



FINDERS



An Actual treasury department report describing a world wide network of child kidnappers involved in Satanism and sexual exploitation of children. See how the CIA has covered it all up under National Security.

YOU MUST READ THIS!!
Your Own Children are at stake!!

CHILD KIDNAPPING IN AMERICA



THE CIA CONNECTION

A REPORT BY
TED L. GUNDERSON

MISSING CHILDREN

MISSING: 100,000 Children a Year

The figures are estimates. But the few known facts are appalling: thousands are murdered annually, the number of missing children is rising and *no one* is keeping an accurate count

Condensed from KIWANIS MAGAZINE
GARY TURBAK

ABOUT 8:30 A.M. on January 7, 1980, Katheleen Mancil drove her daughter Marian Batson to school in Inverness, Fla. "See you tonight," Katheleen called

about 25 miles from the school. She had joined the swelling ranks of children simply labeled MISSING.

Sheila and Katherine Lyon, ages 13 and 11, journeyed to a suburban



1. Jason Manuel Tomassi, W. Va., Missing: 1016179 Age: 1; 2. David Marcus Tomassi, W. Va., Missing: 1016179 Age: 2; 3. Rene Dawn Wild, Pa., Missing: 813178 Age: 8; 4. Matthew Lawrence Lopez, Colo., Missing: 3117181 Age: 6; 5. Adrian Van Tibon, R.I., Missing: 3127181 Age: 7;

as the petite, blue-eyed 16-year-old stepped from the car.

But she did not see Marian that night. Or the next. Or the next.

No one remembers seeing Marian after she left her mother's car. The day after her disappearance, her purse was found in a trash can

shopping center on March 25, 1975, and were never seen again. In early October 1980, two-year-old Brandy Barlow vanished from her front yard. The list goes on.

Probably the most publicized missing-child case of late has been that of six-year-old Etan Patz. On

May 25, 1979, Etan walked alone for the first time to his Manhattan school-bus stop and has not been seen since. Methodical searches with bloodhounds, helicopters, psychics, and phalanxes of police have failed to turn up any clues.

These are not isolated cases. Everyone close to the missing-child problem agrees that it is a large one—and growing. Statistics, however, are tough to come by. Boundaries between runaways, parental kidnap victims and children stolen by strangers tend to blur.

The best estimates are that about a million American youngsters leave home each year, with 90 percent returning in two weeks. Approximately 100,000 children are thus unaccounted for. Add another

Yet no single U.S. agency concerns itself exclusively with missing children on a national scale. Automobiles, handguns and silverware can be registered, traced and recovered more easily than children. "Our priorities are mixed up," says Ken Wooden, director of the National Coalition for Children's Justice. "If someone steals a car, he can be traced and caught because we have a computer system for tracing stolen cars. But children apparently aren't that important to us."

Each missing-child case has its own poignant drama and irony. In July 1976, 12-year-old Dee Scofield disappeared while running an errand at a Florida shopping center. Two days later, a classmate reportedly saw Dee looking out a van



6. Tamara Farrow Buck, Minn., Missing: 214181 Age: 5; 7. Jamie Marie Dake, Mo., Missing: 2122181 Age: 5; 8. Ryan Nicole Burton, Texas, Missing: 916181 Age: 3; 9. Kristie Michelle Morris, Ala., Missing: 5115181 Age: 5; 10. Rebecca Ruth Chipps, N.J., Missing: 911178 Age: 4;

25,000 to 100,000 stolen by divorced or separated parents, and the total becomes significant. "Kids who just disappear present a big problem that people had better start opening their eyes to," says Det. Sgt. Dick Ruffino of the Bergen County, New Jersey, Sheriff's Office.

window, desperately forming the word "help" over and over with her lips. Dee Scofield has never been found.

On October 18, 1981, Jimmy Rogers, 14, left his Hanson, Mass., home for a friend's house. He may have hitched a ride. He has not

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been seen or heard from since.

"Child snatching, kidnapping and the ugly things that happen to these kids are so horrendous that people refuse to deal with them," explains Stan Patz, father of missing Etan. "Trying to handle cases like ours on a local level is a tremendous impediment. We need a centralized, national clearinghouse with information about which children are missing and how they can be identified."

But most cases fall to local police, against whom some parents of missing children raise a litany of complaints. Because so many children do run away from home, police label most missing kids runaways. And unless the child is very young or evidence of foul play exists, police

course, occurs when the child is not a runaway and could possibly have been helped if immediate action had been taken.

On the morning after Christmas, 1974, 13-year-old Janna Hanson went to a friend's house. A short time later, Doreen Hanson drove by to pick up her daughter; Janna wasn't there. Doreen immediately went to the police, but they wouldn't search for 24 hours.

When police did finally begin an investigation, it was too late. Janna's body was found after several months, and evidence indicated she had been murdered on December 26.

Parents also complain bitterly about the FBI's refusal to help find missing children. The FBI becomes involved in a missing-child case



11. Shannon E. Zeller, N.Y., Missing: 111 1182 Age: 11; 12. Michelle Lee Oglesby, Calif., Missing: 10122131 Age: 10; 13. Tamela Lynn Hall, W.Va., Missing: 11112180 Age: 9; 14. Taj Narbonne, Mass., Missing: 313 1181 Age: 9; 15. Etan Patz, N.Y., Missing: 5125179 Age: 6;

commonly will not act on a missing-child report for 24 hours. The reason: sheer work volume. A surfeit of violent crimes—most with injured victims and plenty of evidence—takes priority over the "maybe" crime of a missing youngster.

The heart-rending tragedy, of

only when there's proof of a kidnapping—such as a ransom note—or evidence that the child was taken across state lines.

"The first-time disappearance of a minor should be prima facie evidence that a kidnapping has taken place," says John Clinkscales, whose

son Kyle disappeared six years ago. "The FBI could then become immediately involved, and there might be a chance of finding some of these children. We need help."

And answers. Parents always ask the inevitable: *Why? Why would someone steal a child? Why my child?* There are many answers, yet no answers.

A million couples a year divorce in the United States, and many of these cases result in child snatchings. For love, hate, spite or revenge, one parent steals a child from the other.

In December 1974, Gloria Yerkovich said good-bye to her four-year-old Joanna as the girl left to spend the weekend with her father. She didn't want to go, but

school, grow up and lead a more or less normal life.

When a stranger steals a child, anything can happen. Parents of missing children hope that their child will end up in a loving, caring family, perhaps through black-market adoption. The cruel truth is that a missing child stands a fair chance of being murdered. Each year an estimated 2500 children in the United States disappear and later are found murdered.

While the abduction and murder of a child is a senseless, psychotic act, many children are used for much more calculated reasons. Says Ken Wooden, "Kids are constantly being sought for the lucrative child-prostitution business. Most police departments and public officials

aren't doing anything about it."

If fear about what may be happening to a missing child is the parents' primary emotion, frustration is the second. Of-



16. Sabrina Raynell Drake, Okla., Missing: 8/15/80 Age: 6;
17. Tommy (Landau) Perlstein, N.Y., Missing: 12/26/81 Age: 9;
18. Marian Wavie Batson, Fla., Missing: 1/7/80 Age: 16;
19. James W. Rogers, Mass., Missing: 10/18/81 Age: 14.

a court order had said she must. Joanna never returned. The separation that was to last a weekend has stretched to 7½ years.

Despicable as parental kidnapping is, these children may be more fortunate than others. At least there's a chance they will go to

ten, little more is done once local police exhaust all leads. Teleprinted missing-child reports from one city do not carry a high priority in another. Verbal descriptions alone are often useless.

Out of desperation, parents turn to posting fliers and driving by

parks and other areas frequented by children. "It's a totally helpless feeling," says Stan Patz. "There's just nothing more we can do."

In the past few years, however, various groups have been formed—usually by parents or relatives of missing children—to advise and comfort distraught parents. One such organization is Child Find, Inc., Box 277, New Paltz, N.Y. 12561. It maintains a toll-free number (800-431-5005) to be used by children searching for their parents or parents trying to identify missing children. Another organization is SEARCH, which publishes *The National Runaway/Missing Persons Report*, a magazine containing photos, descriptions and personal data that can help identify the missing. The report is distributed about every three months to 22,000 agencies and individuals in law enforcement, security, medicine and social service. SEARCH's address is 560 Sylvan Ave., Englewood Cliffs, N. J. 07632. (All correspondence should include a stamped, self-addressed envelope.) Phone: 201-567-4040.

But such efforts are not likely to solve the problem overnight. At present, hope is a parent's most sustaining weapon.

For some families, that hope does not cease even after a child's body is found. Says Doreen Hanson: "After our daughter's remains were discovered, we still kept searching, at least in our minds. For weeks after, I would see a girl on the street who resembled my daughter and I would hope in my heart that it was Janna."

"No one on the outside can understand the trauma taking place in a family that has a child missing. The frustration, the not knowing, the agony are beyond explanation."

If you have information regarding children Nos. 1-17, contact Child Find, Inc. (800-431-5005); No. 18, contact Dee Scofield Awareness Program, Inc. (813-839-5025 or 813-681-4357); No. 19, Hanson, Mass., Police Dept. (617-294-8081).

→ For information on reprints of this article, see page 199 ←



The following organizations are also interested in the missing-child problem:

Find Me Inc., P.O. Box 1612, LaGrange, Ga. 30241; National Coalition for Children's Justice, 1214 Evergreen Rd., Yardley, Pa. 19067; Dee Scofield Awareness Program, Inc., 4418 Bay Court Ave., Tampa, Fla. 33611; Family and Friends of Missing Persons and Violent Crime Victims, P.O. Box 21444, Seattle, Wash. 98111

Members of satanic cult 'gave children away'

TALLAHASSEE, Fla. (UPI) — Police said six filthy and confused young children, taken from two men charged with child abuse, had been given away by their parents as part of a satanic cult ritual.

Authorities in Tallahassee and Washington were trying today to learn the identities of the six children, locate their parents and learn more about an unidentified "satanic cult" apparently based in Washington.

Meanwhile, two men who identified themselves as Michael Houlihan and Doug Ammerman — names police believe are phony — were being held in lieu of \$100,000 bond on child abuse charges.

The men were arrested in a city park Wednesday after someone called police about two well-dressed men in a blue van watching over six "filthy" children.

"It is our belief these kids were not kidnapped, but that their parents gave them away because one of the rites of passage into this satanic organization is that you have to give-up your rights to your

children, and that the leaders of this organization can do what they want to with your children," police spokesman Scott Hunt said Friday.

"I believe what you're going to find when this all shakes down is that the kids' parents belong to this organization."

"Until we can figure out where everything is, we can't say a whole lot," said Walt Ferguson, a police spokesman in Washington.

The Washington Post reported today that the U.S. Customs Service is helping with the investigation and that pictures found at a Washington, D.C., warehouse linked to the group include those of children engaged in what appeared to be "cult rituals."

The newspaper said the group was known as The Finders and was made up of about 40 people who lived in the District of Columbia and a farm in rural Virginia, the remains of a popular 1960s hippie refuge that evolved into a satanist society.

Hunt said a 6-year-old girl in the group showed signs of sexual abuse.

The children — four boys and two girls ranging in age from 2 to 6 — were put in state custody.

Merrill Moody of the state health department said the youngsters were "confused" but were doing well and will remain in state care until relatives can be found who are able to provide "a safe and healthy home."

Hunt said the children, who had not bathed in days and were covered with scratches and insect bites, told police they had not eaten in 24 hours. He said they had "bizarre" names like "Benjamin Franklin," "Honey Bee" and "B.B."

A check of the Virginia license plate on the van of the two men showed it belonged to a man matching Houlihan's description, but with a different name, Hunt said.

The men initially told police they were taking the youths to Mexico to begin a school for "brilliant" children. When they could not explain the children's condition or name their parents, Hunt said, the men refused to answer further questions.

The children told police they had not seen their mothers since before Christmas. One girl said the men fed them mostly fruit and all of them had been sleeping in the van or in a tent.

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

REPORT OF INVESTIGATION

4700-01 (27), P&FM (Special Agent Handbook)

1. TELETYPE ACCESS CODE	C-3
2. PAGE	1 OF 3
3. CASE NUMBER	

"FINDERS"

STATUS	<input type="checkbox"/> Initiation Report	<input type="checkbox"/> Disc. Pending	<input checked="" type="checkbox"/> Open & Close	<input type="checkbox"/> Index & File	<input type="checkbox"/> Closing Report
DATE	1. DATE ASSIGNED	2. CLASS	3. PROGRAM CODE	10. REPORT NO	
87	021287	II	700	one	
4. CASE FILE NUMBERS					

11. UNDEVELOPED LEADS TO: None.

12. TYPE OF REPORT	<input type="checkbox"/> Search Warrant Executions	<input type="checkbox"/> Penalty Com Report	<input type="checkbox"/> Memorandum of Interview	<input type="checkbox"/> Initial Source Documentation	<input type="checkbox"/> Source Detail
13. INVESTIGATIVE FINDINGS	<input type="checkbox"/> Subsequent Service	<input type="checkbox"/> Surveillance Report	<input type="checkbox"/> Enclature	<input type="checkbox"/> Request for Conferral	<input checked="" type="checkbox"/> Other assistance to local LE

This office was contacted by the Tallahassee Police Department on February 5, 1987, who requested assistance in attempting to identify two adult males and six minor children, all taken into custody the previous day. The men, arrested and charged with multiple counts of child abuse, were being very evasive with police in the questions being asked of them pursuant the children and their condition.

This agent contacted SS/A, Bob Harrold, RAC/Reston, Virginia, and requested telephone numbers and names of police persons in area police departments in an attempt to follow-up on two leads which were a Virginia license number and that the children had commented about living in a Washington, D.C., commune.

Subsequently, this office received a telephone call from the Washington, D.C. Metropolitan Police Department inquiring about the men and children. This office put the MPD and the TPD in contact with each other.

15. DISTRIBUTION		16. SIGNATURE (UNIT NUMBER)	
RAC/JX; SAC/TA; RAC/DC		<i>Walter F. Kreitlow II</i> Walter F. Kreitlow II Special Agent	
ASCA	ARCIEI SE	17. APPROVED (Firm Name & Title)	
ODIV	AE:SD:G:P SE	<i>Fredric D. Halduk</i> Fredric D. Halduk Resident Agent in Charge	
CPPU	FILE	18. ORIGIN OFFICE	
COPY	Original	Office of Enforcement 227 N. Beach Blvd. St. Rm 6045	
		19. TELEPHONE NUMBER	
		965-7608	
		20. TYPIST'S INITIALS	
		A	



REPORT OF INVESTIGATION
CONTINUATION

(FORM 1071, 7-87) (Rev. 12-10-86)

1. PAGE	PAGES	
2	OF	3
2. CASE NUMBER		
3. ATTACK NUMBER		
one		

DETAILS OF INVESTIGATION:

On Thursday, February 5, 1987, this office was contacted via telephone, by sergeant, JoAnn VANMETER of the Tallahassee Police Department, Juvenile Division. Sgt. VANMETER requested assistance in identifying two adult males and six minor children ages 7 years to 2 years.

The adult males were tentatively identified by TPD as Michael HOULIHAN and Douglas AMMERMAN, both of Washington, D.C., who were arrested the previous day on charges of child abuse.

The police had received an anonymous telephone call relative two well-dressed white men wearing suits and ties in Myers Park, (Tallahassee), apparently watching six dirty and unkempt children in the playground area. HOULIHAN and AMMERMAN were near a 1980 Blue Dodge van bearing Virginia license number XHW-557, the inside of which was later described as foul-smelling filled with maps, books, letters, with a mattress situated to the rear of the van which appeared as if it were used as a bed, and the overall appearance of the van gave the impression that all eight persons were living in it.

The children were covered with insect bites, were very dirty, most of the children were not wearing underwear and all the children had not been bathed in many days.

The men were arrested and charged with multiple counts of child abuse and lodged in the Leon County Jail. Once in custody the men were somewhat evasive in their answers to the police regarding the children and stated only that they both were the children's teachers and that all were enroute to Mexico to establish a school for brilliant children.

The children tentatively were identified as Mary HOULIHAN, white female, age 7; Max LIVINGSTON, white male, age 6; Benjamin FRANKLIN, white male, age 4; HoneyBee EVANS, white female, age 3; B.B., white male, age 2; and John Paul HOULIHAN, white male, age 2. The children initially indicated that they lived in tents in a commune in the Washington, D.C., area and were going to Mexico to go to a school for smart kids.

This office contacted the Office of the RAC/DC and spoke with SS/A, Bob Harrold. This agent requested telephone numbers and names of police persons in area departments that might be aware of said activities described by the children and to follow-up on the leads which were the Virginia license number and a check on the men's names with local law enforcement.



DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

REPORT OF INVESTIGATION
CONTINUATION

FD-204 (2-78) (Rev. 10-1-77)

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A short time later this office was contacted by Detective, Jim Bradley of the Washington, D.C., Metropolitan Police Department. Bradley indicated that the case here in Tallahassee appeared to be strongly related to a case he was currently working in the Washington, D.C. area.

He stated that the actions of the two men in custody in Tallahassee relative the children just might give his case enough probable cause for search warrants to search premises occupied by a cult group called the FINDERS.

This agent directed Bradley to telephone TPD and discuss with police directly any activities forthcoming relative the instant case.

At this time it was determined that there was no Customs violations found to exist and therefore, this case is being closed pending receipt of additional information.

ACTION TO BE TAKEN BY LESD/TECS: Create a permanent DRR/TECS record.

