

FEDERAL BUREAU OF INVESTIGATION
FREEDOM OF INFORMATION/PRIVACY ACTS SECTION
COVER SHEET

SUBJECT: THE ORDER

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- Director's Sec'y _____

NATIONLINE

FROM USA TODAY'S NATIONAL NEWS NETWORK

ALSO

■ **PORTLAND, Ore.**—The FBI searched the Mount Hood area Sunday for a wounded gunman who slightly injured an FBI agent in a motel shoot-out. The motel manager was grazed by a SWAT team bullet fired at the man, believed to be a former member of an Idaho white supremacist church, the Aryan Nations. Officials refused to say why they originally were looking for the unidentified gunman.

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 The Christian Science Monitor _____
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Date 11-26-84

Page 4 WHILE
EXISTING FBI/DOJ

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Suspect F.B.I. Hunted Believed Dead in Siege

COUPEVILLE, Wash., Dec. 9 (AP) — A body believed to be that of a neo-Nazi wanted for shooting an agent of the Federal Bureau of Investigation was found today in the charred rubble of an island house.

The house, on Whidbey Island in Puget Sound, was the object of a 18-hour siege by police and Federal officers. It ended about 8 P.M. Saturday when flares intended to illuminate the scene set the house afire.

Allen Whitaker, the bureau's special agent-in-charge for Washington state, said he believed the only occupant of the house was Robert T. Mathews, 31, of Metaline Falls. The bureau said his identity could only be confirmed by an autopsy, which will be conducted by the King County Medical Examiner's office.

Mr. Mathews had been sought since Nov. 24, when he escaped from about 20 bureau agents surrounding a Portland, Ore., motel.

Arthur Hensel, a Federal agent, was wounded in the knee in that incident. He was among agents who had gone to the motel to arrest Mr. Mathews' roommate, Gary Lee Yarbrough, who was accused of shooting at three agents Oct. 18. A spokesman for the bureau said it would conduct an inquiry into the case.

John Lee Mathews, also of Metaline Falls, said his brother had been involved in the National Alliance, a white supremacist group, and other such organizations.

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 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

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- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

U.S. Alleges Overthrow Plot

White Supremacists Linked to Scheme to Take Over Government

By Laura Parker
Special to The Washington Post

SEATTLE, Dec. 11—The massive FBI manhunt last weekend that ended in a fiery gun battle on a wooded, rural island north of here has unveiled what federal prosecutors call a scheme by a group of white supremacists to overthrow the government.

Robert Mathews, who died in the 36-hour siege, and four others arrested at the scene had been associated with a white-supremacist group in the Idaho panhandle known as the "Aryan Nations" and had plans to eliminate "Jewish influence" and other minority groups from American society, according to documents filed in federal court here.

The Federal Bureau of Investigation began investigating the group several months ago in connection with a series of crimes thought to be the work of a group of white supremacists. An unidentified informer who infiltrated the group provided the FBI with information linking it to three armed robberies in Seattle and northern California that netted more than \$3 million.

The showdown began early Friday morning when more than 60 FBI agents swept through the pastures and woods of Whidbey Island, a 50-mile-long body north of Seattle, and surrounded three cabins on a bluff overlooking Puget Sound.

The agents closed shipping lanes near the island until late Friday evening and halted air traffic as the manhunt progressed. FBI agents negotiated with the activists and arrested four Friday on charges of harboring a fugitive.

But Mathews, 31, alone and heavily armed in one of the houses, refused to come out. FBI agents, some wearing camouflage, their faces blackened, waited in the woods through the damp, cold night while negotiations continued.

Saturday afternoon, the FBI fired teargas into the house and later attempted to enter it to arrest Mathews. Agents were met with gunfire and retreated. As the second day of the siege gave way to darkness, the FBI fired flares into the house to illuminate it. The building caught fire and quickly burned to the ground with Mathews inside as exploding ammunition kept the agents at bay.

A badly burned body taken from

the ashes was tentatively identified from dental records as Mathews.

Randolph George Ducey; Robert E. Merki; his wife, Sharon K. Merki, and a man identified as "John Doe" but also known as Bartlett Duane Udell and Ian Roy Stewart were charged in U.S. District Court in Seattle with harboring Mathews.

Three members of the group are still at large.

During the arrest of the four activists, FBI agents seized a briefcase bearing Ducey's name that contained a document dated Nov. 23, entitled "Declaration of War," said Assistant U.S. Attorney Gene Wilson.

The document declares "war" on various elements of society and was signed by Mathews, Ducey and Robert Merki in the name of the "Aryan Resistance Movement," according to court papers.

The informer said Mathews invited him to join the group and told him about his plans.

The group's bible, according to the informer, was "Turner's Diaries" by William Pierce, which was published by the National Alliance, an East Coast right-wing association.

The book contains fictional "di-

The Washington Post A-3
 The Washington Times _____
 Daily News (New York) _____
 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

Date 12-12-84

Page 7 FBI/DOJ

aries" written by a man named Turner, who details a supposed takeover of the United States by white supremacists.

The diaries describe a group called The Order that undertakes its revolution by funding itself through robberies, counterfeiting and other crimes. The next step, according to the book, is to launch terrorist attacks, including bombings and assassinations, against public officials, public offices, energy facilities, communications systems, newspaper offices and television and radio stations.

The book lists The Order's enemies as Jews, blacks, other minorities, conservatives unwilling to take drastic steps and liberals, said FBI special agent Norman Stephenson.

The revolution in the book begins in 1991 and ends successfully after eight years with the murder of many people, the destruction of the "liberal Jewish press," the bombing of FBI headquarters, the obliteration of Israel with nuclear weapons and the death of the fictional Turner in a suicidal nuclear attack on the Pentagon, Stephenson said.

[United Press International reported that the Aryan Nations Church of Hayden Lake, Idaho, issued a four-page, typed letter that it claimed to have received Saturday. The group said it contained Mathews' apparent description of his years of conflicts with federal authorities and vowed to "press the



FBI searches rubble of house where white supremacist Robert Mathews died.

FBI and let them know what it is like to become the hunted."

[The letter said Mathews worried his 3-year-old son, Clint, "would be a stranger in his own land, a blond-haired, blue-eyed

Aryan in a country populated mainly by Mexicans, mulattoes, blacks and Asians."

[Mathews, after leaving Aryan Nations, formed the "White American Bastion," UPI reported.]

(Mount Clipping in Space Below)

FBI probes right-wing group's farm loan plan

The FBI is investigating a controversial farm loan program offered through the National Agricultural Press Association, the Post-Bulletin has learned.

The FBI hopes to turn its investigation over to the U.S. attorney possible prosecution by the end of this month, said Bruce Yarborough, a special agent in the FBI's Indianapolis office who is directing the investigation.

The FBI investigation centers on whether the loan program involves mail fraud or wire fraud, Yarborough said.

Yarborough said the investigation has involved interviews with more than 100 people during an 18-month period.

The FBI still is investigating many, many leads in various parts of the country in connection with the case, Yarborough said.

The FBI also still is investigating NAPA's connection to the loan program, Yarborough said.

"It's not a black and white picture yet, but hopefully we will get to that point shortly," he said.

NAPA and its president, Rick Elliott, "could end up being a defendant, a witness, or a victim — a combination of the above," Yarborough said.

One hypothesis being investigated by the FBI is that NAPA worked as a broker for a finance company in Muncie, Ind., that is one of the firms being investigated by the FBI, Yarborough said.

Besides NAPA, the FBI investigation also involves six finance companies, at least some of which are allegedly arranging the NAPA loans, Yarborough confirmed.

One aspect of the FBI investigation centers on whether NAPA and the six companies are all interrelated, he confirmed.

At least three of the firms are located in Muncie, Ind. The three Muncie firms are "associated" with one another, according to a report from the Better Business Bureau in Muncie.

Dave Ryan, assistant U.S. attorney in Indianapolis, said it could be

several months before his office can review the FBI investigation. If criminal felony charges are warranted by the FBI investigation, Ryan said, the case would be turned over to a grand jury.

The National Agricultural Press Association, a far-right farm group that seeks to stop farm foreclosures, has actively recruited farmers in Minnesota, Wisconsin, the Dakotas and other states since early this year. The group was also active in Iowa until an investigation by the Iowa attorney general's office caused the state's chapter to disband.

One of the major tools used by NAPA to recruit farmers has been promises that the organization could help farmers obtain loans at below-market interest rates. NAPA gave farmers loan applications, which NAPA officials said would be forwarded to the lenders.

Elliott has repeatedly refused to say where the loan money was coming from. In a June interview at NAPA's regional office in Rushford, Elliott would say only that the money was coming from lenders in Indiana.

"We do not loan any money," Elliott said. "We just happen to know of persons who are legitimate people. They are clean. There's no fraud, no damned phoniness to their operations."

A secretary at NAPA's headquarters in Fort Lupton, Colo., said Elliott would not comment on the FBI investigation.

NAPA loan documents obtained by the Post-Bulletin show that one of the Muncie companies being investigated by the FBI has been processing NAPA loan applications.

An office manager for the firm said she is aware of the FBI investigation but that her company has done nothing wrong.

"We do not charge any up-front fees for these types of loans," the manager said. "They would have to prove that we have absolutely no sources of funds, which cannot be proved because we do have sources

of funds.

"We know the funding is real, and if they will allow us to do our job we will be able to prove it."

The manager said her firm recently found European lenders who will finance loans requested by NAPA members.

"These people are either private investment trusts or possibly European commercial banks," she said.

The loans will carry interest rates of below 8½ percent, the manager said.

She added that all NAPA members who applied for loans — even those rejected by American lenders because of inadequate collateral — will qualify for loans.

