

Saturday, 7 February 1976

Subject JOHN KERN called this office at approximately 2030R, stating that he has been working with investigator KEN SMITH in reference to CIA operation near Daytona Beach, Florida. JOHN KERN further stated that he is the owner of the "BALI JUNIOR" Restaurant, 695 Mason Avenue, Daytona Beach, Florida [Tele.: 904-253-8844]. S/A HEMMING advised KERN that HEMMING had been in touch with SMITH and Attorney BERNARD FENSTERWALD of Washington, D.C. since early 1975 and had been conducting an investigation relevant to this case for about a year.

KERN stated that he expected to fly or drive south to Miami within two days in order that he could exchange information in reference to this CIA operation. KERN also stated that he had spoken with MITCHELL L. WER BELL of Powder Springs, Georgia, by telephone in reference to this matter and that M. L. WER BELL III had him to contact S/A HEMMING in Miami as "he knows all there is to know about this operation."

Monday, 9 February 1976

Subject JOHN KERN called this office and left message that he was leaving Daytona Beach this afternoon and expected time of arrival at Miami to be before 6:00 PM this date.

J. KERN called at 1740R to advise that he was at Airport Lakes Holiday Inn, Room Number 326 [1101 N.W. 57 Avenue, Tele.: 266-0000]. S/A HEMMING advised meeting there at 2000R and J. KERN stated type of suit and shoes, color and pattern and that he would be in the lounge/bar near the lobby.

S/A G. HEMMING and S/A R. HEMMING arrived Holiday Inn approximately 2020R, entered the lounge, identified J. KERN at approximately 2027R and therewith spent some ten minutes chatting over a beer. At approximately 2040R, J. KERN and both S/A's rode the elevator, proceeded to Room Number 326. After entering the room S/A HEMMING identified himself with flip-out I.D. case and commenced the interview at 2042R with S/A R. HEMMING taking notes on a legal pad.

INTERVIEW WITH JOHN KERN: Monday, 9 February 1976

After approximately one minute conversation, KERN said he wanted to pursue this investigation to its conclusion, whereby KERN could determine exactly what the CIA operation involved, and ascertain why he was approached to participate as an agent. The interview began with KERN referring to a list of names on a yellow legal size pad:

KERN: Are you familiar with any of the following names: JACK O'HARE, RICHARD GRAY, HARRY E. or HARRY H. POOLE?

GPH: O'HARE; no; GRAY; no; but the man that calls himself POOLE is known to us as a former British Intelligence officer/agent that is known to use other names such as GRANT.

GPH: Are you familiar with the name GRANT and did this HARRY POOLE use this name at any time that you met with him?

KERN: No, not that I recollect.

GPH: Are you familiar with any individuals using the name MULDOON or ROUSSOS?

KERN: ROUSSOS; no; but there is a JOHN C. MULDOON that identified himself as the Administrative Director of Volusia County Mental Health Center; he is tall, thin, and worked in Uruguay during the late 1950's or early 1960's.

GPH: When did these people initially contact you?

KERN: About 18 months ago, more or less.

GPH: Do you know or have you heard anything about the so-called "ABACO PROJECT"?

KERN: No.

GPH: Tell me more about MR. MULDOON.

KERN: I don't know that much about him as I only met with him a few times.

GPH: Do you have any more names of people connected with this operation?

KERN: Yes, first there is LEE BARNETT; BILL RUSSELL; WER BELL

GPH: Do you know the name DICK PARKER?

KERN: No.

GPH: Can you give me some more of the names on your list there that would indicate the principal figures that brought you into this activity?

KERN: Yes, there are some very interesting people here; ERNESTO LE BELL of Chile, lived in Miami, moved to Daytona Beach; BILL or BELVIN AKINS; KARL, ex-wrestler, a Swede about 55 years old, height 6'-8", flew grass from Mexico . . .

GPH: Did this Swede mention gun-running or pick-ups in Cuba and did he ever mention or use the names LUNDGREN, LUNDQUIST or RUNDQUIST?

KERN: Not that I recall, but I think he knows or works with a BLUNTLIFF of San Antonio, Texas . . . other names here are MERRITT POWELL, attorney, of Daytona Beach; DOUG ALTMAN, a hippie in disguise, who was in Chile, world traveler, blond hair, Swedish, no visible means of support, pretty sharp underneath all the hair.

GPH: ALTMAN, for your information, appears to be a penetration agent that has used other names while working in Chile until 1973; he was arrested and later deported by the government that ousted ALLENDE, I think he was deported with some priests and nuns of the MARYKNOLL ORDER that later had problems in Guatemala that finally put them in California during 1974.

KERN: This was never mentioned to me.

GPH: What seems to be the biggest problem that you face in reference to these activities?

KERN: I would like to find out what is going on. Am I in trouble? I don't like to be deceived . . . I thought I was working to help the CIA. I feel I was deceived. I began to support these people, I loaned them money, but I was never repaid.

GPH: How did these people initially approach you?

KERN: They got to me through BILL RUSSELL . . . I don't appreciate him getting me into this thing.

GPH: Have you seen or been approached and interviewed by the FBI in relation to this matter?

KERN: I have seen the FBI 3 or 4 times. These agents are old friends, good friends that I see quite often at the restaurant; but they only take information from me and never give information in return, or in exchange.

GPH: Did any of these FBI agents ever mention that they would have to get on a conference call after meeting with you?

KERN: No.

