

Independent probe of Inslaw scandal urged

by an EIR Investigative Team

Eight years after the legal battle between Inslaw, Inc. and the Department of Justice began, and nearly three months after the mysterious death of a reporter who was probing the scandal, former U.S. Attorney General Elliot Richardson has called for a special prosecutor to probe the entire sordid affair. Richardson, Richard Nixon's Attorney General who quit his post rather than obey the President's orders to fire the Watergate prosecutor, penned the call in a commentary in the Oct. 21 *New York Times*. He argued that evidence has surfaced of a vast government conspiracy to bankrupt Inslaw, a conspiracy possibly linked to the Reagan-Bush era October Surprise and Iran-Contra scandals.

Richardson argued that the mysterious death of writer-investigator Danny Casolaro in Martinsburg, West Virginia on Aug. 10 made the appointment of an independent counsel a necessity. Richardson stated: "I believe he was murdered, but even if that is no more than a possibility, it is a possibility with such sinister implications as to demand a serious effort to discover the truth."

Many of the charges contained in the Richardson piece were first published in *EIR*. Among the allegations is that Dr. Earl Brian, a former state cabinet officer under then-Gov. Ronald Reagan, a long-time business crony of Edwin Meese, and a major player in the bankrupting of Inslaw, may have been a bagman in the October Surprise effort to delay the release of American hostages in Teheran until after the 1980 electoral defeat of Jimmy Carter. The trashing of Inslaw, according to this story, first told to *EIR* by Michael Riconosciuto, was intended to clear the way for Brian to win a nearly \$1 billion Department of Justice software contract—his payoff for the favor to the 1980 Reagan-Bush campaign.

New strange twists in the case

Since the mysterious death of Casolaro, strange events continue to haunt the Inslaw affair.

● On Sept. 26, police in Winchester, Virginia arrested William Turner and charged him with the previous day's robbery of a bank in nearby Gore, Virginia. Turner was one of the last known people to have seen Casolaro alive. A former quality control engineer for the Hughes Aircraft Corp., Turner had been reportedly fired from his job at Hughes after he refused to cooperate with company officials doctoring their safety and payroll records on government contracts.

Out of a job and thrown into the world of defense industry whistle-blowers, Turner was steered 18 months ago to Casolaro.

They became friends and Turner helped Casolaro with some technical details of his investigation of "The Octopus," Casolaro's name for the vast secret government apparatus behind the Inslaw bankruptcy, Iran-Contra, etc. On several occasions, Turner allowed Casolaro to store investigative documents at his home. The two friends spent nearly an hour talking in the parking lot of the Martinsburg Sheraton Motel just one day before Casolaro's death. Casolaro told Turner that he had one more meeting in Martinsburg to obtain documents that would "solve" the Inslaw case.

According to Turner's own account, several weeks after Casolaro's body was found in a room at the Sheraton, with both his wrists slashed repeatedly, local police Lt. Gil Barrington warned him of possible threats to his own life. For several weeks extending into early September, police conducted regular surveillance of Turner's home. Shortly after that surveillance was lifted, Turner, his wife, and one daughter moved to West Virginia. It was there that Turner was arrested on Sept. 26 and charged with the bank robbery.

The robbery allegations—he has subsequently been charged in a second local bank robbery that took place last April—are a bit baffling for one reason in particular: As the result of surgery years ago, Turner has an artificial leg and walks with a limp. According to family members, as the result of a serious fall in early September, his leg was severely bruised and he had even greater difficulty walking at the time he allegedly robbed one of the banks. Eyewitnesses to both robberies reportedly tell police that the robber made a fast getaway. According to family members, bank employees said that in the April robbery, the thief escaped on foot.

As the result of the robbery charges, local police, as well as the FBI, conducted several searches of Turner's home, including one search prior to obtaining a search warrant, according to Mrs. Turner. Turner is still in jail in Winchester, Virginia, unable to pay the \$25,000 bail.

● Turner is the second potentially key Inslaw witness to be jailed. Last March, Michael Riconosciuto, a West Coast computer expert who has done contract work for the CIA and who claims to have been involved with Earl Brian in the October Surprise payoff, was jailed on federal drug charges less than a week after he submitted an affidavit to Inslaw attorneys naming Brian and a U.S. Customs Service official, Peter Videnieks, as key players in the theft of Inslaw's software.

Videnieks was "loaned" to the Justice Department in the early 1980s and was the program officer for Inslaw's DoJ contract. Earlier, while at Customs, he had been the case officer on a series of contracts with several companies owned by Earl Brian. Videnieks's wife is a top staffer for West Virginia's ranking U.S. senator, Robert Byrd (D).