"They (the European lenders) are not as strict on some of the credit criteria as we are over here," she said.

Farmers who applied for NAPA loans were sent loan papers two weeks ago, the manager said, and her firm will forward those papers to the European lenders. The manager said she didn't know how many NAPA members were sent loan papers. She said her firm is attempting to have all the loans finalized by Christmas.

The manager said her firm is incorporated in a foreign country, but declined to name the country. A report from the Muncie Better Business Bureau, quoting the executive director of the firm, said the company locates business financing for small businesses and offers "financial brokerage, mail order.

(Indicate page, name of newspaper, city and state.)

PG. 1&6 ROCHESTER POST BULLETIN
ROCHESTER, MN

Date: 11-14-84
Edition:

Title: POSSE COMITATUS

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Submitting Office: MINNEAPOLIS, MN

Indexing:

credit reporting services, etc."

A number of economists and bankers contacted by the Post-Bulletin raised serious doubts about the NAPA loan program.

"It's a total scam," said Dr. Wilbur Maki, a regional economist at the University of Minnesota.

Investors would have no reason to participate in the NAPA loan program because they can earn much higher interest rates on money markets, Maki said.

"It sounds like another con game," said Les Peterson, president of the Farmers State Bank in Trimont, Minn. Peterson is former chairman of the agricultural banking committee of the American Bankers Association.

Peterson said some of his customers have tried to obtain loans from similar programs.

"Nothing has ever happened," he said.

Finance companies that arrange the loans typically charge "finder's fees" of several thousand dollars, Peterson said.

"Before I'd put my faith in an organization like that or paid any money, I'd want to run it by the attorney general to see if they're legitimate," Peterson said. "To date, we haven't found a single one that is."

Statements by the finance company's office manager that foreign lenders are less concerned than American lenders about farmers' collateral are incorrect, Peterson said.

"Anybody that tells you they're not going to look at security is whistling up a dead tree," Peterson said. "There isn't anybody that stupid in international finance."

Ed Morsman, president of Northwest Bank in Rochester, said he has "seen many circumstances where distressed borrowers are preyed upon by unscrupulous people."

"When any group of borrowers is under pressure, be it farmers or anyone else, there are many schemes presented to get such borrowers out of difficulties," Morsman said.

"We have seen lots of questionable deals like this citing European or Middle Eastern money and we have seen a lot of fraud in connection with these deals."

"Frequently, we have found that borrowers have been stuck with paying the finder's fee and getting nothing in return."

NAPA loan documents obtained by the Post-Bulletin indicate that farmers had to pay a \$500 fee to one of the Muncie finance companies to be considered for a loan. The three Muncie companies are "associated" with one another, according to a report from the Muncie Better Business Bureau. However, the office manager of one firm contacted by the Post-Bulletin denied that her firm has ties to the other two companies.

A payment of \$200 to the finance company was also required for closing fees, which were described as including a credit report, title search, attorney cost, and filing fees.

In addition, people who obtained loans were required to pay 2½ percent interest when the loan was closed.

Another NAPA document required borrowers to sign a statement that they would not disclose the source of the funding. Disclosure of the source would give NAPA the right to reject the loan application and keep any deposit paid, according to the document.

Disclosure of the source would also give NAPA the right to file suit against the borrower for \$25,000, with no defense for the borrower unless he could prove he had not disclosed the source, according to the NAPA document.

Elliott has said for six months that the loans would be finalized within days.

In an interview in mid-May in Westby, Wis., Elliott said NAPA then had \$50 million in notices of approval for loans. Borrowers would be getting notices within days about where and when their loans would be available, he said.

There have been no reports of any farmers actually receiving loans under the NAPA program.

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AP Laserphoto

FBI spokesman Allen Whitaker (left) and Island County, Wash., Sheriff Dick Medina talk with reporters Saturday after the house that murder suspect Robert J. Mathews was in caught fire and burned.

Mankhunt ends in fiery death

From Chicago Tribune wires

COUPEVILLE, Wash.—The body of a man believed to be a neo-Nazi sought in the wounding of an FBI agent was found Sunday in the charred rubble of an island house, which was ignited by police flares during a 35-hour standoff, authorities said.

Allen Whitaker, FBI special agent-in-charge for Washington state, said he believed the only occupant of the house, burned to his foundation, was Robert J. Mathews, 31, of Metaline Falls. But the FBI said the identity could be confirmed only by an autopsy.

The FBI sealed off the Whidbey Island home Saturday night after Mathews was presumed killed in the explosion and fire, which broke out when a SWAT team dropped

illumination flares from a helicopter.

MATHEWS, HOLED up in the rental home, refused to come out when the fire started and continued firing at agents. The house then erupted in a huge fireball. The FBI said Mathews' supply of ammunition may have ignited the blaze.

"The flares caused the fire, but the individual inside kept firing at the agents and so they could not get close enough to get the fire out," said FBI spokesman Joseph Smith.

Mathews had been linked to neo-Nazi, white supremacist groups in Washington, D.C., and Idaho.

Three people were arrested in other residences on Whidbey Island Friday on charges of harboring Mathews. They were identified by

the FBI as Randolph G. Ducey, Robert E. Merki and Sharon K. Merki.

THE FIERY death ended an intense, two-week manhunt for Mathews, who was wanted in the Nov. 24 shooting of an FBI agent in a motel in Portland, Ore.

The Washington Post _____
 The Washington Times _____
 Daily News (New York) _____
 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune **P. 4 Sec. 1**
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

Date 12-10-84

Page 5 **Extra**
 FBI/DOJ

The standoff between Mathews and the FBI began Friday when agents, some dressed in camouflage fatigues, surrounded the house, in a remote part of the island known as Smuggler's Cove, about 40 miles north of Seattle.

Describing Mathews as "heavily armed and very dangerous," the FBI called on the Coast Guard to close off Puget Sound shipping lanes near the island as a protective measure.

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- Director's Sec'y _____

ACROSS THE USA

FROM USA TODAY'S NATIONAL NEWS NETWORK

WASHINGTON

SEATTLE — Neo-Nazi's widow says FBI shunned her. Debbie Mathews says the FBI rejected her offer to talk Robert Mathews into giving up in a Whidbey Island siege. A body believed to be Mathews' was found in the charred rubble of a house after FBI agents' flares accidentally set it afire.

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Date 12-12-84

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- Training _____
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- Director's Sec'y _____

The World

A federal judge in New York ruled that a member of the Irish Republican Army, convicted in his homeland of murdering a British soldier, cannot be extradited because his crime was a political act. The decision by U.S. District Judge John E. Sprizzo means that Joseph Patrick Thomas Doherty, who escaped from an Ulster prison in 1981, can remain in the United States at least for the time being. Sprizzo upheld Doherty's assertion that the crime represents a political act and is not covered by the U.S.-British extradition treaty.

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 The Christian Science Monitor _____
 USA Today _____

Date 12-14-84

Page 7 FBI/DOJ

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- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

Idaho Man Held After Shoot-Out With FBI Agents

Gun That Killed Radio Host Found in Neo-Nazi's Home

From Times Wire Services

Anti-Semitic Group

DENVER—The submachine gun used to kill Jewish radio talk-show host Alan Berg here last June was found in an FBI raid on the Idaho home of a neo-Nazi who remained in federal custody Saturday, police said.

Berg, 50, who called himself "the guy you love to hate," had received threats during his stint on radio station KOA. He often denounced right-wing groups on the air.

Ballistics tests confirmed that the .45-caliber Ingram submachine gun found in an Oct. 18 raid on the home of Gary Lee Yarbrough, near Sandpoint, Ida., was used to kill Berg, Denver Police Chief of Detectives Don Mulnix said Friday. The FBI had obtained a search warrant in an investigation of an assault on federal officers.

Suspect Escaped

Yarbrough, a former member of the white supremacist Aryan Nations, fired on FBI agents before the search and escaped, police said in a statement. The search also uncovered Aryan Nation uniforms and assault rifles, grenades, gun silencers, explosives and blasting caps, police said.

Yarbrough was arrested after a Nov. 24 shoot-out with FBI agents at a Portland, Ore., motel and was returned to Boise, Ida., where he is being held without bail on charges including assault in the Oct. 18 incident. He has pleaded not guilty.

Mulnix said he was in "no hurry" to file charges in Berg's death. "Mr. Yarbrough isn't going anywhere," he added.

At one time, the 29-year-old Yarbrough reportedly was "captain of security" for Aryan Nations, a neo-Nazi group based in Hayden Lake, Ida.

The group's leader is Richard Butler, a 66-year-old engineer. The group is known for its anti-Semitic and racist rhetoric.

Yarbrough is believed to have served as Butler's bodyguard and worked in the organization's print shop. His name appeared on a flyer suggesting that it was "time for war" with the enemies of the Aryan Nations—blacks and Jews, according to the Anti-Defamation League of B'nai B'rith.

Yarbrough told the Seattle Times last year that the group was "looking for a separation of the races—most likely it will come by force."

"I am prepared to do battle," Yarbrough was quoted as saying. "The Lord will guide my bullet and deflect the bullets that are fired at me."

Butler said Yarbrough has not been a member of the organization for some time. He refused to comment further.

Mulnix said authorities investigating Berg's death had focused on far-right-wing groups like Aryan Nations because of Berg and "his personality and what he had to say about them." On his shows, Berg often derided and challenged extremist groups. Berg was shot to death in the driveway of his town house last June 18.

A month after Yarbrough fled his Sandpoint home, he and his former roommate, Robert T. Mathews, were traced to a motel near Portland. During a shoot-out there, officials said, Yarbrough was captured and Mathews escaped.

