

The purpose of this communication is to request renewal authority for CCTV, telephonic, and non-telephonic consensual monitoring authority for a period of 90 days to utilize an electronic device to monitor and record private conversations between a cooperating witness (CW), MM-7919-CW-WC) Morty Bennett, Howard Ash, and others yet unknown, in order to gather evidence of a possible violation of Title 18, U.S.C., Section 1951 (Hobbs Act), and 371 (Conspiracy) in connection with captioned investigation.

This request requires Department of Justice (DOJ) notification, in that this matter may relate to a member of Congress and is, therefore, a sensitive investigation.

Martin King, Miami Chief Division Counsel's Office, concurs with these consensual monitoring techniques. Assistant United States Attorney (AUSA) Richard Gregorie, Southern District of Florida (SDF) has been fully advised of this matter. AUSA Gregorie concurs with the use of the consensual monitoring techniques and sees no entrapment issues in this fact situation.

Predication in this matter was developed through a cooperating witness (CW) who provided the following information:

Sometime around the middle of 1995, CW was contacted by Morty Bennett, doing business as (DBA) The Dorchester Group, 407 Lincoln Road, Suite 5C, Miami Beach, Florida. Bennett advised the source that he had been referred to the source by a General, first name unknown (FNU) Janeb (PHONETIC), who is an ex high ranking Iraqi military official. Bennett apparently had made inquiries searching for a potential weapons dealer who could supply military weapons to Ecuador. General Janeb (PHONETIC) informed Bennett that Iraq had purchased weapons from the source in the past, and the source might still be an international arms dealer.

Bennett informed the source that he was working with a group in London, ASF Limited, 12 Scymour Street, London, England, telephone number 011-44-~~207~~-486-2830. Bennett stated that they were looking for someone who could supply military weapons to Ecuador. The source advised Bennett that because of the embargo at that time against Ecuador, the source could not sell them any weapons. Bennett then suggested a sale through Peru. The source informed Bennett that the deal could be done, but it would probably be better to work the deal through an Eastern Bloc country.

Bennett advised the source that he wanted to work the deal directly with the source because he also had a side deal he wanted to do that he did not want people in London to know about. Bennett then asked the source whether the source knew Newt Gingrich. The source advised that he/she did not personally know

Gingrich, however, the source was familiar with Gingrich. Bennett informed the source that he had a business relationship with Gingrich's wife, Marian Gingrich.

The source asked Bennett if Marian Gingrich was involved with the London group. Bennett stated that she was not, and he did not want to involve her in the London deal. However, they (Bennett and his partner, Howard Ash) have a business deal that they were working with Marian Gingrich and they wanted the source as an investor. The source informed Bennett that he/she no longer had a license to sell arms and he/she would be leaving for Paris soon. Bennett informed the source that he would meet the source in Paris, France.

In July, 1995, Bennett and Ash traveled to Paris and met with the source. Ash informed the source that he was a very close friend of Marian Gingrich and the two of them have done a lot of lobbying together for companies trying to get things passed through Congress. Ash stated that they were trying to open up a "free trade zone" in Israel.

Ash explained to the source that he, Bennett, and Marian Gingrich were involved in a venture to avoid taxes and customs duties. The business would utilize a free trade zone in Israel and falsified invoices for goods eventually retailed in the United States. Ash did not elaborate on any further details and the source did not offer to participate.

Subsequent to discussing the free trade zone matter, Ash inquired whether the source could use his/her connections with the French manufacturer of the bullet train, or, in French, Train de Grande Vitesse (TGV). Ash requested that source should hire him as a lobbyist on their behalf, because Florida was considering building a high speed railway system from Miami to Orlando. Ash informed the source that Florida was considering a Japanese manufacturer, but he had the connections in Florida to help win the contract for TGV. The source made no commitment to Ash regarding TGV.

On July 10, 1995, Marian Gingrich arrived in Paris, France. Gingrich stayed at the HOTEL ROYALE MONCEAU from July 10th until July 13th, 1995. During her stay, Gingrich, accompanied by Bennett and Ash, met with the source on several different occasions for dinners, drinks, and social outings. On three separate occasions, Gingrich also met the source privately. The source supplied the Federal Bureau of Investigation (FBI) with a photograph taken in Paris of the source dining with Gingrich, Bennett, and Ash. A comparison of Gingrich's likeness in this photograph with published photos of Marian Gingrich confirmed the individual in source's photo appeared to be Marian Gingrich.

