

Different Day – Same Play

I returned to Washington to find Karpovich and Barnes employing the same strategy they had initiated with Bloomberg. It appeared evident that their first order of subversion was to continue to undermine our reputation within the financial community. After proclaiming that we would get \$ 15 million in orders in 1993 alone, they had now succeeded in sandbagging the situation for more than a year and we had yet to realize any revenue. Obviously Karpovich was living up the negative prognostications he had anonymously seeded into the media and the time had come to take affirmative action. Thank God for Duncan Hunter. He took the intransigence of Karpovich/Barnes all the way to the Office of the Secretary of Defense. Within a week the DOD had verbally authorized Vice Admiral Ed Straw, Director of the Defense Logistics Agency to move ahead with the program by purchasing 120 systems from Audre to be tested at 12 sites. They also committed to issuing the purchase orders by the end of April and to begin training their personnel in early May.

Ed Straw was a great guy, maintaining the Pentagon's batting average that 100% of the three- and four-star rank officers are a special and superior breed. Unfortunately, he admired Karpovich's abilities and with Karp being a Navy man, Straw gave him far too much credit and authority. Despite the Admiral's assurances that he would monitor the effort closely, in complete defiance of all that heat and scrutiny, Karpovich and Barnes did not get around to starting to place the orders until mid-June. We were now $\frac{3}{4}$ of the way through the fiscal year and had yet to convert a single document.

The project finally began in July, with training and actual testing run from September through November. Karpovich had hoped that by starting so late we would skip a year, given that the test was not even completed until we were two months into fiscal year 1995. His plan was to so delay the reporting of the findings that we would be too far into the FY '95 process to realize any funding to procure systems necessary to implement the findings on a production basis. And that was the least of the schemes he had up his sleeve. Right in the middle of all these contentions, I receive a call from Wilkes. He wanted to set up a private meeting in my office as soon as possible. He sounded excited so I cleared my calendar and made some time for him. We had just sat down in the boardroom when Brent began by saying that we had an uphill battle with Karpovich, as everyone knew he had vowed to destroy Audre's opportunity. But that was also good news because he

could not control himself from saying it. In fact, John said it so often, Brent informed me, he got together with Dusty and set Karpovich up in a sting operation. As I was barely getting my mind around what he had just said, he pulled out a tape recorder and snapped in a mini-cassette and told me to sit down and pay attention. I was starting to get the idea where this one was going, and I asked him to confirm that everything he was about to present to me was legally obtained before he made me party to it.

Brent was pumped with pride and burst into a huge grin as he informed me that it was a professional operation from start to finish. After he and Dusty decided to trap Karpovich, they ran the plan by Richard Bliss to confirm where the clandestine recording of a person in a public place was legal. Their objective was to tape in Virginia and Florida, and both places checked out. At that point Brent said Dusty took over. First, he obtained a small but highly sensitive directional microphone that had the appearance of a writing pen and connected it to a small micro-cassette pocket tape recorder. He then hired two off-duty Fairfax police officers, one a man and the other a very attractive woman. Knowing that Karpovich frequented military bases and would soon be traveling to the Jacksonville Naval Air Station to prepare for the ADCS testing, the plan was simple and very effective. Stage one was set up at Karpovich's Tysons Corner watering hole. The guy was sitting at a table within direct sight of the bar, while the female walked in and nonchalantly sat down next to Karpovich. It wasn't long before they casually entered into a little small talk. Predictably, he thought it was his blessed day to have this beautiful woman sit down next to him and amazingly appear accepting of his advances. Soon the conversation got around to "where are you from?"

As Wilkes played the tape you could hear and easily visualize Karp's excitement when she tells him that she is just visiting DC on business, and that she actually is from Jacksonville, Florida. "Jacksonville?" he retorts with glee, "I am an executive in the Navy, and I often go to the Naval Air Station. In fact, I am planning a trip there in the next couple of weeks." Suffice it to say that she is thrilled at the news, and they decide to set a date to meet again when he arrives in town. He can't believe his lucky stars and as they always say: "if it is too good to be true..." Wilkes then pops in the next tape with a conspiratorial, "you are just going to shit when you hear this..."