GPH: Have you had any legal problems recently or any problems with a law enforcement agency that would reflect on your character?

KERN: No, I am on the up and up, very straight. The only time I was ever in trouble was when I was in college and got a conviction for drunk driving.

GPH: To the best of your recollection, when was it that they first came into contact with you in regard to this matter?

KERN: I think it was the last part of September or the first part of October, no later than that, in 1974.

GPH: How long have you known BILL RUSSELL?

KERN: I've known him about 5 years . . . he eats at my house quite often. He's a law enforcement officer . . . with either Putnam or Volusia County Sheriff's Department, as a Deputy Sheriff, full time. RUSSELL says that he is an ex-Border Patrol Agent, or ex-Treasury Agent, I'm more sure about the Border Patrol. He's in his late 40's, mid 40's. At a meeting in my restaurant he said that there was some secret and important business that I could work on if I was interested, and that it was secret work . . . and then he wrote something on a piece of paper and handed it to me . . . there were three letters: C.I.A.! I invested 8 months and \$2500 in this project. They started to contradict themselves. To me, it looks like something to discredit the Federal Government. JACK O'HARE wanted me to keep a silencer. They wanted me to report on the sex lives, etc., on councilmen, judges, and other elected officials in the area. GEORGE BOLETUS, my brother-in-law, is acting very peculiar. Do you know a man by the name of PORTER?

GPH: JERRY PORTER, in the real estate business, Orlando area about 4 years ago?

KERN: LEE BARNETT of Melbourne was involved in real estate in Orlando and PORTER is a friend of BARNETT. BILL RUSSELL has moved around in that kind of business for the last 5 years, some of it in the Daytona area. I am really mad at these people.

GPH: Did they mention any helicopter or airplane flights to and from the Bahamas on a regular or irregular basis?

KERN: No. It looked like, thinking back, that it could have been a dope smuggling operation. I told them at the time that I would have nothing to do with a narcotics operation, or anything whatsoever to do with narcotics.

GPH: Tell me, what exactly was your role in the setting up of the electronics equipment, the radio transmitters, the concrete pad for the generators, the storage of automatic weapons, ammunition and explosives, demolition equipment on your property near the lake? The so-called farm?

KERN: Some men from the COUNTER-INSURGENCY FORCE were supposed to pour the pad, install the generators and set up the transmitting equipment, the radios, and also they were to install a computer terminal, but they never showed up. The men, the generators, and the computer terminal were promised, but the only equipment they brought for just storage was some navy broadcasting or communication equipment.

GPH: You took pictures of that equipment and gave copies of the pictures to SMITH and Attorney LASSITER of the BELL MORTGAGE CASE, is that correct?

KERN: Yes, I have other copies put away. It was the BELL MORTGAGE thing in the newspapers that really shook me up and then I even started wondering if this could possibly even be a "Communist Espionage Network", if it was, it was a badly run Network, a half-assed one at that. Whenever I asked about the computer terminal and when the equipment was going to arrive, they stalled me, and that really made me suspicious.

GPH: For your own information only, I wouldn't recommend discussing this with anyone: there is a movement in this country, in various states and major metropolitan areas, where right wingers, aided and abetted by certain law-enforcement officers, even some Federal officers, are organizing left wingers into new groups. Generally these left wingers are inexperienced and incapable of sophisticated terror activities, but now with the right support and leadership supplied by penetration agents controlled or monitored by

right wingers, they are causing more frequent incidents such as bombings, threats, etc. These extreme, very extreme right wing elements reason that if a serious threat from the left wing can be made apparent, then this will justify a tremendous increase in law enforcement budgets. What is your reaction to that?

KERN: That is not morally right. It is "unethical bullshit." I am violently opposed to creating terrorist incidents just for the sake of increasing law enforcement budgets in this country!

KERN: Does the name MIKE HATFIELD mean anything to you? A CIA man in charge of the Miami Station, who has written articles about the CIA.

GPH: I think you are referring to MIKE ACKERMAN, who recently retired from the CIA, but never was in charge, or Chief of Station for the Miami area. Is he involved in this?

KERN: No, he wasn't in this thing. I wonder if he knows of this? Just who are you two working for?

GPH: We are working with some Congressional Investigators that work for both the House and the Senate, and with some private investigators that are working with several Senators in Washington, D.C. We are also continuing the BELL MORTGAGE investigation of last year. Did you ever find out what the ultimate purpose was in relation to this operation involving your farm?

KERN: No.

GPH: Let me brief you on some of the paramilitary and intelligence operations that we are checking out at this time with reference to Chile, Venequela, the planned overthrow of the Torrijos government in Panama and other ops relating to Costa Rica.
[Note: There followed a 10 minute off the record briefing in reference to various activities past and some presently underway in the western hemisphere to see if KERN had possibly overheard these names, places, incidents and planned ops. KERN was also briefed on activities relating to operations by members of U. S. Military Intelligence Agencies and their ops within CONUS.]

KERN: It seems that they have a pretty far right wing orientation.

GPH: Now I will give you some background on some Narcotics Operations in the western hemisphere and domestic U.S. that might jog your memory.
[Note: There followed approximately 15 minutes off the record briefing covering certain on-going smuggling operations that involve former intelligence operatives that worked for various U. S. agencies with specific reference to funding of terminated or non-approved ops with funds derived from criminal activities.]