A manhunt for Mathews ensued,

which ended last weekend in a fiery shoot-out at an island hide-out outside Seattle, officials said. Mathews held federal agents at bay for more than 30 hours before police flares started a fire in the house. A body presumed to be Mathews was found in the house afterward, authorities said.

Mathews and Yarbrough also are suspected of a series of armored car robberies, including one in Ukiah, Calif., that netted \$3.6 million. They were charged with a Seattle armored car robbery last April that netted \$500,000.

Mathews was the founder of a group called the White American Bastion, authorities said, describing it as a neo-Nazi group dedicated to fomenting a white supremacist "revolution" in the United States.

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Date 12-16-84

White Extremist Page 27 FBI/DOJ

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- Training _____
- Telephone Rm. _____
- Director's Sec'y _____

Around the World

British M.P.'s Criticize Ruling on Extradition

Special to The New York Times

LONDON, Dec. 14 — The refusal of a Federal judge in Manhattan to extradite a member of the Provisional Irish Republican Army convicted of the murder of a British soldier was greeted with fury here by several Conservative Members of Parliament.

"This judge has given the seal of approval to murder, maiming and terrorism," said Jill Knight, a Conservative M.P. for Edgbaston, a district of Birmingham. "He should understand that he has also given the green light to terrorists all over the world, who will know that so long as they use the excuse that their acts are political, the law will protect them."

Joseph Patrick Thomas Doherty, who faces life in prison if extradited to Britain, had contended that he could not be returned here under the British-American extradition treaty because it contains an article prohibiting extradition if an offense can be considered "one of a political character."

Judge John E. Sprizzo of Federal District Court said the facts in Mr. Doherty's case "present the assertion of the political offense exception in its most classic form."

Meanwhile, a British soldier was jailed for life today for the murder of the road manager of the pop group Bananarama in Belfast. Pvt. Ian Thain was the first soldier to be found guilty of murder on duty in Northern Ireland. He was 18 years old at the time he shot Thomas Reilly, 23, during disturbances in August 1982.

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 The New York Times _____ **5** _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

Date 12-15-84
 Page 41 *Extra*
 FBI/DOJ

Gun in Killing Of Radio Host Reported Found

By T.R. Reid
Washington Post Staff Writer

DENVER, Dec. 14—The gun used for the gangland-style slaying of an outspoken talk-show host here has been recovered in the home of a right-wing extremist who is connected to a neo-Nazi white supremacist group, Denver police said today.

Ballistics tests confirmed that a Mach 10 automatic pistol FBI agents found in the extremist's Sandpoint, Idaho, home was the gun that killed outspoken radio announcer Alan Berg with a torrent of bullets on a city street here last June.

The gun was found after a fire-fight between FBI agents and Gary Lee Yarbrough, 29, at Yarbrough's home in Sandpoint. Officials said Yarbrough had been a member of a hate organization called "Aryan Nations."

After the shootout with agents at his home Oct. 18, Yarbrough fled

with his friend, Robert T. Mathews. Police say Mathews also was a member of Aryan Nations.

Yarbrough subsequently was arrested and is in custody. Mathews was killed last weekend in a shootout at an island hideaway near Seattle.

While Yarbrough and Mathews were fugitives, FBI agents searched Yarbrough's home and found numerous guns and explosives and four crossbows.

One of the guns was an R.P.B. Industries .45-caliber automatic pistol—the type of weapon that killed Berg. Bullets fired from the gun were shipped here for ballistics testing. The precise "signature" left by the gun on those test bullets exactly matched marks on the bullets found around Berg's body.

Police said that before this fall there had been no evidence of violent activity by Aryan Nations' members.

Aryan Nations, with headquarters in a tightly secured fortress in northwest Idaho, has been known for spreading an ancient message of racial and religious bias with modern, high-technology gadgetry.

The group maintains two computer bulletin boards, each of which is called an "Aryan Nations Liberty Net," and which anyone can read denunciations of Jews, blacks, communists and the U.S. government, which Aryan Nations calls the "ZOG," for "Zionist Occupational Government."

Under the heading "Know Your Enemy," the bulletin boards list the addresses of local offices of the Anti-Defamation League of B'nai B'rith and of the Communist Party U.S.A.

The board has a long denunciation of Morris Dees, a prominent Democratic Party leader in Alabama, because Dees has provided

legal representation for poor blacks.

The computer bulletin board, which readers can reach from anywhere, also has a list of "Race Traitors."

Aryan Nations' members declined to comment yesterday on the Berg killing. A spokesman at the Hayden Lake, Idaho, headquarters said Yarbrough is not a current member.

Denver Police Division Chief Donald Mulnix said yesterday that his officers had focused on "right-wing extremists" from the start of the investigation of Berg's murder.

"That was because of Mr. Berg and his personality, because of the things he had to say about right-wing extremists, which might have made him a target," Mulnix said.

Berg, who generally was liberal on policy issues, had a flamboyant, provocative manner on the air that made him this city's best-known and most controversial radio personality.

Berg was Jewish. In 1979, a Ku Klux Klan member burst into his studio to criticize his commentary. Berg said the Klan member threatened him at gunpoint.

After Berg was gunned down late at night outside his townhouse here, Denver police questioned some 200 people in search of leads.

The police cautioned that no one had been charged with the Berg shooting. They said they had no evidence connecting Yarbrough or Mathews to the Berg weapon at the time of the killing.

But the Denver police have sent investigators to question Yarbrough and other Aryan Nations members about the case.

Aryan Nations is the political arm of a white-supremacist, anti-Semitic organization called "The Church of Jesus Christ Christian."

The group actively proselytizes, using the motto, "One nation, one creed, one race."

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- Director's Sec'y _____

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- The Washington Times _____
- Daily News (New York) _____
- The New York Times _____
- The Wall Street Journal _____
- The Chicago Tribune _____
- The Los Angeles Times _____
- The Christian Science Monitor _____
- USA Today _____

Date 12-15-84

NATIONAL AFFAIRS

High-Tech Hatred

There are no sheets or burning crosses: hatred has gone high tech. For \$5, anyone with a computer can plug into the Aryan Nation Liberty Net, an electronic "bulletin board" offering the latest in neo-Nazi thought, thanks to the Ku Klux Klan.

For example, under the heading KNOW YOUR ENEMY there are lists of Communist Party offices, as well as ZOG ("Zionist Occupational Government") "informers." And there are editorial offerings, as well. In a discussion of the case of Leroy Little, a Vietnam veteran serving a life term for bombing communist headquarters in North Carolina, the author inquires: "Why is it all right for Leroy to shoot and bomb Communists 12,000 miles from home—but not at home?" And among the enemies list, a Texan named Buster Keaton carries a ghoulish footnote: "Buster Keaton killed in an explosion!!! . . . oh glorious day."

While the messages bear the cryptic signature 33/5, the Klan makes no secret of its involvement. "It's a tremendous tool in the awakening of the white Christian people to the Jewish plot to destroy the white race and Christianity," said Glenn Miller, leader of the North Carolina Klan, which operates one of several such bulletin boards. Because of the "Jewish-controlled mass media," says Miller, "we have to take our message directly to the people."

Newsweek
Page 20
December 24, 1984

Aryan Group, Jail Gangs Linked

FBI Reports on White-Supremacist Organization

By Mary Thornton and T.R. Reid
Washington Post Staff Writers

Federal officials said yesterday that a white-supremacist group, whose followers have been linked to several armored-car robberies, the slaying of a Denver talk-show host and assaults on federal agents, has 100 to 150 members and ties to two extremist prison gangs.

FBI agent Bill Baker said the group, which is based in the remote resort town of Hayden Lake, Idaho, on a 20-acre compound surrounded by barbed wire, is linked to the Aryan Brotherhood and the Aryan Special Forces, two white-supremacist prison gangs that are said to participate in loan-sharking, extortion and gambling and are suspected in the murders of guards and fellow prisoners.

The group is called the Church of Jesus Christ Christian and its action arm is known as the Aryan Nations, a paramilitary organization responsible for the church's political and proselytizing activities.

Baker also said that some of the Aryan Nations membership "is basically the same as that of the former [Idaho] chapter of Sheriff's Posse Comitatus," a militant tax-revolt group. One of that group's leaders, Gordon Kahl, was killed in a June 1983 shootout with authorities in Arkansas.

The Aryan Nations church, earlier known as the Emancipated Church of the White Seed, was started in the late 1970s by Richard Girt Butler and, according to Baker, "advocates white supremacy and the elimination of members of the Jewish faith and the black race from society."

Baker said that violent activities by the group have intensified in recent months and that FBI agents and local law enforcement officers have been advised to use caution when dealing with current or former members of the group.

Officials said an intense investigation of the group was recently conducted by agents from the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco and Firearms; the probe concentrated on the states of Washington, Idaho and Montana.

Sunday police in Denver

said that ballistics tests confirmed that a .45-cal. MAC-10 machine gun found in the Idaho home of a former member of the Aryan Nations was the weapon used to kill outspoken radio announcer Alan Berg last June outside his Denver home.

Gary Lee Yarbrough, 29, who was chief of security for the Aryan Nations until he joined a splinter group about a year ago, is being held without bond in the Ada County Jail in Boise on charges of assaulting a federal agent.

He is accused in connection with an Oct. 18 shootout with an FBI agent near his Sandpoint, Idaho, home. When agents searched the home, they found the MAC-10 and four crossbows, 100 sticks of dynamite, plastic explosives, hand grenades, semi-automatic rifles, infrared night-vision scopes, gun silencers, booby traps, police scanners and 6,000 rounds of ammunition.

