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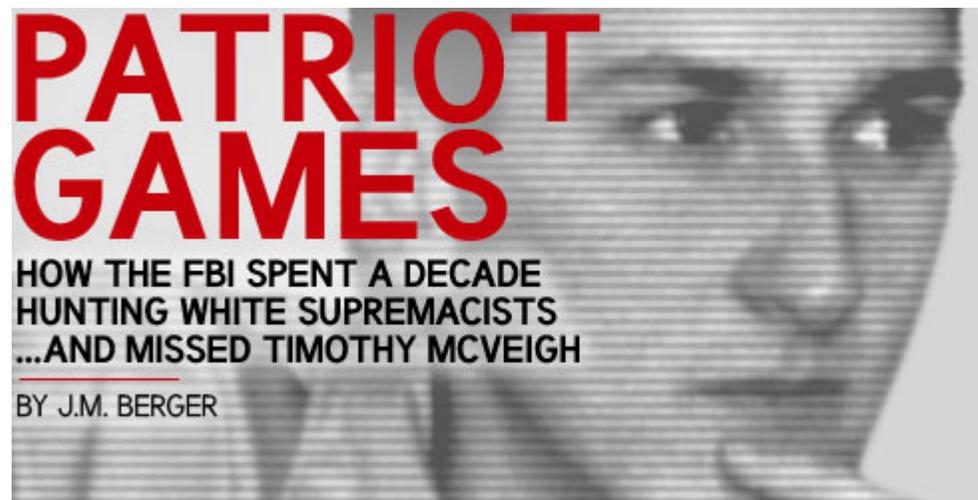
News, analysis and primary source documents on terrorism, extremism and national security.

Monday, October 8, 2007

## PATCON REVEALED: AN EXCLUSIVE LOOK INSIDE THE FBI'S SECRET WAR WITH THE MILITIA MOVEMENT

By J.M. Berger  
INTELWIRE.com

*Editor's note: This story has been substantially updated and revised. The new version can be seen at [Foreign Policy](#).*



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*Archived version of previous story is [here](#).*

Undercover FBI agents posing as white supremacists gathered alarming intelligence about the militia movement during the early 1990s, according to documents obtained by INTELWIRE.

But FBI headquarters abruptly terminated the undercover operation -- code-named PATCON -- just three months after the disastrous siege at the Branch Davidian compound in Waco, Texas.

The timing could hardly have been worse; the networks targeted by the investigation were inflamed to violence by Waco. At least one individual targeted in the investigation -- Andreas Strassmeier -- was later linked to Oklahoma City bomber Timothy McVeigh. Another target of the investigation was later linked to Eric Rudolph, perpetrator of the 1996 Olympic Park bombing.

PATCON was the centerpiece of an extensive investigation of militia and white supremacist groups in Arizona, Alabama, Tennessee and Texas.

From 1991 to 1993, at least three undercover agents working under the auspices of the FBI posed as members of a fictional white supremacist group seeking closer ties with established organizations.

The targeted groups "advocate violent overthrow of the U.S. government and the establishment of an Aryan nation," according to the documents.

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- [Texas Reserve Militia: Aims and practices](#)
- [Informants in the Ranks](#)
- [The PATCON Undercover Operation](#)
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The FBI documents linked below describe the PATCON operation as well as the Bureau's efforts to penetrate two secretive extremist groups, the Texas Reserve Militia (TRM), based in the Austin, Texas, area, and the Order of Saint John (OSJ), based in Benton, Tennessee.

Despite the operation's success in gathering intelligence on the militia movement, the PATCON undercover operation was officially terminated on July 15, 1993, six months after the disastrous siege of the Branch Davidian compound in Waco, Texas.

FBI field offices in Baltimore, Knoxville and San Antonio were ordered to shut down the PATCON operation in an [FBI teletype](#), in which FBI headquarters deemed there was "insufficient justification" to continue the investigation. It is not clear from the documents that even one significant arrest resulted from the two-year investigation.

But the very same militia groups targeted by PATCON had been inflamed to violent action after Waco, in a wave of anger that led directly to the Oklahoma City bombing. At least one member of the Texas Reserve Militia -- Andreas Strassmeier -- has been linked to Oklahoma City bomber Timothy McVeigh.