KERN: Do you think that they were going to smuggle narcotics into my lake place? Why didn't they level with me on this operation? I would have been glad to sign some papers or a contract if it had been legal, a U. S. Government operation.

GPH: Did you see similarities between this operation and what you read in the newspapers when the BELL MORTGAGE case broke?

KERN: Yes. That is what first got me started into conducting my own investigation.

GPH: Were any of the other people involved in this showing any doubt and question as to what was going on?

KERN: No. No others were asking questions. The others are quiet, either they know more than me, or are just not interested, or else they are afraid to ask questions. I guess I'm the only troublemaker. This thing looks like the BELL MORTGAGE case from what I've read in the newspapers on that case.

GPH: At any time during this operation were you offered or given what could be called intelligence or spy training, that would include crypto work, surveillance, wire-tapping, or using weapons equipped with silencer or suppressors.

Did any of the others mention receiving this type of instruction I just mentioned?

KERN: No, I haven't and don't know of any others that received such training.

GPH: What is the "LAKE PROJECT?"

KERN: That is where the radio equipment is. They were supposed to land airplanes there too.

GPH: Were these aircraft supposed to land on water, the lake, or on land?

KERN: Land.

GPH: Did they do anything to improve the field there? Did it look to you like a plane could land there? Were any lights put up or directional or radar beacons installed?

KERN: They were going to relocate some telephone poles to lengthen the field, but they never did. No landing lights or beacons were ever installed.

GPH: What else did these people say when they initially approached you?

KERN: They said they were short of funds due to WATERGATE. Their funds had been cut off. They told me in 3 months I would be seeing lots of money.

GPH: Did they offer you any treasury notes or bonds as security for any monies that you advanced toward the operation?

KERN: No.

GPH: About the FBI agents; how did they approach you, or was it you that initially contacted them?

KERN: They saw me. They're my good friends and they stopped by my place, about a year ago and were interested in what I had to tell them.

GPH: How many times did they talk to you and how far apart were the visits?

KERN: There were 3 or 4 meetings, each about a week apart. The first conversation was about an hour. The second, about an hour, and the third, about 15 minutes. By the second meeting they showed familiarity with the names I gave them. I think they said that BILL RUSSELL volunteered some information. By the second meeting, the FBI knew HARRY POOLE'S name. I think POOLE is JACK'S boss.

GPH: Do you know the names MCKAY, CONNELLY or DONNELLY, JACK HENNESSEY, or MCVAIN?

KERN: None of them.

KERN: Let me ask you, do you know of CHARLES BOOTH, an attorney in Daytona; STEVE VAN VOORHEES, an assistant State's Attorney in Daytona Beach; his boss STEVE BOYLES: they were all involved in meetings with these people.

GPH: Where were the meetings held?

KERN: In my house. The first meeting there were 3 people present. BILL RUSSELL used one of my houses as a "safe house". BILL RUSSELL made the introductions and gave some background information on HARRY POOLE. BILL introduced JACK and gave his background mentioning that he had worked in Chile. O'HARE was also known as RICHARD GRAY. JACK had an ego but he didn't toot his own horn. JACK introduced HARRY and gave his background; HARRY was from England.

GPH: Did they make any projections about operations toward Chile?

KERN: No. I had a demolitions manual they gave me for training.

GPH: Was this a regular army training manual?

KERN: Yes. I turned it back into them because I didn't feel that I had authorization to keep that sort of thing around.

GPH: Do you know of a COLONEL BAYARD?

KERN: No, but there was a GENERAL BAYO.

GPH: You mean BAYO'S book, "150 questions for a guerilla?" Did the book have any photographs in the back and was it paperback or hardbound?

KERN: It was a paperback and had some diagrams in it, but no photos. They also gave me a "Counter-Insurgency Manual." I turned all the books back into them.

KERN: Also let me say, a DOCTOR BREISSINGER of UNION COLLEGE, in New York was mentioned; also a DOCTOR GRANAT. I was asked if I wanted to be on the MENTAL HEALTH CENTER BOARD OF DIRECTORS. Later, when I was working on Mental Health they had two checks drawn on the NATIONAL INSTITUTE OF MENTAL HEALTH. There were two \$55,000 checks; they couldn't do anything with them; they just sat in a savings account.

GPH: JACK died didn't he?

KERN: JACK told me once that if things didn't go right, that he was going to have to up and die. Later when I heard that he had died, and also read it in the newspaper, I went to the funeral home. The funeral director told me that evening that the services had already been held, so I asked to sign the mourners book, the guest book, and he brought out a new one with blank pages and I put my one solitary signature on it. Later I checked with an employee of the funeral home and he said that no services had been held that day that he knew of.

KERN: Also I heard of a later Federal Investigation concerning the funeral home and the "death of JACK." They were supposed to get some H.E.W. money for a day-care center (my day-care center). JACK told me that BILL had tried to con me.

KERN: Let me see, do you know the names: DOCTOR N. O'KEEFE, Chairman of a COMMISSION FOR HUMAN DEVELOPMENT IN THE U.N.; HANNAH BYERS or JANET LYNN-MARK, girlfriends of JACK; or DOCTOR ARIAS of PANAMA?

GPH: Was DOCTOR ARIAS' first name ARNULFO?

KERN: Yes, I think that was it. Do you know the names FRANK DUPRIE, who works in the CANAL ZONE JUSTICE DEPARTMENT; and CARL NEERING who is a Canal Pilot in the Canal Zone?

GPH: Not that I could say.