Berg, 50, who was Jewish, was a flamboyant and controversial talk-show host for KOA radio in Denver. He was often critical of the Ku Klux Klan and neo-Nazi extremist groups, and sometimes billed himself as "the man you love to hate."

"I didn't kill him," Yarbrough told the Rocky Mountain News. "I never heard of him before I heard about this watching television."

Yarbrough eluded authorities until Nov. 24, when he was arrested following a shootout at a Portland, Ore., motel.

Yarbrough's roommate there, Robert Jay Mathews, 31, managed to escape from 20 FBI agents surrounding the motel, reportedly shooting one of them, Arthur Hansel, twice in the leg.

Mathews, who had left the Aryan Nations to form a group called the White Aryan Bastion, died Dec. 8 in a fiery shootout with FBI agents on Whidbey Island, about 20 miles northwest of Seattle.

Agents had surrounded three houses on the southern tip of the island and taken four persons into custody. When Mathews refused to come out, agents bombarded the building with tear gas, and SWAT (Special Weapons and Tactics) teams twice tried to storm the house, but were turned away by

heavy gunfire from automatic weapons.

After a 36-hour standoff, authorities fired a flare to illuminate the area; it went into the house, igniting the ammunition there. The ensuing explosions sent flames 200 feet into the air.

Searching the other two houses, FBI agents found two rifles, a shotgun, a 9-mm handgun, a sword, a police scanner and disguise items, including fake mustaches and two women's wigs.

Among those taken into custody on Whidbey Island were Randolph Duey and Ian Stewart. Court testimony by FBI agents has linked them to an unidentified bank robbery, three armored-car robberies in Seattle and "possibly a homicide in Colorado."

U.S. Magistrate Philip K. Sweigert refused to set bail for the two men last Friday, noting that a manual was found in Duey's possession that included a "declaration of war" on the "Zionist-infiltrated U.S. government" and called for elimination of the "liberal Jewish press."

Duey is also a former member of the Aryan Nations church who split, with Mathews and Yarbrough, to form the splinter faction.

Mathews, Duey, Yarbrough, Stewart and "persons unknown" have been charged with the \$500,000 robbery of a Continental Armored Transport Inc. truck April 23 in a Seattle shopping center.

Law enforcement sources said they are suspects in a bank robbery and other armored-car robberies, including the July 19 robbery of a Brink's armored car in Ukiah, Calif., that netted \$3.6 million.

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The Washington Times _____
Daily News (New York) _____
The New York Times _____
The Wall Street Journal _____
The Chicago Tribune _____
The Los Angeles Times _____
The Christian Science Monitor _____
USA Today _____

Date 12-18-84

Page 1 FBI/DCU

At least three other men are being sought in connection with the Whidbey Island raid; the FBI has refused to identify them.

Before the raid, Mathews had written to the Aryan Nations group, predicting his death. "It is only logical to assume that my days on this planet are rapidly drawing to a close," he wrote. "I will leave knowing I have made the ultimate sacrifice to secure the future of my children."

Mathews said he was worried that his son "would be a stranger in his own land, a blond-haired, blue-eyed Aryan in a country populated mainly by Mexicans, mulattoes, blacks and Asians."

One of the more active members of Aryan Nations has been Louis Beam, a computer consultant who was a grand dragon, or presiding officer, of the KKK in Texas.

Aryan Nations has spread its gospel of religious and racial hatred on two computer bulletin boards, the "Aryan Nation Liberty Nets." Anyone with a home computer and a modem can dial into the Aryan Nations system to read denunciations of blacks, Jews, communists, civil rights activists and the U.S. government, which has been nicknamed ZOG, for Zionist Occupational Government.

The group publishes a monthly newsletter, "Calling Our Nation," and a book catalog containing such titles as "The Holy Book of Adolf Hitler," "The Negro: Serpent, Beast and Devil" and "Story of the Ku Klux Klan."

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- Director's Sec'y _____

Arrested racists and the FBI

Last week the FBI broke up a gang of white supremacists who had a plan to overthrow the government and then set about eliminating "Jewish influence" and so forth. It is worth reflecting that, in all probability, the FBI's work in this case was helped by the guidelines that now govern the bureau's collection of data on subversive or violent organizations.

The guidelines, the work of Attorney General William French Smith, replaced the Levi guidelines, named after former Attorney General Edward Levi and incomprehensibly kept in place for several years by FBI Director William Webster. The Levi rules prevented the FBI from performing any kind of surveillance — even assembling publicly available material — on groups

that had not yet, according to reasonable evidence, broken the law, regardless of how violent their stated objectives.

Those who think these rules did no more than protect innocuous "progressives" should think again. Under the Levi guidelines it would have been impossible for the FBI to have gathered any information on the gangsters arrested last week in the absence of the bank heists. If they had been funded by non-criminal sources, the government's hands would have been tied.

The concept of "subversive" includes the extreme right as well as the extreme left. All those in between are beneficiaries of Attorney General Smith's revisions, for which let us give thanks.

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 Daily News (New York) _____
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Date 12-17-84

Page 14 Ext. 14
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Leader Claims Neo-Nazis Have Computer Network

DENVER (UPI)—The leader of a white supremacist group whose former member is a suspect in the slaying of a Jewish talk-show host says neo-Nazi groups throughout the United States and Canada are linked by a network of home computers.

Aryan Nations leader Richard Butler of Hayden Lake, Ida., said also that members of his group can call up a computerized list containing the names of Jews, alleged communists and "race traitors."

He told the Denver Post in an interview published Sunday that the lists are not hit lists but are only meant to tip off members of his group to "enemies of the white Aryan race."

Butler said that only members of his group or their close confederates can get the code for the lists but that anyone can call the computers and get other right-wing materials, messages and publications.

To receive the secret lists requires a level-seven clearance, he said. The lists contain addresses of certain Jewish and communist organizations.

Meanwhile, the former Aryan Nations member suspected of killing Denver radio talk show host Alan Berg said from his jail cell in Boise, Ida., that he has never committed a violent crime.

Police disclosed Friday that the gun used to kill Berg was found in Gary Lee Yarbrough's home near Sandpoint, Ida.

"I've never harmed anybody," Yarbrough said at the Ada County Jail, where he is being held without bond on charges that include assault on FBI agents. "I've never been involved in a violent crime or a crime with a handgun."

Yarbrough said also that he has never been in Denver and had not heard of Berg until he saw a television news program on the investigation into his death.

Denver police said that an Ingram .45-caliber submachine gun used to kill Berg last June had been found in Yarbrough's home in October. Yarbrough was arrested on Nov. 24 after an FBI shoot-out at Portland, Ore.

Yarbrough denied that the weapon found in his home was the same one used to kill Berg.

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Date 12-17-84

White Extremists Page 24 FBI/DOJ

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NATIONLINE

FROM USA TODAY'S NATIONAL NEWS NETWORK

Home computer network links neo-Nazi groups

Neo-Nazi groups in the USA and Canada are linked by a home computer network that allows subscribers to obtain lists of Jews, suspected communists and "race traitors," one of the USA's leading white supremacists says.

"The lists aren't hit lists, but only meant to tip off members to enemies of the white Aryan race," Aryan Nations leader Richard Butler of Hayden Lake, Idaho, said in the Sunday edition of *The Denver Post*.

Telephone lines are used to transmit messages; the system was set up by Louis Beam, former Grand Dragon of the Texas Ku Klux Klan, Butler said.

Aryan Nations gained the spotlight when ex-member Gary Lee Yarbrough became a suspect in the June slaying of Jewish radio talk show host Alan Berg of Denver. He hasn't been charged in Berg's death, but a gun said to be the murder weapon was found in his Sandpoint, Idaho, home Friday. Berg often derided white supremacist groups.

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Date 12-17-84

Page 11 FBI/DOJ

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Ex-Nazi will appeal ruling

ATTORNEYS FOR a Lithuanian immigrant who has been living on the Southwest Side since 1949 are planning to appeal a ruling that has stripped him of his U.S. citizenship for hiding his past as a Nazi guard at a Polish concentration camp in World War II.

U.S. District Judge James Moran ruled Friday that Luidas Kairys, of 4036 S. Montgomery Ave., had failed to include the fact that he had been a Nazi on his 1957 naturalization papers.

Because of that, Moran ruled that

Kairys had obtained his citizenship fraudulently, and revoked his citizenship.

The Department of Justice, which prosecuted the case, will next try to deport Kairys.

THE FEDERAL government first moved to revoke Kairys' citizenship in August, 1980, alleging that he concealed his Nazi past and lied about his name and date and place of birth. The government contends that he was born Liudvikas Kairys in Lithuania in 1920.

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 USA Today _____

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Page 10

W.F. 7
 6
 FBI/DOJ

Revolt Plans Tied to White Supremacists

MONTGOMERY, Ala. (UPI)—Documents from a computer network operated by a white supremacist group contain plans for a revolution aimed at overthrowing the U.S. and Canadian governments, a published report said Tuesday.

The Montgomery Journal-Advertiser said information gathered by the anti-klan group Klanwatch indicates that the racist group advocates revolutions in the United States and Canada by assassinations and terrorism.

The newspaper said Klanwatch obtained the documents from the telephone-linked computer network operated by the Church of the Aryan Nations, an Idaho group suspected of killings and robberies in the Northwest, law enforcement officials said.

The group is also known as the Church of Jesus Christ Christian.

The documents also contained veiled death threats against Montgomery civil rights attorney Morris Dees, the founder of Klanwatch, the newspaper said.

The computer network, called "Aryan Nation Liberty Net," contains messages criticizing federal welfare and foreign aid programs and warns that "mongrelism" and "social experiments" have undermined U.S. society, the Journal-Advertiser reported.