IDENTIFYING DATA/TECS-FIN QUERIES:

AMMERMAN, Douglas Edward
(CF-233 attached)

SUBSTANTIATED

NCIC: Negative
TECS: "
CMIR: "
CTR: "
FBA: Negative
PAIRS: Negative

HOWELL, James Michael
(CF-233 attached)

SUBSTANTIATED


NCIC: Negative
TECS: "
CMIR: "
CTR: Negative
FBA: "
PAIRS: Negative

"FINDERS"
(CF-233 attached)

ALLEGED

NCIC: NEGATIVE
TECS: NEGATIVE
CMIR: "
CTR: "
FEA: "
PAIRS: "

MEMO TO FILE

To : Resident Agent in Charge Date: 02/07/87
From : Special Agent 
Subject: Customs cooperation/interest in
Tallahassee/Washington MPD child abuse investigation.

On Thursday, 2/5/87, the duty agent, SS/A Bob Harrold, received a call from SS/A Walter Krietlow, USCS, Tallahassee, Florida. SS/A Krietlow was seeking assistance in contacting an appropriate local police agency to coordinate a child abuse investigation in with the Tallahassee Police Department. SS/A Krietlow further requested assistance in checking some names, addresses and a vehicle through the Customs Child Pornography Unit data base, and stated there was some suspicion of the subjects being involved in supplying children for the production of child pornography. Further, he was informed by the Tallahassee Police Department that the children may have been enroute to Mexico from the Washington, D.C. area. The possibility of Customs interest in the investigation due to possible violations of the Child Protection Act of 1984, and the alleged nexus with the U.S./Mexican Border were discussed and agreed upon. SS/A Krietlow related the following background information. SS/A Krietlow was contacted by the Tallahassee Police Department for assistance in identifying six children and two adults taken into custody in the Tallahassee area. U.S. Customs was contacted because the police officers involved suspected the adults of being involved in child pornography and knew the Customs Service to have a network of child pornography investigators, and of the existence of the Child Pornography and Protection Unit. SS/A Krietlow stated the two adults were well dressed white males. They had custody of six white children (boys and girls), ages three to six years. The children were observed to be poorly dressed, bruised, dirty, and behaving like animals in a public park in Tallahassee. The police were notified by a concerned citizen and all eight persons were taken into custody. The subjects were living out of a white 1979 Dodge van, Virginia license no. XEW 557. Upon being taken into custody, the adult white males refused to cooperate, one of whom produced a "business" card with a name on one side and a statement on the other. The statement indicated that the bearer knew his constitutional rights to remain silent and that he intended to do so. Upon interviewing the children, the police officers found that they could not adequately identify themselves or their custodians. Further, they stated they were enroute to Mexico to attend a school for "smart kids." SS/A Krietlow was further advised the children were unaware of the function and purpose of telephones, televisions and toilets, and that the children had stated they were not allowed to live indoors and were only given food as a reward.

After receiving the request from Tallahassee, SS/A Harrold contacted me while I was on official business at Customs Headquarters. He requested that I conduct computer checks on the Customs Child Pornography Unit data base. The checks were to be conducted on the names, addresses, and a vehicle provided by SS/A Krietlow. After conducting the computer checks, I made direct contact with SS/A Krietlow to inform him that all the checks were negative. At that time I was informed by SS/A Krietlow that the Tallahassee police had discovered large quantities of records, to include computer discs and a U.S. passport in the van. From some of these records the police had obtained tentative identification of the two adults, and partial identification of the children. Furthermore, the two Washington, D.C. addresses had been discovered through these documents, one of which was verified through the vehicle registration. I advised SS/A Krietlow I was leaving Headquarters and he would be receiving a response to the remainder of his request from SS/A Harrold. I then left as stated and proceeded to conduct other business in the District.

A short time later, at approximately 11:30 a.m., SS/A Harrold contacted me by radio, and advised me that a Detective Jim Bradley of the Washington, D.C. Metropolitan Police Department (MPD) was interested in the information provided by SS/A Krietlow, was in contact with Tallahassee, and would very probably be conducting search warrants in the area later in the day. He also informed me that U.S. Customs was invited to participate due to the continuing possibility of violations of law enforced by the Customs Service. As I was already in Washington, I terminated my other business and proceeded to make contact with Detective Bradley, Intelligence Division, MPD.

Upon contacting Detective Bradley, I learned that he had initiated an investigation on the two addresses provided by the Tallahassee Police Dept. during December of 1986. An informant had given him information regarding a cult, known as the "finders" operating various businesses out of a warehouse located at 1307 4th St., N.E., and were supposed to be housing children at 3918/3920 W St., N.W. The information was specific in describing "blood rituals" and sexual orgies involving children, and an as yet unsolved murder in which the finders may be involved. With the information provided by the informant, Detective Bradley was able to match some of the children in Tallahassee with names of children known alleged to be in the custody of the finders. Furthermore, Bradley was able to match the tentative ID of the adults with known members of the finders. I stood by while Bradley consulted with AUSA Harry Benner and obtained search warrants for the two premises. I advised acting RAC SS/A Tim Holloran of my intention to accompany MPD on the execution of the warrants, received his permission, and was joined by SS/A Harrold. SS/A Harrold accompanied the team which went to 1307 4th St, and I went to 3918/20 W St.

During the execution of the warrant at 3918/20 W St., I was

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able to observe and access the entire building. I saw large quantities of children's clothing and toys. The clothing consisting of diapers and clothes in the toddler to pre-school range. No children were found on the premises. There were several subjects on the premises. Only one was deemed to be connected with the Finders. The rest were renting living space from this individual. He was identified as Stuart Miles SILVERSTONE, DOB/061941, U.S. Passport No. 010958991. SILVERSTONE was located in a room equipped with several computers, printers, and numerous documents. cursory examination of the documents revealed detailed instructions for obtaining children for unspecified purposes. The instructions included the impregnation of female members of the community known as Finders, purchasing children, trading, and kidnapping. There were telex messages using MCI account numbers between a computer terminal believed to be located in the same room, and others located across the country and in foreign locations. One such telex specifically ordered the purchase of two children in Hong Kong to be arranged through a contact in the Chinese Embassy there. Another telex expressed an interest in "bank secrecy" situations. Other documents identified interests in high-tech transfers to the United Kingdom, numerous properties under the control of the Finders, a keen interest in terrorism, explosives, and the evasion of law enforcement. Also found in the "computer room" was a detailed summary of the events surrounding the arrest and taking into custody of the two adults and six children in Tallahassee, Florida on the previous night. There were also a set of instructions which appeared to be broadcast via a computer network which advised participants to move "the children" and keep them moving through different jurisdictions, and instructions on how to avoid police attention.

One of the residents was identified as a Chinese National. Due to the telex discovered referencing the Chinese Embassy in Hong Kong, he was fully identified for future reference: WANG/Gengxin, DOB/092747, POB/Tianjin, People's Republic of China Passport No. 324999, entered the U.S. on January 22, 1987, admitted until December 31, 1987. He is in the U.S. as a graduate student in the Anatomy Department of Georgetown University. His Visa was issued on November 10, 1986, in London, England, number 00143.

During the course of the evening, I contacted Sector 4 to initiate a TECS check on SILVERSTONE, and initiate an archives check on him for the last four years. I also contacted SS/A Holloran to keep him advised of the proceedings and asked for and received permission to contact SS/A John Sullivan of the CPPU to query some names through the CPPD data base. SS/A Holloran told me he would call Southeast Region Headquarters to keep them posted on the proceedings as well. I later contacted SS/A Sullivan for the stated purpose, and in the discussion that followed, I gave him some background on the purpose of the request. I advised him that the information was not for dissemination at Headquarters, that Region was being notified,

and that Region would probably contact Headquarters later if deemed necessary. SS/A Sullivan assured me that the information would go no further until official notification was made by Region. No positive matches were obtained from the CPPU data base. I was later joined at the W Street address by SS/A Harrold. SS/A Harrold advised me that there were extremely large quantities of documents and computer equipment at the warehouse, and that MPD was posting officers inside the building there and sealing the building until morning, in which a second warrant for that premises would be obtained and executed. SS/A Harrold also advised me that the news media had been notified and had been waiting for the execution of the warrant at the 4th Street address. Detective Bradley later stated that the MPD Public Information Officer had been contacted by a Tallahassee reporter. When it became apparent the PIO had no information on the search warrants, the reporter contacted local media representatives and a check of public records containing the affidavits for the search warrants disclosed the locations and purpose of the warrants. Detective Bradley surmised that someone on the Tallahassee Police Department was the original source of information for the press. I advised SS/A Eolloran of the involvement of the press, and he stated that he would, in turn, relay the information to Region. SS/A Harrold and I assisted in the transport of the evidence seized pursuant to the warrant and cleared MPD after the press left the area.

On Friday, 2/6/87, I met Detective Bradley at the warehouse on 4th Street, N.E. I duly advised my acting group supervisor, SS/A Don Bludworth. I was again granted unlimited access to the premises. I was able to observe numerous documents which described explicit sexual conduct between the members of the community known as finders. I also saw a large collection of photographs of unidentified persons. Some of the photographs were nudes, believed to be of members of finders. There were numerous photos of children, some nude, at least one of which was a photo of a child "on display" and appearing to accent the child's genitals. I was only able to examine a very small amount of the photos at this time. However, one of the officers presented me with a photo album for my review. The album contained a series of photos of adults and children dressed in white sheets participating in a "blood ritual." The ritual centered around the execution of at least two goats. The photos portrayed the execution, disembowelment, skinning and dismemberment of the goats at the hands of the children. This included the removal of the testes of a male goat, the discovery of a female goat's "womb" and the "baby goats" inside the womb, and the presentation of a goats head to one of the children.

Further inspection of the premises disclosed numerous files relating to activities of the organization in different parts of the world. Locations I observed are as follows: London, Germany, the Bahamas, Japan, Hong Kong, Malaysia, Africa, Costa Rica, and "Europe." There was also a file identified as

"Palestinian." Other files were identified by member name or "project" name. The projects, appearing to be operated for commercial purposes under front names for the Finders. There was one file entitled "pentagon Break-In," and others which referred to members operating in foreign countries. Not observed by me but related by an MPD officer, were intelligence files on private families not related to the Finders. The process undertaken appears to have been a systematic response to local newspaper advertisements for babysitters, tutors, etc. A member of the Finders would respond and gather as much information as possible about the habits, identity, occupation, etc., of the family. The use to which this information was to be put is still unknown. There was also a large amount of data collected on various child care organizations.

The warehouse contained a large library, two kitchens, a sauna, hot-tub, and a "video room." The video room seemed to be set up as an indoctrination center. It also appeared that the organization had the capability to produce its own videos. There were what appeared to be training areas for children and what appeared to be an altar set up in a residential area of the warehouse. Many jars of urine and feces were located in this area.

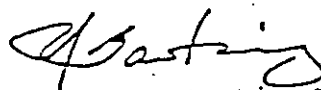
I should also mention that both premises were equipped with satellite dish antennas.

I discussed the course of action to be taken by MPD with Detective Bradley. He stated he was only interested in making the child abuse case(s). I was assured that all of the evidence would be available to U.S. Customs in furtherance of any investigative/criminal action pursued. MPD personnel were to begin around the clock review and sorting of the evidence until completed. Customs will have access after this is accomplished. This will include several U.S. Passports discovered during the search.

Upon leaving the 4th Street premises, I encountered a news media representative and was asked the reason behind U.S. Customs involvement in the investigation. I advised the reporter that I could not discuss anything and referred her to the RAC/DC. I left immediately thereafter.

There is no further information available at this time. It should take three to five days for all the information to be sorted, reviewed, logged by the MPD. I will maintain contact with Detective Bradley until the evidence is again accessible.

Respectfully submitted,



Ramon J. Martinez
Special Agent, USCS



DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

REPORT OF INVESTIGATION

FD-204 (Rev. 12-11-86) (Customs Agency Use Only)

1. FILE NUMBER	C-3
2. PAGE	1 OF 2
3. CASE NUMBER	

4. TITLE

FINDERS

5. CASE STATUS					
<input type="checkbox"/> Initial Report	<input type="checkbox"/> Inmate Report	<input type="checkbox"/> Discontinuing	<input type="checkbox"/> Open & Close	<input checked="" type="checkbox"/> Index & File	<input type="checkbox"/> Closing Report
6. REPORT DATE	7. DATE ASSIGNED	8. CLASS	9. PROGRAM CODE	10. REPORT NO	
04/13/87	02/05/87	I	700	1	
11. RELATED CASE FILE NUMBERS					

12. UNDEVELOPED LEADS TO

None

13. TYPE OF REPORT					
<input type="checkbox"/> Trip	<input type="checkbox"/> Search Warrant Executions	<input type="checkbox"/> Primary Case Report	<input type="checkbox"/> Memorandum of Investigation	<input type="checkbox"/> Initial Source Documentation	<input type="checkbox"/> Source Debrief
<input checked="" type="checkbox"/> Investigative Findings	<input type="checkbox"/> Substantive Service	<input type="checkbox"/> Summary Report	<input type="checkbox"/> Background	<input type="checkbox"/> Request for Collection	<input type="checkbox"/> Other

X 2/5/87

On Thursday, February 5, 1987, Senior Special Agent Earrold and I assisted the Washington, D.C. Metropolitan Police Department (MPD) with two search warrants involving the possible sexual exploitation of children. During the course of the search warrants, numerous documents were discovered which appeared to be concerned with international trafficking in children, high tech transfer to the United Kingdom, and international transfer of currency.

(Handwritten mark)

15. DISTRIBUTION		16. SIGNATURE (Type Name & Title)	
SAC/RAC SAC/VA Beach RAC/Tallahassee		<i>Ramon J. Martinez</i> @B Ramon J. Martinez, Special Agent	
CUSCA	ARCIEI SE	17. APPROVED (Type Name & Title)	
HO DIV E:EO:SD:G	AIS SE	<i>L. Rountree</i> L. ROUNTREE, Resident Agent in Charge	
FO INT	FILE		



REPORT OF INVESTIGATION
CONTINUATION

FORM 1071, FEBRUARY 1984 EDITION

1. PAGE	PAGES
2	CF 2
2. CASE NUMBER	
3. REPORT NUMBER	1

DETAILS OF INVESTIGATION:

On March 31, 1987, I contacted Detective James Bradley of the Washington, D.C. Metropolitan Police Department (MPD). I was to meet with Detective Bradley to review the documents seized, pursuant to two search warrants executed in February 1987. The meeting was to take place on April 2 or 3, 1987.

On April 2, 1987, I arrived at MPD at approximately 9:00 a.m. Detective Bradley was not available. I spoke to a third party who was willing to discuss the case with me on a strictly "off the record" basis.

I was advised that all the passport data had been turned over to the State Department for their investigation. The State Department in turn, advised MPD that all travel and use of the passports by the holders of the passports was within the law and no action would be taken. This included travel to Moscow, North Korea, and North Vietnam from the late 1950's to mid 1970's.

The individual further advised me of circumstances which indicated that the investigation into the activity of the FINDERS had become a CIA internal matter. The MPD report has been classified secret and was not available for review. I was advised that the FBI had withdrawn from the investigation several weeks prior and that the FBI Foreign Counter Intelligence Division had directed MPD not to advise the FBI Washington Field Office of anything that had transpired.

No further information will be available. No further action will be taken.

ACTION TO BE TAKEN BY LESD/TECS:

No action to be taken on the basis of this report.

Dear Ted,

I was listening to Part 2 of the Ted Gunderson telephone interview, and when you mentioned the US Customs report about The Finders, I entered US Customs Report and Finders into the Google Search Engine www.google.com and that is how I found the web page about The Finders.

I then sent an e-mail to: [<geminwalker@yahoo.com>](mailto:geminwalker@yahoo.com) and asked him/her if he/she had any more information on the Finders.

In a few minutes, I received a reply which stated that he/she didn't have any more info.

**David Parsons
Denver, CO**

**Ted Gunderson Interview
<http://www.us-government-torture.com/aaviforembaze.html>**

**Part 1 [2233k]
<http://www.us-government-torture.com/aaviforembaze.html>**

**Part 2 [3115k]
<http://www.us-government-torture.com/Baviforembaze.html>**

**Part 3
<http://www.us-government-torture.com/Caviforembaze.html>**

**Part 4
<http://www.us-government-torture.com/Daviforembaze.html>**

**Part 5
<http://www.us-government-torture.com/Eaviforembaze.html>**

**The Finders
<http://www.geminwalker-ink.net/HellFinders.html>**

Geminwalker_Ink (c)2002 all rights reserved

On February 7th of 1987, the Washington Post ran an interesting story that did not at first seem to have any particularly national significance. The article concerned a case of possible kidnapping and child abuse, and material discovered in the Washington area that they say points to a 1960s style commune called the Finders, described in a court document as a "cult" that

conducted "brainwashing" and used children "in rituals." DC police who searched the Northeast Washington warehouse linked to the group removed large plastic bags filled with color slides, photographs and photographic contact sheets.

Some showed naked children involved in what appeared to be "cult rituals," bloodletting ceremonies of animals and one photograph of a child in chains.

Customs officials said their links to the DC area led authorities into a far-reaching investigation that includes The Finders -- a group of about 40 people that court documents allege is led by a man named Marion Pettie -- and their various homes, including the duplex apartment in Glover Park, the Northeast Washington warehouse and a 90 acre farm in rural Madison County, VA.

