca and I were very close to Michael Hand [former President of NugenHand Bank of Australia]. Now he's on the run, in Canada. I had a complete set of all the records for NugenHand that had not been destroyed."

Boyak: "What function were you doing for them?"

Mike: "I set up the data processing base. See, I was a principle in Tyme Share, Inc. Do you know what Tyme Share is?"

Boyak: "No."

Mike: "This is a giant computer communications company, and all the Justice Department field offices communicate via Tyme Net. FOIMS (Field Office Information Management System) for the FBI is all done via Tyme Net. Okay? Most of your big banking institutions ..."

Boyak interrupted, "I'm not even a user friendly person ..."

Mike continued, "I had the NugenHand records and I analyzed the situation and I looked at the Saudi position. They were taking people's paychecks, you know, foreign workers, and giving them unbelievable deals just to put their money in the bank ..."

Boyak: " ... And they were skimming the interest?"

Mike: "Yeah, oh yeah. So, what I did ... I was looking at block transfers on Swift Chips, and reconciliations ..."

Boyak: " ... You've lost me there."

Mike: "Anyway, what I did was I screwed up everything with the automated clearing house between NugenHand ..."

Boyak: " ... So nothing could be liquidated." P

Mike: "No, what I did was I created a virtual bank on the automated clearing house system and I funneled all that money into it, and then I funneled it out of there into blocked currencies ..."

Boyak interrupted again: "I can't track the technical paper trail. What I'm trying to do is get to the bottom line ..."

The bottom line was, Danny Casolaro allegedly carted the above transcript around the Department of Justice, demanding answers. Less than a month later he was dead. The transcript gave details of the Cobra helicopter shipments to Iraq, via North Korea, corporate structures, undercover operatives, espionage activities, advanced weapons technology tested at the Nevada Nuclear test site, and much more.

"Something" in the transcript pushed some buttons, but we can only theorize as to "whose" buttons were pushed.

In all fairness, it is necessary to relate Robert Booth Nichols' response to Alan Boyak's accusations about him. The following narrative originated from a phone conversation with Nichols in which he said "Boyak was unbelievable."

(Nichols speaking): "I know what he said about me, and that's all well and dandy. But I don't know why he said it. It's all totally false. The guy could not be doing this unless he was under the orders of someone. Or he's crazy.

"The thing with this Boyak, he said I was involved in BCCI, he said narcotics trafficking, he said money laundering ... as did the FBI.

"The point is, I know people inside the bureau [FBI], I know people inside the agency [CIA], I know people inside government who are very responsible people. I speak to people as individuals, not as initials. In other words, I wouldn't talk to the FBI, I would talk to an agent that I knew in the FBI who was honest. Or I would talk to an agent in the company, or the CIA, who I know is honest, but I wouldn't talk to them as a whole, or someone I didn't know. Because I think they've become so corrupt and polluted that they don't know what they're doing half the time ...

"Some people in government are extremely concerned about it. They're very much involved with it. I mean, the honest ones are the biggest critics ...

"With regards to the Yakuza, I don't know them. To my knowledge, I've never been around them. With regard to the Mafia, I don't know them. To my knowledge, I've never been around them. With regards to narcotics, I hate narcotics. And anyone who's known me for any length of time, and my friends are all old friends, knows that I hate narcotics, have never been around them, have never seen heroin in my life ... except on television. So, it makes me wonder and many other people that are friends of mine, wonder what agenda ... who's up to what? Right?

"The Tong, I don't know them, nor have I ever been around them to my knowledge. One story [newspaper article] said [I was] a hit man for the Tong. That was one story. I've never been a hit man for anything, including Tong, which is the Chinese mafia.

"Ask yourself this. I sued them [the FBI], right? We were told, 'Don't sue them,' by a lot of people. 'Kill everybody, don't sue them.' But the point is, there are a lot of people overseas that said pursue them anyway, and that's it, period. So, it comes down to one thing, really. When we get to the courtroom, we are not going to say, 'This is this, and that is that, and trust us.' We're going to document everything we say ..."

When I asked Nichols if Michael Riconosciuto had worked for the CIA, he said, "Why don't you call the CIA and ask them. I'm sure they're listed in the phone book."

Nichols' lawsuit against Thomas Gates and the Los Angeles FBI was dismissed twice in federal court. However, he later filed a lawsuit against the Los Angeles Police Department for alleged false arrest stemming from a 1986 incident at the Palomino nightclub in North Hollywood.

In March 1993, Nichols stated on the witness stand that he worked for the CIA for nearly two decades. His lawsuit charged that as a result of his detainment by the LAPD, the Santa Clara

County Sheriff's Department rescinded his concealed weapons permit. That action, Nichols claimed, resulted in the loss of Swiss financing for a multi-million dollar deal to manufacture machine guns in South Korea.

Nichols also testified that he had no visible income for more than 15 years except for the living expenses he received from the CIA. He said he was recruited into the CIA while living in Hawaii in the late 1960's by a man named "Ken." Ken had told him that instead of joining the U.S. military, he could serve his country in other ways. He was instructed to take a job with a Hawaiian security firm (Okimoto?) and later to move to Glendale, California to join a construction company (Pender?).

From that point until 1986, Nichols worked intelligence gathering operations in more than 30 nations from Central America to Southeast Asia. To prove this, Nichols' lawyer, John F. Denove, supplied the court with a list of Washington D.C. personages to be subpoenaed which ultimately caused Judge Thomas C. Murphy to declare a mistrial. No record was ever made public of that list of names, though Thomas Gates (FBI) and Henry Weinstein of the Los Angeles Times respectively **confirmed its existence over the phone**, but neither would divulge the names.

CHAPTER 14

In August 1994 I placed several calls to John Cohen, former investigator for the House Judiciary Committee on Inslaw, to follow up on Cohen's investigation of Mike Abbell and Casolaro's findings on him prior to his death. **Cohen was now stationed at the Office of National Drug Control Policy at the Executive Offices of the President (Clinton) in Washington D.C.**

I also made calls to Special Agent Thomas Gates at the Los Angeles Joint Drug Intelligence Group, who originally testified before the House Judiciary Committee on Inslaw. Gates had spoken with Casolaro during the week before his death and I felt he might help me to identify what Casolaro learned about Abbell. Both men were congenial, but hesitant to talk about Abbell at that point in time.

I then called the young Customs Agent to whom I had given the affidavit mentioning Mike Abbell in February 1993. His supervisor said **he was stationed in Miami, Florida** and put me in touch with him. He too was cryptic and uncommunicative about Mike Abbell.

I soon discovered why. A few weeks later, on September 9th, 1994, the FBI raided the law offices of Michael Abbell in Washington D.C. The raid was the result of a Miami federal grand jury probe of the Cali Cartel. As of that date no criminal charges had yet been filed against Abbell.

I had also placed a call in September 1994 to Steve Zipperstein, Chief Assistant U.S. Attorney in Los Angeles, who conducted an investigation for the DOJ on Inslaw and Casolaro in 1994. Zipperstein was uncooperative and defensive when approached about Casolaro's investigation of Michael Abbell and Gilberto Rodriguez.

Less than two weeks later, the DOJ report was released to the public with no mention of Mike Abbell, Gilberto Rodriguez, Robert Booth Nichols, or any of the aforementioned information in this manuscript, including F.I.D.C.O., though it was available for scrutiny through many sources.

In November, 1994, TIME magazine reported that the 56year old Gilberto Rodriguez was "stressed out" and seeking to surrender to the Columbian justice system in exchange for reduced jail time, perhaps three or four years, and his fortune left intact. In a Columbian jail, this would inevitably amount to a quiet vacation.