"We shall fight! We shall not allow ourselves to be enslaved as those in Russia. Arm yourselves! Liberate Canada!" one message read.

Another listed enemies of the white supremacist movement who are wanted for "crimes" such as acting as informants for federal law enforcement officials.

The enemies "shall suffer the extreme penalty when lawful government is restored upon this continent," the message read.

One of the enemies singled out is Dees, who filed suit against the klan on behalf of black marchers involved in a 1979 shoot-out with robed klansmen in Decatur, Ala.

"According to the word of our God, Morris Dees has earned two death sentences," one message said.

Dees, whose office was burglarized and firebombed last year, said it was apparent that right-wing supremacist groups have begun a system of terrorism and violence against opponents.

Joe Garner, identified by prosecutors as a klansman, was indicted last month on burglary and arson charges in the Dees case. Prosecutors also claim that Garner, who is jailed under \$468,000 bond, is linked to the Church of the Aryan Nations.

"The evidence is pretty plain that the Aryan Nations and other klan-Nazi groups are working together in a unified underground effort to damage property and assassinate people who are committed to civil rights operations, and government officials, FBI agents and others," Dees said.

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- The Wall Street Journal _____
- The Chicago Tribune _____
- The Los Angeles Times Pl. 1, p. 13
- The Christian Science Monitor _____
- USA Today _____

Date 2/2/85

NATIONAL AFFAIRS

A Surprise Break In a Murder Case

The FBI raid on Gary Lee Yarbrough's Idaho home had only one aim: to capture Yarbrough's brother, Steve, an escaped convict from Arizona. Steve wasn't there, and Gary, a member of several neo-Nazi organizations, eluded FBI agents after allegedly wounding two in a shoot-out. But now the FBI has learned that its October raid wasn't a bust after all. A .45-caliber submachine gun found in Yarbrough's house turned out to be the weapon used to murder Denver radio talk-show host Alan Berg.

Berg, who described himself as a guy "you love to hate," was gunned down last June as he stepped from his car in front of his Denver home. Yarbrough, 29, was arrested in Oregon last month on charges of assaulting a federal officer and is being held without bail in Boise, Idaho. The former chief of security for a group called the Aryan Nations denies killing Berg or even having heard of the man before his murder. But he revealed to reporters that he did know one thing that might have made Berg a target of Yarbrough's extremist group. "I know that he was a Jew," said Yarbrough, who is now a member of the White American Bastion—an Aryan Nations splinter group suspected of several bank and armored-car robberies in the West.

So far, no new charges have been filed against Yarbrough. Denver District Attorney Norman Early said premature revelations by The Denver Post alerted Yarbrough and his associates that they were suspects in the murder investigation. "We had hoped to place an informer in his cell," he said. When Denver police investigators arrived in Boise to question Yarbrough, he refused to talk to them at all.

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White Supremacist Linked to Second Heist

PORTLAND, Ore. (AP)—A white supremacist accused of taking part in a Seattle armored car robbery was linked Thursday by the FBI to a second armored car holdup in Northern California, during which \$3.6 million was stolen.

An unidentified but reliable informant placed Denver D. Parmenter, 32, at the scene of the July robbery in Ukiah, FBI agent Norman D. Stephenson testified Thursday at a pretrial hearing for Parmenter.

Parmenter, who was arrested Dec. 18 in Seaside, on the Oregon

coast, faces trial in Seattle on charges stemming from the \$500,000 robbery of an armored vehicle at a shopping mall April 23.

He was ordered to stand trial in the case Thursday and is being held without bond.

Stephenson testified that a second informant told the FBI that the Seattle holdup was intended "to gain funding" for "a white supremacy nation organization."

Parmenter and four others charged in the robbery are members of the Aryan Nations, said Richard Butler, leader of the white supremacist group.

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 The Christian Science Monitor _____
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Links of Anti-Semitic Band Provoke 6-State Parley

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By WAYNE KING

Special to The New York Times

HOUSTON, Dec. 29 — The roughly half dozen members of a heavily armed anti-Semitic group that has "declared war" on the United States appear to be part of a larger racist alliance with adherents in half a dozen Western and Southern states, according to Federal investigators and others monitoring the ultraright.

Sources close to the investigation of a small band of extremists believed to have carried out at least four bank and armored car robberies, as well as armed attacks on Federal officers, have confirmed that the inquiry has spread into several states.

Earlier this month, law authorities were involved in a gun battle in Washington State with members of the group, which calls itself the Silent Brotherhood and says its aim is terrorism and a violent takeover of the Government.

This clash bore resemblances to one 1 month ago, in Arkansas. Both choiced parts of a racist novel that has been called the bible of an anti-Semitic movement. The Washington shootout killed Federal attorneys from Alabama, California, Colorado, Idaho, Oregon and Washington to meet in Seattle earlier this week to discuss strategies in investigation.

Various Agencies Mentioned

Law-enforcement officials in some of the states involved confirmed the meeting but declined to give details. It appeared, however, that the investigation involved several Government agencies, including the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco and Firearms and the Internal Revenue Service.

Investigators have decided that the bank and armored car robberies, including one in northern California last spring in which a team raked a Brinks armored car with automatic weapons and escaped with \$3.6 million, were conducted to raise money for a war upon the United States Government, which the group calls "ZOG," or Zionist Occupation Government.

The group was also involved in counterfeiting, both to raise money and to abuse the currency, according to legal documents.

One of the numerous weapons used by the group, a .45-caliber submachine gun equipped with a silencer, has been identified by ballistics experts as the weapon used in the slaying of Alan Berg, the Denver radio talk show host who was riddled by a burst from an automatic weapon as he stepped from his car in the driveway of his home June 1.

Other Weapons Are Seized

In related searches, Federal agents seized quantities of other weapons, ammunition and explosives, including and grenades and a plastic explosive.

One person linked to the group, Federal investigators said, had plans of a power dam in northern Washington. Among the group's announced aims is destruction of utilities and communications, although there was no confirmation of any plan to sabotage the dam.

The Federal agents also seized racist tracts, including one detailing a "point system" for gaining hero status as an "Aryan warrior" by murdering Jews, blacks, Federal judges and F.B.I. agents.

One hand-written tract declared "war" against "the ZOG" and the "Jew-controlled media," and warned of "daily firefights" between law enforcement officials and the "heavily-armed White American Revolutionary Army."

They See an Armageddon

The Silent Brotherhood, which has links to at least a dozen other groups like it around the country, including elements of the Ku Klux Klan and the American Nazis, subscribes to a supremacist doctrine saying that the Government has been taken over by Jews, who it says are descendants of Satan and must be exterminated in a racial and religious Armageddon.

Although the Federal Bureau of Investigation said after the gun battle in Washington two weeks ago with the Silent Brotherhood that the organization did not appear to pose "a major threat" because of its small numbers, the Justice Department has expanded its inquiry to at least six states and is examining members' links to the larger racist alliance calling itself the Aryan Nations.

The larger group says it has a mailing list of 6,000. It possibly has 500 active adherents, according to reports on its rallies and from informers who have attended some of its conventions and religious services. It is has headquarters in Hayden Lake, Idaho.

Among the group's affiliates are members of the Ku Klux Klan, the American Nazi Party and some radical adherents to the doctrine of Posse Comitatus, which recognizes no law above the county level. One Posse Comitatus adherent who attended Aryan Nation functions, Gordon Kahl, was killed in May 1933 in a bunker in Arkansas after a cache of explosives and ammunition was ignited in a gunfight with Federal agents, but not before he shot and killed a sheriff. The Aryan Nations has declared him a martyr.

Some organizations affiliated with the racist alliance have computerized "enemy lists," with names and addresses of Jewish organizations, purported Communists and some members of the media.

He Was Sought in Slaying

Mr. Kahl, a tax protester with a history of anti-Semitic and anti-black activity, was a fugitive sought in the slayings of two Federal marshals in North Dakota.

Federal agents investigating those killings began uncovering links among heavily armed right-wing extremists. These overlaps were also reported by such groups as the Anti-Defamation League of B'nai B'rith, which has monitored and talked to informers in such groups such as the Ku Klux Klan.

The extremist network is loose knit, nationwide in scope, but concentrated in small pockets in the Middle West, the West and the South.

Although the investigators say it is united more by ideology and theology than by organization or hierarchy, some constituent groups are being linked by a rudimentary computer network being set up by Louis Beam, a Texas Ku Klux Klan leader now based in Dallas.

According to an Aryan Nations newsletter, Mr. Beam is an ambassador at large of the Aryan Nations.

The chief organizational connection, according to the Anti-Defamation League and other sources, is the Aryan Nations group in Idaho. It is headed by Richard Gurnt Butler, a 65-year-old neo-Nazi who is also head of an anti-Semitic sect called the Church of Jesus Christ Christian, which also has headquarters at the Aryan Nations compound at Hayden Lake.

Mr. Butler said that his group had a mailing list of 6,000 names.

Whidbey Island Shootout

The connections among the armed groups took on added significance two weeks ago when Federal agents surrounded a remote house on Whidbey Island in Puget Sound, Washington.

The agents, seeking suspects in a number of state and Federal crimes, including bank and armored car robberies, counterfeiting and armed assaults on Federal officials, ordered all other residents off the island and halted ship traffic in the sound.

What followed was a reprise of the clash with Mr. Kahl in the hills of Arkansas 18 months before.

After a 36-hour siege, with sporadic fire upon the officers from an auto-

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 Daily News (New York) _____
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 The Chicago Tribune _____
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

Date 12-27-84

Page 9 FBI/DOJ

plastic weapon, flares were dropped by helicopters to light the scene. They ignited the house.

The blaze caused the death of 31-year-old Robert J. Mathews, who heard pleas from officers to give up and responded with machinegun fire.