In 2005, INTELWIRE filed a request with the FBI under the Freedom of Information Act for all documents pertaining to a militia organization called the Texas Light Infantry, one of the names used by the Texas Reserve Militia. After reviewing the records, INTELWIRE filed follow-up requests for records concerning the a group known as the Order of Saint John.

The two FOIA responses contained documents that revealed the PATCON operation. Believing more documents exist, INTELWIRE filed a request specifically for records related to PATCON. Last month, the FBI claimed it was unable to located any such documents -- despite the fact that all the documents cited in this story were provided in response to previous FOIA requests. INTELWIRE is appealing the refusal.

## ORIGINS

During the late 1980s, the Texas Reserve Militia was formed by some members of the Texas State Guard, a volunteer state military force intended for use when the National Guard is unavailable. The TRM broke away from the state organization when Texas officials determined they were forming an unconstitutional "private army."

The group was also known as the Texas Light Infantry, the Second Order and The Order. The latter names were inspired by a 1980s neo-Nazi gang that robbed banks and counterfeited money to fund attacks on the government and target ethnicities ([external link](#)).

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The FBI believed TRM leadership was linked to the original Order and also closely tied to the Aryan Nations white supremacist network based in Idaho ([external link](#)). One TRM member reportedly received at least \$250,000 in funds from armored car robberies by the original Order, according to the documents.

According to the FBI's case files -- including an [FBI letterhead memorandum dated December 21, 1990](#) -- the TRM conducted monthly paramilitary training courses at a camp in the Austin, Texas, area. The camp provided training in firearms, explosive and guerilla warfare for volunteers from Texas and out-of-state, including skinheads from Las Vegas and Memphis. By the end of 1991, the TRM had about 50 members and a much larger number of informal associates, the documents said.

In or around July 1990, a member of the Texas Reserve Militia threatened to murder two FBI agents with the Austin field office, according to documents obtained by INTELWIRE. The person who threatened the FBI agents "is a major figure in the Aryan Nations," an [FBI teletype](#) stated. In response to the threat, the FBI initiated a domestic terrorism investigation against the TRM. Undercover agents were deployed to infiltrate the group, an operation that would later expand into PATCON.

#### **AIMS AND PRACTICES**

"Members of the group advocate violent overthrow of the U.S. government and the establishment of an Aryan nation," according to the FBI letterhead memorandum. At TRM training camps, military discipline was enforced and officers were saluted with the Nazi "Heil Hitler" gesture, the memo said.

At one point, the FBI searched the training camp and found one exploded and one partially assembled pipe bomb, the memo said. According to an [FBI lab report](#), the pipe bomb found on the premises was created by a "skilled craftsman" with a high degree of sophistication.

TRM members also trained with firearms, including fully automatic weapons, the documents state.

Undercover agents were dispatched to investigate the group after the threat to murder two Austin-based FBI agents, the documents said. The threat was sparked by the FBI's arrest of an unnamed TRM member on an unspecified charge.

The undercover agents posed as "white supremacists who were willing to commit violence in order to further the white supremacy movement."

Informants were also actively recruited to penetrate the TRM's ranks. During the course of the investigation, multiple informants provided

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information about the organization to the FBI.

In one instance, the FBI documented a meeting between TRM members and an Austin-area police officer, during which they discussed keeping the group's activity secret and paying bribes to the police officer to suppress complaints by the training camp's neighbors concerning the group's activities.

A confidential source of the Los Angeles FBI field office revealed that a prominent TRM member had set up a bulletin board network "in which persons with the right code numbers can dial [redacted] phone and enter his computer system and enter the names and addresses of homosexuals who live in the U.S. and Canada. The purpose of the list, according to the source, is to allow action to be taken against those homosexual individuals in the event of a takeover of the United States by the Aryan Nations."

In 1991, authorities discovered a cache of explosives and paramilitary supplies in Alabama. The FBI believed the explosives were linked to the TRM, according to a [February 1992 letter](#) from FBI Assistant Director Larry Potts to the criminal investigative division of the U.S. Army.

The explosives were found next to a highway north of Birmingham and included ammonium nitrate, the primary explosive component later used in the Oklahoma City bombing. According to the letter, the material and other items found at the site were intended for a raid on a National Guard convoy.

### **INFORMANTS IN THE RANKS**

Starting some time in 1990, a parade of informants from within the militia movement began talking to the FBI about planned activities by the TRM and other groups. Over the course of several months, the intelligence became alarming and expanded to include other militia groups around the country.

