PROMIS Trail Leads to Justice

By Kelly Patricia O'Meara

During an eight-month secret investigation in the United States last year by the Royal Canadian Mounted Police (RCMP), two of its top national-security investigators focused their probe on a former high-ranking Justice Department official alleged to have been involved in the theft of the PROMIS computer program. Subsequent modifications of this software are believed to have yielded secret backdoor access allowing widespread computer espionage.

In this, the third of a four-part exclusive series, Insight continues to follow Mounties Sean McDade and Randy Buffam as they pursue allegations that Canada's intelligence and law-enforcement agencies have been operating the stolen version of PROMIS and that their most secret computer systems have, as a result, been compromised.

Much of the investigation centered on two men - Michael Riconosciuto and Peter Vidienick. The former is a convicted felon who has claimed that he modified a stolen version of the Inslaw-developed PROMIS. The latter is the man fingered by Riconosciuto as a high-ranking Department of Justice official involved in the theft of the software.

In Part II of this series (see "The Plot Thickens in PROMIS Affair," Feb. 5), Insight took an in-depth look at Riconosciuto and allegations he has made involving PROMIS and other national and international intrigue, including development of a new line of guns and night-vision goggles and a joint venture between a little-known band of American Indians called the Cabazons and the Wackenhut Corp., an international security firm. Other trails led to government-sanctioned drug deals and claims that another former Justice lawyer was involved with the Cali drug cartel.

Riconosciuto's stories had been dismissed by federal investigators, but the RCMP unearthed evidence that gave them credibility. What's more, Insight confirmed that Riconosciuto had provided just such startlingly detailed information to an FBI agent well before it had become publicly known.

For the Mounties, whose still-secret investigation continues, each layer they peeled back on Riconosciuto's stories revealed a path to yet more
information that might confirm their country's worst fears: that key
government computer systems were using stolen software that had been
modified to allow complete access for espionage.

In a 1991 affidavit to William and Nancy Hamilton, the owners of Inslaw
who had developed PROMIS, Riconosciuto not only swore that he put the
backdoors into a stolen version of the software but also claimed that
Videnieks, the Department of Justice official who in the early 1980s
oversaw the PROMIS-software contract, participated in the alleged
scheme along with a man named Earl W. Brian. Both men, Riconosciuto
swore under penalty of perjury, visited him often at the
Cabazon/Wackenhut facilities.

As with other Riconosciuto stories, the Mounties looked for confirmation
and focused intensely on a U.S. Customs Service internal investigation of
Videnieks, a contract specialist who was on loan from Customs. Customs
conducted a two-and-a-half-year probe of Videnieks because of suspicion
he had committed perjury in 1992 while giving testimony in the trial of
Riconosciuto, who had been arrested for drug offenses. In an attempt to
enter the federal witness-protection program, Riconosciuto told federal
investigators that he was set up on phony charges because of the affidavit
he gave the Hamiltons.

Videnieks has denied any knowledge of such schemes, the first time in
sworn testimony during the Riconosciuto trial in Tacoma, Wash., in
January 1992. Asked if he knew either Riconosciuto or Brian, and if he
ever had been to the Wackenhut/Cabazon joint venture or heard of it,
Videnieks responded, "No, I don't. I No, I don't. I No, I haven't." Customs
soon thereafter launched a far-reaching internal-affairs investigation of
Videnieks.

However, it is allegations of government interference in the Videnieks case
and contradictory conclusions about the basic facts in the legal saga
surrounding the Hamiltons' allegations of official wrongdoing that the
Mounties seem intent on clearing up. For instance, in a January 1988
decision by U.S. Bankruptcy Court Judge George Bason (Inslaw, Inc. v.
United States of America and the United States Department of Justice), the
jurist concluded that Justice Department and unnamed U.S. government
officials "engaged in an outrageous, deceitful, fraudulent game of 'cat and
mouse,' demonstrating contempt for both the law and any principle of fair
dealing." These harsh words came at the end of a long trial in which
Inslaw had filed for bankruptcy as a result of not being paid for its
PROMIS-related work for Justice. This work was, in essence, to establish
a computer-software system that could track the status of cases in all U.S.
attorneys' offices and federal courts.

Justice appealed Bason's ruling and, in November 1989, U.S. District Court
Judge William Bryant found in favor of Inslaw, stating: "It is not necessary
to duplicate the bankruptcy court's exhaustive findings of fact here. I There
is convincing, perhaps compelling, support for the findings set forth by the
bankruptcy court [that] the government acted willfully and fraudulently to
obtain property that it was not entitled to under the contract."

End of dispute, right? Wrong. For the Hamiltons the case has yet to be
resolved since they have not been paid.