According to Riconosciuto, Earl Brian and Peter Videnieks brought him a copy of Inslaw's Promis software, which they obtained through the Department of Justice in 1983, and instructed him to modify the program so that it could be sold to a foreign intelligence service. At the time this occurred, Riconosciuto

Thornburgh slings mud to evade scandal

Living up to his reputation for police-state tactics to cover his own corruption, former U.S. Attorney General Richard Thornburgh has filled the airwaves of Pennsylvania with reports that sound to voters as if his election opponent, U.S. Senator Harris Wofford (D-Penn.), has been indicted for "campaign finance irregularities."

Thornburgh aides have been demanding that the Department of Justice (DoJ) indict Wofford, whom he is massively outspending, for "improper fundraising." This began with a press release stating that the campaign would "file criminal charges" with Pittsburgh U.S. Attorney Tom Corbett. Corbett's wife is a member of the Republican State Committee that nominated Thornburgh as a candidate in the special election for U.S. Senate.

The misleading coverage hit the news just at the point when Wofford's campaign had publicly charged criminal acts by Thornburgh and his law firm, Kirkpatrick and Lockhart, for providing Thornburgh with illegal campaign contributions by paying him a salary for little or no work. Wofford has also hit a raw nerve by demanding disclosure of the clients of the firm, and exactly which accounts Thornburgh, as a partner, is sharing revenues from. One question Wofford's campaign has raised, is whether Thornburgh is receiving moneys from the dozen companies that retain K&L's Washington, D.C. office

to lobby the DoJ—which would be a flagrant criminal violation.

Thornburgh and K&L have played a role in mediating the relationship between the Mellon banking family interests and organized crime. For example, a Racketeering Influenced and Corrupt Organizations (RICO) lawsuit was filed against K&L in 1989 for allegedly helping mobster Victor Posner loot \$30 million out of the Sharon Steel Co. on behalf of their client, MelBank, just before the Sharon, Pennsylvania company was put into bankruptcy. The looting allegedly took place in 1985-86 while Thornburgh, then governor, was sitting on his hands as the state's steel industry was dismantled. The financial "corporate takeover" empire of Meyer Lansky associate Posner was, at the time, according to the suit, one of Mellon's biggest customers.

Much of the destruction of state steel and other industries occurred while Thornburgh was governor. Thornburgh hosted two "state trade missions" to Communist China while he was governor, including one in 1980 arranged by homosexual Washington lobbyist Craig Spence. Shortly after the second mission, a close associate of Spence, former Philadelphia attorney James Gordy, played a key role in the U.S. Steel-Marathon Oil merger which resulted in the shutting down of most of Pennsylvania's steel industry, and the relocation of a large part of the machinery of U.S. Steel's Fairless, Pennsylvania works to Red China. The "trade mission" was arranged through Spence by the law firm of Thornburgh's then-state Attorney General Harvey Bartels, whose name was submitted by the Thornburgh DoJ as an appointee for a federal judgeship. —*Steve Komm*

ciuto was working as a computer technician for a Wackenhut Corp. joint venture housed at the Cabazon Indian Reservation in Indio, California. According to Wackenhut and Cabazon Joint Venture documents obtained by *EIR*, the manager of the project, which involved the development and manufacture of military equipment for the Nicaraguan Contras, was Wackenhut Vice President Robert E. Chasen. From 1977-80, Chasen had been the U.S. Commissioner of Customs.

- Lurking in the background of the Inslaw affair are recurring allegations that Earl Brian had ties to drug smugglers, and he may have resorted to dope deals in an effort to bail himself out of financial problems. In the past year, Brian's corporate empire has crumbled. He was forced to sell off his majority holdings in Financial News Network amid charges by employees that he had siphoned off of capital and had mismanaged the corporation. The other cornerstone of his portfolio, UPI, is now in bankruptcy reorganization.

One federal law enforcement source has identified Brian as having possible links to a man from Westchester County, New York, George Okon, who may have been a Brian con-

tact to organized crime. Okon has been linked by this source and one other law enforcement official to major New York City organized crime families which have been involved in large-scale heroin trafficking in the northeast United States. Brian and Okon were reportedly seen together at Boston's Logan Airport last spring. Phone records show that Danny Casolaro was probing the Brian-Okon links at the time of his death, and had made several calls to Okon's home in Peekskill, New York.

- Perhaps the single most bizarre element of the Casolaro-Inslaw story was reported in the Oct. 15 *Village Voice*. Dan Bishoff, an editor of the paper, received a phone call on Sunday, Aug. 11 from an anonymous man informing him that a reporter had died in West Virginia and that the death would be falsely labeled a suicide. At the time of the call, only the Martinsburg Police knew that Casolaro had died, and they had no idea that he was a reporter. Casolaro's family was not informed about his death until Monday, Aug. 13. Whoever made the call to Bishoff knows a great deal about the circumstances of Casolaro's death . . . and about "The Octopus" that he was stalking.