However, Gilberto insisted that any deal would have to be endorsed by the United States. In return, the Rodriguez brothers, Gilberto and Miguel, would guarantee that a large percentage of Columbian drug dealers would be willing to get out of the drug business and dismantle their infrastructure, their

labs and their routes. The estimated net effect would be a 60% reduction in the drug supply to the U.S. alone.

Prior to Rodriguez's offer, President Samper had announced that it would be necessary to dismantle the Cartels rather than incarcerate their leaders. An aide to Samper noted that the door was open to a surrender program.

In light of everything I had learned to date, I could not help wondering what price did the U.S. government pay to bring the Cartels to the point of surrender?

On June 6th, 1995, The Washington Post broke the news about Mike Abbell in a front page story entitled, "Ex-Prosecutors Indicted in Cali Case." Three former federal prosecutors, including Michael Abbell, who served "as a top ranking Justice Department official, were named in an indictment [on June 5th] in Miami along with 56 others as part of a broad racketeering case against the Columbia-based Cali Cartel ..."

Jose Londono, a founder of the Cali Cartel, and Donald Ferguson, an assistant U.S. attorney in Miami were also charged. Former assistant U.S. attorney Joel Rosenthal pled guilty in the case to charges of money laundering. Abbell and other lawyers faced charges of money laundering, drug conspiracy and racketeering. The indictment charged them with obstruction of justice, preparing false affidavits and conveying warnings to arrested cartel members that they should not cooperate with government investigations.

The Washington Post noted that, ultimately, it was not expensive cocaine interdiction on the high seas, but detective work by a team of Miami-based U.S. Customs agents and the Drug Enforcement Administration that compiled the evidence necessary to bring the 161-page indictment.

Tracking cartel shipments, authorities found cocaine hidden inside 40-foot cargo containers used to ship frozen vegetables, lumber, concrete posts and coffee. The smuggling system effectively evaded U.S. radar planes and naval vessels deployed in the Caribbean. The racketeering case began when a load of cement posts and cornerstones arrived in the Port of Miami on August 23, 1991. DEA and Customs agents found 12,250 kilos of cocaine hidden inside their hollow cores.

Significantly, in early March 1995, THREE MONTHS BEFORE the Miami indictment was unsealed, I had received a letter from Michael Riconosciuto who had learned of the initial raid on Mike Abbell's law offices. He wrote as follows: (Referring to his trial in 1991)

" ... [During] pretrial I made an on the record proffer in an attempt to dispose of this case. The U.S. Attorney rejected it as garbage. That was in 1991. Now in 1995, it is a major case. In my proffer, I outlined a sophisticated smuggling scheme. It involved plastic items and concrete products. I named both Ackerman and Abbell.

"The DOJ now has evidence seized from attorney's offices. The cement items were handled through TRANCA Corporation. The specialized equipment to make concrete posts and beams came from Tacoma, Washington. The aircraft came from a Canadian brokerage known as THABET Aviation in Quebec City, Canada.

"Raymond Thabet is Lebanese and has special contacts that give him privileged access to Canadian military surplus. Fourteen (14) of these planes were handled through Abbell and Laguna. All the paperwork was handled by Ed Smith in Darrington, Washington state. These were ex-submarine patrol planes. Specialized electronics were provided.

"An insider in Customs was involved - Richard Cardwell.

"This is heavy stuff. The fact that I detailed it in 1991 demands an explanation. Forty (40) tons of coke [cocaine] would have been stopped. I want a direct explanation from Teresa Van

Vlet." Signed "Mike R." Van Vlet reportedly worked in the drug enforcement administration of the Department of Justice.

CHAPTER 15

I was never able to rectify the purpose behind the biological technology that Robert Booth Nichols was involved in developing with the Japanese. Why did his patents stress the "Method for Induction and Activation" of Cytotoxic TLymphocytes? It is noteworthy that Harold Okimoto, Nichols' godfather and a member of his Board of Directors, had allegedly been a highranking intelligence officer during World War II.

While reading Dick Russell's book, "The Man Who Knew Too Much," I came across a chapter referencing Japanese biological experiments conducted during World War II. **In one passage (pp. 125126), Russell noted that, at the end of World War II, Charles Willoughby, General Douglas MacArthur's chief of intelligence, had seized Japanese lab records on germ warfare. When the Pentagon determined that the biological research might prove useful in the Cold War, the Japanese responsible for the experiments received immunity from prosecution in exchange for their cooperation.**

At least three thousand people died as a result of those experiments, including an unknown number of captured U.S. military personnel. "Only in 1982 did this seamy story come to light, including the Pentagon's 1947 acknowledgement of Willoughby's 'wholehearted cooperation' in arranging examination of the human pathological material which had been transferred to Japan from the biological warfare installations," wrote Russell.

Another publication, entitled "Unit 731" by Peter Williams and David Wallace, gave a detailed background on bacteriological warfare experiments conducted by all of the major combatants during World War II. When the United States government determined that the Axis Powers, including Russia, were evaluating this weapon, it became necessary to study the possibilities. This lead to the thought that if one prepared for offensive bacteriological warfare, then one must also prepare for defensive bacteriological warfare.

However, history shows that that reasoning broke down with the first use of nuclear weapons by the United States in Japan to finish the war in the East quickly. That action saved American lives if a land attack on the islands had been effected, but the principle is obvious. Would the U.S. do the same thing with viruses and bacteria?

In 1939 the Rockefeller Institute for Medical Research in New York studied the virulent, unmodified strain of yellow fever virus, ostensibly for the purpose of developing a cure for the disease. The laboratory at that time was under the direction of Dr. Wilbur Sawyer. It was in 1939 that a Japanese Army doctor, Dr. Ryoichi Naito, visited the laboratory with credentials from the Japanese military attache in Washington to obtain a sample of that strain of the Yellow Fever virus.

A report of that incident was subsequently sent to the Army Surgeon General and after evaluation of similar incidents, it was determined by Army Intelligence that Japan was interested in the yellow fever virus for bacteriological warfare purposes.

Based on that information, along with other corollary information, the decision was made to build Fort Detrick near Frederick, Maryland to provide a secret laboratory for the study and development of defensive and offensive capability to wage bacteriological warfare (BW).

The secrecy of the project was of the same magnitude as the nuclear work done within the Manhattan Project. From the writings and speeches given by the military men associated with this project, it is apparent that they were genuinely concerned for the security of the United States, but inside this organization and within the government at large, was a potential for ulterior motives. (More on that later).

By 1944, more than sufficient evidence had been gathered by American intelligence units to indicate that Japan was deeply involved in bacteriological warfare. Thirty thousand bombs, manufactured at the Osaka Chemical Research Institute in Japan, containing typhus, diphtheria and bubonic plague were sent to the Chinese front.

By then, overwhelming evidence was coming in, particularly regarding research being conducted by Major General Shiro Ishii who was awarded a Technical Meritorious Medal with highest degrees. After the war, American intelligence learned that General Ishii, through an organization called "Unit 731," conducted his more serious research at a camp in northern Manchuria. It was here that General Ishii experimented on human beings.

The experiments conducted on those human beings made Japan the world's leading authority on offensive and defensive bacteriological warfare systems. No other country, Ishii reasoned, would have equivalent technical data on how epidemics spread and how to protect against them.

Japan's fascination with biological warfare dates as far back as 1932, when experimentation on prisoners already sentenced to death was conducted at Harbin, but later during the war with China, the Japanese used prisoners of war. White Russians, caught in the area of Japan's war with China were also used, according to an interrogated Japanese army officer.

Each prisoner was placed in a closely guarded cell where the experiments were conducted. After each prisoner died, they were cremated in an electric furnace to remove all evidence of what had occurred. Starting in 1935, motion pictures of the experiments were taken and these were shown to senior army officers. It was reported that 3,000 were sacrificed at a separate test site called Pingfan. Why was it required to use so many humans?