While the Inslaw case wound its way through the courts, Congress also got
into the act in the late 1980s as the House Judiciary Committee launched a
far-reaching probe of its own. And in September 1992 it issued a report
that forcefully stated that "there appears to be strong evidence, as indicated
by the findings in two federal-court proceedings as well as by the
committee investigation, that the Department of Justice acted willfully and
fraudulently and took, converted and stole Inslaw's ENHANCED PROMIS by trickery, fraud and deceit." The reference to "ENHANCED PROMIS" was to a proprietary version the Hamiltons had developed that they alleged later was stolen by the government.

The result of the Judiciary Committee report was that in 1993 Attorney General William Barr appointed Nicholas J. Bua to investigate and prepare a report on the Inslaw matter. The results of this investigation, the Report of Special Counsel Nicholas J. Bua to the Attorney General of the United States Regarding the Allegations of Inslaw Inc., found: "There is no credible evidence to support the allegation that members of DOJ conspired with Earl Brian to obtain or distribute PROMIS software. There is woefully insufficient evidence to support the allegation that DOJ obtained an enhanced version of PROMIS through 'fraud, trickery, and deceit' or that DOJ wrongfully distributed PROMIS within or outside of DOJ."

And still another Justice probe, launched by Attorney General Janet Reno when she took office, concluded in September 1994 that the Bua report was correct - there was nothing to the now-convoluted charges that PROMIS was stolen and sold illegally or that the Hamiltons were due any monies. Moreover, the Reno report concluded that Riconosciuto's stories were not confirmable and that Videnieks was not involved in the alleged schemes laid out by the convicted felon.

Canada also conducted a probe in the early 1990s and concluded that allegations concerning its use of a stolen version of PROMIS were lies. The Reno report affirmed Canada's conclusions as well.

So it was with great surprise that Insight learned last year about the secret RCMP investigation. McDade and Buffam were on the trail of PROMIS anew and were reviewing all the machinations that have accompanied this exotic story for more than a decade.

It is unclear what sparked the Mounties' probe except that it involves Canada's national security. And of keen interest to the RCMP investigators were Riconosciuto and Videnieks, two men concerning whom the Mounties spent considerable time, money and effort to secure information about their alleged roles in the theft of the PROMIS software. In dozens of interviews with those who came in contact with McDade and Buffam, Insight has pieced together the trail the Mounties blazed in the United States from coast to coast. Clearly, as they told others, they did not believe the official U.S. and Canadian reports and conclusions. And, McDade reportedly told people many officials in both governments had indeed lied, cheated and covered up a significant and dark story.

Insight has learned the two RCMP investigators plumbed the old Customs probe of Videnieks, the former DOJ official who was investigated for possible perjury. And what the Mounties found, according to some of those they interviewed, very well could confirm Riconosciuto's claim that he knew Videnieks.

For example, months before McDade and Buffam came looking for answers in the United States, they had established a working relationship with John Belton, a Canadian living in Ontario who had become involved with PROMIS as a result of a 1980s securities-fraud scheme in Canada allegedly involving Earl Brian and companies he owned or controlled, such as Hadron Inc., Clinical Sciences Inc., Biotech Capital Corp. (renamed Infotechnology Corp. in 1987); and American Systology Inc. Belton's securities-fraud claims resulted in a 1986 RCMP investigation and civil litigation that are ongoing today.

Belton, who met in person with the RCMP investigators at least 31 times
and talked on the telephone with them dozens more, reportedly steered the
Mounties to previously unknown information involving the Customs probe
of Videnieks. And this led McDade to Scott Lawrence, the agent in
Customs' Boston office who was in charge of the investigation of
Videnieks. What information Lawrence may have passed along to McDade
is anyone's guess, as neither Lawrence nor the Mountie will say. But
Insight has confirmed Lawrence and McDade talked. And, based on
documents obtained by Insight concerning the Customs probe, the
investigation was wide-ranging in its subpoena request.

For example, according to a Nov. 15, 1993, letter to Justice Department
Assistant Attorney General John Dwyer from Lawrence's boss, John T.
Kelly, Customs' acting regional director in Boston: "Concerning the Peter
Videnieks investigation, I believe that to properly complete this
investigation, the assistance of federal grand juries in a number of locations
will be required." Locations of the requested grand juries included Seattle,
the District of Columbia and the Northern District of Illinois. And the
purpose of impaneling these grand juries was, according to the Kelly letter,
to obtain testimony and documents from about 22 people connected to the
Inslaw/ PROMIS affair, as well as the CIA and the Wackenhut Corp. How
this tied in to a simple case of suspected perjury by Videnieks is unknown.

A former high-ranking federal law-enforcement official told Insight that
"Videnieks was under investigation by an internal-affairs unit at the
Customs Service and that the investigation, which included other matters,
centered on an allegation that Videnieks committed perjury at the 1992 trial
of Michael Riconosciuto." According to this source, "Customs' internal
affairs ultimately dropped the probe because Videnieks no longer was an
employee of the agency."