GPH: Were you ever intimidated or threatened by these people?

KERN: BILL RUSSELL, at the very first, said he wouldn't think twice of blowing away anybody who would doublecross STEVE (VAN VOORHEES).

GPH: Have you had any contacts with the press?

KERN: No, and I don't want any publicity. This affair is my business, and not the public's.

GPH: Do you know the name PAUL HELLIWELL?

KERN: No, I never heard of him.

KERN: I caught STEVE (VAN VOORHEES) being very evasive at times.

KERN: Do you know of JOHN CAMPBELL, of Orlando; or JOHN NICHOLS, a CHRISTIAN DEMOCRAT from CHILE?

GPH: Not that I can mention.

KERN: Where do think JACK is now? What is he doing?

GPH: DOCTOR ARIAS would probably know where JACK is.

GPH: Have you got any phone calls since severing your relationship with this activity, calls that would refer to this operation?

KERN: There were some, but I don't care to discuss them. Let me see, do you know the name ANSELMO?

GPH: That's another interesting name, where did you hear it?

KERN: I heard the name, but I don't know from who! It came to me out of the clear blue a while ago.

GPH: WER BELL probably mentioned it to you.

GPH: Have you talked to LASSITER about this matter lately?

KERN: I talked to him about a year ago.

KERN: Do you know the names ROLANDITO and ROLANDO MASFERRER? WER BELL told me to contact them. I called MASFERRER at his home and they knew nothing at all.

GPH: What was the name of this project?

KERN: They wanted to call it JOHN KERN'S LAKE DISSTON COMMANDOS, but I told them to leave off my name.

KERN: Do you know the names DAVID ASHLEE, no visible means of support; GEORGE LAUTENSHLADER; JOHN or GEORGE PORTIUS, who is a disabled veteran at the University of Tampa, looks like a slob, but pretty sharp; they were all good friends of BILL RUSSELL'S. How about TRAVIS WILLIAMS of Tallahassee, works for Governor ASKEW.

GPH: Not outside this investigation. Do you know the name ED BISHOP?

KERN: No.

KERN: Do you know of CHRIS THOM or CHRIS SILKIT, a girl from Chicago that I knew?

GPH: No.

KERN: Was I to be used as a conduit for laundering government funds?

GPH: It looks that way. Have you been to D.C. on this case?

KERN: I went to D.C. and talked to BUD (FENSTERWALD) and KEN (SMITH).

GPH: Does the name KANGLES of Chicago mean anything to you?

KERN: No.

GPH: What has happened lately is that certain Intelligence teams can't get vouchered funds, so they have quite often set up operations like this to get the money out.

KERN: I agree with that, so that they can legally get the funds by rerouting money through H.E.W., but I don't like it; some private persons could do the same thing.

GPH: [Note: Short conversation followed in reference to projects that are continued, despite CIA supervision's refusal to fund and denial of vouchered funds, with financing through proprietaries and sometimes criminal operations such as narcotics smuggling.

KERN: I didn't know about such things.

GPH: You and the rest of the citizen taxpayers in this country. Don't feel like the lone ranger.

KERN: Do you know the name of a retired Colonel, JAMES H. PATTON, who used to own AIR BAHAMAS, his name was mentioned?

GPH: That airline went broke some time ago. Is there someone else involved in this that you can talk about?

KERN: I would say that there is someone else involved but I don't want to talk about it. What do you think I should do about this?

GPH: Well, with the FBI involved there might be Federal Grand Jury involvement also.

KERN: I don't want to get involved in that. Do you think that this is the business of Congress? I really don't want any publicity . . . there might be reprisals.

GPH: There are people in Congress who are very interested in things like this, since it is their business to account for the spending of the taxpayers' money.

KERN: I am very confused about this; all I see is gray, and nothing in black and white; especially this terrorism thing.

GPH: Let me illustrate with an analogy: You go to a football game where you run into a tout who tells you how he knows that the whole game, including both teams are wired into a certain final score; even the coaches and owners are involved. Certain players have earphones in their helmets for changing orders, other players' helmets are bugged, and the coaches are bugged. Maybe there are even some electronic controlled trip wires built into the turf to stop an over-eager runner. The betting odds are changing by the minute all the way from here to Vegas. Unknown to anyone, some heavy losers, outsiders to the plan, introduce a little LSD into the water bottles and smack in the middle of this wired in game, controlled by honorable men, the players flip out, go berserk, and charge the stands and beat on the spectators. Now here you have a situation that started as a regular GAME, but has turned into an unforeseen tragedy.

KERN: Some game intelligence.

GPH: About that silencer. Did someone actually show you a silencer or a silenced weapon?

KERN: JACK wanted me to keep a silencer; BILL had one, he showed it to me.

RBH: You know a silencer when you see one? It wasn't just a tube that looked like one or they said might be one?

KERN: I've seen them in books, this was attached to the weapon and was definitely a silencer.

GPH: Were any weapons, fully automatic or otherwise, demonstrated to you?

KERN: There were none demonstrated, but they said they were going to get some from Army or Air Force Bases or Warehouses.

GPH: Does the name JACK HOLCOMB mean anything to you?

KERN: No.

KERN: That reminds me though, I made some connections for JACK (O'HARE) with CHARLIE MITCHELL of the EVANS-MITCHELL LAND HOLDING CORPORATION in Atlanta. I made some connections with JACK with the WILEY CORPORATION, that was an appointment for JACK and a young Israeli ex-Tank Captain. They broke the appointments and never followed up on them.