The Japanese had learned that epidemics occurred naturally but the method for inducing and activating them artificially was more difficult. In order to find the most efficient method of transmittal, many experiments were needed to find the lethal doses required to spread the agent. What would work with animals might not necessarily work with humans. Also, a method was needed for immunization and only humans could be used for that purpose.

General Ishii thought that the West's moral codes would not allow for such experimentation and that alone would put Japan on the leading edge of such technology. Healthy humans were needed, so extensive medical tests were even conducted on prospective prisoners. Diseases were forcibly injected or administered with a special stickshaped gun. Some prisoners were infected through food or drink. Cholera, anthrax, TB, typhoid, rickettsia and dysentery were but a few of the bacteria used in the tests.

Live human prisoners were also exposed to chemical warfare agents such as mustard gas, hydrogen cyanide, acetone cyanide and potassium cyanide. Hydrogen cyanide was given extensive study because of its potential for ease of delivery into water supplies. In some instances, live human victims were actually opened up to observe the progress of various diseases and chemicals.

At one point, American intelligence learned that Japan had developed techniques for efficient delivery of Botulinus, a germ that attacks the central nervous system followed by paralysis and rapid death. Vast quantities of Botulinous germs were developed at Fort Detrick and a vaccine was hurriedly injected into all military personnel involved in the invasion of Europe.

What the United States subsequently did with the technical data from the Japanese experiments, under the direction of General Charles Willoughby, was shocking. During the War Crimes Trials in Japan following World War II, "sweetheart deals" were arranged between the United States and Japan to secure that data. Colonel Murray Sanders was assigned to General Douglas MacArthur, along with General Charles Willoughby (Chief of Intelligence) and Karl T. Compton (Chief of Scientific Intelligence). General MacArthur specifically assigned these men to investigate the Japanese bacteriological warfare experiments.

During the war, Lt. Col. Sanders, a medical doctor, had been responsible for investigating and

analyzing the capabilities of the Japanese in bacteriological warfare. He had also overseen the Fort Detrick experiments. When the Legal Section of the U.S. government tried to obtain the Japanese lab records on human experimentation from General MacArthur's staff, they were stonewalled. MacArthur's staff reasoned that if the U.S. Army's investigative evidence was given to the Legal Section in Washington D.C., the Russians would have access to the records. This sounds logical on the surface, but the resulting memorandums tell another story.

The StateWarNavy Coordinating Committee (SWNCC) responsible for coordinating and overseeing the war crimes trials in Japan, made an extraordinary statement which conclusively supported the intelligence community's stance on the matter. One excerpt read as follows:

"Data already obtained from Ishii and his colleagues has proven to be of great value in confirming, supplementing and complementing several phases of U.S. research in BW, and may suggest new fields for future research. **This Japanese information is the only known source of data from scientifically controlled experiments showing direct effect of BW [bacteriological warfare] agents on man.** In the past it has been necessary to evaluate effects of BW agents on man from data through animal experimentation. Such evaluation is inconclusive and far less complete than results obtained from certain types of human experimentation.

"It is felt that the use of this information as a basis for war crimes evidence would be a grave detriment to Japanese cooperation with the United States occupation forces in Japan. For all practical purposes an agreement with Ishii and his associates that information given by them on the Japanese BW program will be retained in intelligence channels is equivalent to an agreement that this Government will not prosecute any of those involved in BW activities in which war crimes were committed. Such an understanding would be of great value to the security of the American people because of the information which Ishii and his associates have already furnished and will continue to furnish."

The astounding conclusion went as follows: "The value to the U.S. of Japanese BW data is of such importance to national security as to far outweigh the value accruing from 'war crimes' prosecution. In the interests of national security it would not be advisable to make this information available to other nations as would be the case in the event of a 'war crimes' trial of Japanese BW experts. **The BW information obtained from Japanese sources should be retained in intelligence channels and should not be employed as 'war crimes' evidence.**"

Communications between Washington D.C. and General MacArthur's headquarters in Japan were very revealing. One excerpt read as follows:

" ... The feeling of several staff groups in Washington, including G2, is that this problem is more or less a family affair in the Far Eastern Command."

No mention was ever made during the war crimes trials in Japan about bacteriological warfare or chemical warfare experiments being conducted on human test specimens. No indictments were ever handed down against those who had perpetrated these crimes. Colonel Sanders was ordered back to the United States to brief scientists at Fort Detrick but shortly thereafter became ill with tuberculosis and spent the next two years in bed. Oddly, the expert who was sent to replace Colonel Sanders, Arvo Thompson, committed suicide following his work for the Far Eastern Command and the scientists at Fort Detrick.

What happened to all of the Japanese officers and scientists who worked in the Manchurian labs during World War II? The military officers were retired on sizable pensions **and the civilian scientists continued their work with some of the largest chemical and medical companies in Japan.** Some became presidents and professors at leading universities, others became a part of the industrial complex which so successfully competed with the West for international trade.

(NOTE: Insert names of Japanese scientists and officers and their relationship to the Japanese scientist's names on MIL [Nichols' corporation] agreements for development of biological

technology with Japanese.)

Numerous board directors of F.I.D.C.O., of which Nichols was also a director, had been closely associated with General Douglas MacArthur. In fact, Clint Murchison, Sr. had helped finance MacArthur's presidential campaign.

The Vanity Fair article by Ron Rosenbaum had noted on page 98 that not long before his death, Danny Casolaro had reportedly approached a nurse he knew and asked her closely about the symptoms of multiple sclerosis and brain diseases.

Rosenbaum had asked himself what had been going on in Danny's head as he was being whipsawed between the shadowy Riconosciuto and Nichols and their death warnings? In Danny's notes, Rosenbaum had found references to germ warfare and slowacting brain viruses like Mad Cow Disease which could be used against targeted individuals. Had Danny thought HE'D been targeted?

A subsequent conversation with Michael Riconosciuto confirmed Rosenbaum's suspicions. According to Riconosciuto, Danny had not only been concerned, but had an obsession with the story because he suspected he'd been "hit by these people." A source had allegedly told Danny that he, among others, had been targeted with a slow acting virus. Riconosciuto had advised him to go to a doctor and get tests. The tests had been inconclusive. "Now, what he probably had was the genesis of a naturally occurring ailment," said Riconosciuto to Rosenbaum.

Rosenbaum had described the entire Inslaw/Casolaro affair as "Kafkaesque weirdness." Indeed, after Nichols had handed me the book, "The Search for the Manchurian Candidate" at his Sherman Oaks apartment, I had obtained a copy and recalled the author, John Marks, referring to the CIA MKUltra (Manchurian Candidate) interrogation methods as Kafkaesque in nature. Though Danny's notes mentioned nothing about "mindcontrol," and Bill Hamilton later noted that Danny had spoken mainly about the biologicals, I found it difficult to believe that he was not subjected to some form of mind control either subliminally or otherwise by someone in the field.

"The Search for the Manchurian Candidate" gave significant background on the history of biological warfare and mindcontrol research by the CIA. The author, John Marks, obtained much of his material **from seven boxes of heavily censored MKUltra financial records and another three or so Artichoke (CIA behaviorcontrol program), documents** supplemented by interviews.

As early as 1943, the CIA, or actually its predecessor, the OSS, initiated "humanistic psychology," or studies of what the brain can do, during World War II when a "truth drug" **committee headed by Dr. Winfred Overholser conducted experiments with marijuana and mescaline to find a way to induce prisoners to confess.** A parallel OSS group had also investigated the use of "quietus medications" lethal poisons for possible use against Adolf Hitler.

The original program was headed by General William "Wild Bill" Donovan, a burly, vigorous Republican millionaire who had started as White House intelligence advisor even before Pearl Harbor. A former Columbia College and Columbia Law Graduate, Donovan early on recruited Richard Helms, a young newspaper executive who had gained fame for interviewing Adolf Hilter in 1936 while working for United Press. He would subsequently become the most important sponsor of mindcontrol research within the CIA, nurturing and promoting it throughout his steady climb to the top of the Agency.