While in Paris, Gingrich and the source held several conversations regarding her ability to influence the legislative

process. The source advised that during one conversation, the source inquired whether Gingrich, with the assistance of her husband, could get the embargo against Iraq lifted. The source explained that Iraq owed the source in excess of 80 million dollars for military weapons the source had sold to Iraq in the past. The source advised that if the embargo was lifted, Iraq would be able to pay the source. The source also advised that during another conversation, the source discussed the planned bullet train to be constructed in Florida. The source also asked Gingrich if she, with the assistance of her husband, could get the United States Congress to support the proposed construction of the bullet train. Gingrich replied that she would be able to accomplish this and stated that her relationship with her husband was purely a relationship of convenience. She told the source that she needed her husband for economic reasons, and that he needed to keep her close because she knew of all his "skeletons." Source stated that after requesting Gingrich's assistance in the above matter, she told him that her organization needed money. She also told source "It's time for me to make money using my husband, and after we get started doing this, it will be easy." Gingrich advised source that if he wanted to discuss the matter further, at a later date, he could always contact her through Howard Ash. She then stated that she would be able to do anything the source requested of her "as long as they had an understanding." Gingrich told the source that she was in a position to get things done in the Congress.

On January 23, 1996, Bennett contacted the source and advised that he had recently spoken to Marian Gingrich. Gingrich instructed Bennett to inform the source that the lifting of the embargo could be accomplished. Bennett stated that it would cost the source ten million dollars to get the job done. Bennett and the source agreed to meet later to discuss details of the arrangement.

On January 24, 1996, during a consensually recorded conversation, Bennett advised the source that he personally spoke to Marian Gingrich. Gingrich informed Bennett that after she returned from Paris, she made some inquiries regarding the source. Gingrich stated that the source checked out and she was willing to work with the source. Bennett stated that Gingrich wanted ten million dollars to get the job done, five million of which would go directly to Marian Gingrich.

Bennett stated that he would receive ten percent of the deal. Bennett did not reveal where the remaining four million dollars would go. Bennett stated that Gingrich gave him explicit instructions on how the deal would be handled. To begin the deal, the source had to deposit \$250,000.00 into Bennett's bank account to be transferred into an account of a political institute associated with Gingrich. The source also had to pay Bennett \$300,000.00 which preferably should be made in cash. Bennett stated that the \$250,000.00 could not come from an Iraqi bank or Iraqi bank account.

Bennett stated that five days after the money was deposited into his account, Gingrich would allow dialogue between herself and the source. However, the source would not be able to talk to Gingrich about money or anything related to a payment. Bennett stated that Gingrich wanted everything done right and was very concerned about being recorded. The source informed Bennett that he was handling the deal on behalf of the Iraqi government, and could not afford to have anything go wrong.

Bennett stated that the way they had the deal structured nobody would ever be able to prove it was anything illegal. Bennett stated that it would be handled like a campaign payment and ensured the source that Gingrich knew what she was doing. Bennett stated that the money was for Gingrich and her husband and that they needed buffers to protect them. The source informed Bennett that he/she would contact the Iraqi United Nations representative to see if Iraq would agree to Gingrich's terms. Bennett subsequently informed the source that the political institute that Gingrich was associated with was called the Institute for Political Study. The institute is located in Washington, D.C., and Gingrich, along with Robert Lowenberg runs the institute. On February 1, 1996, during a consensually recorded conversation, Bennett informed the source that three weeks after they received the money, everything would be put into action. Bennett confirmed the meetings that the source had with Gingrich in Paris, France. Bennett stated that within two to three weeks after they received the money, the source would be able to meet directly with Gingrich.

On February 5, 1996, in a consensually recorded conversation, Bennett informed the source that he had a two hour luncheon meeting with Marian Gingrich on Saturday, February 3, 1996, in Washington, D.C. Bennett advised that Gingrich stated that the deal had to be done before the Presidential campaign went into full swing. Bennett stated that the closer they got to the Primary Elections, the harder it would be to get support to lift the embargo with Iraq.

