

Exposing the Inslaw "Scandal and Related Crimes

"I think in a perverse way, I was... slow to catch on. I feel silly... I wasn't paranoid enough," Inslaw President Bill Hamilton said.

Hamilton's remarks referred to the bankrupting of his computer firm, known as Inslaw, and subsequent theft, by high officials within the Justice Department, of his PROMIS software. During the late 1960s, Hamilton, who was an intelligence analyst with the National Security Agency (NSA), assigned to the research and development unit, began developing a computer database program which would interface with other computers. This program had the ability to track the movement of individuals on a worldwide scale.

Realizing the potential of his development, he resigned from the NSA and, three years later, formed Inslaw Incorporated. Believing the program could be a highly effective tool in tracking criminals, Hamilton copyrighted his PROMIS software (which stands for Prosecutors Management Information Systems) and offered to lease the rights for its use to the Justice Department. In 1982, the Justice Department signed a \$10 million contract with Inslaw to install PROMIS into the offices of 42 U.S. attorneys.

Obtaining a loan, and thus incurring heavy debt to complete the contract, Inslaw installed PROMIS, but by February 1985, the government had withheld payments on \$1.77 million in costs and fees and Inslaw was forced into bankruptcy.

Earl Brian, a close friend of then Attorney General Edwin Meese, and owner of United Press International, owned controlling interest in a software company called Hadron Incorporated. As Inslaw sought refuge in

Chapter 11, Justice Department officials pressured the IRS to force Inslaw into Chapter 7 liquidation.

Through his influence with Meese, Brian sought to obtain the rights to Inslaw's PROMIS software and the government contract. Hadron Chairman Dominic Laiti had previously attempted to purchase the software from Inslaw, but Hamilton had refused the offer. Brian, who was linked to covert operations with the United States and Israeli intelligence communities, and who reportedly worked for the CIA, was given the leased software by officials within the Justice Department. Former Israeli intelligence agent Ari Ben-Menashe, claims that Brian contacted Rafi Eitan, a former Mossad agent and counter terrorism adviser to Israel with the intent that the software be sold to intelligence agencies around the world. Ben-Menashe further claims that it was Rafi Eitan who initiated the idea of installing a "trap door" into the software, which would permit the Mossad to secretly enter the database after it was sold, thus allowing them to spy on countries that purchased the program. Deciding that the trap door be installed outside Israel, Ben- Manashe contacted Yehuda Ben-Hanan, who owned Software and Engineering Consultants based in Chatsworth, California, and for a fee of \$5,000 contracted him for the job.

With the trap door in place, Brian, representing Hadron Incorporated, sold the software to the Jordanian government, whereby a team of Hadron computer experts set up the software for Jordanian military intelligence.

Now assured that the program was operational, the CIA, working with Justice Department officials, and Earl Brian, crafted a plan to develop their own version of PROMIS, also

equipped with a trap door. This alteration of the software was carried out by Michael Riconosciuto, who was director of Research for Wakenhut Corporation, a security firm based in Coral Gables, Florida, that also has ties to the CIA and intelligence communities. It was on the Cabazon Indian Reservation, outside Indio, California, where Riconosciuto installed the trap door on PROMIS.

In a signed affidavit, dated March 21, 1991, Riconosciuto stated, "In connection with my work for Wakenhut, I engaged in some software development and modification work in 1983 and 1984 on the proprietary PROMIS computer software product. The copy of PROMIS on which I worked came from the U.S. Department of Justice. Earl W. Brian made it available to me through Wakenhut after acquiring it from Peter Videnieks, who was then a Department of Justice contracting official with responsibility for the PROMIS software. I performed the modification to PROMIS in Indio, California; Silver Springs, Maryland; and Miami, Florida. The purpose of the PROMIS software modifications that I made in 1983 and 1984 was to support a plan for the implementation of PROMIS in law enforcement and intelligence agencies worldwide. Earl W. Brian was spearheading the plan for this worldwide use of the PROMIS computer software."

Riconosciuto also stated that PROMIS had been implemented within two agencies of the Canadian government, and it was through this unlawful sale of their software that Bill Hamilton discovered the theft. Contacted by Canadian government personnel for information on the software, Hamilton stated that Inslaw had not sold the software to any Canadian offices and that authorization for its use was prohibited.

Shortly thereafter, while in the troughs of Chapter 11 court proceedings, Inslaw's attorney,

former Attorney General Elliot Richardson, filed a civil action suit claiming that Inslaw had been the victim of a conspiracy by the Justice Department.