Despite harsh condemnation at the Nuremberg trials after World War II of Nazi scientific experiments, U.S. investigators found the research records from the Dachau prison camp to be "an important complement to existing U.S. knowledge." Doctors connected to the S.S. and Gestapo had conducted experiments that led to the testing of mescaline on prisoners at Dachau. Their goal had been to "eliminate the will of the person examined."

The Japanese, for their part, had stockpiled chemical and biological warfare substances during World War II and even went so far as to drop deadly anthrax germs on China during the early stages of the war. OSS responded by individualizing CBW (Chemical and Biological Warfare) and creating methods of secretly disorienting, incapacating, injuring or killing an enemy at Fort Detrick.

The CIA's postWorld War II mindcontrol program was headed by Dr. Sidney Gottlieb, who presided over investigations that ranged from advanced research in amnesia caused by electroshock **to dragnet searches through the jungles of Latin America for toxic leaves and barks.** Gottlieb's office not only found ways to make Fidel Castro's beard fall out, but he personally provided operators with deadly poisons to assassinate foreign leaders like the Congo's Patrice Lumumba.

Other areas of CIA sponsored research included explorations of personalities. Henry Murray, a former Donovan protege, devised a battery of tests which could size up the personality of potential CIA recruits as well as predict future behavioral patterns. **"Spying is attractive to loonies," wrote Murray. "Psychopaths, who are people who spend their lives making up stories, revel in the field."** The program's prime objective, according to Murray, was to weed out the crazies, as well as the "sloths, irritants, bad actors, and freetalkers."

Murray's assessment system subsequently became a fixture in the CIA and some of his assistants went on to establish CIAlike systems at large corporations, starting with AT & T.

It is important to remember that at the beginning, the OSS (precursor to the CIA) researchers from Security and Scientific Intelligence shared jointly the literature and secret reports seized from the Germans and the Japanese after World War II. They had theorized that in order to build an effective defense against mind control and **CBW, it was necessary to understand the "offensive" possibilities.** But as the years went on, the line between offense and defense if it ever existed soon became so blurred as to be meaningless.

In 1947 when the National Security Act created not only the CIA, but also the National Security Council in sum, the command structure of the Cold War a warlike posture was developed against the new perceived enemy, the Soviet Union. The men in the CIA took this job seriously. **"We felt we were the first line of defense in the anticommunist crusade," recalled Harry Rositzke, an early head of the Agency's Soviet Division. "There was a clear and heady sense of mission a sense of what a huge job this was."**

A contingent of the CIA behaviorcontrol program, code named "Artichoke," developed a program whereby guinea pigs for mindcontrol experiments were obtained from the flotsam and jetsam of the international spy trade: " ... individuals of dubious loyalty, suspected agents or plants, subjects having known reason for deception, etc," as one agency documents described them. Artichoke officials looked upon these people as unique research "material" from whom meaningful secrets might be extracted while the experiments went on.

As one CIA psychologist who worked in the mindcontrol program put it, "One did not put a high premium on the civil rights of a person who was treasonable to his own country ..." Thus the Artichoke teams were given mostly the dregs of the clandestine underworld to work on.

In one experiment in the early 1950's, an alleged Russian double agent was brought to a safe house and plied for information with a mixture of drugs and hynopsis under the cover of a "psychiatricmedical exam." A professional hypnotist had accompanied the team, giving his commands to an interpreter through an elaborate intercom system, who, in turn, was able to put the Russian into a hypnotic trance.

Afterward, the team reported to the CIA's director that the Russian had revealed extremely valuable information and he had been made to forget his interrogation through hypnotically induced amnesia. The Russian was also used in a subsequent experiment where **he was given Seconal, Dexedrine and Marijuana in combination in a beer delivered during the cocktail hour.** There were little, if

any, positive results.

Nevertheless, the CIA was still consistently on the cutting edge of specialized behavioral research, sponsoring the lions share of the most harrowing experiments. One CIA psychiatric consultant provided a small personal glimpse of how it felt to be a soldier in the mindcontrol campaign. The psychiatrist, who insisted on anonymity, estimated that he made between 125 and 150 trips overseas on Agency operations between 1952 through his retirement in 1966. "To be a psychiatrist chasing off to Europe instead of just seeing the same patients year after year, that was extraordinary," he said.

Later, due to bureaucratic squabbling, the CIA transferred its behavior work to a (CIA) outfit with Ph.D.'s called the Technical Services Staff (TSS). Under TSS's Chemical Division, research was conducted on **the use of chemicals and germs against specific people. LSD had been used extensively between 1951 and 1956 by Dr. Sidney Gottlieb**, a native of the Bronx with a Ph.D. in chemistry from Cal Tech; Gottlieb continued to oversee most of TSS's behavioral programs up to and including 1973.

At the top of the Clandestine Services (officially called the Directorate of Operations but popularly known as the "dirty tricks department"), Sid Gottlieb had a champion who appreciated his qualities, Richard Helms. For two decades, Gottlieb moved into progressively higher positions in the wake of Helms' climb to the highest position in the Agency.

Under the TSS leadership of Gottlieb and Helms, research on the covert use of biological and chemical materials progressed under the code name of "MKUltra." The operational arm of MKUltra was labeled MKDelta, the purpose of which was to "investigate whether and how it was possible to modify an individual's behavior by covert means." Hashish had been around for millennia, but LSD was roughly a million times stronger by weight. A twosuiter suitcase could hold enough LSD to turn on every man, woman, and child in the United States.

But the CIA was concentrating on individuals. TSS understood that LSD distorted a person's sense of reality and they felt compelled to learn if it could alter a person's basic loyalties. Could the CIA make spies out of tripping Russians or visa versa?

Suddenly there was a huge new market for grants in academia, as Sid Gottlieb and his aides began to fund LSD projects at prestigious institutions. Author John Marks ("The Search for the Manchurian Candidate") **identified the Agency's LSD pathfinders as: Bob Hyde's group at Boston Psychopathic, Harold Abramson at Mt. Sinai Hospital and Columbia University in New York, Harris Isbell of the NIMH-sponsored Addiction Research Center in Lexington, Kentucky, Louis Jolyon West at the University of Oklahoma, and Harold Hodge's group at the University of Rochester.**

The Agency disguised its involvement by passing the money through two conduits: The Josiah Macy, Jr. Foundation and the Geschickter Fund for Medical Research, a Washington D.C. family foundation, whose head, Dr. Charles Geschickter, provided the Agency with a variety of services for more than a decade.

Beginning in 1952, TSS had an agreement with the Special Operations Division (SOD) of the Army's biological research center at Fort Detrick, Maryland, **whereby SOD would produce germ weapons for the CIA's use with the program called MKNaomi. Under MKNaomi, the SOD men developed a whole arsenal of toxic substances for CIA use.**

Wrote Marks: "If Agency operators needed to kill someone in a few seconds with say, a suicide pill, SOD provided superdeadly shellfish toxins." Agency operators later supplied pills laced with this lethal food poison to its Mafia allies for inclusion into Fidel Castro's milkshake.

In other instances, **"If CIA officials wanted an assassination to look like a death from natural causes, they could choose from a long list of deadly diseases that normally occurred in particular countries,"** wrote Marks. When CIA operators merely wanted to be rid of someone

temporarily, SOD stockpiled for them about a dozen diseases and toxins of varying strengths. "At the relatively benign end of the SOD list stood 'Staph enterotoxin,' a mild form of food poisoning mild compared to botulinum," noted Marks.