GPH: Who brought JACK in?

KERN: BILL brought JACK in; I've known BILL about 7 years, he's been in law enforcement. I met JACK once before about 4 or 5 years ago, but I didn't realize it until later.

GPH: How long a period of time elapsed between BILL mentioning the subject and you meeting JACK?

KERN: About 3 or 4 weeks passed. JACK was being built up as the head of the CIA in Chile; that is the image that I got during the weeks prior to our first introduction.

GPH: Did you ever openly question these people's motives, etc.?

KERN: No, but I guess my face indicated my doubts at times.

GPH: Did you ever go shooting?

KERN: We went to the Gun Club, the County Range, one Saturday afternoon; it was closed; we shot some in the canal by the range. After a while, LAUTENSHLADER got mad as we were leaving and tore the gate off by the hinges. I didn't think that was so cool; it didn't impress me as something that a professional would do. One thing, though, they were all excellent shots; I was impressed.

GPH: Did you ever go to the range before they came along; or did you know for a fact that it was the County Range?

KERN: We never used the range until they came along. BILL thought it was a good idea to teach me how to shoot. I have been to the range when it was open. BILL was a regular at the range. I bought two AR-15's for them and lots of ammunition but they never paid me back.

GPH: Do you remember what kind of plane it was that was to land at the lake?

KERN: It was supposed to be a C-123 that was to land at the lake; also amphibious helicopters; CIA or military type aircraft.

GPH: What was the length of runway that was required for this type aircraft?

KERN: They never measured or surveyed the land.

GPH: Did you ever meet any aviation types?

KERN: I met some pilots, not BILL, he's not a pilot; there were some ex-military pilots. The aviation people had something to do with the C.A.P. LEE BARNETT is in the C.A.P.; I met him through KEN (SMITH).

GPH: How much have you spent so far on this investigation, including KEN SMITH'S costs?

KERN: I've spent approximately \$6,000 so far. KEN SMITH has spent a lot of his own money. KEN (SMITH) has talked to STEVE (VAN VOORHEES) more than one, but they all seem to be afraid now.

GPH: Have you gotten any kickbacks, beedback or repercussions from his (KEN SMITH'S) interviews?

KERN: I haven't, other than some very interesting phone calls with people coming up with inside information that I don't want to talk about here. They don't know KEN (SMITH).

GPH: Was any electronic or other wire-tapping gear, or bugging equipment mentioned as being used or purchased for the operation?

KERN: There was no equipment like that mentioned.

KERN: Do you know the ELIZABETH MCGOWAN? I sent a check to her at GRUMMAN AIRCRAFT in New York, Farmingdale, Long Island; if I remember, it was for \$125; JACK told me to do it at the time. She was listed as being JACK'S sister in the obituary. He also has a wife and 2 sons residing at 1400 Fallner Road in Orlando. LASSITER has the obituary column. I went by the house in Orlando a couple of times and took down the license numbers of the cars there to check them. The house was a little overgrown with weeds. I had some friends run the plates.

GPH: Did they run them on the NCIC and the FCIC?
 [Note: NCIC is the National Crime Information Center. Most police departments have a computer terminal that links them directly with the Center in Washington, D.C. FCIC is the Florida Crime Information Center, which handles computer retrievable information that is more of a local, that is, state level, such as license plates, vehicle identification numbers, and individual rap sheets.]

KERN: What is NCIC?

GPH: It is a computer set up that a police officer uses to run the registration name corresponding to the license plate numbers. A private citizen can get the same information by writing Tallahassee, but it takes longer. I wouldn't recommend that you use any police friends of yours to run these people's plates or names as the computer registers how many inquiries are made and what department makes them. It could lead straight back to you and these people are in a position where they cannot afford to be closely scrutinized and they are potentially dangerous types that could react violently.

KERN: If they found out I was talking to you, you think that would cause them to react against me?

GPH: Speaking with us and BUD FENSTERWALD might tend to get them nervous. As you have no doubt been informed, we are also working with BUD (FENSTERWALD) and certain Congressional Investigators that seek to establish a committee, a permanent subcommittee that will re-open the Warren Commission investigation. Some of the personalities involved in the BELL MORTGAGE case were mentioned in the classified documents of the Warren Commission and if they or some of your friends were to suspect that evidence or witnesses are available to this new inquiry, they might want to cover their tracks for a variety of reasons, some of which may have nothing to do with what occurred in Dallas. There are extremists in this country, including MOB people, that go to bed every night convinced that they paid for the job in Dallas. I doubt that they did, but they paid out a lot of money to individuals that later claimed responsibility for the act and these money people would be prone to want a refund if the truth came out. So you see, you have two or more elements that wish to cover up certain incidents, the payers and the payees. I myself would be quite nervous to think that wealthy extremists had caught on to my having conned them out of a lot of money that went towards paying for something that I had nothing to do with. These people tend to be rather successful at collecting debts, one way or the other.

KERN: Do you think that JACK is banished forever?

GPH: I don't think so, he's the type of operator that could move in the house down the street, six blocks away, and you would probably never run into him even by coincidence.

KERN: What about this DOCTOR ARIAS of Panama?

GPH: Two weeks ago, REAGAN sat down with DOCTOR ARNULFO ARIAS and MANOLO REYES, a local Cuban TV news man.

KERN: REAGAN?