Four others were arrested on the island. They were identified as Robert E. and Sharon K. Merki, a couple wanted on Federal charges of counterfeiting, who are also charged with harboring a fugitive and possession of illegal firearms; a man who identified himself as Ian Roy Stewart, charged with harboring Mr. Mathews, a fugitive, and Randolph George Ducey, also charged with harboring and with possession of a hand grenade.

They Were Also Fugitives

The Merkis were also wanted on a Federal fugitive warrant for jumping bail on a counterfeiting charge in Spokane.

Mr. Ducey was taken into custody early in the siege when he fled through the back door of one of three houses occupied by members of the group. He carried a semiautomatic rifle and an Israeli-made submachine gun, both loaded, but gave himself up without incident.

Searches of the houses uncovered another machinegun and other weapons, quantities of ammunition, a grenade, false identification papers, \$24,000 in cash and a "declaration of war" signed by group members, who called themselves the "Aryan Resistance Movement."

Another \$40,000 in cash was in a canvas bag carried by Ian Stewart when he surrendered to the authorities. He said the money was his.

He Headed a Splinter Group

According to a complaint filed by the United States Attorney in Seattle, based on affidavits by F.B.I. investigators, Mr. Mathews headed a splinter group of the Aryan Nations calling itself the Bruder Schweigen, or Silent Brotherhood, in German. The group has also used the name Silent Brotherhood of the White American Bastion.

According to an informer, Mr. Mathews tried to recruit the informer into the group in early 1984 and told him that he had singlehandedly robbed a Seattle bank of \$25,000 in late 1983, and that he and other members of the group had robbed a Continental Transport armored car of \$500,000 in Seattle and a Brinks truck of \$3.6 million in Ukiah, Calif., in June of this year.

Both robberies of armored cars were carried out in a paramilitary style by armed groups, of up to 17 persons in the Ukiah case, and in both cases the groups held up the vehicles brandishing automatic weapons and identical signs reading "Get out or you die."

According to the Government, the actions closely followed the plot of a racist novel, "The Turner Diaries," described by the informer as "the bible of the group."

It Covers Takeover of U.S.

The book was first published under a pseudonym, but was written by William Pierce, who heads a neo-Nazi group, the National Alliance, in Washington, D.C.

The account, the Government says, "covers the supposed takeover of the

States of America by white supremacists who form a paramilitary underground and proceed to overthrow the Government by violence."

In it, a group calling itself the Order "begins by first funding itself by robberies, counterfeiting and other crimes." The book describes counterfeiting "as not only a way to provide funding but as a way to disrupt the economy of the United States."

The book also describes obtaining automatic weapons, terrorist attacks, assassination of public officials and bombing of public utilities.

In the latter context, a Federal official in Washington confirmed that blueprints to a large power dam on the Pend Oreille River near the Canadian border in northeastern Washington had been found in the possession of someone associated with the Aryan Nations Church of Jesus Christ Christian.

Arrest Confirmed by U.S.

That person was arrested, although the identity of the accused and the charges could not be traced because the Federal authorities, while confirming the arrest, would not disclose where the arrest took place. Mere possession of the plans to the dam is not illegal.

Besides those arrested after the siege on Whidbey Island, Federal agents have arrested other known and suspected members of the racial terrorist group and are seeking others.

Among those now in custody is 29-year-old Gary Lee Yarborough of Sand Point, Idaho, who was reportedly recruited into the Aryan Nations on Mr. Mathews's recommendation in 1979 or 1980.

Mr. Yarborough was arrested on Nov. 24 at a motel in Portland, Ore. He was sought in the \$3.6 million Brinks robbery and for an earlier armed assault on Federal agents on Oct. 18.

As Federal officers closed in on the Portland motel in November, a man later identified as Mr. Mathews ran onto a balcony and fired a shot at the officers with a pistol, and in an exchange of gunfire, an F.B.I. agent, Art Housnel, was wounded in the leg. Mr. Mathews himself was also apparently wounded, but escaped.

'War' Declaration Found

Mr. Yarborough was arrested and a search unearthed two automatic weapons, one equipped with a silencer, a grenade, \$50,000 in cash and the handwritten declaration of "war" signed by those identifying themselves as the "White American Revolutionary Army."

Mr. Yarborough was charged on several counts, including armed assault on a Federal officer. The charge grew out of an incident in October when Mr. Yarborough was said to have run out of the woods and begun firing as F.B.I. agents disguised as Forest Service employees approached his home.

He escaped, but a search of the house uncovered weapons, including two .45-caliber semiautomatics, one equipped with a homemade silencer.

A week after his arrest on Nov. 24, the Federal authorities said that one of these weapons had been used to kill Mr. Berg, the talk show host.

That case remains under investigation and Mr. Yarborough has specifically denied any involvement in it or other crimes.

Those including the ultraright said Mr. Yarborough was recruited into the Aryan Nations, at Mr. Mathews's urging, when Mr. Yarborough was released from Arizona State Prison, where he had served a term for burglary and theft. In prison, he belonged to the racist prisoners' group called the Aryan Brotherhood.

The recruitment was part of the "outreach ministry" of the Church of Jesus Christ Christian, the theological arm of the Aryan Nations.

Mariposa Church Doctrine

That church derives its violently anti-Semitic doctrine from the Ministry of Christ Church in Mariposa, Calif., headed by the Rev. William Potter Gale, who founded it on the doctrine that Jews are the sons of Satan, of the line of Cain, and should be exterminated.

Through his church, Mr. Gale is head of the so-called Christian Identity movement, which teaches that the Lost Tribes of Israel are actually blue-eyed Aryans and that Jews are impostors.

Richard Butler, head of the Aryan Nations and the Church of Jesus Christ Christian, has worked with both the identity movement and other groups through the Aryan Nations organization, according to the groups' literature and those monitoring the movement.

After the death of Mr. Mathews at Whidbey Island, Mr. Butler held a news conference at which he said he was "proud of Mathews; he was a hero."

Last Wednesday, he gave a statement to the press asserting that five of the men arrested in the robberies and assaults, including Mr. Mathews, Mr. Yarborough and Mr. Ducey, were "former members of the Aryan Nation at a uniformed HQ division of Hayden Lake, Idaho," and "they attended the worship service of the Church of Jesus Christ Christian with their families."

Photographs in the Aryan Nations newsletter show Mr. Yarborough in uniform as head of an honor guard at a ceremony attended by 300 people from 13 neo-Nazi, Ku Klux Klan and similar groups at an "international conference" held at Hayden Lake.

A 1982 Aryan Nations newsletter asserts the group's intention "make it clear to ourselves and to our enemies what we intend to do."

It promises "we will have a national racial state," and "at whatever price is necessary." "Just as our forefathers purchased their freedom in blood, so must we," the newsletter says. "We will have to kill the bastards."

According to the Anti-Defamation League, the annual meetings include sessions on guerrilla warfare, with "The Road Back" as a textbook. This book contains 20 chapters on weapons, explosives, communications, "urban warfare," sabotage, "guerrilla medicine" and the like. It includes illustrations depicting the mining of railways and trucks.

For three years, according to the Anti-Defamation League, the conferences have also been attended by Traudel Roeder, the wife of Manfred Roeder, head of the largest neo-Nazi group in Europe. Mr. Roeder is serving a prison term in West Germany for the bombing of a Vietnamese refugee center in which two Vietnamese were

'Neo-Nazis' Inspire White Supremacists

Wave of Crime, Terrorism Tied to Novel

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- Director's Sec'y _____

By T.R. Reid
Washington Post Staff Writer

HAYDEN LAKE, Idaho—A small but heavily armed group of right-wing extremists, its members recruited largely among ex-convicts, has launched a wave of crime and terrorism inspired by a fictional account of a neo-Nazi takeover of the United States.

A task force of **FBI**, Secret Service and federal Bureau of Alcohol, Tobacco and Firearms officers has caught eight of the extremists in a crackdown over the last month. At least nine suspected members are still being pursued.

FBI officials say the extremists, who share an unyielding anti-Semitic, racist philosophy, have engaged in counterfeiting, armored-car holdups, bank robberies, a synagogue bombing and the gangland-style murder of a liberal Jewish radio personality in Denver.

Officials said the group has also planned terrorist bombings of dams and public buildings.

FBI Special Agent Norman D. Stephenson told a federal magistrate in Seattle that the group's goal is "violent overthrow of the U.S. government by killing, robbery and counterfeiting." He cited a "declaration of war" against blacks, Jews and the federal government signed by about 12 of the neo-Nazis late last month.

Law enforcement officers say the group, variously known as the "White American Bastion," "The Order" or "Bruder Schweigen" (Silent Brotherhood), essentially is acting out in real life the plot of a fictional Nazi fantasy.

The current outburst of violence tracks fairly closely with the plot of a fictional pamphlet, "The Turner Diaries" by white supremacist William Pierce of Arlington, Va.

That book relates a successful revolution by heavily armed American neo-Nazis. In the book, the Nazis murder several prominent Jews, bomb the FBI headquarters and finally attack Israel with nuclear weapons.

Just as in that novel, the real-life "Silent Brotherhood" has funded itself through counterfeiting and a series of robberies. With these fund-raising methods, authorities said, the group has accumulated more than \$4 million in \$100 and \$20 bills.

Some of the cash has been recovered in the recent arrests, but the FBI reportedly believes that large chunks of the money remain to be found.

This violent band of white supremacists came to national attention this month when police announced that the automatic pistol used in the June slaying of Alan Berg, a controversial radio talk-show host in Denver, had been found in the rural Idaho home of one member of the "brotherhood."