Even more virulent in the SOD arsenal was "**Venezuelan equine encephalomyelitis**" virus which usually immobilized a person for 2 to 5 days and kept him in a weakened state for several more weeks. If the Agency wanted to incapacitate someone for a period of months, SOD provided **two different kinds of "brucellosis."** This incapacitating agent was allegedly placed on the monogrammed handkerchief of an Iraqi colonel in 1960 who was said to be promoting Soviet bloc political interests, but the colonel was shot by a firing squad before the handkerchief arrived."

SOD was forever developing more virulent strains," wrote Marks. Perhaps the most important question was whether a germ could be covertly delivered to infect the right person. **One branch of SOD specialized in building "delivery systems,"** the most notorious of which was a dart gun fashioned out of a .45 pistol which exCIA Director William Colby once displayed at a 1975 Senate hearing.

The Agency had long been after SOD to develop a "**nondiscernible microbioinoculator**" which could deliver deadly shots that, according to a CIA document, could not be "easily detected upon a detailed autopsy." One high Detrick official noted that the best way to infect people was through the respiratory system. SOD rigged up aerosol sprays that could be fired by remote control, including a fluorescent starter that was activated by turning on the light.

A former newspaper journalist turned narcotics agent, George White, was recruited by MKUltra chief Sid Gottlieb to test drugs on unsuspecting subjects at a San Francisco "safe house" on Telegraph Hill. The apartment was bugged with four DD4 microphones disguised as electrical wall outlets hooked up to two F301 tape recorders which agents monitored in an adjacent "listening post."

The San Francisco safe house specialized in prostitutes who brought unwitting victims back for study. In addition to LSD, TSS officials gave White even more exotic experimental drugs to test. One TSS source noted, "If we were scared enough of a drug not to try it out on ourselves, we sent it to San Francisco."

According to a 1963 report by CIA Inspector General John Earman, in a number of instances, the test subject became ill for hours or days and, in one case, hospitalization was needed. Wrote Marks, "The Inspector General was only somewhat reassured by the fact that George White maintained close working relations with local police authorities which could be utilized to protect the activity in critical situations."

At another safehouse located in Marin County, TSS scientists tested such MKUltra specialties and delivery systems as glass ampules that could be stepped on to release itching or sneezing powders, a fine hypodermic needle to inject drugs through the cork in a wine bottle, and a drugcoated swizzle stick.

At one point, an attempt was made to spray LSD from an aerosol spray can at a house party, but the heat of the summer caused all the windows and doors to be open. "Years later," wrote John Marks, "George White wrote an epitaph [in a personal letter to Sid Gottlieb] for his role with the CIA: 'I was a very minor missionary, actually a heretic, but I toiled wholeheartedly in the vineyards because it was fun, fun, fun. Where else could a redblooded American boy lie, kill, cheat, steal, rape, and pillage with the sanction and blessing of the AllHighest?'"

Not every scientist cooperated with the CIA. While conducting experimental studies on monkeys at the National Institute of Health, Dr. John Lilly discovered a method of inserting electrodes into the brain to stimulate precise centers of pleasure, pain, fear, anxiety and anger. As Lilly refined his brain "maps," officials of the CIA and other agencies descended upon him with requests for briefings.

Lilly insisted that all briefings remain unclassified, completely open to outsiders. Other scientists ordinarily had their work officially classified, which meant that access to the information required a security clearance. But Lilly's imagination had conjured up pictures of CIA agents on deadly missions with remotecontrolled electrodes strategically implanted in their brains, and so he withdrew from that field of research. By 1958 he had finally concluded that it would be impossible for him to continue working at **the National Institute of Health** without compromising his principles, so he resigned.

MKUltra officials were clearly interested in **using grants to build contracts and associations with prestigious academics**. The CIAfunded Society for the Investigation of Human Ecology, later known as the "Human Ecology Fund," (HEF) supported such publications as the "Research in Mental Health Newsletter" published jointly at McGill University by the sociology and psychiatric departments.

Similarly, HEF gave grants of \$26,000 to the wellknown University of London psychologist, H.J. Eysenck, for his work on motivation. Marks noted that the MKUltra documents acknowledged that this research had "no immediate relevance for Agency needs, but it would lend prestige to the Human Ecology Fund."

A whole category of HEF funding, called **"cover grants," served no other purpose than to build the organization's false front. A TSS source explained that grants like these "bought legitimacy" for the organization.** Nevertheless, one small grant to a psychologist from the University of Pennsylvania provided valuable information on "confidence men." The CIA was intrigued with the ability of con men to manipulate human behavior. As one CIA official put it, the psychologist unwittingly gave them "a better understanding of the techniques people use to establish phony relationships" a subject of interest to the CIA.

Marks wrote that at one point, the CIA took the "Svengali" legend to heart. In 1954, Morse Allen, the CIA's first behavioral research czar, simulated the ultimate experiment in hypnosis: the creation of a "Manchurian Candidate," or programmed assassin. Allen's "victim" was a secretary whom he put into a deep trance and told to keep sleeping until he ordered otherwise.

He then hypnotized a second secretary and told her that if she could not wake up her friend, "her rage would be so great that she would not hesitate to kill." An unloaded pistol was placed nearby. Even though the second secretary had expressed a fear of firearms of any kind, she picked up the gun and "shot" her sleeping friend. After Allen brought the "killer" out of her trance, she had no recollection of the event, denying she would ever shoot anyone.

Some of the CIA's experiments wandered so far across ethical borders of experimental psychiatry that Agency officials ultimately conducted much of the work outside the United States. The CIA's Human Ecology Fund provided financing to foreign researchers and American professors to collect information abroad. The MKUltra men realized that ninetypercent of their experiments would fail to be of any use to the Agency, but the "behaviorists" continued to search for the elusive answer to human control.

Unbound by the rules of academia, the CIA took stabs at cracking the human genetic code with computers and finding out whether animals could be controlled through electrodes placed in their brains.

Within the Agency itself, the one significant question remained to be answered: Will a technique work? CIA officials zealously tracked every lead, sparing no expense to check each angle many times over, yet no foolproof way was found to brainwash another person. Specific methods worked "fantastically" on certain people, but not on others. It wasn't predictable enough, noted one official."

In the aftermath of the Bay of Pigs, President Kennedy reportedly vowed to splinter the CIA into a thousand pieces," wrote John Marks. In the end, he settled for firing Allen Dulles and his top deputies. Until that point, the TSS (Technical Services Staff) had been the Agency's largest

scientific component. Under the new head of CIA, John McCone, TSS was stripped of its main research functions including the behavioral one and Seymour Russell, a tough covert operator, was brought in as the new chief. But the highest deputyship at TSS went to Sid Gottlieb, who became number two man under Russell.

In his new job, **Gottlieb kept control of MKUltra. His emphasis switched back to chemical and biological substances** "not because he thought these could be used to turn men into robots," wrote Marks, "but because he valued them for their 'predictable' ability to disorient, discredit, injure, or kill people." A \$150,000 a year contract was signed **with a Baltimore biological laboratory which provided TSS a private place for "largescale production of microorganisms" for biological weapons without the Army's germ warriors knowing about it.**

Dr. James Hamilton, the San Francisco psychiatrist who worked with George White in the original OSS marijuana days, was brought back to MKUltra by Gottlieb **to conduct "clinical testing of behavioral control materials" on prisoners at the California Medical Facility at Vacaville.** Hamilton worked through a nonprofit research institute connected to the facility to conduct his research. **Marks estimated that he experimented on between 400 to 1,000 inmates between 1967 and 1968.**

In July 1977, after receiving notification that the CIA had located 7 boxes of MKUltra financial records, author John Marks held a press conference in which he criticized **then CIA Director Admiral Stansfield Turner (later a Wackenhut Board member)** for several distortions in describing the MKUltra program. **Turner had described MKUltra as only a program of drug experimentation** and not one aimed at behavior control to President Carter and the Senate Select Committee on Intelligence.