Bennett stated that Gingrich wanted \$500,000.00 for herself up front, in addition to the \$550,000.00 that Bennett mentioned earlier, bringing the total up front payment to 1 million 50 thousand dollars. Bennett stated that all the money should be wired to the source and the source would wire it into Bennett's account. Again, Bennett cautioned the source that everything had to be done according to Gingrich's instructions.

On February 12, 1996, during a consensually recorded conversation, the source stressed to Bennett the need to speak directly with Gingrich in order to satisfy the Iraqi's questions regarding the authenticity of Bennett's claim to represent Gingrich in the deal. The source advised Bennett that the source would not discuss money or the deal. The source would only inquire about how she enjoyed her trip to Paris and expressed admiration for her husband. The source requested that Bennett

contact Gingrich and inform her that the source would like to call her. Bennett stated that he thought that the request would spook Gingrich, but he would try to arrange a call between the source and Gingrich for small talk about their Paris trip. Bennett stated that Gingrich would be cordial, but would hang up if the source talked money. Bennett advised that he would get the number where Gingrich could be reached.

On February 14, 1996, during a consensually recorded conversation, Bennett advised that he was not able to get in touch with Gingrich, however, he did speak with Robert Lowenberg. Lowenberg informed Bennett that the proposed scenario would involve a fund raiser for the institute. Bennett stated that once they received the money from the source, they would set up a fund raiser in which the source could invite guests and would be held wherever the source wanted.

Bennett explained that during the evening, the source would be able to speak confidentially with Marian Gingrich. The source's guests would have an opportunity to meet Newt Gingrich and have a polite political discussion with him. Bennett stated that the cost for the fund raiser would be deducted from the \$250,000.00 deposited into the account for the institute for political study.

The source explained to Bennett that it would be impossible to "front" a million dollars and he needed to be able to speak with Gingrich directly to receive assurances regarding the specifics of this deal. Bennett indicated he could arrange for the direct conversation between source and Gingrich. Thereafter, contact between the source and Bennett broke off.

After a number of months of no contact between source and Bennett, the source has recently advised that Bennett has made several attempts to contact the source over the past several weeks. The source believes that it may be in response to newspaper articles about a revival of the bullet train proposal in Florida. The source believes that the bullet train issue could be used to re-establish contacts with both Bennett and Ash, and thereafter initiate contact with Marian Gingrich.

An article in the January 5, 1997 edition of the MIAMI HERALD indicates that without approval from the 105th Congress and some encouragement from Florida's 1997 legislature, the train project would not be possible. The newspaper article also indicated that there was a good chance that the Congress would agree to back the bullet train's bonds. According to the article, the federal government has offered similar guarantees for a 500 million dollar bond issue for an Alameda corridor "freight rail line running non-stop through 30 miles of traffic near Long Beach, California."

In February, 1997, BENNETT re-established contact with CW. In consensually recorded conversations on February 6th and February 7th, 1997, BENNETT discussed previous conversations between CW and BENNETT, as well as conversations BENNETT had with MARIANNE GINGRICH relating to requests for assistance by CW.

Miami intends to direct the source to recontact MORTY BENNETT and HOWARD ASH, and continue to consensually record the source's conversations with them in an effort to document prior unrecorded conversations and develop further evidence. Depending on the context of these conversations, further logical investigation, including consensual monitoring, will be conducted to develop evidence of possible Hobbs Act, Conspiracy, and Bribery violations by BENNETT, ASH, MARIANNE GINGRICH, and as yet, unidentified federal officials.

SAC	<u>Paul D. Phily</u>	DATE	<u>3/7/97</u>
ASAC	<u>A/ASAC Kenneth O'Don</u>	DATE	<u>3/7/97</u>
SSA	<u>Michael S. [unclear]</u>	DATE	<u>3-7-97</u>
CDC	<u>[Signature]</u>	DATE	<u>3/6/97</u>
AGENTS	<u>Dean C. Bryant</u>	DATE	<u>3/6/97</u>