U.S. Bankruptcy Judge George Bason, who ruled in favor of Inslaw in the civil trial awarded Hamilton \$6.8 million and found in September 1987, that Justice Department officials, "took, converted and stole" PROMIS through "trickery, fraud and deceit." Judge Bason's ruling, however, had a direct effect on his career when his reappointment to the bench was denied. "Very soon after I rendered those opinions, my application for reappointment was turned down," Bason said. "One of the Justice Department attorneys who argued the Inslaw case before me was appointed in my stead. Although over 90 percent of the incumbent bankruptcy judges who sought reappointment were, in fact, reappointed, I was not among them."

Two years later, Judge Bason's ruling was appealed to the U.S. District Court where Judge William Bryant upheld the decision. In May 1991, the U.S. Court of Appeals in Washington D.C., reversed the findings, claiming that bankruptcy courts lacked jurisdiction over the matter. Following the reversal, the Senate Permanent Subcommittee on investigations conducted a Congressional investigation into the theft of PROMIS. The Senate report stated its inquiry was hampered by the Justice Department's lack of cooperation and that it had found employees "who desired to speak to the subcommittee but chose not to out of fear for their jobs."

Ronald LeGrand, Chief Investigator for the Senate Judiciary Committee told Bill Hamilton and his attorney that a trusted Justice Department source had confided that Inslaw was "a lot dirtier for the Department of Justice than Watergate had been, both in its breadth and

depth." The committee was forced to conclude that the charges had no basis and no action was taken against any employees of the Justice Department.

During this same time frame, an investigative reporter by the name of Danny Casolaro began running down leads on an operation he termed the "Octopus." According to Danny Casolaro's brother, Dr. Anthony Casolaro, the Octopus was not a secret organization, but a group of individuals that participated in arms dealing and clandestine covert operations. "He didn't envision them as a group like the Mafia, but more as a network... they would overlap when their needs coincided," Dr. Casolaro said. "Using the analogy, BCCI would be one arm of it. The October Surprise, Danny said, was literally just another arm. Inslaw is yet another arm." Iran Contra was yet another tentacle in Casolaro's Octopus.

During Casolaro's investigation into Inslaw he met Michael Riconosciuto, who told Casolaro about the Wakenhut Cabazon joint venture that maintained a close liaison with certain elements of the United States government, including representatives of intelligence, military and law enforcement agencies.

Riconosciuto further stated that along with his modification on the PROMIS software that the Wakenhut Cabazon venture was to support the needs of foreign governments and forces including Central America and the Middle East.

He also claimed that he was involved with the development of chemical and biological weapons in a project connected with Park-O-Meter (POM), the parking meter company owned by Arkansas's Seth Ward. He related that POM received the first loan granted under the state authority known as the Arkansas Development Finance Authority (ADFA) in the amount of \$2.75 million. He claimed these

weapons were for the Contras and were designed for the C130 transport planes that were at the time carrying weapons and drugs in and out of Mena, Ark. He further stated that he had supervised high-tech equipment transfers and had developed computer software to help launder drug money emanating from the Mena operation.

Riconosciuto confirmed Casolaro's theory and asserted that all scandals overlapped, but amid Casolaro's investigation a pattern of mysterious deaths was emerging.

Affiliated with the Cabazon Indian Reservation, Alfred Alvarez and two friends opposed the takeover of the reservation by Wakenhut Corporation. They were murdered in July 1981.

Paul Morasca was murdered in January 1982 in the San Francisco condominium he shared with Michael Riconosciuto. Morasca had started to expose CIA activities, which included Wakenhut Corporation.

Private investigator Larry Guerrin, while seeking information for Riconosciuto relating to the Inslaw case, was found dead in Mason County, Washington, in February 1987.

San Francisco attorney David Meyer, who was to appear the following day in District Court, to defend clients who were reportedly tied in with CIA drug trafficking activities, died from a gunshot wound on February 6, 1989. Meyer sought to expose links between the Justice Department, the CIA and Iran-Contra.

On August 14, 1990, attorney Dexter Jacobson was found dead prior to a scheduled meeting with the FBI in regards to rampant Chapter 11 judicial corruption.

Attorney Gary Ray Pinnell, was found dead on February 11, 1991, just before he, too, was to

present Chapter 11 corruption to the FBI.