Marks responded by releasing a score of CIA documents to reporters that indicated the flavor of the CIA behavioral efforts. **The documents set off a media bandwagon that had the story reported on all three network television news shows as well as others.** The Senate Select Committee on Intelligence and Senator Edward Kennedy's Subcommittee on Health and Scientific Research soon announced they would hold public hearings on the subject. The CBW program at Ft. Detrick was subsequently shut down.

In 1979, Marks concluded that he could not be positive that the CIA never found a technique to control people. CIA officials actively experimented with behavior control methods for another decade AFTER Sid Gottlieb and company lost the research action. The Office of Research and Development (ORD) picked up the ball by creating its own latterday version of the Society for the Investigation of Human Ecology.

Located outside Boston, it was called the Scientific Engineering Institute and had originally been used by the CIA as a proprietary company to conduct radar research. In the early 1960's, ORD officials built a new wing to the Institute's modernistic building for "life sciences" or human behavior research.

According to Marks, one scientist from the institute recalled a colleague joking, "If you could find the natural radio frequency of a person's sphincter, you could make him run out of the room real fast."

"Just as the MKUltra program had been years ahead of the scientific community, ORD activities were similarly advanced," wrote Marks. **One researcher noted that MKUltra looked at the manipulation of genes and gene splintering as early as 1965, eleven years before the rest of the world even thought about it. Added the scientist, "Everybody was afraid of building the supersoldier who would take orders without questioning, like the kamikaze pilot. Creating a subservient society was not out of sight."**

The above research was conducted thirty years ago! What had been developed along those same

lines by 1994? Even the most rampant imagination could not conceive of what might be underway in CIA laboratories today.

With today's cutting and splicing techniques, scientists can attach any genes they choose to certain carrier genes. These linked genes, called "recombinant DNA," are then conveyed inside a host cell, which virtually adopts the new gene as one of its own. **The object of most current experiments is to transplant genes from the host to bacteria.** These tractable, microscopic cells proliferate faster than rabbits. On a simple cheap diet a single bacterium makes a few billion copies of itself overnight. Its DNA, including that of the transplanted gene, is reproduced at the same rate.

Biochemists at Stanford University have found a technique for combining DNA from "two different sources" and putting it into a common bacterium. The bacterium they chose was "E.coli bacteria," commonly found in the intestine of every living person. Modified E.coli, containing certain cancer genes, could become a biological bomb. The bacterium carrying its little package of cancer genes, could then be passed as easily as the common cold from one human to another.

The U.S. is not the only country to have this technology. A classified report prepared for the National Security Council (U.S.) and obtained by the Washington Times claimed "the Soviet Union was using genetic engineering to create virulent new biological weapons that could be deployed as early as 1989 - if in fact some had not already been deployed." Robert H. Kupperman, a chemical warfare expert at Georgetown University's Center for Strategic and International Studies, told the Times that "it's like making designer drugs."

A report was prepared by the Central Intelligence Agency and the Arms Control and Disarmament Agency which outlined extensive violations by the Soviets of two anti-biological warfare treaties. The report noted "the Soviets were using recent advances in biotechnology, such as genetic engineering, to develop a new class of CBW [chemical, biological warfare] agents that can be rapidly produced for deployment."

Recent scientific findings on the Gulf War Syndrome (GWS) indicate genetic material common to Gulf War-era veterans could provide a clue as to why so many became sick after serving in the 1991 war. In a study presented to Gulf War veterans at a conference in Tampa, Florida, microbiologist Dr. Howard Urnovitz said the genetic marker could point to the existence of a "virus." The virus, in turn, could make veterans exposed to chemical agents or other toxins more susceptible to illness, he added.

Beginning on Veterans Day, November 11, 1996 and continuing through November 17th, KREM T.V. out of Spokane, Washington (509) 838-7350), an affiliate of Northwest News in Seattle, telecast a series on Gulf War Syndrome (GWS). Reporter Tom Grant interviewed numerous doctors, one of which was Dr. Garth Nicholson, a microbiologist, who maintained that GWS contains "altered genetic structures" similar to AIDS. He suggested GWS is a genetically engineered biological warfare organism, and it's contagious.

Dr. Larry Goss, in Walters, Oklahoma, not only confirmed Nicholson's findings, but said on public T.V. that he and his wife "caught" GWS while treating Gulf War veterans. Dr. William Baumzweiger, a neurologist/psychiatrist at the V.A. hospital in Los Angeles found brain-stem damage in GWS vets, and noted the virus turns the immune system against itself.

GWS veterans were warned NOT to have unprotected sex or have any more children. The vets themselves were interviewed along with their families. Tragically, their wives and children were now suffering from the same GWS symptoms. Pictures were shown of the children, providing indisputable proof of the infectiousness of the disease.

Doctors warned the public that GWS could soon enter the general populace, and it could be terminal. However, on November 17th, Dr. Nicholson noted that treatment was available through antibiotics.

Scientists have long suspected the existence of a "lab-created" virus which attacks the immune system. In January 1986, the French-born and trained biologists Professor Jakob and Dr. Lilli Segal, published a pamphlet entitled, "AIDS: USA-Home Made Evil; Not Imported from Africa." The two scientists, a biophysicist and a biologist affiliated with the Humboldt University in Berlin, pointed out that examination of the genes making up the HIV retrovirus revealed it "could not have come about by a natural way known to biologists." They called the virus a "chimera," originally created in 1977 at Fort Detrick, Maryland.

The Segals were not the only researchers to suggest that "genetic engineering" was involved with AIDS. John Seale, M.D., a London venereologist, also stated that the molecular structure of HIV suggested "manipulation of viruses" rather than a natural mutation from known retroviruses. And Dr. Robert Strecker, M.D., a Los Angeles internist, has made the same assertion.

These advocates of the artificial HIV theory all note the structural similarities of HIV to visna virus, a pathogen found in sheep with similarities to AIDS. The scientists argue that the visna virus was artificially combined with the HTLV-I virus, another retrovirus which causes human lymphoma, a cancer of the white blood cells.

Today designer viruses are limited only by the imagination of the scientist creating them. Thus, bio-labs in both the U.S. and abroad are in a race to find vaccines which build the human immune system - or search out and destroy killer T - Cells.

A new study, recently released by Dr. Jeffrey Leiden, director of a research team at the University of Chicago, showed that genes can be injected directly into "muscle tissue" to cause production of proteins needed to correct some blood disorders, such as anemia. Genes in the injection are taken into the nucleus of cells in the muscle tissue and become, in effect, a pharmaceutical factory, increasing red blood cell levels as high as 64%. In the past, gene therapy involved using "viruses" to transfer genes into the body, a technique that was "poorly controlled," according to Dr. Leiden.

And another finding by Arthur Vandenbark, of the Veterans Affairs Medical Center in Portland, Oregon noted the discovery of a new vaccine which enables the human immune system to churn out more T - Cells, thus preventing multiple sclerosis patients from becoming sicker.

The ultimate irony of the 21st century could be the development of vaccines, in response to the threat of biological warfare, which boost the human immune system to such a degree that people become completely disease resistant. The question is, with overpopulation looming on the horizon, would the U.S. government release such a vaccine to the general populace -- if not, who would have access to it? The Chosen Ones?

Interestingly, Robert Booth Nichols' manuscript, entitled "Acceptable Casualty," copyrighted at the Library of Congress in May 1987, outlined an identical scenario.

Within Michael Riconosciuto's secret files in the Mojave Desert, I had found a box marked "Ted Gunderson," which I had dragged home along with the rest of the material.

This particular box had contained records of most of Gunderson's investigations, but one report particularly caught my attention. It was titled, "From PSYOP to MindWar: The Psychology of Victory" by Colonel Paul E. Vallely with Major Michael A. Aquino.