GPH: RONALD REAGAN. They are all bound and determined that TORRIJOS, the present head of state in Panama, has to go. REAGAN said that, if elected, he would back ARIAS and support the ouster of TORRIJOS by a Democratic group, but they need considerable American participation and support to oust TORRIJOS. It is very ironic that TORRIJOS is considered a kingpin in the dope smuggling business; his brother MOISES and others close to TORRIJOS have been grabbed more than once in smuggling heroin and cocaine. It appears that pseudo-left wing TORRIJOS, who has been buddying up to CASTRO, is in reality in league with one powerful faction of the MOB, while his opponents may well be working the competition, that is, the group identified with VESCO in Costa Rica and the Bahamas. The PANAMA CONNECTION is probably worth more than a million dollars a week to the people in control.

KERN: This gets more clear and more confusing at the same time!

GPH: Panama is one thing, Abaco another, and Chile s-mething quite unique. The ABACO OPERATION annoys certain factions of the MOB: it annoys HUGHES' people, HUGHES will probably get the hell out of the Bahamas just before the ABACO OP, or if too much heat is generated; ABACO also annoys certain elements in the U. S. Government. You can see why it will take some time to develop a solution to your problem. The worst thing that we as investigators can do is to burn an official government operation, a legal one that is. I would say that this appears to be a private illegal operation, supported by personalities that have acquired expertise in these things from past government employment.

KERN: What kind of operation is the Chile business?

GPH: Chile is being used as a base to build a private Anti-Communist Army and terror organization that has sought and received funds from big business, political, and private elements that seek to imitate the ARAFAT P.L.O. successes. It is not coincidence that there are tremendous financial benefits to be had by aligning one's interests with these people. Most of these self proclaimed Anti-Communists are really pushing their own private business interests first; as a lever for future associated support, they seek certain lucrative concessions. These activities are motivated 99% of the time by greed and personal or business gain, but they have to give the aura of intelligence work to the didicated souls in order to pull this kind of business off. I would recommend that you take a trip back up to D.C. to get some of this down pat in your mind, most of it is down on paper in Senate and House reports, the newsmedia, etc. The only way that Congressmen are going to take an interest in any of this business is if they are forced to by the media, and then only if the ensuing scandal doesn't touch their door. We have had great success in the past, and not just investigations, when we approached the people that are used sounding boards, credible sources, advisors, etc., by the individual Congressmen. Some of these sounding boards are people with intelligence experience, to include news reporters, some of the best intelligence snoops in the world. Others are so-called confidants: relatives or old business associates or friends that these Congressmen rely on and trust to a great degree. If these sounding boards see that checking this activity out can only help their friendly Congressman and in no way cause him trouble, then they may see to it that he pursues the matter beyond the trash basket.

KERN: If I go to D.C., I would rather they subpoena me and pay my way, so that it doesn't appear that I took the initiative.

GPH: That comes later; first, you have to see the sounding boards, convince them of the truth; and most important, that it will not adversely affect the Congressman's image. Most dedicated Congressmen tend to avoid the newspaper or National Enquirer type of muckracking, if possible.

KERN: I think that in the long run, an investigation along these lines will just cause the Agency to try to plug up the leaks.

GPH: This is true; it is a natural reaction on the part of any bureaucracy, including the Agency, to first attempt a cover-up. That is human nature, just like the Peter Principle.

KERN: What Commi-tees of Congress are you working with?

GPH: Informally, we are working with investigators that work in liaison with many Congressmen, some of whom work with Senator Schweiker, presently a member of the Select Committee on Government Intelligence Operations. We don't have any official connections with any Committee or Senator, but privately, they have shown a sincere interest in some of our investigations, especially those that involve organized crime, smuggling, and foreign intelligence operations conducted for illegal purposes.

KERN: JULIAN GRAINGER came by recently and said that he is an investigator for someone in D.C.

GPH: But did he say who in D.C. he is working for?

KERN: He was somewhat evasive about that, and I don't want to go into that in great detail at this time, I have my own suspicions.

KERN: Do you know the name DOREMUS or DORE CHEN, a girl from Panama that lived in Costa Rica and associated with 2 other girls. She had a cousin from Ecuador or somewhere else in South America?

GPH: What is the relationship?

KERN: That is one of the things that I asked WER BELL, but he said that I should check with you first on these matters, he said that he had been trying to reach you for two days without success.

GPH: Let me give you some background on MITCH WER BELL that will show how and why he has been set-up, flim-flammed like you, on operations similar to this, trusting people he thought were dedicated and good, honest friends. You probably read where he was recently indicted for conspiracy to smuggle marihuana into the states, well this isn't the first time that certain elements have used him, and later caused him to be set-up facing prosecution, or better called persecution. Most of this is engineered by people that MITCH has really trusted as colleagues in intelligence at times past.

KERN: I may go and see MITCH in 30 days or so, as soon as the weather warms up a bit.

GPH: I think it would be better to stay away from MITCH at this time, you could pick up some severe heat if some of these people thought you were associating with him, especially if they are aware that he is not an old contact of yours.

KERN: Why would all of these people be persecuting MITCH?