The body of Alan D. Standorf was found on January 31, 1991, in the back seat of a car parked at the Washington National Airport. Casolaro had depended upon Standorf as a source and it is believed that Standorf, an electronic intelligence employee for the NSA, provided the reporter information that linked the Justice Department to the various scandals.

In April 1991, attorney David Eisman was shot to death 24 hours before he was to meet with Riconosciuto. Involved with numerous CIA activities, Eisman had been scheduled to meet with a woman in Philadelphia who was to deliver important evidence of corruption by Justice Department officials.

Alan May was found dead in his San Francisco home on June 19, 1991. May was reportedly involved with Riconosciuto in the Iranian hostage scandal and October Surprise. The local coroner's report stated death was due to a heart attack, but a subsequent autopsy revealed that May had poly-pharmaceuticals in his blood.

In 1991, Tommy Burkett was found dead in the bedroom of his parent's Hendon, Virginia, home from a gunshot wound to the mouth. Ruled a suicide by pathologist James Beyer, an outside pathologist, hired by Burkett's parents, ruled that more bodily damage than normally associated with a self-inflicted wound had been found. Previous to his death, Burkett had been meeting with Casolaro, but it is unclear as to what information may have been provided.

As Casolaro continued his investigation he began to receive death threats. Undaunted, he continued his work, but told his brother, "if there was an accident and he died, not to believe it." Preceding his death, Casolaro traveled to Martinsburg, Virginia, for a meeting with sources on Inslaw, whom Casolaro

described as a relative of Mrs. Barbara Videnieks, Chief of Staff to Senator Robert Byrd of West Virginia.

Peter Videnieks, husband to Barbara, served as the Justice Department's Contracting Officer on the PROMIS Implementation Contract.

During the final week of his life, Casolaro told at least five confidants that he had finally broken the Inslaw case after a year-long, full-time investigation.

The day before he died, Casolaro met William R. Turner in the parking lot of the Sheraton Hotel, in Martinsburg, to take delivery of sensitive documents that Turner had been hiding for Casolaro. According to Turner, Casolaro intended to show the documents to his sources later in the evening. Casolaro told Turner that the Friday evening meeting in Martinsburg had been arranged by Joseph Cueller, a U.S. Army Special Forces covert intelligence officer.

On August 11, 1991, Casolaro was found dead in the bathroom of his room at the Sheraton Hotel. His wrists were slashed ten times; his briefcase and notes missing. Casolaro's body was embalmed before the family was notified of his death, despite the fact that identification was found among his personal belongings. Sources close to the investigation claim that a NSA employee was also in the hotel room at the time of Casolaro's death. He too was murdered; his body removed from the scene.

Following the death of Casolaro, Inslaw Attorney Elliot Richardson called for an investigation. "It's hard to come up with any reason for this death, other than he was deliberately murdered because he was so close to uncovering sinister elements in what he called The Octopus," Richardson said.

A congressional subcommittee on Economic and Commercial Law of the Committee on the Judiciary held hearings on Inslaw and the related death of Danny Casolaro.. Its findings, which were released in a report issued on September 10, 1992. accused Justice Department officials of criminal misconduct and recommended the appointment of a special prosecutor.

Attorney General William Barr refused to appoint a special prosecutor, but appointed Chicago attorney Nicholas Bua, a former U.S. District Judge, and his law partner. Charles Knight of the Chicago law firm Burke, Bossleman & Weaver, and five Justice Department prosecutors to investigate the misconduct. Bua impaneled a grand jury, however, midway through the investigation, Bua dismissed the jury and impaneled another one.

This action triggered a citizen's group in Chicago, called "Citizen's Committee to Clean Up the Courts", to file a lawsuit against Bua and Knight. Two of the plaintiffs in the action, Sherman Skolnick, chairman of Citizen's Committee and Mark Sato, a legal researcher and writer, met with Bua and advised him that they were going to present evidence to the grand jury relating to misconduct on the part of the Justice Department.

Skolnick claims that the first grand jury was giving credence to the evidence being presented and therefore constituted a "runaway" grand jury by exercising their allowed independence and thus acting contrary to the wishes of the U.S. attorney.

Skolnick, a self-taught legal expert, states that 40 key witnesses, who were to give testimony to the grand jury, were murdered by agents within the Justice Department. Skolnick told Bua that what was occurring was considered

"obstruction of justice" and demanded protection of witnesses, how-ever, Bua refused to give into Skolnick's demands, and the pattern of mysterious deaths continued.