It was the US News and World Report that would ultimately provide the follow-up to the Finders story, noting that there is a certain Customs Service memorandum that was written at the time of the original investigation, written by Ramon J. Martinez, Special Agent, United States Customs Service, describing two adult white males and six minor children ages 7 years to 2 years. The adult males were Michael Houlihan and Douglas Ammerman, both of Washington, DC who had been arrested the previous day on charges of child abuse. The children were covered with insect bites, were very dirty, most of the children were not wearing underpants and all of the children had not been bathed in many days. The men were somewhat evasive under questioning and stated only that they were the children's teachers and were en route to Mexico to establish a school for brilliant children. The children were unaware of the functions of telephones, television and toilets, and stated that they were not allowed to live indoors and were only given food as a reward.

A Detective Bradley had initiated an investigation on the two addresses provided by the Tallahassee Police Department during December of 1986. An informant had given him information regarding the cult, known as the "Finders," operating various businesses out of a warehouse located at 1307 4th Street, N.E., and were supposed to be housing children at 3918/3920 W St., N.W.

The information was specific in describing "blood rituals" and sexual orgies involving children, and an as yet unsolved murder in which the Finders might be involved.

Cursory examination of documents revealed detailed instructions for obtaining children for unspecified purposes. The instructions included the impregnation of female members of the community, purchasing children, trading and kidnapping. There were telex messages using MCI account numbers between a computer terminal believed to be in the same room, and

others located across the country and in foreign locations.

There were pictures of nude children and adult Finders, as well as evidence of high-tech money transfers.

There was a file called "Pentagon Break-In," and references to activities in Moscow, Hong Kong, China, Malaysia, North Vietnam, North Korea, Africa, London, Germany, "Europe" and the Bahamas.

There was also a file labeled "Palestinian."

One such telex specifically ordered the purchase of two children in Hong Kong to be arranged through a contact in the Chinese Embassy there. Other documents identified interests in high-tech transfers to the United Kingdom, numerous properties under the control of the Finders, a keen interest in terrorism, explosives, and the evasion of law enforcement.

There was also a set of instructions that appeared to broadcast via computer an advisory to the participants to keep the children moving through different jurisdictions and instructions on how to avoid police detection.

A photo album contained a series of photos of adults and children dressed in white sheets participating in a blood ritual. The ritual centered around the execution of at least two goats. The photos portrayed the execution, disembowelment, skinning and dismemberment of the goats at the hands of the children. This included the removal of the testes of a male goat, the discovery of a female goat's "womb" and the "baby goats" inside the womb, and the presentation of the goat's head to one of the children.

There was also a large amount of data collected on various child care organizations.

The warehouse contained a large library, two kitchens, a sauna, hot tub and a 'video room.' The video room seemed to be set up as an indoctrination center. The organization had the ability to produce its own videos. There appeared to be training areas for the children and what appeared to be an altar set up in a residential area of the warehouse. Many jars of urine and feces were located in this area.

Group leader Marion Pettie spoke in an interview in Steamshovel Press in 1998, noting that in World War II he kept house mainly for intelligence people in Washington and OSS people passing through.

Official US Customs investigation reports which have been completely authenticated by the investigating officers who wrote them and by a well

respected investigator who personally knows these Customs officials are irrefutable evidence that

1. A case of obvious child neglect/abuse involving child pedophile sexual abuse/child pornography/Satanic cult ritualistic abuse wherein the perpetrators were caught directly in the act by law enforcement, arrested on the basis of irrefutable evidence at the scene, and faced serious charges which typically bring sentences of decades in prison.

2. Search warrants were obtained for the "Finders" cult office in Washington, DC and a complete search was enacted by law enforcement which provided irrefutable pictures, movies and documents of such abuse/neglect evidence and access to the confidential arrest reports on the "Finders" cult from the arrests in Tallahassee which occurred only a day earlier (suggesting very high level connections to US Intelligence in and of itself.)

3. All investigation of the "Finders" cult by the FBI, US Customs and local law enforcement was ordered stopped by the US Justice Department on the grounds of "national security" and the matter of the "Finders" cult was turned over to the Central Intelligence Agency as an "internal security matter," since the "Finders" is and has been a domestic and international covert operation of the Central Intelligence Agency.

4. Any and all investigation of the "Finders" was immediately stopped, all evidence was suppressed and denied, and the abused children were released back to the adult perpetrators who had been arrested "in the act" and the CIA resumed its ongoing covert operation of the "Finders" cult which is used to procure and produce.

The story of the Finders cult is the story of the development of child/assets to be used to entrap politicians, diplomats; corporate and law enforcement officials; to sell child/victims to wealthy perverts to raise money for covert operations, to train some of the child/victims to be professional operatives and assassins of a totally cold, multiple personality, mind control nature.

To date only one media outlet has dared publish anything about this (US News).

In the last few years there have been more "smoking guns" proving that US intelligence agencies traffic in children, sell them and abuse them. Some of these covert operations have been tied to long term and massive importation, and distribution of narcotics into the US by the same intelligence agencies.

1. Why Johnny Can't Come Home...Noreen Gosch, The Johnny Gosch

Foundation, West Des Moines, (c)2000

<http://www.amazon.com/exec/obidos/ASIN/0970519508/geminiwalkerink/002-0987448-1865669>

2. The Pedophocracy, Dave McGowan [Return to Home Page](#) [Return to Table of Contents](#) [Next page](#)

<http://www.astrologyforthepeople.com/pedophocracy.htm>

[Return to Home Page](#)

<http://www.geminiwalker-ink.net/index.html>

[Return to Table of Contents](#)

<http://www.geminiwalker-ink.net/HellContents.html>

email ...geminiwalker <geminiwalker@yahoo.com>

to cult accused of abuse

Justice probes links to Finders

By Paul M. Rodriguez
THE WASHINGTON TIMES

A Justice Department special task force is investigating whether the CIA used a cult called the Finders as a front organization to provide computer training to intelligence agents in the 1980s.

The task force is also trying to determine whether the CIA — in an effort to hide any links with the Finders — impeded local law enforcement probes of the Washington-area communal group for child abuse in 1987.

"The central question being asked is: Did the CIA have an association with this group and did it try to shut down their (state and local officials') investigations of child abuse for purposes of protecting one or more of its operations?" said a senior federal law enforcement official familiar with the probe.

A senior CIA official yesterday denied that the agency was involved with the Finders or tried to impede police probes of the cult.

"Most days we expect our share of unusual questions, but this one is clear off the wall," a CIA spokesman told The Washington Times.

"Any claim that we obstructed justice in this case is nuts," the spokesman said.

"In fact," he said, reading from a prepared statement, "we cooperated with law enforcement authorities when questions arose in 1987."

A Washington computer-training company that employed Finders members said it trained CIA personnel, but the firm's president denied it was owned by the Finders. He said he was unaware of any use of the training for covert activities.

Justice Department officials have declined to discuss what, if anything, their probe has uncovered. "We are still in the review process," a senior official said.

The Finders, a group that has dwindled from about 40 members to fewer than a dozen, made front-page

see CIA, page A21

CIA Front page A1

news in February 1987 when two of its members were arrested in Tallahassee, Fla., on charges of child abuse.

The case received close media scrutiny partly because of accusations that the group was involved in satanic rituals, but the charges were dismissed by a Florida judge.

The Justice Department formed the task force in mid-November after several members of Congress received copies of previously confidential U.S. Customs Service records suggesting a cover-up in the Finders case to protect the CIA.

The Times has obtained these customs records and documents from both federal and local law enforcement agencies and the intelligence community that chronicle the investigation of the Finders.

One of the key documents that have prompted the Justice Department and members of Congress to question what happened six years ago is a report dated April 13, 1987, that was written by a junior Customs Service agent who was on the original team that founded Finder's prop-

erty in Washington and Virginia.

"The investigation into the activity of the Finders had become a CIA internal matter. ... [The Metropolitan Police Department] report has been classified Secret and not available for review," the agent wrote in his memo to superiors.

"I was advised that the FBI had withdrawn from the investigation several weeks prior and that the FBI Foreign Counter Intelligence Division had directed MPP not to advise the FBI Washington Field Office of anything that had transpired," the memo says.

"No further information will be available. No further action will be taken."

Other Customs Service documents and records from the FBI and Metropolitan Police provide indications that the CIA had links to the Finders or at least to some of the group's members.

A Metropolitan Police document dated Feb. 19, 1987, quotes a CIA agent as confirming that his agency was sending its personnel to a Finders Corp., Future Enterprises, for training in computer operations.

And a later Customs Service report says that the CIA "admitted to owning the Finders organization as a front for a domestic computer

training operation but that it had 'gone cold.'"

A senior Customs Service official confirmed the content of the memos and said the agency "only had a small role in the case."

A CIA official who asked not to be named confirmed that the agency had sent personnel for computer training to a company called Future Enterprises Inc.

But he cautioned, "I'm not sure if that was a Finders organization" as suggested by the Metropolitan Police and Customs Service reports.

Joseph Marinich, the president of Future Enterprises Inc., said he once had a contract to train CIA employees in computers.

But he denied that he or his firm had any involvement with the Finders or acted as a front company for the cult on behalf of the CIA. "I'm shocked and appalled that our company's name exists in any law enforcement files."

Mr. Marinich said that when the news reports on the Finders broke in February 1987, he discovered that his tax accountant, R. Gardner Terrell, was a member of the group.

"It was a total surprise to us," and Mr. Terrell's employment was ended, Mr. Marinich said.

few years ago and no longer lives in the Washington area, could not be reached. But a friend confirmed that he worked for Future Enterprises while a member of the Finders.

Current and former members of the group said Mr. Terrell's work for Future Enterprises was separate from the group's other activities.

Current members of the Finders said they did not have any interest in Future Enterprises and denied intelligence organization.

"I guess you could say we're odd," said Steve Usdin, a freelance writer associated with the Finders. "But we're not criminal."

Through a glass, very darkly

Cops, spies and a very odd investigation

The case is almost seven years old now, but matters surrounding a mysterious group known as the Finders keep growing curiouser and curiouser.

In early February 1987, an anonymous tipster in Tallahassee, Fla., made a phone call to police. Two "well-dressed men" seemed to be "supervising" six disheveled and hungry children in a local park, the caller said. The cops went after the case like bloodhounds—at least at first. The two men were identified as members of the Finders. They were charged with child abuse in Florida. In Washington, D.C., police and U.S. Customs Service agents raided a duplex apartment building and a warehouse connected to the group. Among the evidence seized: detailed instructions on obtaining children for unknown purposes and several photographs of nude children. According to a Customs Service memorandum obtained by *U.S. News*, one photo appeared "to accent the child's genitals."

The more the police learned about the Finders, the more bizarre they seemed: There were suggestions of child abuse, Satanism, dealing in pornography and ritualistic animal slaughter.

None of the allegations was ever proved, however. The child abuse charges against the two men in Tallahassee were dropped; all six of the children were eventually returned to their mothers, though in the case of two, conditions were attached by a court. In Washington, D.C., police began backing away from the Finders investigation. The group's practices, the police said, were eccentric—not illegal.

Questions. Today, things appear to have changed yet again. The Justice Department has begun a new investigation into the Finders and into the group's activities. It is also reviewing the 1987 investigation into the group to determine whether that probe was closed improperly. Justice officials will not elaborate, except to say the investigation is "ongoing" and that it involves "unresolved matters" in relation to the Finders.

One of the unresolved questions in-

volves allegations that the Finders are somehow linked to the Central Intelligence Agency. Customs Service documents reveal that in 1987, when Customs agents sought to examine the evidence gathered by Washington, D.C., police, they were told that the Finders investigation "had become a CIA internal matter." The police report on the case had



February 1987. D.C. police seize evidence.

been classified secret. Even now, Tallahassee police complain about the handling of the Finders investigation by D.C. police. "They dropped this case," one Tallahassee investigator says, "like a hot rock." D.C. police will not comment on the matter. As for the CIA, ranking officials describe allegations about links between the intelligence agency and the Finders as "hogwash"—perhaps the result of a simple mix-up with D.C. police. The only connection, according to the CIA: A firm that provided computer training to CIA officers also employed several members of the Finders.

The many unanswered questions about the Finders case now have Democratic Rep. Charlie Rose of North Carolina, chairman of the House Administration Committee, and Florida's Rep. Tom Lewis, a Republican, more than a little exercised. "Could our own government have something to do with this Finders organization and turned their backs on these children? That's what all the evidence points to," says Lewis. "And there's a lot of evidence. I can tell you this: We've got a lot of people scrambling, and that wouldn't be happening if there was nothing here."

Perhaps. But the Finders say there is nothing there—at least nothing illegal. The Finders have never been involved in child abuse, pornography, Satanism, animal slaughter or anything of the kind, says the group's leader, Marion David Pettie. Pettie, too, says the group has never been connected to the CIA. In an interview with *U.S. News*, Pettie described the Finders as a communal, holistic-living and learning arrangement. The group numbers some 20 members, Pettie says; they do freelance journalism, research and "competitor intelligence" for a variety of mostly foreign clients. The Finders work for no foreign governments, Pettie says. Their duplex, in a residential Northwest Washington neighborhood, is decorated with global maps and bulletin boards. Residents of Culpeper, Va., 90 minutes from Washington, say the Finders have operated an office there, too, from time to time. That office contained computer terminals and clocks reflecting different time zones around the world.

CIA officials say they referred all matters concerning the Finders and the police investigation to the FBI's Foreign Counterintelligence Division. FBI officials will not comment. Law enforcement sources say some of the Finders are listed in the FBI's classified counterintelligence files.

None of this fazes Pettie. He says the CIA's interest in the Finders may stem from the fact that his late wife once worked for the agency and that his son worked for a CIA proprietary firm, Air America. Overall, says Pettie, "we're a zero security threat. When you don't do much of anything, and you don't explain, people start rumors about you." To judge from the latest case, some of the rumors can last an awfully long time. ■

BY GORDON WITKIN AND PETER CARY
WITH ANXEL MARTINEZ

THE FINDERS - CIA Front established in the 1960's
It has TOP CLEARANCE and PROTECTION in its
ASSIGNED task of kidnapping and torture-programming
young children throughout the U.S. Members are specially
trained GOVERNMENT KIDNAPPERS known to be sexual
degenerates who involve the kidnapped children in
satanic sex orgies and bloody rituals as well as
murders of other children and slaughter of animals.
They use a fleet of unmarked vans to grab
TARGETED children from parks and schoolyards. In
doing so they use children within their organization
as decoys to attract the victims close to the
vans where they are grabbed by the adults. They
then drug the children and transport them to a
series of safe houses for safe keeping. They are
then used in their ceremonies, for body parts,
sex slaves and some are auctioned off at various
locations in the northern hemisphere. In the past they
have been auctioned off near a location to Las Vegas
Nevada and Toronto Canada. Marvin David [redacted] -
the leader of the cult is an identified homosexual
and pedophile and a CIA officer. His son was
an employee of a CIA proprietary firm, Air America,
which was notorious in smuggling drugs, destined
for the U.S., out of the Golden Triangle into
Saigon during the Viet Nam war.

+ Former

Member, Society of Former Special Agents of the Federal Bureau of Investigation

NEBRASKA COVER-UP

On November 4, 1988, the Franklin Credit Union, Omaha Nebraska was closed, as the result of a raid by the FBI and the IRS. It was initially opened in a minority neighborhood to provide minorities with a source for loans and other banking opportunities. Larry King, a black man, was the president. He was a rapidly rising "star" in the Republican party, having previously, sung the National Anthem at the Republican National Convention in Dallas, Texas, and New Orleans, Louisiana. Forty million dollars was missing, \$38 million of which was subsequently located, with \$2 million still missing. King's salary was \$17,000.00 per year.

On November 18, 1988, the Nebraska state legislature passed a resolution to investigate the Franklin Credit Union. As a result of this investigation, approximately 80 youngsters came forward and made allegations concerning sexual abuse as well as cult activity, including the human sacrifice of small children. Some of the most prominent community leaders, including the former publisher of the **Omaha World Herald**, Harold Andersen; the then chief of police, Robert Wadman; the society editor of the **Omaha World Herald**, Peter Citron; a former State Senator; multi-million dollar heir to Brandeis Department, Eugene Mahoney, were among those identified as perpetrators. Some of these individuals, were among those identified as involved in cult activities and human sacrifices.

Of the number of children making the allegations, only four agreed to give statements. Two of the four later recanted, but the remaining two refused to recant and held steadfast concerning their allegations. Criminal charges were filed against the two who refused to recant. One of the two, Alisha Owens, was convicted of having committed perjury before a grand jury and served two years in prison in solitary confinement. This is the longest any woman has been held in solitary confinement in the history of the State of Nebraska. (The case is under appeal. If lost, she could face up to 25 years in prison.) Charges against the other witness, Paul Bonacci, were dropped, as he had been convicted of child molestation and it apparently was felt that he had already been discredited. Subsequent investigation established that children were taken from Boys Town and a private girls' school, driven to Sioux City, Iowa, placed in private jets and flown to Washington, D.C., and other communities for sex orgies with U.S. congressmen, U.S. senators, at least one top official in the White House and other public officials. Information was also developed that the children were used as decoys for an around-the-world drug operation. They were also used in an organized child kidnapping sex slave ring in which children were kidnapped, and used in porno films and snuff films. Some were auctioned off near an air strip close to Las Vegas, Nevada and Toronto, Canada. A 10 to 13 year old blue-eyed blonde sells for \$50,000 or more. Some of these children were placed in airplanes that carried no markings and they have not been seen since. Many were sold to foreigners. Some of the children have stated that at least one of the airplanes belonged to the U.S. Drug Enforcement Agency (DEA).

