

## 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 ...**"

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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.

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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 faceto face 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?

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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."

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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."

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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.

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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 Bangkok ... 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 ... "

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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.**"

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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 ..."

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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 Taipei, 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 deathsquad 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.

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**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.**

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**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 Schlerosis, 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.

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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 Corporation 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.**

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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."

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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.

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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.

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[Chapter 7](#)