On November 21, an informant told the FBI in Phoenix about a shipment of various explosives, improvised military-style ordinance, detonators and assault rifles (illegally modified to be fully automatic).

The informant told FBI agents that the TRM was joining forces with an organization called the Texas Reenactment Group and that the combined organization would train using "old East German police uniforms which are being obtained by [redacted]." The merger was expected to increase membership of the TRM by at least 200 members. Members would be armed with fully automatic M-1 carbines.

The source said all members of the group "hate the current President, George Bush" and subscribed to conspiracy theories about a "New World Order" ([external link](#)).

On [January 22, 1992](#), an informant revealed to the FBI that the TRM leadership had scheduled a meeting with a member of Civilian Material Assistance (CMA), "which started out as an anti-communist group supporting the Contras in Nicaragua, but has recently turned into a racist right-wing white supremacist group."

That meeting had its origins at the November 16-18, 1991, CMA convention in Decatur, Alabama, where a trend toward cooperation by diverse extremist groups began to emerge as a significant potential threat to U.S. domestic security. By the time of the convention, the FBI had infiltrated a number of sources into the mix.

### **PATCON**

In March 1991, the FBI extended its investigation of the TRM into a undercover sting code-named "PATCON."

Details of the PATCON operation were included in a routine request for re-authorization of the TRM investigation. The [January 1992 memo](#) from San Antonio-based FBI Agent Daniel Coulson is addressed to Assistant FBI Director Larry Potts.

"During March 1991, a Group 1 Undercover Operation titled PATCON was approved, utilizing three undercover agents, in order to prevent the murder of (two FBI) agents," Coulson wrote, referring to the threat cited above.

PATCON initially targeted the TRM, but in January 1993, the undercover agents were also deployed to penetrate the Order of St. John, according to [a follow-up memo](#) from Coulson to Potts.

PATCON undercover agents posed as extremists who financed their activities through armored car robberies, according to an [October 1992 teletype](#).

PATCON was a Group I Undercover Operation. According to Justice Department guidelines, Group I operations must be approved by FBI Headquarters and are used for investigation involving "sensitive circumstances" or significant financial investment.

"Sensitive circumstances" include investigating possible criminal misconduct or corruption by government employees, political and/or religious organizations. They may also describe operations "having a significant effect on or constituting a significant intrusion into the legitimate operation of a federal, state, or local governmental entity."

Group I undercover operations may involve "activity by an undercover employee that is proscribed by federal, state, or local law as a felony or that is otherwise a serious crime" and "activities that present a significant risk of

violence, risk of financial loss, or a realistic potential for significant claims against the United States."

One possible factor in the Group I designation involves an investigation of military equipment stolen from Fort Hood, Texas. According to several documents, an active duty soldier at Fort Hood was an associate and possible member of the TRM. PATCON undercover agents tracked and in at least one case purchased some of the stolen equipment.

Another factor is only referenced in short asides among the documents currently released. A [October 1992](#) teletype notes that part of the PATCON budget was reserved "for the purchase of Stinger missiles." Several documents refer to the possible theft and resale of Stingers by militia groups, but details are sparse. It's not clear whether the Stingers actually existed and whether PATCON recovered them.

## **INTERLOCKING**

PATCON was fully operational by the time the CMA convention was held in November 1991.

The convention featured extremist speakers from around the country, most of whom were pursuing some sort of racial agenda. An [FD-302 interrogation report](#) dated November 21, 1991, provided an extremely detailed report on the event.

One speaker, described in the documents as a U.S. Marine, addressed the convention on the new cooperative strategy. Before beginning his speech, he requested that all cameras and recorders be turned off.

According to an informant, the Marine discussed a new strategy for the assembled extremists -- "interlocking anti-government groups so that the movement could be ready to fight the government when the government attempts to take over the rights of the citizens." The speaker believed this battle would take place within two years.

According to the informant, "interlocking" would connect extremist groups by "making members of one group members of another group" in order to "increase communication and cooperation among these groups" so that they could unite to violently oppose the government.

"This interlocking procedure ... allows groups with different viewpoints but with the same common antigovernment beliefs to join together," according to the informant.

After the Marine, a member of CMA also spoke about interlocking. One attendee objected to CMA interlocking with "hate groups such as the KKK" and was told that "come compromises had to be made" in order to fight the New World Order, according to the informant.