GPH: I can only say this, certain government and civilian elements in this country that went along and supported NIXON'S Watergate operations have come to discover that Watergate was a penetration job, by intelligence professionals, law enforcement pros, that saw this country headed for a police state. NIXON'S entourage was penetrated and co-opted to the hilt, bordering on entrapment as the liberals would chuckle, and their activities were redirected towards operations that when exposed would force the resignations of high officials in D.C. or at least cause them to desist in ignoring the Constitution. The media, WOODWARD AND BERNSTEIN, especially, had this inside scoop handed to them on a silver platter by a team of people. The House and Senate Watergate investigators had to be physically steered to certain clues. Judge SIRICA was getting inside dope all the time; his reaction was to hand out heavy sentences. There are some that say that some of WER BELL'S colleagues had a hand in causing NIXON to burn. They think that even if MITCH is completely ignorant of these actions against NIXON, his friends participated, and that has to stop. They are determined to make an example of MITCH and others, even if they are forced to set people up on phony charges.

KERN: Have you ever heard of POSSE COMITATUS?

GPH: It is a new cover for Minutemen Vigilantes; a new way to spell K.K.K., N.S.R.P., etc. What did your friends discuss with relevance to this concept.

KERN: I don't know that much about it, but it was referred to by people that I don't care to discuss at this time.

GPH: The same thinking lies behind that concept as will found behind the people associated with your operation.

KERN: Do you know what the son of DUBOIS, EDDY DUBOIS, is up to?

GPH: He is doing the same thing for the same people his father worked for. It's interesting, about 15 years ago, DUBOIS SR. up and had a heart attack also. They didn't really say that he died, it was their way of saying, don't call us, we'll call you, their manner of saying don't investigate further, don't pursue any leads in this direction.

KERN: What does it look like, as far as a plan of action for me pursuing this thing?

GPH: First, further investigation of this operation is going to cost money, and a lot of time. BUD FENSTERWALD is spending a lot of time, time is money, pursuing matters that he considers more important than just this piece of a big puzzle. KEN SMITH has spent a hell of a lot of time and his own money on

this and other matters; there is a limit one's resources. I initially contracted with LASSITER for a one month investigation due to limited finances; I am still owed a couple thousand by his interests. Now here I am one year later, still working, for free; and I've traveled all over the Central and South America, and the U. S. always spending some time on the BELL MORTGAGE case. It is a bad scene, his clients have been indicted, tried, and sentenced to prison, or probation, all because the opposition has more people and more money to use covering this thing up. If you want to throw more money down the hole, with no guarantees, then I would recommend a trip to D.C., within a week; plan on spending more than a week just briefing the people who might also be interested in investigating this whole mess. Some of these people in D.C. have funding; if they are convinced of the importance of pursuing this matter, then they may give some support. I'll say this, they have pursuits that are closer to their hearts and many will say that this is a problem for the press to expose. It is hard for most of these parties to see the connections between this and operations that they are familiar with. We are talking about an on-going operation, still functioning today, it hasn't been scrapped; they are busy working on past history, their world stops at Watergate, NIXON is gone, let's keep him from coming back.

KERN: Can't they see the connections, doesn't this RICHARD GRAY, AKA JACK O'HARE tie into the BELL MORTGAGE thing?

GPH: He ties in through cut-outs. Understand this, you were inside this operation; KEN (SMITH) spent a lot of time getting insight; KEN has briefed BUD (FENSTER-WALD) thoroughly, but we are talking about 5%, or maybe 10% of the whole picture, even with Congress and months of hearings, we will be lucky to see 50% of the whole picture, and that's sheer optimism.

KERN: O.K. then, what can be done?

GPH: It could be a complete waste of time, but to start with, you, me, and that big guy sitting there, we would go to D.C. next week and participate in an exercise in futility. If we can't wander around a bit with a lantern and eventually find people that will get a little excited about this, then we will have to try a completely different approach. I would discuss that drastic techn-que in D.C. while sitting with BUD and KEN so as to at least hear their response to that plan. Secondly, more of the scenario relating to this whole business has to be put together, organized, researched, and analysed to death, before we even consider a plan of action.

KERN: You know that KEN has been threatened with libel suits and all that? I worried along that line too; just getting an attorney and preparing a defense can cost a fortune.

GPH: They have to prove malicious intent; proving libel isn't all that easy, especially with the U.S. Supreme Court rulings as to public personalities, officials, etc. Of course, that is my layman's opinion, I would suggest consulting your attorney in that matter. I would suggest that you approach it from the standpoint that you are the one that is suing for libel or slander, then your attorney will tell you a different, I feel. Remember, they conned you, they took your time and your money, used your property, and endangered your reputation, they initiated and led the action, any jury would find you to be the, pardon the expression, sucker!

KERN: That's embarrassing!

GPH: If you want tom, we can wrap this up, it is close to midnight. You can cover some of the names not mentioned or go over all of the names again, real quick, and see if we missed anything. Unless you feel that you're sure it's all straight in your own mind.

KERN: I'd better not. KEN (SMITH) has all the names that I left out and all the information relating to the telephone calls that I got recently. You see, I have not told you everything here tonight.

GPH: Very well. I will be on the horn tomorrow afternoon with both BUD and KEN, KEN is in D.C. now; I will cover a couple of items with them on the phone. I will get a copy of this interview to you, it will take a couple of days

or more to get it all typed up, with some notes that I will attach.
Do you plan on staying in Miami for a couple of days or do you intend
to fly back up tomorrow?

KERN: I was thinking about flying down to Costa Rica tomorrow to spend a couple
of days in San Jose, that's a beautiful place.

GPH: If you do that, I would advise against discussing this investigation with
anyone down there, as you know, VESCO'S name keeps popping up throughout
this matter and his people wouldn't hesitate to protect themselves against
people that threaten their interests. Just going down there could cause
you problems.