21

* She said she had sex with Wadman when she was 14 years old -
she was convicted because he denied it.

Some of the sex orgy parties were held in a condominium in Washington D C., that was rented by Larry King for \$5,000 per month.

Paul Bonacci, who has drawn a diagram of the living quarter inside the White House, said he met Craig Spence and Larry King in the White House on one occasion. It is a known fact that Spence was running a male call-boy operation in the White House, (Washington Times, June 26, 1989.) Spence supposedly committed "suicide" after this information became public. He reportedly was a CIA agent who specialized in Blackmailing politicians and foreign dignitaries. Information has been received that at least one FBI agent conspired with Spence.

Paul Bonacci told how he flew to Los Angeles on one occasion, met a man and a woman he had never seen before and the three, using five different names and passports, flew drugs throughout the world. He estimates he has made more than 100 such drug runs.

Fifteen people have died mysteriously, including the senate committee appointed investigator, Gary Caradori, and his young son Andrew. Caradori's plane exploded in mid-air shortly after leaving Chicago, Illinois, for Lincoln, Nebraska on July 11, 1990. The day before, he called the chairman of the senate investigating committee Lauren Schmit and told him he had irrefutable evidence that the children were telling the truth.

The investigation of the plane explosion was conducted by the Federal Government at a military installation. No testing was done for phosphates to rule out an explosion. The toxicology tests of the bodies were conducted at a military base laboratory rather than at the civil National Transportation and Safety Board laboratory. The military lab reported an inability to test for certain chemicals. Neither Caradori's briefcase nor the rear seat of the airplane have been found. We have received information from an informant that a phosphorus bomb was used to destroy the airplane. It may have been placed under the rear seat which would account for failure to locate it. If located the seat may provide forensic proof whether or not a phosphorus bomb was used.

At the time of the plane crash, former Omaha Chief of Police, Bob Wadman, who was identified by the children, was chief of police in Aurora, Illinois, which is 30 miles from the crash site. Wadman is believed to have visited the crash site immediately after the crash.

It is a violation of the Federal Delimitation's Agreement for civilian matters to be investigated by the military.

Alisha Owen's brother, Aaron Owen, died November 9, 1990 which was less than six months after Owens refused to recant her allegations and prior to her perjury trial. Aaron reportedly hanged himself in a correction center cell. Alisha believes he was murdered in an attempt to keep her from telling the truth.

Troy Bonner, who initially made allegations and then recanted contacted Senator Schmit, chairman of the investigation committee, after the Caradori plane crash. Remorseful over Caradori's death, Bonner admitted he lied before the grand jury and was fearful for his life should he tell the truth in the upcoming trial of Owen. Prior to the trial and after this meeting with Senator Schmit and 8 other legislators, Bonner's brother, Shaun Bonner, was killed reportedly while playing "Russian roulette" at Offutt Air Base near Omaha. This death occurred two months after the death of Aaron Owen. Bonner advised his brother hated guns and he never knew him to play Russian roulette. In affidavits submitted to the U.S. District Court, Bonner states he believes his brother was murdered as a personal death threat to him (Troy) should he decide he would tell the truth at the Owen's trial.

Peter Citron, past society editor of the **Omaha World Herald**, who was identified by the youngsters as a perpetrator, was arrested by the Omaha police for sexual assault of two children on February 23, 1990. At the time of the arrest, the police confiscated more than 90 videotapes which reportedly contain sexual acts of some of the youngsters with perpetrators.

Mr. John DeCamp, a Lincoln, Nebraska, attorney who is representing some of the youngsters, pro bono, in a civil suit, claims these videotapes are the "smoking gun" in this case. Initially, it was alleged that there were no tapes. When it was documented that the tapes exist, it was denied that the perpetrators identified by the children were on the tapes. The accused later argued in court that the tapes should not be made public, as it would destroy the reputation of "respectable" and "reputable" citizens.

Thus far, Mr. DeCamp has been blocked by the courts in exposing these tapes as the court has said that the tapes will not be made public. A gag order has been issued to all parties concerning the contents of the videos. Mr. DeCamp can only review them without taking notes. At the conclusion of the case, the video tapes will be destroyed per a court order.

The latest development on the case involved a \$9 million settlement of a civil suit with the National Credit Union Association. The National Credit Union Association, which represents the insurance interest in the case, sued the law firm that represented the

Franklin Credit Union and the First Tier Bank in Omaha, claiming that they were aware of the various illegal activities on the part of those involved in the Franklin Credit Union case. Rather than go to trial, the law firm paid, \$6 million and First Tier Bank paid \$3 million. The lawsuit documents that Franklin Credit Union funds were used to pay for campaign films for former President Bush, to rent the condominium in Washington, D.C. and to pay for private jets to fly to Washington, D.C.

The law firm advised, it avoided a trial because it would have been too strenuous to their staff. In addition to the allegations of human satanic cult sacrifices, drugs, pedophilia, pornography and snuff films, there is documentation that some of the most prominent people in the country, including individuals actively involved in the U.S. civilian and military intelligence communities, are participants in these activities and involved in this network. Some of the youngsters have talked about witnessing ceremonies in which the participants wore black robes with hoods, sacrificed children and drank human blood and urine. (Satanic traits in rituals.) There are numerous references by the children to activity being conducted on U.S. government and military installations.

American Information Company (AIC) of Omaha Nebraska provides 32 voting districts in the U.S. and others internationally with scanning computerized election services. They are a private company that can be hired to count the vote in public elections. The Omaha World Herald owns 45% of its stocks.

Two days before the June 1994 Nebraska & Republican primary Mr. John DeCamp one of four candidates running for governor led the private primary polls with 33% of the vote. After the election and the count by AIC he placed third with less than 14% of the vote.

Information has been provided by the children that there is an organized pedophile ring that transports children for sex orgies from Omaha, Nebraska to Des Moines, Iowa, Minneapolis, Minnesota, Milwaukee and Madison, Wisconsin and return. The youngsters have made numerous references to an organized child kidnapping ring that is being ignored by law enforcement officials. Mr. Ted L. Gunderson, the former Senior Special Agent in Charge of the FBI Los Angeles Division has informed the FBI by registered mail of this in an attempt to pressure them into conducting an investigation. He has been told that the FBI is not interested in these matters.

The July 1982 **Readers Digest**, states that 100,000 children disappear every year and are never heard from again. The U.S. Department of Justice and the FBI can furnish the number of automobiles that are stolen each year, and provide other criminal statistics. They can furnish how many wives, husbands, sons, daughters, fathers, brothers, mothers and sisters are murdered by each family member (**Time Magazine 10/25/93**). Government officials can provide the first names of missing children nationwide since 1989 (**Las Vegas Review Journal E 16 7/24/94**), yet they do not tell collect data on the number of children who disappear each year.

In spite of the fact that some of the children in the Franklin case can assist law enforcement in these matters, the police and the FBI claim the children have no creditability. Does this mean that the FBI now has a new policy not to talk to convicts or ex-convicts because the convicts have no creditability? Is the FBI not talking to the youngsters because of the many prominent people involved? One wonders how well organized this network is and how high its tentacles reach into the Government.

Even though the above information is documented in the following books there has never been a civil liable lawsuit filed against the authors. These books can be ordered as follows:

1. Franklin Cover-Up by John DeCamp, (it can be ordered by sending \$12.00 to AWT 414 South 11th Street, Lincoln, Nebraska, 68508).

Mr. Ted Gunderson wrote to Nebraska Attorney General Don Stenberg on January 3, 1992, alerting him to possible misconduct by various law enforcement agencies in the state of Nebraska.

Mr. Stenberg responded January 28, 1992. These letters in their entirety are included in this report.

Also included are copies of letters to the FBI, copies of letters to the U.S. Attorney General, and their responses.

January 3, 1992

Honorable Don Stenberg
State Capitol, Room 2115
P.O. Box 98920
Lincoln, NE 68509-4906

Dear Mr. Stenberg:

I have been asked by the Nebraska Leadership Conference to work as a consultant on the Franklin Credit Union investigation. During my review of the case I noted the following:

1. Pornographic material has been seized as follows, with no known follow-up investigation:
 - a) FBI raid on Franklin Credit Union November 4, 1988.
 - b) Omaha Police Department arrest of Peter Citron in February 1990.
 - c) Sarpy County Sheriff's Office raid on residence of Mike Heavrin.
 - d) Omaha Police Department investigation of Walter Carlson and Joe Burke.
2. During the summer of 1990 the FBI reviewed the Senate Franklin Credit Committee investigation files without the permission or knowledge of Senator Loran Schmit. It was later learned that a number of items are missing.
3. Alisha Owen's first attorney, Pam Vuchetich, provided privileged attorney-client information to the FBI. She also failed to file a timely appeal in Miss Owen's conviction on bad check charges. Ms. Vuchetich has reportedly been romantically involved with an FBI agent.
4. The Nebraska Leadership Conference has developed information that the FBI has not only leaked information to Omaha TV stations, but asked for and received money for this.
5. Larry King and others were never subpoenaed to the Douglas County Grand Jury. Although this was an apparent judgment decision, King and others should have been subpoenaed.

Member, Society of Former Special Agents of the Federal Bureau of Investigation

- 18 -

Honorable Don Stenberg
January 3, 1992
Page 2

6. Numerous individuals identified as perpetrators have never been interviewed by law enforcement officers.
7. Instead of conducting follow-up interviews, law enforcement officers, particularly the FBI, have attempted to discredit and harass the victims (claims made by Alisha Owen, Paul Bonacci and Troy Boner. Boner advises that the FBI, U.S. Attorney's Ron Lahners and Tom Thalkin threatened him that "if he didn't recant his testimony they'd bring him up on perjury charges and send him to jail").
8. Paul Bonacci has new information about the Johnny Gosch kidnapping case in Des Moines, Iowa, yet law enforcement officers refuse to interview him or to consider further investigation of the matter. Parents of the victim advise that based on their interview with Bonacci they are confident he is telling the truth.
9. In February 1990 Robert Fenner, General Counsel for the National Credit Union Association, was advised by the FBI not to cooperate with the Franklin Credit Committee's investigator, Gary Caradori.
10. On March 9, 1990 the FBI attempted to entrap Owen by taping an arranged phone call from Boner to her.
11. A deposition by former Omaha Chief of Police Robert Wadman disappeared during the Owen trial.
12. Wadman lied under oath claiming he was not carrying a gun during the period Owen says she was involved with him.

I hope you will look into the above matters.

Sincerely,



Ted L. Gunderson

TLG:te

cc: Mr. Ed Weaver
Mr. John Morrow



STATE OF NEBRASKA
Office of the Attorney General

2115 STATE CAPITOL BUILDING
LINCOLN, NEBRASKA 68509-8920
(402) 471-2682
FAX (402) 471-3297

January 28, 1992

DON STENBERG
ATTORNEY GENERAL

L. STEVEN GRASZ
SAM GRIMMINGER
DEPUTY ATTORNEYS GENERAL

Ted L. Gunderson
International Security Consulting
and Investigations
2210 Wilshire Blvd.
Suite 422
Santa Monica, CA 90403

Dear Mr. Gunderson:

The Attorney General's Office received and reviewed your letter of January 3, 1992, regarding your impressions as a consultant on the Franklin Credit Union investigation.

Many of the issues and allegations you raise have either been addressed, are rumor, or are so vague and nebulous as to defy resolution by diligent investigation.

Nevertheless, we desire to comment as follows:

1. We note the allegation that the FBI sold information to Omaha t.v. stations. Please provide all of the information and leads you have available on this particular allegation. We will then review and follow up as necessary;

2. We also note the allegations regarding new information on the Johnny Gosch kidnapping case. Please provide all details on this that are available to you. We would particularly like to know when Mr. Bonacci initially disclosed this new information and to whom and whether there is any written record of the same in either a statement by Paul Bonacci or a transcribed record of his remarks or interview. It also would be helpful were you to provide us with names, addresses and rank of any law enforcement officials who refused to interview him or to consider the information.

We are assuming, Mr. Gunderson, that in the preparation of your letter of January 3, 1992, you have done more than simply parrot unsubstantiated allegations made to you orally or which you may have picked up in written material reviewed, and therefore, have specific information to back up your concerns. Hence, the above requests.

L. Jay Bartel
J. Kirk Brown
David T. Bydalek
Laurie Smith Camp
Eileen A. Chapman
Celeste N. Coe-Barber

David Edward Cygan
Mark L. Eitz
James A. Elworth
Laura M. Essay
Lynne R. Frite
Royce N. Harper

Marilyn B. Hutchinson
Kimberly A. Kiehn
Dennis A. Kohtz
Charles E. Lowe
Lisa D. Martin-Price
Lynn A. Melsen
Marilyn M. Muehler

Fredrick F. Neid
Paul N. Petadis
Marie C. Pawel
Kenneth W. Payne
Jan E. Rempe
James H. Speart
Mark D. Starr

John R. Thompson
Barry Wald
Terri M. Weeks
Alicia Whitaker
Melanie J. Whittemore-Manitzke
Linda L. Willard

Ted L. Gunderson
January 28, 1992
Page -2-

We will keep certain other matters under advisement. In the meantime though, you are encouraged to send us any specific, substantiating material available to you regarding any one or more of the other items mentioned in your correspondence.

Sincerely yours,

DON STENBERG
Attorney General

Sam Brinkinger
Deputy Attorney General

2-2883-3

March 10, 1992

Honorable Don Stenberg
Attorney General
Office of the Attorney General
State of Nebraska
2115 State Capitol Bldg.
Lincoln, NE 68509-8920

Dear Mr. Stenberg,

Thank you for your response to my letter. Your reference to my "impressions" indicates to me that you do not place much importance on the issues outlined by me. Regardless, I hope you will review the enclosed report with fair minded professional and responsible judgement.

There is a high level of frustration and animosity building among concerned citizens in Nebraska who are either victims or who have seen enough through time to prove that there may be a conspiracy of sorts to cover up a series of indisputably disgraceful, scandalous crimes.

You may not want to address their concerns, but you must agree that they deserve the attention such allegations require without being flippantly disregarded.

It is because of their frustrations that I was hired as a consultant by the Nebraska Leadership Conference. As you can see by my resume I am more than qualified to investigate this matter. I expect your level of professionalism predisposes your office to do the same.

Cordially,

TLG/lkh

Encl. (11)

CC: Senator Loran Schmit
Attorney John DeCamp
Governor Ben Nelson

Member, Society of Former Special Agents of the Federal Bureau of Investigation

GUNDERSON REPORT

March 10, 1992

ALLEGATIONS

1. Pornographic material was seized with no known follow up investigation:
 - a) FBI raid on Franklin Credit Union 11/4/88
 - b) Omaha Police Department arrest of Peter Citron in February 1990
 - c) Sarpy County Sheriff's office raid residence of Mike Heavrin
 - d) Omaha Police Department investigation of Walter Carlson and Joe Burke

DOCUMENTATION

Since writing you January 3, 1992 I have learned about a raid in the spring of 1989 by the Douglas County Sheriff's Office at the home of Bob Andressen at Ralston, Nebraska.

The Omaha Police Department, Nebraska State Police and Douglas County Sheriff's Office have pornographic pictures, taken during this raid, of Troy Boner, Danny King and others (this information is from a reliable source).

Why wasn't this used to discredit Boner at the Alisha Owen trial? More importantly, why is this being ignored?

LARRY KING

Immediately prior to the FBI Larry King raid, King removed pornographic material from his home and office and placed it in the trunk of his automobile. Regardless, the FBI did confiscate a porno movie containing "local children". Why haven't efforts been made to identify the children?

PETER CITRON

Two counts of sexual assault on a child were filed against Citron on February 23, 1990. He pleaded "no contest" in Douglas County District Court. A vast quantity of pornographic material was confiscated when he was arrested. Since he plead no contest, none of it was ever introduced into evidence. What happened to the material? No one seems to know. In addition to the pornographic material Citron had computer discs which contained the names of all his victims with their addresses and dates they were abused.

WALTER CARLSON AND JOE BURKE

Walter Carlson and Joe Burke were among thirteen men arrested in Omaha in connection with a large pornography/pedophile case. Joe Burke had a library of 2,000 videos and 10,000 photos which were confiscated. Convicted in December of 1985, Carlson was paroled in February of 1989. What happened to this material?

ALISHA OWEN

Alisha Owen was taped on video during a formal interview while she was incarcerated. The purpose of the interview was to furnish detailed information known to her concerning kiddie pornographic activity by Larry King, Peter Citron, and others. This interview was played on December 16, 1989 in the presence of Judge Deacon Jones, Harold Le Grande, Nebraska State Patrol, Dick Roth, Douglas County Sheriff's Office and Bill Howland, Nebraska Attorney General's Office.

TWIN TOWERS

One of the jurors in the Alisha Owen trial decided to check out the much vaunted security system of the Twin Towers. The prosecution tried to prove that it would have been impossible to gain entrance as easily as the kids had said they did. So unannounced, the juror went to the Towers and found no guard at the door. He opened the door, went in and proceeded unhindered to the fourth floor.

Coincidentally, Alan Baer had some problems with a security guard at the Towers who complained to Baer about all the traffic Baer was getting. The guard subsequently began videotaping arrivals and departures at Baer's apartment. The FBI picked up the tape the first part of March 1990 and it was never seen again.