In fact, though, the seeds of the movement have been sprouting for more than a decade at a heavily fortified "church" here in a remote and marvelously scenic resort community east of Spokane, Wash., 80 miles south of the Canadian border.

This small Idaho town is the home base of the "Church of Jesus Christ—Christian" and its proselytizing arm, an auxiliary group called "Aryan Nations."

The "church" and the Aryan Nations group are descendants of hate groups that flourished during the Great Depression.

The church has been run since 1970 by Richard G. Butler, a California aeronautical engineer who became a follower of Dr. Wesley Swift, one of the more active Depression-era white supremacists.

In 1973, Butler moved the operation to a fenced and secluded 20-acre site here at the edge of Coeur d'Alene National Forest, near the banks of a pure, ice-blue lake surrounded by a dense stand of dark-

The church's name reflects Butler's angry rejection of the assertion that Jesus Christ was born a Jew. The name "Aryan Nations" reflects his belief that the "white nations" of the world, in North America and Western Europe, are the true Aryan descendants of the original tribes of Israel, described in the Bible as the Chosen People.

Butler, 65, a nervous, thin-faced man with a surprisingly unmenacing manner—his conversation is laced with "Gosh!" and "Heck!"—set about spreading his views that Jews and blacks are the children of Satan and have corrupted U.S. institutions and government.

Butler said in an interview last week that he views his mission as "spreading the message."

"We must win the hearts of the people," he said. "It is a battle, or a war, for minds. It can only be done in the open."

Accordingly, Butler has spent the last decade distributing literature, taking part in public debates and recruiting converts.

He has an extensive catalogue of Aryan Nations literature and paraphernalia. Items for sale range from a new edition of Adolf Hitler's "Mein Kampf" ("pro-Hitler translation," the catalogue promises) to plastic coffee mugs and key chains bearing the red-and-blue Aryan Nations seal.

The Washington Post A3
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 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times _____
 The Christian Science Monitor _____
 USA Today _____

Date 12-26-84

Page 8 *white* FBI/DOJ

Butler has fought a continuing battle with local and federal taxing authorities, who reportedly have denied his group a religious-organization tax exemption.

At one point, Butler said, he had a mailing list of 6,000 people, but this was stolen by two dissident followers who left his compound last summer.

When Canadian authorities refused to let Butler's hate literature into the country, he started a computer bulletin board to spread the message electronically. He says several hundred people in the United States and Canada gain access to the system every day to read anti-Semitic, anti-black messages.

Butler holds regular Sunday church services that draw a few dozen people. His church also runs a small "Christian Academy" where a handful of local children get their education.

Butler has also hosted at least two sessions of the "National Aryan Congress," an annual gathering of Ku Klux Klan, American Nazi Party, Posse Comitatus and similar extremist group members from around the nation.

At these summertime sessions, participants in brown American Nazi uniforms, bright-blue Aryan Nations suits or white Ku Klux Klan robes gather around the Nazi and Confederate flags and exchange stiff-armed Nazi salutes, according to those who have attended.

Butler's Idaho "church" also has served as a temporary base for such allies as Louis Beam Jr., former Grand Dragon of the Texas Ku Klux Klan, and Robert Miles, a Klan leader from Michigan.

Over the years, Butler directed much of his proselytizing at prison inmates, particularly in the West and deep South. He says that "a number" of ex-convicts whom he contacted while they were in prison moved here after their release and became members of the "Aryan Nations uniformed headquarters division."

But this influx of prisoners led to an eventual split in the extremist movement, as Butler tells it.

"In their view, the program . . . to reach the masses of our people through truth, logic, and reasonableness would never be allowed" because "the media are controlled by our enemies," Butler said.

And so a number of young neo-Nazis split away from Aryan Nations. Butler said to pursue a more

Some observers of the extreme right doubt Butler's story and say he is still closely connected to the violent faction of his movement. Butler has not been charged, however, with complicity in any of the recent crimes.

In any case, a group of Aryan Nations members began a bloody trail of criminal conduct, which the FBI says is based on the novelistic account of a neo-Nazi uprising. FBI agent Stephenson said an informant has described the novel as "the bible" of the violent faction.

In the last year, the FBI believes, Silent Brotherhood members have successfully carried out at least one bank robbery and two lucrative ambushes of armored cars.

Stephenson told a magistrate in Seattle that "some of the documents recovered [from members' homes] state that in order to become an 'Aryan Warrior,' applicants must complete a series of . . . points . . . and that the method of compiling such credits includes the murder of federal judges, FBI agents, and other federal officials and employees, as well as the murder of Jewish people, black people and others."

The Secret Service, which investigates counterfeiting, has seized a professional printing press in central Washington state that allegedly was used by Robert E. Merki, a member of the right-wing group.

Counterfeiting is used by the extremists not only to get cash but also to disrupt the Federal Reserve System, which Aryan Nations literature describes as a tool of Jews.

Law-enforcement officials began to make a strong move against the group this fall after one member, Gary Lee Yarbrough, an ex-convict who later became Richard Butler's "bodyguard" at the Hayden Lake church, allegedly fired at FBI agents approaching his house.

A subsequent search of Yarbrough's home revealed a large cache of explosives and weapons ranging from submachine guns to crossbows.

Among the guns found in Yarbrough's home was a "Mac-10" automatic pistol. Ballistics tests proved that this was the gun used to kill Berg, the Denver radio host.

After the shooting at Yarbrough's home, agents tracked the fleeing Yarbrough and another extremist, Robert Jay Mathews, to a motel in Portland, Ore. After a fire-fight there, Yarbrough was ar-

Mathews was cornered earlier this month at a cottage on Whidbey Island, Wash. After a gun battle with 100 agents, Mathews was found dead and four other Silent Brotherhood members were arrested.

Yarbrough's brother, Stephen Ray, and Denver Dan Parmenter II, also reportedly members of the group, have also been arrested recently.

No one has been charged with Berg's murder, much of the money that was stolen or counterfeited remains hidden and several more suspected members remain at large despite a dragnet across the United States and Canada.

Staff writer Mary Thornton and special correspondent Doug Vaughan contributed to this report.

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AROUND THE NATION

FBI Arrests 3rd Robbery Suspect

■ SEASIDE, Ore.—A third suspect wanted in a \$500,000 robbery linked to the neo-Nazi group White American Bastion was arrested by **FBI** agents, officials said.

Denver Daw Parmenter II, 32, whose last known address was in Cheney, Wash., was apprehended without incident, the FBI said.

A warrant for Parmenter's arrest issued Dec. 5 said he and five others robbed an armored car of about \$500,000 at a Seattle shopping center April 23.

The other five have been linked to the Church of Jesus Christ Christian Aryan Nations and the spinoff White American Bastion, the FBI said. Agents declined to say whether Parmenter was an active member of either group.

Two of the suspects in the armored-car heist were arrested earlier and a third was killed in a Dec. 8 shootout. Two other suspects are at large.

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 The Washington Times _____
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 The Christian Science Monitor _____
 USA Today _____

Date 12-19-84

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The Region

2 'Revolutionaries' Held Without Bail

NEWARK, Dec. 17 (AP) — Two self-proclaimed revolutionaries, including a woman who had been sought in connection with the bungled Brink's armored-car robbery three years ago in Nanuet, N.Y., were ordered held without bail here today after a hearing in Federal Court.

Judge Frederick B. Lacey said he would issue a written opinion Tuesday giving reasons for his action. The two defendants, Susan Lisa Rosenberg, 23 years old, and Timothy H. Blunk, 27, face trial in February.

The pair, both New York City residents, pleaded not guilty last week to an indictment on weapons and explosives charges handed up Dec. 6, seven days after they were arrested by a Cherry Hill, N.J., police officer while reportedly unloading explosives at a rented storage bin.

The defendants were returned to the Metropolitan Correctional Center in Manhattan, where they had been housed while Judge Lacey held hearings to determine whether their release would pose a risk.

During today's session, their attorney, Susan Tipograph, complained that the two helicopters and 15 police cars that escorted the defendants to the proceedings were unnecessary. Judge Lacey ordered briefs submitted on both subjects by Friday.

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 The Wall Street Journal _____
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 The Christian Science Monitor _____
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Neo-Nazi denies link to killing

By Carolyn Pesce and Dan Popkey
 USA TODAY

A neo-Nazi leader suspected in the shooting death of controversial Denver radio talk show host Alan Berg admitted Tuesday that someone gave him the gun identified as the murder weapon — but denied any connection to the crime.

The statements by former Aryan Nations member Gary Yarbrough came amid a flurry of concern by authorities that his group is linked to criminal activities by white supremacist groups across the USA.

FBI spokesman Lane Bonner said a federal investigation of the Aryan Nations — a network of white, anti-Semitic groups believing in separation of the races — is going on "in various locations around the country," involving a "great number of FBI field offices."

Aryan Nations followers have been linked to a number of crimes in the Northwest — including a \$50,000 Brink's armored car robbery in Seattle.

The gun was confiscated when FBI agents stormed Yarbrough's home in October in an attempt to arrest his brother on grand theft charges.

Yarbrough, who fled the

raid, was later arrested in a shoot-out Nov. 24 and charged with assaulting a federal agent. Last week, Denver police confirmed the gun found in his home was the weapon that killed Berg. He has not been charged in the crime.

Latest developments in the neo-Nazi controversy:

■ "I know nothing about Alan Berg, except that he's a Jew," Yarbrough told reporters Tuesday at the Ada County Jail in Boise, Idaho.

Asked to speculate on who killed Berg, Yarbrough said, "God." He refused to talk to two Denver detectives investigating the Berg case Tuesday and wouldn't say who gave him the weapon.