KERN: I wouldn't say or do anything relating to this . . . I'm just interested
in relaxing for a couple of days.

GPH: O.K. Let me use your bathroom here for a minute.

KERN: Be my guest. It's right there.

GPH: Looks right we're right on time, we've been wrapping up at midnight quite
often the last few months.

KERN: Is there any place where you can get something to eat near here?

GPH: Downstairs is O.K., but it's probably closed now, I would suggest checking
with the desk, they can recommend a couple of places off Red Road that stay
open late. Let me say this before we leave . . . if the FBI or any other
Federal agency contacts you for an interview relating to this or any other
matter, I would advise you to cooperate with them. I would advise you to
consult your attorney soon and get his advice as to whether your attorney
should be present while they question you. Your attorney should be the
judge on whether you might have violated federal statutes even if you feel
that you are innocent, it's best to be cautious. I recommend cooperating
with the FBI especially, do not lie or be evasive with them, that is unless
your attorney advises against answering at all . . . don't ever lie to them.
I'm not telling you to be a good scout; lying to a federal agent is a felony.
As far as the state or local level law enforcement people, I would stay
clear of them as it appears they are heavily involved and they might just
be checking you out for their buddies to see if you're talking.

END OF INTERVIEW

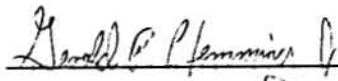
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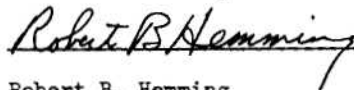
STATE OF FLORIDA }

COUNTY OF DADE }

Before me, the subscriber, a notary public for the State of Florida-at-large,
personally appeared Gerald P. Hemming and Robert B. Hemming, both well known to
me, who being duly sworn, depose and say that the preceding Interview with John
Kern is a true and just transcription, to the best of their memory and recollection.

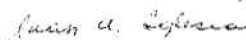


Gerald P. Hemming



Robert B. Hemming

Sworn to and subscribed before me this 15th day of February, 1976.



My Commission expires:

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES JULY 17, 1979
BONDED THRU GENERAL INS. UNDERWRITERS

Juan A. Iglesias, Notary Public
State of Florida-at-large

NOTES TO INTERVIEW WITH JOHN KERN

Reference to Lake Disston: Location: 29-17-0 North; 81-24-0 West

- a] Approximately 20 air statute miles west of City of Ormond Beach; 18 miles W.S.W. of Ormond Beach Airport [265 radial, 18 miles DAB]
- b] 4 miles N.W. of Pierson Airport [2200 feet strip-70' MSL]
- c] 16 miles S.W. [240°] from Flagler County Airport [34' MSL-lights-5000 feet runway-hard surface-Unicom-1-ex-military airbase]
- d] located adjacent to Town of Bunnell:

BUNNEL: population 1500

- 1] Chief of Police: DONNIE BROCK [20 years old], 6'-4", 210 lbs., DOB 7 December 1955; Father is former Federal Investigator with U. S. Dep't of Agriculture.
- 2] previous Chief of Police: Wilfred Hunter [resigned August 1975] now a juvenile officer with Flagler County Sheriff's Department.
- 3] Lake Disston is 8 miles East of RESTRICTED AREA R-2907A [Lake George] and 17 miles East of R-2907B [Both U. S. Navy air gunnery ranges]; both R-2907A and R-2907B are under control of Commander, Fleet Air Jacksonville, N.A.S. Jacksonville, Florida.
- 4] Item: 8 miles West of town of Pierson is ASTOR FOREST or ASTOR PARK private strip, near town of Astor, Florida.

KERN: BILL RUSSELL or JACK O'HARE mentioned the ASTOR airstrip, and that they had used a strip near Eustis, Florida, and that one time they had landed on the wrong place near Eustis with some stuff and that they really had to apologize heavy to the owners.
- 5] EUSTIS: adjacent airport [public] is MID-FLORIDA where sky-diving ops are carried out. Others are EURE BROS, MCDONALD airport, and POTTER [private strip.]
- 6] RCAG Radar Site, 6 miles West of Pierson Airport.

10 February 1976

S/A GPH called Attorney FENSTERWALD at his residence to inform as to meeting with JOHN KERN. FENSTERWALD stated that congressional interest and response is nil. [call time: 1932R=5]

S/A GPH called investigator KEN SMITH at his residence in Falls Church, Virginia, in reference to meeting with KERN and discussed KERN'S interest in pursuing matter to determine extent of operations and his getting the inside story. KEN stated he has had daily contact with officials and congressional investigators but interest is nil. They require evidence of abuses in reference to H.E.W. funds, C.A.P. activities, and POSSE COMITATUS. [call time: 1941R=5]

JOHN KERN called this office at 2018R stating that he returned to Daytona Beach on 1830R flight this date. S/A GPH asked further information relating to following:

- a] Bunnell P.D. Chief DONNIE BROCK: negative
- b] ex-Chief W. HUNTER: negative
- c] R2907A/B: Navy gunnery range
- d] Pierson airport: negative
- e] Astor Park airport: affirmative
- f] Bunnell airport: They said they will land C-130's and C-123's there and caravan the equipment and supplies to the lake.
- g] Eustis airport: They said that they had C-rations stored there and that one time they landed at the wrong strip at night.

[call time: 2018R=10]