If you are interested, detailed documentation of the above information and the identity of the more than 80 victims in the Franklin investigation are available through Senator Schmit's office. A responsible agency should review the above seized pornographic material and attempt to match the pictures with the victims of the Franklin case.

I am confident you have the contacts to document and confirm the above raids and incidents relating to seized pronographic material.

ALLEGATION

2. Material was missing from Senator Schmit's office after FBI agents reviewed his records. Senator Schmit was not in his office at the time.

DOCUMENTATION

This can be documented by contacting Senator Schmit and his staff.

ALLEGATION

3. Pam Vuchetich provided privileged attorney - client information to the FBI, failed to file a timely appeal for Alisha Owen and reportedly has been romantically involved with an FBI agent.

DOCUMENTATION

On March 9, 1990 the FBI and Nebraska State Patrol searched Alisha Owen's cell. They were looking for a red file "Alisha Owen VIP" (very important papers) Prison officials asked that an inventory be made of all articles taken. When the articles were returned several were missing and simply had been scratched off the list. Apparently, through error the FBI returned eight letters postmarked after March 9, 1990. (Did the FBI illegally intercept this mail?) At the time of the raid Miss Owen told the investigators that the red file had been given to her attorney Pam Vuchetich for safe keeping. The investigators contacted Mrs. Vuchetich the next day and she voluntarily gave them the file without the permission of Miss Owen.

After Miss Owen dismissed Mrs. Vuchetich as her attorney, Mrs. Vuchetich refused to return evidence to Miss Owen. Among this material was a personal note from Jeff Hubbell to Miss Owen.

Hubbell introduced Miss Owen to former Chief of Police Robert Wadman. Hubbell testified at the trial that he didn't know Owen. This note would have refuted Hubbell's testimony.

NEBRASKA STATE BAR

Mrs. Vuchetich was subsequently charged with two counts of violating attorney - client privileges and one count of not filing a timely appeal on Miss Owen's behalf.

Two weeks later a FBI agent appeared before the bar association on her behalf and the charges were dropped. The bar association files have been sealed.

MRS. VUCHETICH'S INVOLVEMENT WITH THE FBI

From December 1989 to April 1990 Mrs. Vuchetich spent more than 1,166 minutes (177 phone calls) talking to someone at the FBI office.

On April 25, 1990, Alisha's parents were approached by Mrs. Vuchetich who at that time was Miss Owen's attorney. Mrs. Vuchetich advised that the FBI asked her to approach Miss Owen and have her claim that a journalist, Mike Casey, had gone to Miss Owen and given her seven hours of testimony to memorize. Miss Owen was to claim that this case involved a scenario made up by Casey to create material for a TV movie.

Vuchetich told them if Alisha would tell the FBI that this was true, then they could help Alisha and the plot would be uncovered and everybody could go home. She refused.

Mrs. Vuchetich possible romantic involvement with an FBI agent is not significant to these allegations.

Documentation for the above is available through the Nebraska Legislative Committee and the Nebraska State Bar.

ALLEGATION

4. The Nebraska Leadership Conference developed information that the FBI has not only leaked information to Omaha TV stations, but asked for and received money in exchange for information.

DOCUMENTATION

Michael McKnight of WOW-TV reportedly told Alisha Owen that he bought the taped Caradori interviews of Owen, Troy Boner and Dan King from the FBI. He apparently is the only reporter who has these tapes. They were initially furnished to the FBI by the Franklin Senate Investigative Committee. McKnight also reportedly told this to Donna Owen, Dan and Stephanie Gruber and other members of Concerned Parents Group. Their names are available through the Grubers.

ALLEGATION

5. Larry King and others were never subpoenaed to the Douglas County Grand Jury.

DOCUMENTATION

This can be verified from a review of records. Others who were not subpoenaed before the Grand Jury include Peter Citron, Alice King, Jeff Hubble, and Mike Casey, the person who, according to the Grand Jury, is responsible for the carefully crafted hoax. How can the Grand Jury blame this scenario on Casey and not have him testify? Is it because they didn't want his testimony on record? Alan Baer was subpoenaed but never appeared.

Most of the victims did not appear before the Grand Jury including Rod, Tony and O'Dell Evens who were known by the police to be close associates of Larry King. Wouldn't a Grand Jury normally be interested in the victims of a crime, particularly when their testimony would be pertinent to the investigation? This information can be verified through court records.

ALLEGATION

6. Numerous individuals identified as perpetrators have never been interviewed by law enforcement officers.

DOCUMENTATION

Larry the Kid was never interviewed. The Grand Jury decided that this individual mentioned by numerous victim/witnesses was a fictitious character. In fact he was the same individual identified by several witnesses as "King's Horses" who was named as being in attendance at satanic rituals on several occasions.

The official of the Fort Calhoun School system was never interviewed.

Other names can be obtained from a review of the Franklin Committee Files, copies of which are in your possession.

ALLEGATION

7. Instead of conducting follow-up interviews, law enforcement officers, particularly the FBI, have attempted to discredit and harass the victims.

DOCUMENTATION

These claims were made by Alisha Owen, Paul Bonacci and Troy Boner. Boner advised that the FBI, U.S. Attorney's Ron Lahners and Tom Thalkin threatened him that "if he didn't recant his testimony they'd bring him up on perjury charges and send him to jail" (this is exactly what happened to Miss Owen). Boner's taped interview is available for review. Lisa and Tracy Webb were among the first victims to claim they were sexually molested. Following interviews by the FBI and Nebraska State Patrol, Lisa stated she was unwilling to testify. The allegations made by the Webb girls, as well as the 15-year old patient at Richard Young Hospital, would ultimately be corroborated, even expanded upon, by numerous children who also claimed to be victims of King and others. A witness for the prosecution at the Owen perjury trial, Steve Solburg admitted under cross examination that when the FBI interviewed him he felt intimidated and that all the Grand Jury's questions asked of him were designed to discredit Owen.

Shawnetta Moore, Dan King, James Christopher Davis and Mike Holmes have reportedly been intimidated by law enforcement officers.

The reports of feeling intimidated were common among victims/witnesses who were interrogated by OPD, MSP, and FBI. As a result some victim/witnesses refused to testify.

On December 14, representatives of the FBI and the State Patrol contacted the Foster Care Review Board, and began to question the children's reliability and credibility even though one of them had passed four polygraph tests administered by the State Patrol.

Other names can be obtained from the Franklin Senate Investigation Committee.

ALLEGATION

6. Paul Bonacci has new information about the Johnny Gosch kidnapping case in Des Moines, Iowa, yet law enforcement officers refuse to interview him or to consider further investigation of the matter. Parents of the victim advise that based on their interview with Bonacci they are confident he is telling the truth.

DOCUMENTATION

Documentation concerning this along with transcripts of interviews with Mr. Bonacci were furnished to you by Mr. John W. DeCamp on 8/7/91. (See attached letter.)

This information was also furnished to the following individuals and agencies:

Nebraska Department of Social Services
Douglas County Attorney
Omaha Police Department
Nebraska Foster Care Review Board
Nebraska Legislature Health and Welfare Committee
Nebraska Legislature Judiciary Committee
Douglas County Sheriff's office
U.S. Attorney for State of Nebraska
Nebraska Leadership Conference
Dr. Beverly Mead, Creighton University
Dr. Judianne Denson-Gerber
Dr. Lilly Stroller, Immanuel Medical Center
Judge Patrick Mullen/Douglas County District Court

In answer to your questions:

1. Mr. Bonacci disclosed this information to private investigator Roy Stephens on 1/19/91.
2. His transcribed interview was furnished to you on 8/7/91.
3. There has been no response from any of the agencies, including yours. After the information was developed by Mr. Stephens there was a delay until Mr. and Mrs. Gosch could travel from Des Moines to Lincoln and discuss the matter with Bonacci.
4. The Gosches released the following statement after their interview with Bonacci:
 - Bonacci's statements were credible.
 - He has information about details of the case that have never been made public.

- Information developed by Mr. Stephens indicate a child sex ring of four men planned and carried out the abduction of their son.
5. Bonacci claims he participated in the abduction of Johnny Gosch who was taken for child pornography.
 6. Noreen Gosch, Johnny Gosch's mother, said that Bonacci knows "some incredible things about the case".
 7. Mrs. Gosch stated "there were photos taken of Johnny prior to the kidnapping. We know because a woman reported it to police. We're convinced Bonacci saw those photos. He accurately described the location which is not far from our home. He described many things about the photos which we have never talked about."

Lt. Garry Scott who is in charge of the investigation for the West Des Moines police said the Gosch family has shared some of the information with investigators. He said police have no plans for interviewing Bonacci. "We are aware of what's going on. We're not going to re-invent the wheel. This has been investigated in Nebraska. When things need investigating here, they will be investigated."

The above information appeared in the Lincoln Star in March 1991.

Bonacci claims that during his 5th grade year at Carter Lake School, he met a man named Emilio while at a park near Carter Lake. There was a 13 year old boy name B---- with him, who told Paul that Emilio kidnapped young boys and sold them to men for use in kiddie porn, snuff films, or for personal sexual use. "Emilio told me how much fun I could have going with him and B----." Emilio told Bonacci that he could get rich and then showed him a bag with a lot of money in it.

Emilio was described as Mexican with a slight accent. He was about 5'9", 190 pounds with a mustache and a beard. He had brown eyes, black, curly short hair and a tattoo of a naked lady on his left arm. He had a scar from a knife wound under the tattoo. Bonacci later went with Emilio to Des Moines in September of 1982 when he was 15. Bonacci claims he was present when Emilio abducted a 12-year-old paperboy, Johnny Gosch.

Paul Bonacci was later to see Emilio in California while on a trip for Larry King in 1984. Emilio tried to get him to go with him to help "snag" kids so they could be sold near Las Vegas for \$5,000 to men who would use them as sex slaves. He saw him once in '86 but not since then.

There has been no contact with Mr. Bonacci concerning this matter by either Iowa or Nebraska authorities.

The above can be confirmed from a review of information in your files (see John DeCamp's letter of 5/7/91) and an interview with Mr. and Mrs. Gosch.

ALLEGATION

9. In February 1990 Robert Fenner, General Counsel for the National Credit Union Association, was advised by the FBI not to cooperate with the Franklin Credit Committee's investigator, Gary Caradori.

DOCUMENTATION

This information can be documented from the Senate Franklin Committee files.

ALLEGATION

10. On March 9, 1990 the FBI attempted to entrap Owen by taping an arranged phone call from Boner to her.

DOCUMENTATION

On March 9, the FBI arranged for Boner to phone Owen from their office to try to entrap her while taping the conversation. The tape was played in court. Owen kept telling Boner to just "tell the truth" but the media reports made it sound like Boner was telling that to Owen.

Miss Owen claims the tape has been altered.

This can be verified by examination of the tape by an expert. The tape is available at the office of the Senate Legislative Committee.

ALLEGATION

11. A deposition by former Omaha Chief of Police Robert Wadman disappeared during the Owen trial.

DOCUMENTATION

A deposition by Attorney Jerry Spence taken from Robert Wadman in a 1980 lawsuit had been introduced into evidence by the defense. It was important because it proved that Wadman had lied about not carrying a gun since 1973. When the jury requested that evidence during their deliberations, a 40 minute search was made of the Evidence Room. The evidence had disappeared and was not available.

School records for Dan King were introduced as evidence in the trial. The records showed that King was enrolled in school at Grandview, Texas for 16 weeks during the fall of 1983. During this 16 week period he missed 8 weeks plus the holidays. Out of 16 weeks he was only in school for 5 weeks. When the jury requested these records during deliberation it was learned that they had disappeared.

This can be documented from a review of court records. If the records have now reappeared the incidents can be verified through the Franklin Senate Investigative Committee.

ALLEGATION

12. Wadman lied under oath claiming he was not carrying a gun during the period Owen says she was involved with him.

DOCUMENTATION

One of the counts on which Owen was indicted for perjury concerned Wadman showing her a gun. Wadman testified that he had not carried a gun since '73. Attorney Jerry Spence was taking a deposition from Wadman in 1980 in connection with a Utah lawsuit. He asked Wadman if he were carrying a gun to which Wadman replied "yes". Wadman lied to the Grand Jury!

This can be documented by reviewing court transcripts and the Spence deposition.

MISCELLANEOUS

In addition to the above I have learned that the Legislative Committee gave videotaped interviews of Troy Boner, Alisha Owen and Dan King to the FBI and Nebraska State Patrol.

The FBI synopsisized the interviews in a 45 page document. The purpose of the synopsis was to brief judges and the Attorney General's office. I have been informed that there was information in the synopsis that was not in the tape.

Troy Boner's tape, which had been in the control of the FBI, was played to the Grand Jury. I have been informed that the tape was altered. Miss Owen claims that everything Boner said that corroborated her statements were deleted. In one instance there was no break in the tape yet Boner's shirt was different from the previous scene.

These tapes are available for review at the Senate Investigative office.

I have been informed that in the spring of 1984 Troy Boner, Larry King, Larry the Kid, Dan King, a fat man from a French restaurant, a pilot named David Hughes, Alisha Owen and a 10- to 13-year-old boy made a trip to Los Angeles. The boy cried during the trip from Omaha to Los Angeles. The boy did not make the return trip to Omaha.

Troy Boner and Danny King were never polygraphed as reported by the Lincoln Star and the Omaha World-Herald. None of the kids were except Lisa Webb. And she passed. Paul Bonacci is willing to take one. Miss Owen was polygraphed and passed.

Karen Orminston, Gary Caradori's associate, took a polygraph test. She wanted to refute the charges that Caradori had scripted or led the witnesses. She passed.

I trust you will give these matters the attention they obviously deserve.

ALLEGATIONS AND DOCUMENTATION
CONCERNING POSSIBLE COVERUP

Copies of the above documents were forwarded early 1992 to:

- William Barr, U.S. Attorney General, Washington, D.C.
- Judge William Sessions, Director, F.B.I., Washington, D.C.
- Ron Lahners, U.S. Attorney, Omaha, Nebraska
- Governor Ben Nelson, Lincoln, Nebraska
- F.B.I., Omaha, Nebraska
- F.B.I., Los Angeles, California

March 11, 1992

Mr. William Barr
U. S. Department of Justice
10th and Constitution Avenue NW
Washington, D.C. 20530

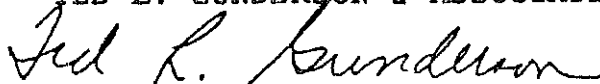
Dear Mr. Barr:

The enclosed report contains information which indicates that FBI personnel have been in violation of the Obstruction of Justice Statute.

This report also contains information concerning the Johnny Gosch kidnapping case in Des Moines, Iowa. There appears to be an organized kidnapping ring operating in this country within the jurisdiction of the FBI that is not receiving the proper attention. I would appreciate your checking into this matter.

Cordially,

TED L. GUNDERSON & ASSOCIATES, INC.



Ted L. Gunderson
Private Investigator

TLG/sej

Encl. (1)

CC: FBI - Omaha, NE
FBI - Los Angeles, CA
Senator Schmidt - NE
Attorney John DeCamp - NE
Governor Ben Nelson - NE



Office of the Assistant Attorney General

Washington, D.C. 20530

APR 20 1992

Mr. Ted L. Gunderson
Ted L. Gunderson and Associates
International Security Consulting
and Investigations
2210 Wilshire Boulevard
Suite 422
Santa Monica, California 90403

Dear Mr. Gunderson:

The letter and enclosures that you recently sent to Attorney General Barr have been referred to this office.

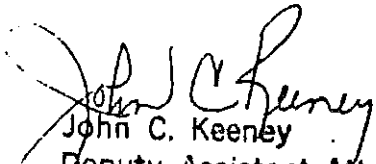
Your letter alleges that personnel of the Federal Bureau of Investigation (FBI) have obstructed justice and states that you have information concerning kidnapping within the jurisdiction of the FBI.

Having reviewed your enclosures, however, there is no evidence of misconduct by FBI personnel that would justify your charge of obstruction of justice.

If you have any new evidence about kidnapping, please provide it to your local office of the FBI.

Sincerely,

Robert S. Mueller, III
Assistant Attorney General

3y 
John C. Keeney
Deputy Assistant Attorney General
Criminal Division

May 26, 1992

Mr. Robert S. Mueller, III
Assistant Attorney General
U.S. Department of Justice
Criminal Division
Washington, DC 20530

Re: Your letter dated April 20, 1992

Dear Mr. Mueller:

Thank you for reviewing the material I sent you March 11, 1992.

I did not state that FBI personnel were in violation of the Obstruction of Justice statute. I only advised that there was an indication of this. I thought you would want to at least check into the matter. I am sorry to learn you do not feel it deserves further attention.

I have enclosed the book *The Franklin Cover-up*, by former Nebraska State Senator John W. DeCamp. Your attention is directed to Chapter 14, "Cover-up Phase III: The FBI," which makes additional allegations of FBI misconduct and possible violations of the Obstruction of Justice statute.

Sincerely,



Ted L. Gunderson

TLG:te
Encl.

March 11, 1992

Judge William Sessions
Director of F.B.I.
F.B.I. Headquarters
Washington, D.C. 20535

Dear Judge Sessions:

The enclosed report contains information which indicates that FBI personnel have been in violation of the Obstruction of Justice Statute.

This report also contains information concerning the Johnny Gosch kidnapping case in Des Moines, Iowa. There appears to be an organized kidnapping ring operating in this country within the jurisdiction of the FBI that is not receiving the proper attention. I would appreciate your checking into this matter.

Cordially,

TED L. GUNDERSON & ASSOCIATES, INC.