[Another document](#) reveals that CMA and the Aryan Nations were planning to interlock "for the purpose of fighting the U.S. government."

Under the interlocking scheme, "the CMA and the TRM are so closely related that officers in one have equal and dual rank in the other group," according to an informant cited in a [December 26, 1991 letterhead memorandum](#).

## **PARANOIA AT THE CONVENTION**

One member attending the convention attempted to interest people in a modified cannon launcher he had designed for long-range attacks (see [story](#)).

[Another informant](#) said the cannon's inventor wanted to use the cannon to "lob shells" into the FBI and IRS buildings in Phoenix, Arizona. The inventor was later arrested in relation to this threat, the documents said -- one of the only arrests documented in the case files in relation to any aspect of the investigation.

An informant who attended the convention said the inventor grilled attendees for names and addresses, leading many to suspect he was a government agent.

The informant [and another](#) who attended the conference said the attendees were paranoid about government surveillance. Although convention attendees aimed most of their mistrust at each other, they did come close to discovering one member of the FBI's actual surveillance team, according to one informant.

## **THE ORDER OF SAINT JOHN**

The Order of Saint John compound, Benton, Tenn.

*A map of the Benton, Tenn., compound used by the Order of St. John, which the FBI penetrated in 1993.*

One speaker at the convention, representing a group known as the American Pistol and Rifle Association, coached attendees on tactics for shooting police officers. PATCON agents would follow connections between CMA and the APRA to an armed compound in rural Tennessee.

The Order of St. John, based in Benton, Tennessee, was closely linked to APRA -- to the extent that they appeared to be the same group with adjacent mailing addresses. Both groups were tied to the TRM, according to several [FBI documents](#).

Like the TRM, the Order of St. John also went by "The Order." FBI sources

penetrated the group so effectively that they were able to [draw maps](#) of the Benton compound.

A PATCON agent met with the leader of the Order of St. John, John L. Grady, at the group's Benton compound in September 1992 and on at least one other occasion, according to an [October 1992 teletype](#) and [June 1993 memorandum](#). (Please see [notes below](#) regarding allegations against named individuals in these documents.)

Grady told the PATCON agent that some members of the OSJ-linked American Pistol and Rifle Association had been members of the original Order, describing them as "hardcore types and having committed a number of indiscretions for which they were now serving prison terms," according to the documents.

The September 1992 meeting coincided with the APRA's annual conference. Security was tight at the conference, including patrols armed with semi-automatic pistols. The PATCON was told that a large stockpile of weapons was stored at the compound. Speeches were given at the event.

One attendee identified in the October 1992 teletype, was Tom Posey, a leader of the CMA who had been deeply implicated in the Iran-Contra scandal. The PATCON agent was shown five sets of night-vision goggles in the back of Posey's vehicle, according to the document. The agent bought the goggles for \$7,500, the document states, and they "appeared to be part of the Fort Hood theft." Curiously, the FBI field office in San Antonio was instructed to check the serial numbers of the goggles "without revealing to Army authorities" that they had been recovered.

A document states that Grady told the undercover agent he was "aware of various law enforcement agency efforts to infiltrate his organization as well as the Anti-Defamation League (ADL) and that a group called 'Klan Watch' put out a publication which expressed views contrary to Grady." (KlanWatch was a project of the Southern Poverty Law Center.)

On a second visit, the PATCON agent and was "warmly welcomed," according to the memo. He received a tour of the compound, including a library "which contained over 30,000 books on topics ranging from religion to conspiracy."

"Grady talked about the aftermath of the Waco incident and stated that the Davidians shot in the compound had been killed by a Special Forces unit," the memo said. It was later revealed in mainstream media reports that Special Forces officers had been involved in planning the raid, but that was not public knowledge at the time of the visit. The leak of that story was linked to another underground group ([external link](#)).

## **NAMES IN THE DOCUMENTS**

INTELWIRE is publishing a representative sampling of more than 2,000 pages of documents relevant to this story, which were obtained through the Freedom of Information Act. Additional documents will be published in the future, and additional related FOIA requests are in process.

The first batch of documents can be viewed by [clicking here](#).

The documents name several figures in connection with the investigation. It is important to note that in almost every case, the individuals named in the documents have never been prosecuted for the acts alleged in these documents. INTELWIRE does not assert any claim as to the truth of the allegations contained in the documents.