This former official, who asked not to be identified, further said that Kelly
and Lawrence had tried unsuccessfully to get a Boston-based U.S. attorney
on the case but failed. Main Justice got involved because of its then-
ongoing probe into Inslaw that Reno ordered. Kelly had hoped that main
Justice would authorize the requested grand juries but, ultimately, he was
told to seek authority elsewhere; impaneling the three grand juries would
not be authorized by Washington. Finally, after many attempts, Customs
dropped the case because Videnieks no longer worked for the agency.

To Jimmy Rothstein, a retired New York City policeman who worked with
Kelly on the Videnieks matter, that's not quite what happened. The
investigation came to a dead end "right after Lawrence interviewed
Alexander Haig," Rothstein tells Insight. "I was sitting in an Irish pub in
Boston with Tim Kelly," he explains, "and we were waiting for the call
from Lawrence. The thing got shut down. Tim Kelly responded by saying,
'They ain't gonna screw my guys over.' Nothing ever came of it, though,
and I told them this from the beginning."

Why Haig, a former secretary of state, White House official and Army
general would be interviewed as part of a Customs investigation could not
be established. Haig couldn't be reached for comment.

Videnieks long has denied any involvement with Riconosciuto or Earl
Brian, or being involved in any conspiracy or illegal scheme to sell or
convert the PROMIS software. In a brief telephone interview with Insight,
Videnieks recently claimed that he couldn't recall the specifics of the
investigation by Customs but warned that Insight "had better get the story
right or I'll have my attorneys up to see you."

Because Customs agents Lawrence and Kelly have declined Insight's
requests for interviews, it's difficult to know the ins and outs of their probe,
let alone what they found to prove or disprove the allegations of perjury.
However, this much is clear: Videniek's denials never have been contradicted. And, as a result, this key portion of Riconosciuto's claims remains in question. But, as Insight reported in Part II of this series, other Riconosciuto stories appear to have been confirmed by the RCMP investigators and by documentary evidence obtained by this magazine.

This may explain why the Mounties spent so much time on the portions of Riconosciuto's claims involving Videnieks. If they could show the alleged links did exist, that might begin to unravel a string of deception that could lead to the highest levels of the U.S. and Canadian governments. Belton kept copious notes of the conversations he had with the RCMP investigators. In one such note, dated June 8, 2000, Belton wrote that McDade told him "the 'Drug Tug' captain Calvin Robinson was the Videnieks driver to the Cabazon - ties to Earl Brian and Michael Riconosciuto."

This was followed by a June 16, 2000, notation about McDade informing Belton that "they [McDade and Buffam] have determined a second material definitive connection between Peter Videnieks and Michael Riconosciuto. i 'Drug Tug' captain Calvin Robinson - Videnieks has always denied an association with Michael Riconosciuto. I confirmed it, I can put Videnieks with Michael Riconosciuto now."

The reference to the "Drug Tug" concerns the 1988 seizure of a barge hauling 157 tons of hashish and marijuana into San Francisco Bay. The skipper of the boat was Calvin Robinson, a man who long has maintained that he and his company were the victims of a government setup. According to Belton, "Sean told me that he interviewed Calvin Robinson and that Robinson was the driver for Peter Videnieks to the Cabazon Indian Reservation."

This is about what McDade also told Insall's Bill Hamilton in one of many conversations, also noted for the record. "McDade said that he could prove that Videnieks committed perjury when he testified against Riconosciuto, that he had interviewed the man who drove Videnieks to the reservation," Hamilton recalls.

Then there's Harry Martin, a journalist with 32 years of experience, publisher of the weekly Napa Sentinel and is a city councilman in that picturesque California township. He recently told Insight that, in the process of doing preliminary work on Riconosciuto years back, "I spoke to Peter Videnieks in either 1990 or 1991 - before Michael had been arrested and Videnieks admitted that he knew Riconosciuto." Martin also says that he spoke to Riconosciuto prior to the now-infamous March 1991 affidavit given to Insall outlining alleged illegal schemes and before the now-convicted felon was arrested on illegal drug charges.

Martin says he was interested but wanted to check out individuals Riconosciuto had mentioned he'd known to verify the man's general veracity. "That's how I got to Videnieks," Martin says. "I just called the guy up and asked him if he knew Riconosciuto and he said yes, he did. That was before his [Riconosciuto's] arrest."

If accurate, this places Videniek on a collision course with what he has testified under oath and in sworn statements to federal investigators. It also gives credence to one of the wilder aspects of another Riconosciuto story which the RCMP spent considerable time tracking down. Because Videnieks is a central player in the Hamiltons' allegations that the DOJ stole their software, whether Videnieks did know Riconosciuto is key to connecting the two men to the Cabazon Indian reservation, where Riconosciuto claims to have modified the software.
If McDade's statements to Belton and Hamilton are true and Martin's recollections of his conversation with Videnieks are correct, it would appear the connection has been made. In turn, it could revamp not only the Inslaw case in the courts and in Congress, but it would raise complicated issues in Canada where the RCMP probe continues. When and how the Mounties' investigation will end is a mystery. But this much is certain: It is having reverberations in security circles around the world.

To be continued.