Ted L. Gunderson
Private Investigator

TLG/sej

Encl. (1)

CC: FBI - OMAHA, NE
FBI - LOS ANGELES, CA
SENATOR SCHMIDT - NE
ATTORNEY JOHN DECAMP - NE
GOVERNOR BEN NELSON - NE

April 6, 1992

Honorable Ron Lahnens
U.S. Dept. Of Justice
P.O. Box 1228 DTS
Omaha, NE. 68101

Dear Mr. Lahnens:

The enclosed report contains information which indicates that the FBI personnel have been in violation of the Obstruction of Justice Statute.

This report also contains information concerning the Johnny Bosch kidnapping case in Des Moines, Iowa. There appears to be an organized kidnapping ring operating in this country within the jurisdiction of the FBI that is not receiving the proper attention. I would appreciate your checking into this matter.

Cordially,

TED L. GUNDERSON & ASSOCIATES

Ted L. Gunderson
Private Investigator

TLG/dm

Encl. (1)

CC: FBI - Omaha, NE
FBI - Los Angeles, CA
U.S. Dept of Justice, Washington, D.C.
Governor Ben Nelson, NE

March 23, 1992

Special Agent In Charge
215 North 17th Street
Omaha, NE 68102

Dear Sir:

On March 11, 1992, I wrote to William Barr U.S. Department of Justice in an effort to draw his attention to the Obstruction of Justice Statute which I believe is being violated in the State of Nebraska and what appears to be an organized kidnapping ring operating within this nation.

On January 3, 1992 I wrote to Nebraska Attorney General Don Stenberg alerting him to possible misconduct by various law enforcement agencies in the State of Nebraska. Mr. Stenberg responded on January 28, 1992 through one of his assistants and the documents enclosed are in response to Mr. Stenberg's letter.

I am sending copies to you because the evidence clearly shows that there is a problem in Nebraska and a national problem that must be cleaned up if the citizens of this country are to enjoy justice and safety. As a leader in your community I felt sure that you would want to be informed.

If you have questions or comments please contact me at your earliest convenience.

Cordially,

TED L. GUNDERSON & ASSOCIATES, INC.

Ted L. Gunderson
Private Investigator

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STATE OF NEBRASKA
Office of the Attorney General

2115 STATE CAPITOL BUILDING
LINCOLN, NEBRASKA 68509-8920
(402) 471-2682
TDD (402) 471-2682
CAPITOL FAX (402) 471-3297
1235 K ST. FAX (402) 471-4725

DON STENBERG
ATTORNEY GENERAL

December 14, 1992

L. STEVEN GRASZ
SAM GRIMMINGER
DEPUTY ATTORNEYS GENERAL

Ted L. Gunderson
International Security Consulting
and Investigations
2210 Wilshire Blvd.
Suite 422
Santa Monica, CA 90403

RE: Franklin Credit Union

Dear Mr. Gunderson:

The Attorney General's Office received and reviewed the latest material sent regarding the Franklin Credit Union investigation and the Alicia Owen's case. Thank you for sending the information.

We note the updated information consisted of certain affidavits purportedly signed by jurors who served in the Alicia Owen's case. We note these issues were addressed by Judge Raymond J. Case, in response to a new trial motion filed by Alicia Owen's legal counsel. An order was entered by the court, a copy of which we enclose for your reference, although I suspect you are already aware of the document.

Perusal of the Judge's Order indicates the Motion for New Trial was overruled. At that stage, legal counsel for Alicia Owen had the option of pursuing the matter further by appealing the case, in which event the matter would be reviewed and reconsidered by either the Nebraska Court of Appeals or the Nebraska Supreme Court. So the issues raised by the affidavits have already been addressed by the trial court and could, depending upon timely filing of appeal, be further considered. Consequently, opportunity existed within the scope of the litigation to address the affidavits.

Please understand, Mr. Gunderson, that we are not unmindful of the problems of child abuse both sexual and physical and our people, as they work on cases, have been instructed to watch for any indication of cults or clandestine groups or organizations that traffic in children for sexual purposes.

David K. Arterburn
L. Jay Bartel
J. Kirk Brown
David T. Bydalek
Laurie Smith Camp
Elaine A. Chapman
Delores N. Coe-Barbee

Dale A. Comer
James A. Elworth
Lynne R. Fritz
Royce N. Harper
William L. Howland
Marilyn B. Hutchinson
Kimberly A. Klein

Donald A. Kohtz
Joseph P. Loudon
Charles E. Lowe
Lisa D. Martin-Price
Lynn A. Melson
Harold I. Mosher
Fredrick F. Neid

Marie C. Pawol
Kenneth W. Payne
Paul N. Potadle
Jan E. Rempe
James H. Spears
Mark D. Starr

John R. Thompson
Barry Waid
Terri M. Weeks
Alfonza Whitaker
Melania J. Whittamore-Mantzios
Linda L. Willard

Ted L. Gunderson
December 14, 1992
Page -2-

We certainly intend to follow up on any information called to our attention which is specific and reliable enough to constitute suitable leads.

Sincerely yours,

DON STENBERG
Attorney General

A large, handwritten signature in black ink, appearing to be "Sam Gruminger", is written over the typed name and title. The signature is highly stylized and somewhat illegible due to the overlapping lines.
Sam Gruminger
Deputy Attorney General

2-4231-3

Documentation of Coverup by FBI

Chapter 14 of the book

The Franklin Coverup

by Former Nebraska State Senator John DeCamp

(For a copy of this book, send \$9.70, check or money order, to A.W.T. Inc., P.O. Box 85461, Lincoln, NE 68501. The book contains numerous references to President George Bush.)

CHAPTER 14

COVER-UP PHASE III: THE FBI

In a deposition taken October 13, 1989, John Stevens Berry, counsel for the Franklin committee, was grilling OPD Chief Wadman about the lack of OPD follow-up on the child abuse when it was first reported. In exasperation, Wadman replied:

The tough thing with this, Mr. Berry, is that we have the FBI who conducts an investigation and basically says the same things that we have said. If the FBI, are they now linked to this cover-up in some way? Should the Justice Department be investigated as somehow or another assisting in this "cover-up?"

Wadman said it, but in this case it's true. The Justice Department, acting through the FBI and the U.S. Attorney's Office in Omaha, emerges from the record of the Franklin investigations not so much as a party to the cover-up, but as its coordinator. Rigging grand juries, harassment of witnesses, incitement to perjury and tampering with evidence—federal personnel were seen to apply all of those techniques in the Franklin case.

. . .

In a case full of reported trips across state lines for sexual exploitation purposes, involving prominent persons from the national political parties, where was the Federal Bureau of Investigation? It was running interference, and worse.

Maybe Senator Schmit and I got the message in its purest form, when we met with Omaha FBI head Nick O'Hara in his

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COVER-UP PHASE III: THE FBI ■

office in early 1989. O'Hara, who kept Wadman's picture on his desk, threatened, "You f--- with Bob Wadman, you f--- with the FBI!"

There was a hint of trouble from the Bureau already in the summer of 1988, as OPD Officer Irl Carmean recollected in a memo to Deputy Chief Charlie Parker, dated December 20, 1988. A fellow officer had just reminded Carmean of a meeting back in July or August, where

Lt. (Bill) Goodrich spoke of the Larry King investigation and stated that he (Goodrich) had been in contact with a federal agency that was also investigating King. To the best of Officer Berney's recollection, Lt. Goodrich said that the federal agency was concerned that our child pornography/abuse investigation might hamper their investigation. Officer Berney told me that although he wasn't sure, it was either directly stated or he (Berney) got the impression that we were to either "slow down or back off" in our investigation so as not to impede the federal case.

In 1988 and 1989, according to testimony to the Legislature's Franklin committee, the FBI claimed to be interested in Franklin money issues, but not child abuse. Dennis Carlson of the Foster Care Review Board testified to the Franklin committee, citing state Assistant Attorney General William Howland, that U.S. Attorney Tom Thakken had said "that the federal authorities were investigating Mr. King. . . . But he said basically their investigation was confined to the money issues, and they were not specifically investigating allegations of child abuse."

Howland's part-time investigator, Vlahoulis, told the Franklin committee that it was his impression the FBI had information on private charter flights, something Gary Caradori would confirm in a dramatic way.

Moreover, as advertised in a May 12, 1990 article in the *World-Herald*, the FBI had been looking at Franklin since 1987, for over a year before it was closed! The FBI men could hardly have been unaware of the Franklin ambiance, not to mention the bedroom in the new addition, and the evidence shows that they were not. It was reported in the *Lincoln Journal*

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in December 1988, as summarized by Jerry Lowe for the Franklin committee, that "an ex-employee who is not identified said that when FCU shut down, FBI agents immediately began asking questions regarding child pornography, drugs and the lifestyle of Larry King."

Caradori's notes of March 14, 1990 record that on the day of the federal agents' raid, he was told by a member of the accounting firm that was auditing Franklin, that

a large amount of pornographic material was taken out of the credit union, including videos and photographs depicting sexual acts. I was told that if Friedrichs* or any of the other people working for the CPA firm that was contracted by the government would say anything, that they would automatically lose their jobs.

That evidence was never made available to the Franklin committee, nor its existence publicly acknowledged by the FBI. All warrants concerning the raid were sealed by U.S. Magistrate Richard Kopf.

. . .

The Douglas County grand jury proclaimed on July 23, 1990, that the allegations and evidence of Franklin-linked child abuse were a "carefully crafted hoax." Its report implied that the perpetrators were Alisha Owen, journalist Michael Casey, and the late Gary Caradori. According to testimony of Alisha Owen and her parents before the Franklin committee, the FBI had this line already in March of 1990, *before the grand jury even started sitting.*

Alisha testified to the Franklin committee on June 11, 1990, before promulgation of the grand jury report, that her former lawyer Pam Vuchetich had come to see her in the spring,

giving a proposal from the FBI that if I recanted my story then nothing would happen to me, I could possibly get out of prison and no charges would ever be brought against me. Such as, if I recanted my story, they wouldn't charge me with perjury, they wouldn't charge me with lying, they would just drop the

whole thing, they would write letters to the judge asking for my sentence reduction so I could get out of prison. And if—and in this deal I would have to say that Gary Caradori and Mike Casey came to me, they set this whole thing up, they told me what to say, we got scripts, we were promised monetary values. And I would be taken care of.

On June 21, 1990, Donna and Alvin Owen told the Franklin committee about that incident.

DONNA OWEN: My concern is that Pam came to us and said that the FBI wanted Alisha to say this, to drop it.

SENATOR LYNCH: You testified that your husband was there?

ALVIN OWEN: Sitting in the living room, I remember.

SENATOR LYNCH: You heard her say that? . . . Did she tell you who in the FBI made that deal, made that offer to her?

DONNA OWEN: Mickey Mott. . . .

SENATOR LYNCH: Was Mickey Mott—was there anybody else with this Mickey Mott?

DONNA OWEN: He works closely with Rick Culver and John Pankonon.

SENATOR LYNCH: Okay. Well, for the record, do you remember the date at which time she told you about the FBI deal when your husband was present?

DONNA OWEN: This would have been on Tuesday, I believe. If Tuesday is April 25, then it would have been Tuesday, April 25, 1990. It would have all—that was brought up then, but it was also brought up earlier, in March. Because at that time, I called Senator Labeledz and I said, do you realize that this is what is happening and I want to tell you this because I think when all is said and done it's not going to just be this man Mike Casey, they are going to say that Gary Caradori was in on it and that members of the legislative committee were in on it. And she was very concerned and she immediately went to get Senator Schmit and I talked with him about it also. And that would have been in March.

SENATOR SCHMIT: I recall that.

In order for the FBI to claim that all of the Franklin committee's evidence was a hoax, they had to break one or more of the witnesses Caradori had taped. Troy Boner and Danny King recanted; what happened with Troy shows the hand of the FBI.

On the evening of July 11, 1990, the day her husband crashed to his death, Sandie Caradori received several phone calls from Troy Boner. She wrote up her notes on the calls:

I need to preface this writing by explaining that in the course of the Franklin Credit Union investigation, many calls were received at our home from Troy Boner. I was familiar with the individual's voice and can be 100% assured that I did, in fact, receive the telephone calls from him.

In the early evening of Wednesday, July 11, 1990, several telephone calls were received at our home by an individual identifying himself as "Troy." Different individuals answered the telephone and took the message from him. I was either talking to other visitors at our home or in no shape to come to the telephone. In any event, if necessary I can supply names of the parties who can attest to the fact that a "Troy" called for me during that evening.

Later in the evening, Troy again called and I was able to go the telephone. It should be noted that I did not initiate the call, nor did I know what, if anything, he wanted to speak to me about.

The following is a synopsis of the conversation:

sc: This is Sandie Caradori. . . . Troy, what do you want to say?

tb: First, you have to be careful.

sc: Troy, that is the least of my worries. How are you?

tb: I am so sorry. I am so sorry. He shouldn't have died.

sc: What are you saying Troy? What are you trying to tell me.

tb: Gary wasn't lying. He didn't tell me what to say. What I told him was the truth. (He spoke rapidly as if fighting

back tears.) They made me take it back. They threatened me.

sc: Troy, you should tell someone. . . . Do you want me to call Senator Schmit? You need to come out with the truth once and for all. Troy, what has happened?

tb: You don't understand, they threatened me. They made me take it back. I was so scared.

(At this point I felt I needed someone else to hear this so I asked Troy to tell what he had just told me to our son, Sean.)

sc: Troy, I want you to talk to Sean, Gary's 16-year old son. Please tell him, alright?

tb: Yeah, sure.

SEAN: Yeah, man what do you want?

I, along with the ten to 15 other people in our kitchen/family room heard Sean's portion of the conversation as follows:

SEAN: Okay buddy, you need to do it for my Dad, man. Okay . . . Okay . . .

I got back on the telephone and told him I would try to contact Senator Schmit or Karen [Ormiston]. He said he'd be at [phone number] but only for a short time. He said he was going to be "on the move" or something to that effect. He further stated, "I'll go to anyone who'll listen. I'll go without my lawyer. I'm gonna come clean."

He then asked if I would talk with his mother. She wanted to talk. I said, "Of course."

Troy's mother's voice was familiar. She had called our house several times for Gary. . . . Troy's mother related the following:

MRS. BONER: Mrs. Caradori, I am so sorry. I'm so sorry. This is such a tragedy. I knew something happened to Troy. He got so scared just before he changed his story. They were threatening him. I knew he shouldn't have backed away from the truth. . . .

Troy then got back on the telephone and I repeatedly asked that he would promise me that he would come through for me, for Gary, and for A.J. He said, "I promise . . .

tomorrow. . . . To anyone who will listen . . . the FBI, the news—anyone."

The next day I did not hear anything on the television or the radio and I really felt that Troy had probably backed away. That evening he called me again. He said, "Sandie, I tried, I tried. I went to Mickey Mott and . . . (FBI agents). They laughed at me. They said they spent too much time and money on this case now for me to change my story. I also went to Frank Brown [Channel 7 TV] but he said he didn't want to take a statement because of my Grand Jury testimony."

. . .

The next day, Sandie Caradori arrived at the offices of her husband's firm for the first time since his death, to find two FBI agents already there, with a subpoena for all of Caracorp's records. Mrs. Caradori recalled:

I was extremely upset because the timing certainly left much to be desired. I opened the closed door and noted two FBI agents, Karen Ormiston, and our security director, Joe Hebenstreit. They were all seated in the office. I said, "I don't think I need to introduce myself. What are you doing here? I can't believe this."

The smaller individual stammered a bit and looked at Karen and said, "Who . . . who is this?" "She's Gary's widow." He then halfway stood up and extended his hand as if to shake mine and expressed his/their sympathy. The whole ordeal was extremely unprofessional. He then looked over his shoulder at the other agent, gave him a smirk, and shook his head. He identified himself as Mickey Mott. . . . I then asked them directly whether Troy Boner had tried to speak with them on the previous day. Mr. Mott said, "I can't confirm or deny that." I indicated that I did deserve an answer. Mr. Mott then said, "Yeah, he came to the office but we can't waste our time with him. He has lost all credibility."

Troy Boner did attempt to come clean. He went not only to the FBI office, but to Senator Schmit's—and then pretended he had not. The *World-Herald* reported July 27, 1990:

State Senators Loran Schmit of Bellwood and Bernie Labedz of Omaha said Troy Boner told blatant lies when he said he did not come to Schmit's office last week and when he said he didn't recant what he told a Douglas County grand jury. . . . Schmit said at least eight people were in his office last week when Boner, in essence, recanted his recantation and said that what he had originally told Caradori was the truth.

Six of the eight appeared at a press conference Thursday including four—Schmit, Sen. Labedz, Caradori associate R.J. Nebe and Jody Gittins, an attorney who works in Schmit's office—who said they heard Boner's comment directly. . . . The six at the press conference Thursday said Boner was in Schmit's office both July 16 and July 17, the day of Caradori's funeral.

. . .

On Sept. 25, 1990, a federal grand jury returned findings almost identical to those of the Douglas County jury:

There is no credible evidence for us to believe that funds or individuals connected with the Franklin Community Federal Credit Union were involved in the sexual exploitation of minors, the interstate transportation of minors, the interstate transportation of minors for sexual purposes or the trafficking in controlled substances.

All of the big shots named in the Caradori investigation were cleared:

There is no credible evidence for us to believe that any prominent individuals in the Omaha community were in-

involved in any ring of organized activity to sexually exploit minors, transport minors in interstate commerce for sexual purposes, or to traffic in controlled substances.