■ In Seaside, Ore., Denver Daw Parmenter II — one of six suspects in the April Brink's robbery linked to the group — was arrested, the FBI said Tuesday.

■ Aryan Nations leader Richard Butler said in Coeur d'Alene, Idaho, he regards Yarbrough and his roommate Robert Mathews — killed in a gun battle with FBI agents Dec. 8 in Whidbey Island, Wash. — "to be of the highest of idealism and moral character." He said he didn't believe them capable of violent crime.

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 USA Today 3A _____

Date 12-19-84

Tiny band of fascists emerging as threat

By PENNY SPAR
United Press International

The White American Bastion, a tiny band of fascist fanatics armed with machine guns and a visionary neo-Nazi blueprint for violent revolution, burst from obscurity in a blaze of gunfire over the past weeks.

The group, believed to have fewer than 12 members, has been linked to a Denver radio talk-show host of a Jewish home, two armored car robberies netting \$3.5 million in California and Washington state and a spectacular shootout with the FBI near Seattle in which its chief apostle was believed to have been killed.

The White American Bastion, with roots in northern Idaho, plotted to overthrow the U.S. government by financing its "revolution" with robberies and counterfeiting operations, according to FBI affidavits filed in U.S. District Court in Seattle.

While FBI officials refuse to divulge details of their investigation, American Bastion officials say the group was formed by members of the Church of Jesus Christ in Aryan Nations, a white supremacist sect based in Hayden Lake, members of the Aryan Nations dissatisfied with the book's author, Richard Pierce, who formed the church and the White American Bastion.

J. Mathews, who appeared in a shootout with the FBI, is believed to have written a book called "Turner's Diaries," published by the Yarbrough said Saturday at the Ada National Alliance, a right-wing group based in Washington, D.C. Mathews reportedly earned money by distributing its literature.

THE FBI SAID a search of Yarbrough's home turned up thousands of dollars in cash and \$15,000 worth of weapons, including 100 sticks of dynamite, plastic explosives, hand grenades, infrared vision telescopes and semiautomatic rifles.

On Friday, police in Denver confirmed that ballistic tests of the bullets from the shootout with the FBI traced them to a .38 Smith & Wesson handgun owned by Yarbrough.

"Turner's Diaries," published by the Yarbrough said Saturday at the Ada National Alliance, a right-wing group based in Washington, D.C. Mathews reportedly earned money by distributing its literature.

The plan by a band of right-wing fanatics to take over the country through a series of political assassinations, disruption of public utilities and the systematic elimination of minorities and the "liberal press," according to a federal affidavit.

It appears from federal court records that the White American Bastion put the book's plan into operation earlier this year.

Officials allege that: On April 23, the group held up an armored car in Seattle, escaping with \$200,000 in cash.

On June 18, talk-show host Alan Berg was machine-gunned to death in the driveway of his home by group member Gary Lee Yarbrough, 29, of Sandpoint, Idaho.

On July 19, members of the group staged a daylight robbery of a Brinks armored car in Ukiah, Calif., fleeing with more than \$3 million in cash.

On Oct. 18, Yarbrough shot at officers at his home in Sandpoint as they sought his brother, Steve.

On Nov. 24, Mathews wounded an FBI agent during a shootout at a motel before he escaped; police captured Yarbrough.

THE FBI SAID a search of Yarbrough's home turned up thousands of dollars in cash and \$15,000 worth of weapons, including 100 sticks of dynamite, plastic explosives, hand grenades, infrared vision telescopes and semiautomatic rifles.

On Friday, police in Denver confirmed that ballistic tests of the bullets from the shootout with the FBI traced them to a .38 Smith & Wesson handgun owned by Yarbrough.

The latest violent episode for the White American Bastion began Dec. 7, when more than 100 FBI agents converged on Whidbey Island in Puget Sound near Seattle, where several members of the group — including Mathews — were hiding.

OFFICERS ARRESTED four of the fugitives without incident.

But Mathews holed up in a house surrounded by an FBI SWAT team for 35 hours. He repulsed with machine-gun fire two attempts by the FBI to storm the house Dec. 8.

Even after FBI officers in a helicopter set the house ablaze by firing illumination flares into it, Mathews kept up a barrage of automatic weapons fire. The house blew up in a ball of flame, and the next day officers recovered a charred body — believed to be Mathews' — from the rubble.

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The Nation

Two women have been charged with receiving \$20,000 from a \$3.8-million California armored car robbery that the FBI alleges was committed by white supremacists, authorities said in Boise, Ida. Suzanne Stewart, 27, and Jean Craig, 50, both of Boise, were being held

without bail pending arraignment in federal court today. Stewart is the daughter of Sharon Merki, who and her husband, Robert E. Merki, was charged last month with harboring a fugitive member of a neo-Nazi group, FBI spokesman Don Wofford said.

- The Washington Post _____
- The Washington Times _____
- Daily News (New York) _____
- The New York Times _____
- The Wall Street Journal _____
- The Chicago Tribune _____
- The Los Angeles Times pt. 1, pg. 2
- The Christian Science Monitor _____
- USA Today _____

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News in Brief

The State

Two men accused of participating in a white supremacist group's \$3.6-million armored car robbery in Northern California were ordered held without bail in Kalispell, Mont. Virgil Barnhill, 28, and Richard Harold Kemp, 22, did not resist when police and FBI agents, acting on a tip, arrested them at a downtown bar, Police Chief Martin Stefanie said. A U.S. magistrate denied bail for Barnhill and Kemp, who face a hearing in Missoula on whether they will be returned to face charges in the Brink's holdup near Ukiah on July 19. The men are believed to be members of the Aryan Nations, an Idaho-based white supremacist group, Stefanie said.

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 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times Pt 1, p. 2
 The Christian Science Monitor _____
 USA Today _____

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ON THE RADIO

**THREATENED SENATOR
ADDRESSES BROADCASTERS**

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By DENNIS McDOUGAL,
Times Staff Writer

PALM SPRINGS—Sen. Robert Packwood (R-Ore.), the target of an alleged assassination plot less than a week ago, made his first public appearance here Monday at the California Broadcasters Assn. winter conference.

Here to debate the 50-year-old fairness doctrine, Packwood told *The Times* before the conference that he had been advised by the FBI over the New Year's holiday that the white supremacist Aryan Nations organization planned to murder him.

Packwood said that he believed that he had been targeted by the group because of his pro-Israel and anti-racist stands in Congress.

"My hunch is they (the FBI) may have infiltrated (the militant organization), because they had very specific information about where and when the assassination attempt would take place," Packwood told *The Times* before the conference.

According to the FBI, the terrorist group is believed to have been responsible for the assassination last June of Denver talk-show host Alan Berg outside his condominium.

Packwood said that he was under surveillance and high security most of last week but that the danger had apparently now passed.

About 20 to 30 individuals compose the Aryan Nations group, Packwood estimated.

In recent years, the organization has been headquartered in Idaho where it reportedly has gone on outdoor maneuvers in much the way an army might and, two months ago, was involved in a shootout in Metaline Falls, Wash., in which an Aryan Nations member was killed by the FBI. It was in the wake of that shootout that the FBI reportedly discovered the automatic weapon that allegedly was used to murder Berg.

Berg, like Packwood, had been an outspoken critic of supremacist and racist organizations.

Packwood has also been an outspoken critic of the fairness doctrine, which forces radio and television station owners to cover all sides of important public issues.

"You're not going to get any kick from Congress (about the fairness doctrine)," said Packwood during an hour-long debate before 200 broadcasters with doctrine proponent Charles D. Ferris, former chairman of the Federal Communications Commission.

"The incumbents always get coverage," Packwood argued. "I don't think we're going to make any changes."

Two years ago, Packwood tried to phase the fairness doctrine out of existence for a five-year period as an experiment but couldn't get enough votes on his own committee—the Senate Commerce Committee—to move his proposal to the full Senate.

Both Packwood and Ferris agreed on one point: that most legislators fear television.

Following their debate on the opening day of the California Broadcasters Assn.'s two-day winter convention, a mock vote clearly and predictably showed that California broadcasters agreed totally with Packwood that the fairness doctrine has outlived its usefulness. Ferris cast the only vote for the rule in an informal poll.

Summing up the overriding fears of the majority of Packwood's Capitol Hill colleagues, Ferris told the broadcasters that the feeling in Washington is that broadcasting—specifically network television broadcasting—creates a "road map of the national consciousness." That potential for massive national influence continues to require a fairness doctrine to ensure non-partisan and unbiased presentation of news and opinion, Ferris argued.

Drawing a parallel to a lesson he learned his first year in law school, Ferris said: "If you let me write the facts, I'll tell you what any judge will decide."

Broadcasters should not yet have the right to "write the facts" without presenting opposing points of view, he said.

The Washington Post _____
 The Washington Times _____
 Daily News (New York) _____
 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times Pl. 6, p. 1
 The Christian Science Monitor _____
 USA Today _____

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News in Brief

The State

A Philadelphia man linked to an extreme white supremacist group and being held in connection with a \$3.8-million Ukiah-area armored car holdup last July was indicted in Spokane, Wash., for alleged possession of a forged government document and interstate transportation of a forged security. The indictment of James Dye, 36, meant cancellation of a probable cause hearing on the armored car charges. The government would have been forced to reveal much of its evidence at the hearing. Federal authorities say they believe 12 people were involved in the robbery as well as another armored car holdup and bank robbery in the Seattle area.

The Washington Post _____
 The Washington Times _____
 Daily News (New York) _____
 The New York Times _____
 The Wall Street Journal _____
 The Chicago Tribune _____
 The Los Angeles Times P. 1, p. 2
 The Christian Science Monitor _____
 USA Today _____

Date 1-8-85

Page 15