Some individuals whose names are redacted or incomplete in the documents have been identified by INTELWIRE. Additional reports are planned to address this issue and the veracity of the claims made in the documents.

Members of the Texas Reserve Militia identified in the FBI's extensive case files included:

- Watt (first name not given), a former member of the Texas State Guard (a legitimate government reserve group) who was described as one of the founders.
- Louis Beam, a prominent neo-Nazi with ties to the Aryan Nations and the original Order, who ran an early white supremacist computer bulletin board network and published a newsletter called The Seditonist. ([External link](#))
- Someone who claimed to be a former Special Forces member; the person's name was [redacted from documents](#) by the FBI.

Associates of the Texas Reserve Militia who are named in the documents include:

- [John L. Grady](#), leader of another militia organization known as the Order of St. John. Grady was later linked to Eric Rudolph by prosecutors who tried Rudolph for a 1998 Birmingham abortion clinic bombing ([New York Times](#)).
- Thomas Posey, leader of a paramilitary group known as Civilian Material Assistance. According to a [January 22, 1992 teletype](#), CMA "started out as an anti-communist group supporting the Contras in Nicaragua, but has recently turned into a racist right-wing white supremacist group."

Another member of the group, described but not named in the redacted documents released by the FBI, was Andreas Strassmeier, a German

national who would later be linked to the Oklahoma City bombing.

The son of a prominent German politician and a veteran of that country's army, he moved to the United States from Hamburg in the late 1980s or early 1990s, and established relationships with various racist and anti-government movements around the country. (US v Nichols, 96-CR-68, 12/10/97; In Bad Company, Hamm, pp. 116-117)

Members of the TRM suspected Strassmeier was a government informant, according to published reports. (McCurtain Gazette, FBI document links former Green Beret to McVeigh, bombing, Cash and Charles, Aug 31, 2005)

Shortly before the Oklahoma City bombing, [an informant told the ATF](#) Strassmeier was plotting to blow up U.S. federal buildings. The informant also said Strassmeier had traveled to Oklahoma City prior to the bombing.

Right after renting the Ryder truck used in the Oklahoma City bombing, Timothy McVeigh called the Elohim City compound and asked to speak with Strassmeier (US v Nichols). Another informant described at least one additional call ([story and documents](#)). After the bombing, Strassmeier fled the country and returned to Germany.

The FBI interrogated Strassmeier by phone in May 1996, but agents did not ask him about his association with the TRM ([document](#)).

The documents also name the official responsible for overseeing PATCON from FBI headquarters in Washington, D.C. -- Larry Potts, then an assistant FBI director. During his tenure with the FBI, Potts was involved in the 1991 Ruby Ridge standoff and the 1993 Waco siege -- two events that created deep suspicion and hostility among members of the militia movement.

In addition to Strassmeier, several key events and figures encountered in the PATCON investigation overlap with the activities of the Aryan Republican Army, a white supremacist bank robbery gang that has been linked to the Oklahoma City Bombing. Like the Order, the ARA robbed banks with the stated purposes of financing an armed revolution against the U.S. government.

In a 2007 affidavit ([story](#), [document](#)), one member of the gang said he suspected Richard Guthrie and other gang members of taking part in the Oklahoma City bombing. In July 1996, Guthrie appeared to commit suicide in prison, shortly before he was scheduled to testify about the ARA's activities ([documents](#)).

Shawn Kenney, a member of the gang and an FBI informant, had his criminal record "actively erased," according to an affidavit by former Cincinnati police officer Matthew J. Moning, who investigated the ARA,

also known as the Midwest Bank Robbers.

Another FBI informant close to the ARA was Scott McCarthy, according to a 2006 Congressional probe of the bombing ([story](#) and [full text](#)). The report, written by U.S. Rep. Dana Rohrabacher, claimed the Justice Department was "unwilling to permit" investigators to speak with McCarthy.

Prior to their arrest, ARA members made a videotape outlining a proposed campaign of racial and antigovernment violence. According to a 2002 story in the McCurtain Gazette, two copies of the tape were seized by the FBI in mailing envelopes addressed to Richard Butler of the Aryan Nations and to Louis Beam, who is named in the Texas Reserve Militia documents.

The ARA videotape also threatened terrorist violence against the 1996 Olympic Games in Atlanta, a threat that was later carried out by Eric Rudolph.

*This story was updated on October 10, 2007.*

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