Alisha Owen was indicted again, on eight counts of perjury.

The FBI, as Boner said, had threatened Boner into recanting his videotaped statement, which enabled the Douglas jury to return its "carefully crafted hoax" verdict, and set the pattern for the federal grand jury. Federal officials in charge of the latter, in particular Assistant U.S. Attorney Thomas Thalken, attempted to terrorize Alisha Owen into recanting as well.

In testimony to the Franklin committee on June 21, 1990, Owen told about her experience with the federal grand jury, in an exchange with committee counsel.

BERRY: Now, I do not want to know what questions were asked and what answers you gave. But you told me earlier, that your life hasn't been easy and the worst three days of your life were in front of the county grand jury. Was the federal grand jury a more pleasant experience or—

OWEN: Well, now I have to clarify that statement. No longer—the worst three days of my life were not in front of the county grand jury but they were in front of the federal grand jury. . . .

Imagine if you were woken up at 5:00 in the morning, told to take a shower and get dressed. You were not told where you were going. I mean, if somebody came to your home at 5:00, did not tell you where you were going, they had the authority to drag you out of bed. After you got dressed you were then taken outside your home and wrapped in chains and driven two hours to another city, all—you were still not told where you are going and what is actually happening. Officially you are not told.

Then once you get to this other city, you're put into an actual cage. I mean, I have seen kennels look nicer than where I was held. And five minutes before 9:00, you are given a subpoena telling you that you have to testify at 9:00 in front of a grand jury. Now, that—I mean that in itself is suspect. Okay. Especially if you are the witness. I might be able to understand it if you are the perpetrator. . . .

I am in a room and it's a cage, okay, it's—it really is a

cage like a zoo cage. The whole front is just a cage. And there is a hallway and there is—there is an open door so I can hear what's going on in the hallway because it's just a cage, there is no sound barrier. I heard Mr. Thalken repeatedly and repeatedly in a very disrespectful—what I consider dis—I wouldn't talk to anybody like that, disrespectful tone, saying things repeatedly, over and over, if she gets up there and she doesn't tell the truth I'm going to charge her with perjury. Over and over and over and over again. I have not heard the word perjury so many times in my entire life than that day. . . . He was saying this to my attorney, saying I'm going to put her on the stand and if she doesn't, you know, if she doesn't tell the truth I'm going to charge her with perjury. . . .

Alisha's attorney Henry Rosenthal confirmed her account:

Well, I don't know Tom Thalken. . . . He came at me like a little grizzly bear. . . . And he had a finger about two inches from my nose and kept yelling about perjury. And I didn't even know what he was talking about. Over and over about this and that and this and that. I said, let me tell you, if you think you have got any evidence of perjury when she's done, please charge her, just please do that. And that's—every time there was a recess, yelling about perjury. . . . This was before the evidence even started.

Long before Thalken's behavior in dealing with Owen, his name had surfaced in Gary Caradori's investigation, as an alleged pedophile who frequented adult book stores in Council Bluffs, Iowa. Moreover, a confidential informant told Caradori, that Thalken was key to the cover-up in progress. In a February 22, 1990 report, Caradori transcribed an interview with this confidential informant.

CC: Are the federal people still putting me down, have you heard? I mean they want me off this case.

CI: Well, they don't want anybody to get too close to it. . . . This thing is way bigger than Nebraska. . . . You get one of those dominoes to fall I think it could reach to the White House and back so fast. That's why it's just almost hopeless.

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GC: What have you heard that they're doing [sic] to do to try to squash this case?

CI: Well, their ace in the hole is the assistant prosecutor.

GC: Thalken.

CI: Yeah. And the term was a year ago, finger in the dike.

. . .

Rosenthal was Alisha's second lawyer. He succeeded Pamela Vuchetich, who had conveyed to Alisha the FBI's offer of a deal, from Vuchetich's friend Mickey Mott. In her Franklin committee testimony of June 11, 1990, Owen reported another incident involving Vuchetich and the FBI, which appeared to be an attempt to craft some evidence of the "carefully crafted hoax":

They had Troy call me in the beginning of March. He called me in the afternoon and I got on the phone. . . . Pam had told me that Troy had recanted his statement about Danny. She never told me he recanted his statement about me. And you know, maybe I was naive, maybe I was just dumb, but I never once thought he could do that because, I mean, I had all this evidence, you know, and I mean, I'm the one that—you know, that told them about Troy and others. It never dawned on me that he would ever do that, recant about Danny.

So we—I got on the phone and I—one of the first things I asked him was, why are you doing this to Danny, he's one of your best friends, how could you do this, what are you doing? And he said, something, Alisha, I'm scared. And his voice—the FBI has this tape.—His voice is just really scared.

And I know Troy sleeps until 4:00 or 5:00 at night, so I started to think oh, my God, he's in Omaha for a week, it's 3:00, 2:30 in the afternoon, somebody must be at his house making him do this. And I thought this must be a taped phone conversation. I was—I was literally scared. I thought either they sat down a lot of money in front of him or else somebody has got a gun to his head making him say this. I

mean, I never thought—it never dawned on me the FBI would be so, you know, devious as to try and do something like that.

So I asked him, why are you doing this? And he—and he said, Alisha, I'm scared, I don't know what to do, tell me what to do. And then he asked me, quote, unquote, do you think we're going to get any money? And I—I stopped for a second and I said, I don't give a damn about any money, you know, just tell the truth. That's what I said, quote, unquote. Excuse my French. But I just—just tell the truth. He said, what should I do? And I said, just tell the truth.

And he kept trying to make these leading statements, Alisha, what should I do? And that's when I realized at that point in time that whoever was listening was probably law enforcement, trying to do entrapping statements. . . . And after I got off the phone, I tried to get ahold of Pam. Well, Pam is sitting down in the FBI's office with them making that call. Tried to get hold of Pam, Pam is not around. So I was upset enough and I was worried enough that possibly somebody was sitting there with a gun that I called Gary. And I thought, okay, if anybody is going to be able to do anything or know anything, Gary will know or he'll be able to find out.

I called Gary. And Gary said, Alisha, Troy is sitting down at the FBI's office right now. So okay, I knew that the FBI was the one that prompted him to that call. . . . So Gary told me that it was the FBI. And Gary said to me at that time, Alisha, maybe you should start wondering why your attorney is spending so much time with the FBI.

Against Alisha Owen's specific instructions, she reported, Vuchetich turned over to the FBI a file that Alisha maintained on acquaintances from her past. Vuchetich had suggested she assemble this information. In it were the names of some people, like former boyfriends, who could be expected to be bitter toward her.

Alisha Owen told the Franklin committee, that the FBI also directly advised her to tell a lie—to say that she had lied on the videotapes.

- 11 -

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SENATOR SCHMIT: In other words, they advised you to say that you had lied on the tapes?

ALISHA OWEN: Uh-huh.

SENATOR LABEDZ: The FBI?

OWEN: The FBI had advised me that I should say that not everything on the tapes is true, just a blanket statement, and say not everything on the tapes is true, and that I should forget all about the tapes because they can come back to hurt me.

SCHMIT: I want to interrupt there because that is almost an identical statement that we heard in the press made by Troy, that not everything on the tapes was true.

OWEN: That's what they told me to say. . . . And there were times when they tried to get me to say that Gary Caradori was withholding evidence from them, there were times when they—they basically really rammed Gary into the ground.

Caradori wrote in his daily notes of April 20, 1990:

At approximately 1415, this writer received a telephone call from Alisha Owen. She talked about the FBI hinting to her that if she changed her story that they would insure that they would "go after" this writer and Mike Casey for "fabricating" an investigation. She informed me that she had not fabricated any part of any story and that she was sticking to the story she told me, and that she wished me well. For my own protection, I tape recorded the telephone conversation which lasted approximately 30 minutes.

According to an associate of Caradori, Franklin committee counsel John Stevens Berry alerted Caradori that he should get a lawyer, since he would likely be indicted.

Alisha was not the only witness the FBI was reported to have harassed or told to lie. At a Franklin committee session on June 22, 1990, Senator Labedz related her discussion with former Franklin employee Noel Seltzer:

One of the most important things that I thought he told me was the fact that when they first went into the investigation of Larry King, he was talked to by the FBI and he told them mostly everything that he told me about the sexual abuse and so forth. And then he said he was told by the FBI, we're going to advise you it's best for you that you keep your mouth shut. And I said, say that again, and he repeated it so I could write it down.

Gary Caradori interviewed a victim-witness named Terry Muller*. In his daily report of April 20, 1990, Caradori wrote:

Further this writer received a telephone call from Sue Tompkins*, sister of Terry Muller. Briefly, Sue told this writer that the FBI and a member of the State Patrol were harassing her brother and trying to get him to talk about things that he just didn't know about. She stated that her brother is extremely scared. He wants to tell the truth, however, he felt extremely uncomfortable with the FBI and State Patrol investigators. She stated that a Phillips and FBI Agent Coulter were very harsh with her brother.

On May 4, 1990, Caradori added:

Following this meeting, this writer placed a telephone call to Sue Tompkins, who is the sister of Terry Muller. She advised me that Terry had retained an attorney to protect him from the FBI. I told her that I wished him well and hoped that everything worked out for him.

Caradori's investigative notes for February 19, 1990 record his talk with Joanie Gregory, a Department of Social Services social worker who screened families applying for foster care licenses:

Approximately 2.5 years ago she was inspecting the home of Jarrett and Barbara Webb for a renewal of their license. She felt the environment was not right and wrote a letter to DSS in Lincoln. She received no response. After a couple of months, she wrote a letter to the Omaha Police Department regarding this same situation with the Webbs. She was then contacted by the FBI. In the meantime she had tried to do some research on her own, but evidently files were missing.

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To this writer's knowledge, a letter was not written to the FBI. The FBI informed Joanie Gregory that it would probably be in her best interests if she "forgot this information."

Caradori recorded in his notes for December 1, 1989:

At approximately 4:00 PM Senator Schmit arrived at [committee counsel] Steve Berry's office, during which time he advised me that within the last 48 hours the FBI were scrutinizing several of his businesses such as his gambling machines in southeastern Nebraska and other related matters.

On his own bitter experience with the Bureau, Caradori commented to the Franklin committee, on June 22, 1990.

CARADORI: I think the [Douglas Co.] grand jury is being misled information.

SEN. LYNCH: By who, can you tell?

CARADORI: I think they are being misled by the influence of the State Patrol investigator and various people in the FBI.

BERRY: Do you think the FBI and the State Patrol are deliberately misleading the grand jury?

CARADORI: I do, but I can't—you know, I have nothing to base it on. You know, the people . . . in law enforcement say, we checked every lead you got, every lead that you have and it's nothing. And it's like, you know, all the work that you have done is not worth a damn. . . . [T]he most frustrating thing in this whole case, and no sense dwelling on it, has been that you produce a work product, not every lead is going to be in gold but you produce a work product and then one of the aspects of your investigation is the State Patrol and right away it goes to them, goes to the FBI and— and then they just tear you apart. And yeah, it's been really frustrating. . . .

SEN. LYNCH: So the impression that we talked about being left with the grand jury wasn't an impression that this committee or witnesses that we had or any staff in addition to you, our counsel, misled us with information, but the fact that information we developed that we shared with the FBI and the police department was in fact used by them to—

CARADORI: Work against us.

SEN. LYNCH: Discredit us.

CARADORI: I go on record and say I—I didn't want to give them our data. . . .

BERRY: Mr. Creager and I, and following our advice the chairman and the committee members, have instructed you that everything you have must be turned over to both the grand juries, federal and county, you feel that sometimes your investigative effort has been sabotaged, is that—is that the source of your frustration?

CARADORI: That's right.

The legislative investigator found that the FBI interfered with material even before he got to it. One afternoon in late 1989, Caradori and Karen Ormiston spent several hours at YNR Airlines in Sioux City, Iowa, photocopying flight manifests of Larry King's charter flights. At other airlines, staffers had already confirmed to Caradori, that King took underage boys and girls with him on charter flights. At YNR, children's names were listed for the flights—proof that King was transporting children around the country as the Webb girls, Alisha Owen, Paul Bonacci, and others had charged.

The owner of YNR made a phone call, and prevented Caradori from leaving with the records, some of which had yellow FBI tabs attached to them. Since the Franklin committee had only limited, in-state subpoena power, Caradori requested the NCUA to subpoena the records, turn them over to him, and not mention this to the FBI. NCUA general counsel Robert Fenner agreed.

Caradori never got the records, but someone else apparently did. Caradori told a friend, that he saw some of the FBI stickers from YNR, in a notebook carried by FBI agent Mickey Mott. The FBI maintained that there was no proof whatsoever that King had transported children; the Douglas County grand jury lamented, that it was a pity charter companies did not keep flight manifests, so no trips could be verified.

In a September 25, 1990 letter to Senator Schmit, Ormiston summed up the FBI's activities:

**Letters of Response from the FBI
and the U.S. Attorney General**



Washington, D.C. 20530

JUL 1 1992

Mr. Ted L. Gunderson
Ted L. Gunderson and Associates
International Security Consulting
and Investigations
2210 Wilshire Boulevard
Suite 422
Santa Monica, California 90403

Dear Mr. Gunderson:

The letter and book that you recently sent to Assistant Attorney General Mueller have been referred to this office.

The Public Integrity Section is responsible for prosecuting public officials who are shown to have violated federal criminal law. The Section can initiate an investigation only in those instances where it receives specific and sufficient information that federal criminal laws have been violated by public officials or certain other persons.

Based upon the information that you have provided, there is not sufficient evidence indicating that such a violation of federal criminal law has been committed.

Thank you for bringing this matter to our attention.

Sincerely,

William A. Keefer

William A. Keefer
Deputy Chief
Public Integrity Section
Criminal Division



U.S. Department of Justice

Federal Bureau of Investigation

Washington, D. C. 20535

July 13, 1992

Mr. Ted L. Gunderson
Ted L. Gunderson and Associates, Inc.
Suite 422
2210 Wilshire Blvd.
Santa Monica, California 90403

Dear Mr. Gunderson:

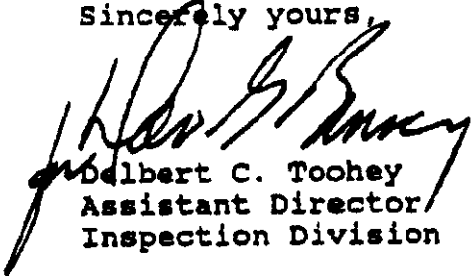
This letter will acknowledge receipt of your March 14, 1992, letter to Director William S. Sessions, which has been forwarded to the Office of Professional Responsibility (OPR), FBI Headquarters (FBIHQ), Washington, D. C.

As you are aware, OPR has the responsibility of investigating all allegations of serious misconduct or criminality on the part of FBI employees.

OPR has reviewed your letter of March 14, 1992, as well as the enclosed information and has determined your allegations lack specificity. Should you have information relative to the specific, verifiable acts of serious misconduct or criminal behavior on the part of FBI employees, I would encourage you to provide this information so that it may be reviewed by OPR.

Thank you for your interest in providing this information for review.

Sincerely yours,


Delbert C. Toohy
Assistant Director
Inspection Division

50

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Phone: (402) 477-3974
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Nebraska Department of Social Services
Douglas County Attorney
Omaha Police Department
Nebraska Foster Care Review Board
Nebraska State Attorney General
Nebraska Legislature Health and Welfare Committee
Nebraska Legislature Judiciary Committee
Douglas County Sheriff's office
U.S. Attorney for State of Nebraska
Nebraska Leadership Conference
Dr. Beverly Mead, Creighton University
Dr. Judienna Dansen-Gerber
Dr. Lilly Stoller, Immanuel Medical Center
Judge Patrick Mullen/Douglas Co. Dist Crt

7 MAY 1991

Dear people:

Nebraska Revised statutes 28-711 impose specific duties, with criminal penalty for those who fail to follow the mandates of the law, upon all individuals having "reasonable cause to believe that a child has been subjected to abuse or neglect...."

I believe that under this law I have an obligation to provide information I have received from an individual named Paul Bonacci to the proper authorities for appropriate action. Further, Mr. Bonacci himself has, as he has in the past when he first provided information to public officials, made it clear to me that he also wants to comply with all terms of the child abuse laws of the state of Nebraska.

The information has come to me as a result of agreeing to act as attorney for Mr. Bonacci in conjunction with indictments issued against him by the Douglas County Franklin Grand Jury for allegedly lying to the Grand Jury about certain aspects of child abuse he had either witnessed or been a victim of.

Mr. Bonacci has been diagnosed by at least two court appointed psychiatrists as having multiple personality syndrome or disassociative behavior syndrome, which is a form of mental illness but which is not insanity. A third legislatively ordered psychiatrist nationally recognized for her specializing in multiple personality syndrome has also

thoroughly examined the young man.

As I understand it from all of them, they have concluded that the ailment Mr. Bonacci suffers is a direct consequence of very serious trauma caused by child abuse over a prolonged period of time. Another characteristic the Court ordered psychiatrist Mead of Omaha and Legislatively ordered nationally recognized psychiatrist Dr. Densen-Gerber have identified as a characteristic of this MPD syndrome is that the individual characteristically tells the truth about the abuse. At least the truth so far as they know it or perceive or understand it. The records of the third psychiatrist are sealed by Judge Mullen, but I presume law enforcement or proper investigative authorities would have the ability to obtain these results which I am not at liberty to discuss here as per Judge Mullen's order.