The 12page Army report was undated but it outlined the use of "Psychotronics," intelligence and operational weapons systems employing the use of mind control, commonly known as Psychological Operations (PSYOP).

Wrote Aquino, "In 1967 and 1968 alone, a total of 29,276 armed Viet Cong/NVA (the equivalent of 95 enemy infantry battalions) surrendered to ARVN or MACV forces under the Chieu Hoi amnesty program the major PSYOP effort of the Vietnam War. At the time MACV estimated that the elimination of that same number of enemy troops in combat would have cost us

6,000 dead."

Aquino argued that the U.S. lost the war in Vietnam "not because we were outfought, but because we were outPSYOPed. Our national will to victory was attacked more effectively than we attacked that of the North Vietnamese and Viet Cong, and preception of this fact encouraged the enemy to hang on until the United States finally broke and ran for home."

The lesson, according to Aquino, was not to ignore U.S. PSYOP capability, but rather to change it and strengthen it "so that it can do precisely that kind of thing to our enemy in the next war." To begin, there would be a name change from Psychological Operations to "MindWar." Noted Aquino, "We must reach the people BEFORE they resolve to support their armies, and we must reach those armies BEFORE our combat troops ever see them on battlefields."

Aquino went on to compare his proposal with the definition of Psychological Warfare first introduced by **General William Donovan of the OSS** in his World War II era "Basic Estimate of Psychological Warfare" in which Donovan discussed the need to destroy the will of the enemy. But an attendant 1947 letter stressed the need for a "synonym which could be used in peacetime that would not shock the sensibilities of a citizen of democracy."

Aquino indicated contempt for the U.S. Army's inability to accept PSYOP in its "most effective configuration," adding that "the reluctance with which the Army had accepted even an 'antiseptic' PSYOP component" was well documented.

Having read about General Donovan's "behavioral control" program in the MKUltra book, I didn't perceive it to be exactly "antiseptic." Aquino's report, obviously written after the Vietnam war, **suggested that future MindWars should be fought through "skillful use of communications media."**

"MindWar," noted Aquino, "states a whole truth that, if it does not now exist, will be forced into existence by the will of the United States ... A MindWar message does not have to fit conditions of abstract credibility as do PSYOP themes; its source makes it credible."

Aquino continued, " ... The MindWar operative must KNOW that he speaks the truth, and he must be PERSONALLY COMMITTED to it. What he says is only a part of MindWar; the rest and the test of its effectiveness lies in the conviction he projects to his audience, in the rapport he establishes with it."

As I read the document it was difficult not to recall Oliver North's diary in which he called his associates, "The True Believers." (More on that in another chapter). Aquino noted that the recipient of the statement by the MindWar operative would judge such messages not only by his conscious understanding of them, but also by the mental conditions under which he perceived them. "For the mind to believe its own decisions," wrote Aquino, "it must feel that it made those decisions without coercion. Coercive measures used by the MindWar operative, consequently, must not be detectable by ordinary means ..."

Aquino's basis for his report came from various publications which were listed at the back of the document. "More effective configurations" of MindWar as noted by Aquino may well have included the following (taken from the back of the document):

"ELF (extremely low frequency) waves (up to 100 Hz) ... are naturally occurring, but they can also be produced artificially ... ELFwaves are not normally noticed by the unaided senses, yet their resonant effect upon the human body has been connected to both physiological disorders and emotional distortion. Infrasound vibration (up to 20 Hz) can subliminally influence brain activity to align itself to delta, theta, alpha, or beta wave patterns, inclining an audience toward everything from alertness to passivity. Infrasound could be used tactically, as ELFwaves endure for great distances; and it could be used in conjunction with media broadcasts as well."

So, the human brain can be aligned to infrasound through media broadcasts. Was that technology used on Manuel Noriega when he was forced to surrender in Panama under blaring radio

broadcasts? And hadn't the Branch Davidians had been subjected to loud music and chants for extended periods of time?

Another section of the Aquino report noted that "ionization of the air" could be used to control an individual's emotions. "An abundance of negative condensation nuclei (air ions) in ingested air enhances alertness and exhilaration, while an excess of positive ions enhances drowsiness and depression. Calculation of a target audience's atmospheric environment will be correspondingly useful."

After his retirement from the Army, Lieutenant Colonel Michael Aquino, an exGreen Beret, was later written up in the San Francisco Chronicle as the head of the Temple of Set, a satanic, devilworshipping church. The November 1987 headlines read as follows: "Army Says Constitution Lets Satanist Hold TopSecret Job," by reporters John Whittinger and Bill Wallace. The story went on to say that "the high priest of a San Franciscobased satanic church is able to keep his topsecret security clearance because his activities are constitutionally protected, Army officials said yesterday. "Lieutenant Colonel Michael A. Aquino, a highly decorated Vietnam veteran, is the founder and president of Temple of Set, a satanic church headquartered in Aquino's Russian Hill home ...

"Aquino, a psychological warfare officer who has worked in military intelligence, holds a top secret security clearance that allows him to handle information whose release would gravely damage U.S. security, according to Defense Department regulations.

"He maintains the clearance even though he has performed Nazi occult rites and has described himself as the 'AntiChrist' in literature published by the Temple of Set ..."

Temple of Set literature described a coming apocalypse in which only followers of Satan would be saved. Readers were encouraged to read such works as "Mein Kampf," "Hitler: The Occult Messiah," and "The Occult Roots of Nazism."

Aquino conducted occult rituals patterned on ceremonies performed by Nazi leader Heinrich Himmler in a German castle once used by the Nazi SS for black magic ceremonies during the Third Reich. Nazis considered the black arts and satanic worship part of an ancient Germanic tradition.

Aquino, in his book, "Crystal Tablet of Set," wrote that he performed the rituals to recreate an order of Knighthood for followers of Satan. He even encouraged his followers to study the beliefs of the Nazi terrorist group, the Vehm, the Thule Gessellschaft, and the Ahnenerbe, two fanatic rightwing Aryan groups that existed before and during Hitler's reign.

When the two reporters from the Chronicle inquired about Aquino's security clearances, Major Rixon declared that "to the best of his knowledge, there was no part of the liturgy of his church that caused any (security) problem." Aquino admitted to being involved in devil worship for 22 years.

Ted Gunderson's box contained reams of literature written by Aquino along with other documents pertaining to identical subject matter. It was no secret that Gunderson lectured on the subject of Satanism, as I learned from a July 1993 Colonel Bo Gritz newsletter which advertised Gunderson as a featured speaker on one of Gritz's national radio broadcasts.

But it was not the Satanic aspect of Aquino's writings that caused me to scrutinize his earlier writings for the Army. Shortly after the Waco incident in Texas, a **secret "classified conference" was held at the Los Alamos National Laboratories in New Mexico**. Through a friend in Maine, I was able to obtain an official copy of the speaking agenda for the November 1993 conference and, oddly, the subject matter under discussion correlated with not only the original Aquino Army report, but also with the MKUltra behavior research underway during the 1950's and 1960's.

The title of the conference was "**NonLethal Defense**" and just a few of the speakers included such dignitaries as the Honorable U.S. Attorney General Janet Reno; Dr. Edward Teller who had helped develop the nuclear bomb; Dr. Milt Finger from Lawrence Livermore National Laboratory; Mr. Andy Andrews, NonLethal Project Leader at Los Alamos National Laboratory; LTG William H.

Forster from Army Research, Development and Acquisition; Dr. Clay Easterly from the Oak Ridge National Laboratory; Dr. Henry Brisker from U.S. Army Research Laboratories; Ms. Astrid Lewis from the U.S. Army Chemical Research & Development Command; Lt. General Richard G. Trefry, former Military Advisor to President George Bush; and many more.