On November 1, 1992, the bodies of Gail Spiro and her three children were found in their Rancho Santa Fe, California, home, dead from gunshot wounds to the head. Three days later the body of Gail's husband, Ian Spiro, was found dead in the front seat of his Ford Explorer in the remote California desert. Authorities ruled that Ian Spiro had murdered his wife and children and then had taken his own life. Spiro had connections to the CIA and had been involved in numerous covert operations. At the time of his death, he was helping Michael Riconosciuto collect documents to be presented to a federal grand jury in connection with Inslaw.

On November 14, 1992, Jose Aguilar, a tree trimmer who occasionally worked at the Spiro home, was found dead from a gunshot wound to the head.

Peter Sandvugen, found dead on December 2, 1992, was assisting Riconosciuto in his defense against the Justice Department. Sandvugen was a part of a special CIA team during the eighties, and as the gun he always carried was found without the ammo clip, the circumstances of his death raised questions.

In June 1993, the Bua Report was released and exonerated Justice Department officials from any wrong doing in the case.

Inslaw Attorney Elliot Richardson, issued a statement on June 18, 1993. "What I have seen of [the report] is remarkable both for its credulity in accepting at face value denials of complicity in wrongdoing against Inslaw and for its failure to pursue leads making those denials implausible," Richardson said.

On July 23, 1993, Washington attorney Paul Wilcher was found dead in his apartment under mysterious conditions. Seeking to expose the connection between The October Surprise, Iran-Contra, BCCI and the Inslaw scandals, at the time of his death he was investigating gun-running out of Mena, Arkansas. Shortly before his death, he wrote Attorney General Janet Reno a 105 page letter describing evidence that he had concerning the various scandals. The first page of the letter stated in part, "The lives of key participants, other witnesses and even myself, are now in grave danger as a result of my passing this information on to you. If you let this information fall into the hands of the wrong persons...some or all of those who know the truth... could well be silenced in the very near future."

Vali Delahanty disappeared on August 18, 1992. At the time of her disappearance, she had been trying to warn Michael Riconosciuto that the DEA and Justice Department officials were about to frame him on drug charges. On April 13, 1994, the skeletal remains of her body were discovered at Lake Bay, Washington.

Following the issuance of the Bua report, attorneys for Inslaw issued a rebuttal and later an addendum. In the Addendum to Inslaw's Analysis and Rebuttal of the Bua Report, issued February 14, 1994, it states, "According to current and former Justice Department employees, the Justice Department has its own covert intelligence agency that operates out of the Criminal Division's Office of Special Investigations (OSI); its intelligence agents have virtually nothing to do with OSI's publicly declared mission of locating and deporting Nazi war criminals. OSI in turn, has its own proprietary company that allegedly employs scores of agents of diverse nationalities, as well as individuals who appear to be holding other jobs in U.S. Government departments and

agencies, and in the U.S. Armed Forces...OSI has allegedly participated in the illegal trafficking in PROMIS software and in the murder of the investigative journalist Danny Casolaro."

In December 1993, Associate Attorney General Webster Hubbell, then the third ranking official at the Justice Department, reopened the investigation into Casolaro's death. One month later, however, Hubbell was forced to resign his position at Justice. The Rose Law Firm declared that Hubbell had failed to provide documentation for expenses charged to the firm and POM had lost \$1 million in litigation fees. This was done when Hubbell pursued a patent infringement case which he took on a contingency basis for his brother-in-law Skeeter Ward.

POM's admitted jobs for the Pentagon and questionable finances at the ADFA remained obscure as Hubbell's representation of POM became the official reason for his resignation. Critics have charged that then Governor Bill Clinton passively resisted investigating POM and the Mena operation, but the real reason for his passivity may have been the obvious tie-in with the related scandals of Casolaro's Octopus.

Last fall, Congressman Jack Brooks (D-Texas), introduced HR4862. If passed, the bill would have countered the Bua report, legally binding the Federal Claims Court to an independent investigation into the Inslaw scandal.

On September 27, 1994, Attorney General Janet Reno issued a report stating that there was no scandal, no need for an Independent Counsel or further investigation; on October 7, the resolution was defeated.

In reviewing the Inslaw scandal, a pattern of fraud and deceit involving the Justice Department is readily observed.

Just how long will it take before this pattern of corruption is exposed and weeded out is pure conjecture, but the obvious crimes committed by this agency should enrage every taxpaying citizen in the country.

Equal justice under the law is an adage that has long since expired and, clearly, the Justice Department no longer understands what the word "justice" means. Someone please give them a dictionary.