Both of these highly competent psychiatrists mentioned have repeatedly examined this young man and concluded that they believe his complex tale of abuse is essentially accurate and that this individual, Paul Bonacci, is accurately reporting what he experienced.

However, each of them have also repeatedly emphasized the fact that BECAUSE OF THE MULTIPLE PERSONALITY FACTOR the true story of abuse and individuals involved in the abuse CAN ONLY BE UNDERSTOOD IF ONE PIECES TOGETHER OR CREATES A COMPOSITE OF THE STORIES TOLD BY THE VARIOUS PERSONALITIES.

Needless to say, this was not done at the time of the Grand Jury investigation and the purpose of this letter is NOT TO DEAL WITH MR. BONACCI'S CRIMINAL INDICTMENTS OR ANY GRAND JURY MATTERS. I FEEL COMPLETELY COMFORTABLE IN SAYING THAT THESE MATTERS WILL BE HANDLED IN THE COURTS AND, HOPEFULLY, DUE PROCESS WILL OCCUR AND JUSTICE WILL OCCUR.

It is the purpose of this letter, however, to now provide, as per the above cited Nebraska law, information from Mr. Bonacci which has been obtained relative to child abuse of the past--involving not only Mr. Bonacci but a host of others--which information IS THE COMPOSITE OF HIS STORY OF CHILD ABUSE AS PRESENTED BY THE VARIOUS PERSONALITIES. This is the first time this composite has been available and is being provided to authorities immediately upon transcription.

Mr. Bonacci has agreed that he wants to comply with Nebraska law and wants this information presented for investigation and examination as required by law. Further, he wants it made available so that the situation can be corrected so that others do not experience what he has been a victim of.

For the protection of other individuals identified in the transcripts provided with this letter, I have taken the liberty of obliterating the names of certain individuals

whose name, because of national attention, would be immediately recognizable and would put those individuals at risk for their life.

However, there is no intent to keep this information from law enforcement. Quite the contrary. There is every intent to share this information along with a wealth of other information received from Mr. Bonacci. In the interest of protecting others, however, we would provide this information only under controlled circumstances to authorities specifically conducting the investigations as required by law.

Again, as stated, the purpose of this letter and this transcript of many hours of tapes which reflect the gradual piecing together of the Bonacci abuse story via the different personalities is simply to comply with Nebraska Child Abuse laws.

There is a second package of tapes which are being transcribed at this time. The moment they are available, I will provide them to the proper authorities for further investigation.

Paul Bonacci has instructed me that he does not want to see these abuses occur to others. Towards that end, and of course in compliance with Nebraska law, he feels this information should go to the proper law enforcement authorities and any other proper entities who can assist in stopping child abuse activity. In accordance with those instructions, I am making this information available to you and will provide whatever other assistance or information you request.

Finally, Mr. Bonacci would cooperate with authorities in any way possible including further medical exams, polygraph exams or use of other scientific tools or investigative methods for determining and verifying the accuracy of Mr. Bonacci's stories.

John W. De Camp, Attorney



The Washington Times

WEDNESDAY, JULY 5, 1989

WASHINGTON, D.C.

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Top Japanese politician linked to Spence Considered LDP choice for premier

By Michael Hechler and Jerry Seppel
The Washington Times

A Japanese politician considered an inside favorite to succeed Prime Minister Sussuke Uno has been embroiled in a highly questionable real estate deal with the Washington lobbyist linked to a Washington homosexual prostitution ring under investigation by U.S. authorities. The Washington Times has learned.

The real estate in question — a two-story Victorian showpiece in the fashionable Kojima neighborhood, valued last year by Realtors at \$1.15 million — was planted with electronic bugs by lobbyist Craig J. Spence and used for blackmail call boys and others who routinely visited the house on Wyoming Avenue NW.

Mr. Spence has told several current and former friends that he obtained the money to buy the house by blackmailing Motoo Shima, a leading Liberal Democratic Party mem-



Craig J. Spence, in his former residence on Wyoming Avenue NW during the

Press 'watchdogs' forgot to bark

Maxine Cheshire, and it was a veritable peacemaker of truly overblown prose. "Not since Ethel Kennedy used to give her famous Hickory Hill seminars for great misdeeds of our times during the days of Camelot has anyone staged seminars successfully on a continuing social basis in Washington," she gushed in the Los Angeles Times on May 12, 1980. "That's what Craig Spence has been doing."

The star of Mr. Spence's black-tie dinner that set off the Cheshire tribulate was none other than Eric Severfeld, described as "an old friend and colleague." The bash at see SPENCE, page A8

is a city where bringing down the mob and mighty can be the richest to Pulitzer Prize. It apparently occurred to no one to question Mr. Spence's free-spending operations — or the propriety of sharing in his largesse. The media watchdogs were no more suspicious of the notorious Mr. Spence than were the celebrators he so successfully cultivated.

His press clippings must make embarrassing reading today for some of the famous personalities who befriended him — and the reporters who flattered him. Mr. Spence's first ink was the work of veteran gossip columnist

Tokyo's trade chief urges party to quit

The conservative LDP, which has ruled the country uninterrupted for more than three decades, suffered a serious setback in Tokyo municipal elections Sunday.

Most political analysts expect it to lose strength in the July 23 upper house election because of the unpopular national sales tax. The party forced through the national Diet in April, the Recruit insider-trading and bribery scandal that led to the resignation last month of Prime

Minister of International Trade and Industry Seiichi Kajiyama said yesterday Japan's beleaguered Liberal Democratic Party should relinquish power to the opposition.

"Speaking not as a minister but as a mere lawmaker, I think it's better to transfer power to the opposition for once," Mr. Kajiyama told reporters amid growing opposition demands for the ruling party to step

By David Bralder
The Washington Times

Craig J. Spence — lobbyist, party-giver, late-night White House tour director and patron of homosexual call-boy services — was accepted uncritically by most of the Washington media establishment during his years of influence peddling.

Evidently beguiled by his lavish hospitality and perhaps by his background as a television reporter who had covered the Vietnam War, reporters who might have been expected to know better treated Mr. Spence with a cordiality that sometimes bordered on adulation.

FROM CONNECTED MEMORIES

TOKYO — Minister of International Trade and Industry Seiichi Kajiyama said yesterday Japan's beleaguered Liberal Democratic Party should relinquish power to the opposition.

"Speaking not as a minister but as a mere lawmaker, I think it's better to transfer power to the opposition for once," Mr. Kajiyama told reporters amid growing opposition demands for the ruling party to step

The Washington Times

THURSDAY, JUNE 29, 1989

WASHINGTON, D.C.

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Homosexual prostitution probe ensnares officials of Bush, Reagan

By Paul M. Rodriguez
and George Archibald
The Washington Times

A homosexual prostitution ring is under investigation by federal and District authorities and includes among its clients key officials of the Reagan and Bush administrations, military officers, congressional aides and U.S. and foreign businessmen with close social ties to Washington's political elite, documents obtained by The Washington Times reveal.

One of the ring's high profile clients was so well-connected, in fact, that he could arrange a middle-of-the-night tour of the White House for his friends on Sunday, July 3, of last year. Among the six persons on the extraordinary 1 a.m. tour were two male prostitutes.

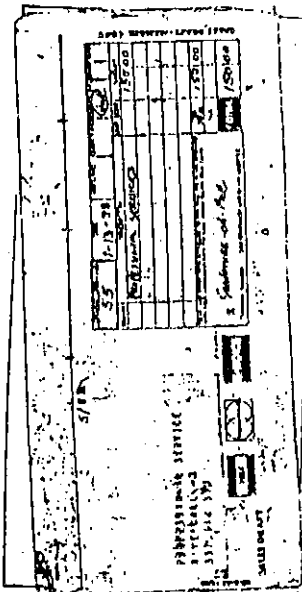
Federal authorities, including the Secret Service, are investigating

'Call boys' took midnight tour of White House

criminal aspects of the ring and have told male prostitutes and their homosexual clients that a grand jury will deliberate over the evidence throughout the summer. The Times learned.

Reporters for this newspaper examined hundreds of credit-card vouchers, drawn on both corporate and personal cards and made payable to the escort service operated by the homosexual ring. Many of the vouchers were run through a so-called "sub-merchants" account of the Chambers Funeral Home by a son of the owner, without the company's knowledge.

Among the client names contained in the vouchers — and identified by prostitutes and escort operators — are government officials, locally based U.S. military officers,



businessmen, lawyers, bankers, congressional aides and other professionals.

Editors of The Times said the newspaper would print only the names of those found to be in sensitive government posts or positions of influence. "There is no intention of publishing names or facts about the operation merely for utilization,"

said Wesley Proden, managing editor of The Times.

The office of U.S. Attorney Jay B. Stephens, former deputy White House counsel to President Reagan, is coordinating federal aspects of the inquiry but refused to discuss the investigation or grand jury session.

Several former White House colleagues of Mr. Stephens are listed among clients of the homosexual prostitution ring, according to the credit-card records, and those persons have confirmed that the charges were theirs.

Mr. Stephens' office, after first saying it would cooperate with The Times' inquiry, withdrew the offer late yesterday and also declined to say whether Mr. Stephens would recuse himself from the case he-

cause of possible conflict of interest. At least one highly placed Secret Service official and a wealthy businessman who procured homosexual prostitutes from the escort services operated by the ring are cooperating with the investigation, several sources said.

Among clients who charged homosexual prostitute services on major credit cards over the past 18 months are Charles K. Ditcher, former associate director of presidential personnel in the Reagan administration, and Paul A. Balach, Labor Secretary Elizabeth Dole's political personal liaison to the White House.

In the 1970s, Mr. Ditcher was a congressional aide to former Rep. Robert Bauman, Maryland Republican, who resigned from the House after he admitted having engaged in sexual liaisons with teen-age male

size PRONE, page 47

House OKs bill

Gunman

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...ING, page A10

Power broker served drugs, sex at parties bugged for blackmail

By Michael Hedgcs
and Jerry Seper
© 1989 THE WASHINGTON TIMES

Craig J. Spence, an enigmatic figure who threw glittery parties for key officials of the Reagan and Bush administrations, media stars and top military officers, bugged the gatherings to compromise guests, provided cocaine, blackmailed some associates and spent up to \$20,000 a month on male prostitutes, according to friends, acquaintances and records.

The 48-year-old D.C. power broker has been linked to a homosexual prostitution ring currently under investigation by the U.S. Attorney's Office. Its clients included several top government and business officials from Washington and abroad.

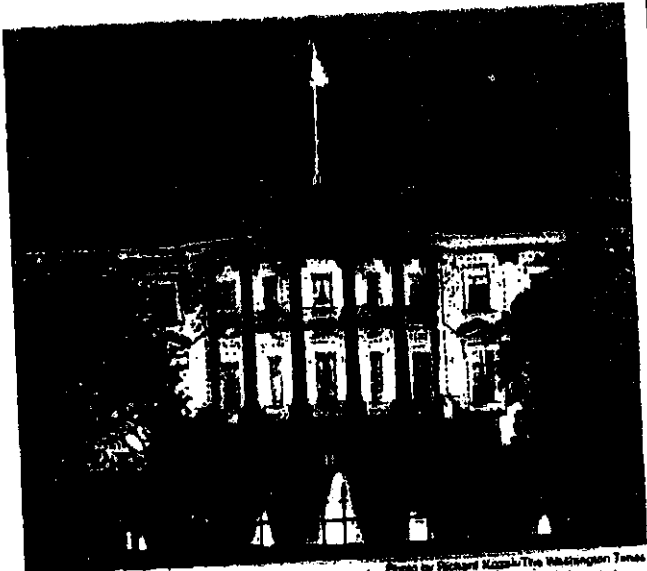
Among the clients identified in hundreds of credit-card vouchers obtained by The Washington Times — and identified by male prostitutes and escort operators — are government officials, locally based U.S. military officers, businessmen, lawyers, bankers, congressional aides, media representatives and other professionals.

Mr. Spence's influence appeared unlimited, aptly demonstrated by his ability to arrange midnight tours of the White House, according to three persons who said they took part in those tours.

"It was a show-the-flag time for Craig Spence," said one person who went on a July 3, 1988, tour that included two male prostitutes. "He just wanted everyone to know just how damned powerful he was," said the person. "And when we were strolling through the White House at 1 o'clock in the morning, we were believers."

One man who was on the tour but asked not to be named for fear it would damage his business said it was cleared by a uniformed Secret Service guard whom the man had seen attending Mr. Spence's parties as a bodyguard.

see SPENCE, page A7



Powerbroker Craig J. Spence demonstrated his influence by providing late night strolls through the White House for groups of selected friends

RNC calls scandal a 'tragic situation'

By George Archibald
and Paul M. Rodriguez
THE WASHINGTON TIMES

Republican and conservative political leaders reacted cautiously yesterday to a report in The Washington Times that key Reagan and Bush administration officials are ensnared in a federal probe of homosexual prostitution.

"There's no reason for cleaning anybody out [of office because they used homosexual prostitutes]," said Leslie Goodman, a spokeswoman for

Republican National Committee Chairman Lee Atwater.

"It's a personal situation. It's a tragic situation if people have to resort to prostitutes," the GOP spokeswoman said. "But there's no standard for people in the federal government that's different than for the average Joe on the street."

However, a top Labor Department adviser to Secretary Elizabeth Dole resigned yesterday after acknowledging to The Times that he

see GOP, page A7

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Of Counsel:
Richard J. Mahlin

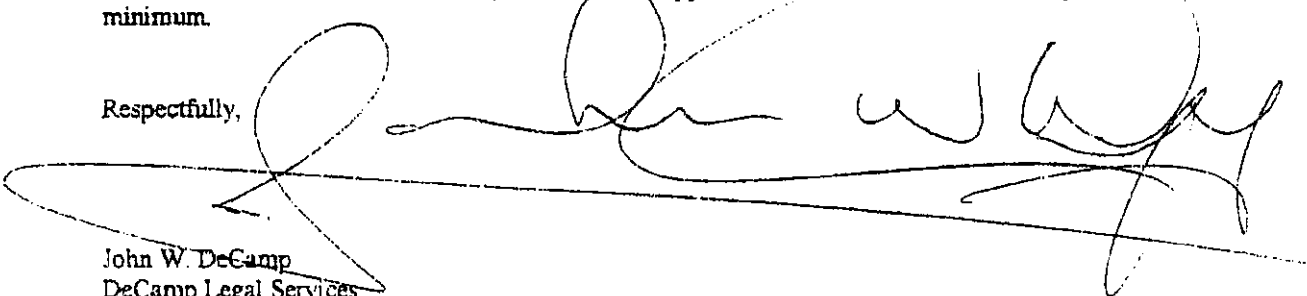
Phone: (402) 477-3974
Fax: (402) 477-4487
E-Mail: staff@decamplegal.com

February 25, 1999

To Whom It Concerns:

The trial on February 5, 1999 resulted in a million dollar judgement. I believe that judgement, completely independent of the Default Judgement in the case because the singular issue was damages, makes it clear that the evidence presented was credible and Judge Urbom acted on that basis and to send a message to a number of individuals (both clean and dirty) who were a part of the Franklin saga. I believe the U.S. Attorney has no choice but to either CHARGE THE WITNESSES WITH PERJURY HAVING TESTIFIED UNDER OATH IN A FEDERAL COURT ON VERY MATERIAL MATTERS (From Murder to Bribery to Perjury to the most vile corruption involving young people) OR, THE U.S. ATTORNEY HAS AN OBLIGATION TO INVESTIGATE FURTHER INTO THE FRANKLIN SAGA AND REOPEN MATTERS. This time there ARE PICTURES. This time RUSTY NELSON exists and testified completely contrary to Chief Wadman's testimony under oath to the legislature. This time Noreen Gosch validated the credibility and story of Paul Bonacci... and a lot, lot more. At a minimum, some Federal or State authority (Whether it is a Judge, Attorney General, Prosecutor, etc.) has an obligation to re-open particularly the Alisha Owen case. If my witnesses in Court on February 5, 1999 are telling the truth then Alisha Owen is also. If Alisha Owen is LYING, as a jury said, then my witnesses are lying. It appears to me to put the U.S. Attorney and Nebraska Attorney General and Judicial System on the horns of a dilemma - and failure to act would, to me at least, appear to be deliberate obstruction of justice at a minimum.

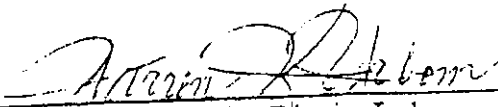
Respectfully,


John W. DeCamp
DeCamp Legal Services

that such a judgment would have on the defendant King, given his financial condition and his presence now in prison. I deem a punitive award of \$200,000 to be adequate.

Dated February 19, 1999.

BY THE COURT



United States Senior District Judge

Ted L. Gunderson

FBI Senior Special Agent in Charge (Ret.)

P.O. Box 18000-259 Las Vegas, NV 89114

Phone: (702) 791-5195, Voice: (310) 364-2280, Fax: (702) 791-2906

I have made six complaints to the FBI demanding an investigation of the FBIERS and the international trafficking of children who I believe have been kidnapped or obtained through subterfuge (orphanges; and agency known as the Child Protective Services) but the FBI refuses to contact me. I have received two complaints from airline employees that airplanes containing several hundred children have flown to Paris France from Denver Colorado and Los Angeles California. In addition Paul Bonacci told me about children being auctioned off outside Las Vegas NV and Toronto Canada, some for \$50,000 each. Children in underwear with a number around their neck.

Ted L. Gunderson