The most noteworthy "nonlethal" technology presentations included the following: "High Power Microwave Technology" "Application of Extremely Low Frequency Electromagnetic Fields to NonLethal Weapons" "Voice Synthesis" "Incremental Agression: Requirements for the Future" **"Chemical/Biological AntiTerrorism"** **"Biological Challenges"** "NonLethal Research: Fracture & Dynamic Behavior, **Biotechnology** & Structural Ceramics, and many more.

Interestingly, **the opening address was given by General E.C. Meyer (Ret.), former Chief of Staff of the U.S. Army the very same General Meyer who had set up the Department of Defense conference in which Michael Riconosciuto had been the principal speaker from 9 a.m. to 4 p.m. to a group of seniorlevel national security research and development officials.**

The objective and scope of the 1993 Los Alamos conference included exploring a nonlethal approach to apply force against not only wartime enemies (the Soviet Union had already fallen) but against "terrorists" and "international drug traffickers" as well. The introduction noted that the purpose of the conference was to bring together "industry, government, and academia to explore the potential of nonlethal defense and identify requirements so that the defense community can work together in leveraging the nonlethal concept."

"Industry [law enforcement], particularly, will benefit from a more precise understanding of requirements and operational constraints regarding nonlethal defense technologies," noted the conference's sponsors, The American Defense Preparedness Association.

Additionally, nonlethal defense was described as "an emerging technological option being developed conceptually with a sea of technical opportunity."

Based upon the technical presentations listed in the brochure, it didn't appear to me that such technology as acoustical, highpower microwave, laser, ELF/RF weapons and "psychotronic" systems were particulary NEW in the field of military or intelligence applications. Obviously, what was occurring at this conference was the presentation of these formidable weapons to law enforcement for domestic (U.S.) applications.

In late November 1993, a letter came to my attention which discussed the abovementioned conference. The letter had been written to U.S. Attorney General Janet Reno by a former CIA employee, Julianne McKinney, on letterhead stationery originating from the "Association of National Security Alumni, Electronic Surveillance Project, P.O. Box 13625, Silver Spring, Maryland 209113625."

Portions of the letter read as follows: " ... In December 1992, when 'Microwave Harassment and MindControl Experimentation' was published, U.S. Government representatives routinely took the position that directedenergy technologies were nothing more than mere figments of physicists' imaginations, still on the drawing boards. Shortly following publication of this report, information concerning these technologies began to appear in such noteworthy organs as The Wall Street Journal, Defense News, Aviation Week & Space Technology, Tactical Technology, Defense Electronics and, most recently, The Washington Post.

"In a flurry of activity these past 10 months, directedenergybased surveillance and antipersonnel systems have suddenly leaped off of physicists' drawing boards into the world of reality, thus obviating the criticism, it would appear, that the attached publication [Los Alamos conference brochure] concerns nonexistent technologies.

"Indeed, directedenergy technologies appear to have evolved at such a rapid rate that they are now being promoted as the 'Final Solution' to crime preliminarily, at a classified conference sponsored by the Los Alamos National Laboratory ..."

McKinney's concern focused primarily on future law enforcement application of "psychotronic" tools, or directedenergy weapons technologies. "What, so far, has prevented this government and its contractors from testing these technologies on U.S. citizens under involuntary circumstances?," she asked.

The letter went on to outline various instances in which people had complained to her organization of alleged symptoms of directedenergy technologies in such areas as the United States, England, Canada and Australia.

After reading "The Search for the Manchurian Candidate," I couldn't help wondering if Danny Casolaro had been subjected to some form of hypnosis.

Any such farreaching scenarios were outside the boundaries of normal human experience, indeed no mainstream journalist would pursue such a theory. But, then Robert Booth Nichols, Michael Riconosciuto and the CIA were not within normal human experience. **And, who would have believed, ten years ago, that the CIA would be investigated by Congress in 1996 for drug trafficking in Los Angeles?**

At one point in time Danny had signed an agreement with Nichols in which Nichols was to give Danny a \$25,000 loan against his home in Fairfax, Virginia. Nichols had offered to take Danny overseas to find the answers to his questions and Danny had needed the money to make the trip. Where had they planned to go? What possible motive could Nichols have had for enticing Danny to go overseas for several months?

During one of my conversations with Bobby Riconosciuto, she had mentioned a private installation at Alice Springs, Australia which Michael had visited with Nichols. The tour of the installation had upset Riconosciuto to such a degree that he had become ill and cut the trip short. Nichols later confirmed the trip, and recalled that Michael had indeed become anxious and ill, but would not discuss the purpose of the trip.

When I subsequently questioned Michael about the Australian installation, he first asked where I had learned of it? When I noted the information came from Bobby, he explained that the underground facility had been built during World War II to be used as a bomb shelter. It was capable of housing thousands of people and was completely selfcontained.

I asked Riconosciuto if he had been inside the facility? He said he had, it was owned by a private corporation; inside was a city of sorts, containing sophisticated communications equipment, laboratory equipment and other items which he would not define. He chose not to discuss it further, but concurred that what he saw made him realize that it was time to terminate his relationship with Robert Booth Nichols.

Both men had confirmed to me that the Australian trip marked the end of their 20year association. I later contacted a journalist in Alice Springs to gain more knowledge of the mysterious "installation." I was able to confirm that the installation existed, that it was leased by a private corporation, and that it was heavily guarded, but noone seemed to know what it was being used for.

On November 22, 1992, I received a call from Michael Riconosciuto. It was the first time I had spoken with him in nine months. The first thing he asked me was, "Did Bob Nichols threaten you?"

I explained to him that I had nothing to fear from Nichols as long as I didn't reveal the contents of the meeting. Michael pressed further.

"Did he attempt to destroy my credibility, or did the meeting pertain to HIS activities?"

"Well, essentially, I asked him questions specifically about what he was doing with his corporation in Japan and overseas ..."

Mike knew I was referring to the genetic engineering project. Michael interjected, "That is so heavy. I've got a full paperwork trail on that."

I answered, "I have the paperwork trail on it."

Michael: "He didn't like that, did he?"

CM: "No, but after he knew I had information on it, he came right out and talked about it."

Michael: "Did he tell you what it was for?"

CM: "I think he did."

Michael: "Isn't that a `Dr. Strangelove tale'?"

CM: "Yes, I need to ask you some things ..."

Michael cut in. "Let's not talk about that over this phone."

Once again, Michael became evasive when confronted with the biological technology Nichols was involved in. This seemed to be one of the few subjects he refused to discuss over the phone.

His next question caused me some alarm. "Where did you send the metal cannister you found in my files in the desert?"

I replied, "I sent it out to have it analyzed. I haven't received the results yet ..."

Michael: "Oh, Jesus. Where ... If they don't know how to handle it ..."

I stammered, "... I haven't heard from them yet ..."

Michael took a deep breath. "Oh, God." Then silence.

I was alarmed. "What is it? Tell me the truth."

Michael seemed shaken. "It's a military concept where you can genetically engineer these biological agents ... you see, a specific penetration group can be immunized, and everybody else dies. Now, whoever you sent that to, if they're not set up ... if they're not a class4 facility, they better call someone who can handle it and get rid of it ..." Mike stopped abruptly. "Has anyone opened or touched the cannister?"

I responded that it had not been opened. He drew another deep breath and seemed to relax somewhat. "Alright, it's not your problem anymore. As long as it's off your property."

The remainder of this manuscript is not relevant to CIA Drug Trafficking or the focus of the Investigative Committee. I therefore have sent only the enclosed pages. If you want more, let me know. C.M.

Contact: Stormbird8@aol.com. All correspondence will be forwarded to the Author, who specifically wishes to make contact with serious investigative journalists who are interested in working with her to break the story.