I can't say it should have come as any surprise, but it is always disappointing to confirm your worst fears. The next tape was from Jacksonville, and it was

absolutely incendiary. The undercover cops are set up the in same manner, with the guy looking non-descript and discretely taping everything. The woman warmly greets Karpovich and then proceeds to funnel drink after drink into him. Soon he is slurring his words, but not his emotions. Once the small talk is behind them and he is primed, she starts him off with “you seem a little uptight. Is there something troubling you?” He responds by losing control and goes completely off on a profanity laced rant. He tells her how he has worked for the Navy for many years and is now on a special project consigned straight from Congress. It involves millions of dollars and implicates literally billions of dollars of joint command military logistics and weapons systems developments. Reporting directly to a Vice Admiral, his job entails working closely with industry in assessing the latest technologies for their ability to modernize the military’s methods of procurement and prototyping. It is a hard job that keeps him on the road and working long hours. In return for all of that, one of his vendors, this fucking guy named Casey, turns him in to the Defense Criminal Investigative Service.

Even after he and his assistant, Ann, are absolved of any actual wrongdoing he relays, they continued to feel the heat and suffered the suspicion of their superiors that they had done something wrong. Then, to make matters worse, this son-of-a-bitch Casey goes to congress and contacts a member of the Armed Services Committee that is sponsoring the test he is assigned to, and starts all over again with the accusations. Now my boss is angry, and Ann and I are under tremendous pressure. Even our jobs and pensions are in jeopardy, and it is all because of this mother-fucker, Casey!

It was certainly a wow moment to hear his venomous rant. I asked Wilkes why he didn’t tell me about his intentions to tape Karpovich. Brent replied that he knew I would be against it, and he had a vested interest in making these tests successful. It was simply a matter where he and Dusty had to take events into their own hands. I had to admit Wilkes certainly knew me pretty well, because I despised all that spy vs. spy stuff he so loved. I also detested Dusty, and had told him I would prefer never to see him again. It was then ironic to have Dusty tape Karpovich, purportedly for my company’s benefit. Wilkes saved the best, or probably the worst for last. He turned on the tape again and the lady undercover cop commiserates with Karpovich that he has really been through the wringer with this guy Casey turning him and his assistant into DCIS. With perfect timing, she interjects between his booze-bawling, “What are you going to do about it?”

Apparently feeling that he was in the company of a friend and sympathizer, Karpovich just unleashed. He and Ann were still running the program and they would decide how the \$ 14 million would get spent. And he vowed to the undercover cop that they would absolutely destroy Casey's company, Audre. He and Ann would set up the test and do everything in their power to compromise Audre's performance. He would ensure that not only would no one every buy an Audre product, he would have the last laugh when the company disappointed the stock market and all its investors after they have been built up to have such high expectations. He and Ann would fuck the company, and they would watch with glee as it imploded. At this point Wilkes stopped the tape and with a shit-eating grin asked me if I had "heard enough?" He then went on to congratulate Dusty and himself for setting up Karpovich, and getting him to reveal that he and Ann intended to subvert the congressionally mandated test. His ass was ours! This tape was absolute evidence of his criminal intent and they both would lose their jobs, pensions and find themselves in jail if it ever was played at a congressional hearing or at the Pentagon. "Hot damn", he said "the game is over, and we have won!"

He then went on to tell me how appreciative I should be that he and Dusty saved my bacon after I had antagonized everyone, and accomplished nothing, by turning Karpovich and Barnes in to DCIS. It was all on the line and without their help; it was obvious that we did not have one chance in a million to succeed in the testing, given their proven vow to destroy us. But all of this was not without a cost. In typical Wilkes blunt fashion, he said it cost Dusty \$24,000 to get the equipment, hire the cops and then pay for their travel expenses and he wanted me to write him a check that instant. They had really stepped up to make this happen and neither of them could afford to front any of the expenses any longer. With his assurance that Bliss had confirmed that it was all legit, I called down to my accounting office and told them to make out a check to Brent for the \$24,000.

Wow, this was cool. And he was right; I never would have gone for it. I knew Karpovich was against our interests, but it was chilling to hear his venomous rant in vowing to undermine our test performance and destroy the company. And just like when Karp went directly to the Bloomberg reporter after I turned down giving he and Barnes the Canadian options, John was targeting the heart of the company's credibility with the stock market and our personal interests. It would be an effective scam, but he was quickly going to be in big trouble with DCIS, now that I can finally give them the tape they had

always wanted. "DCIS?" Wilkes repeated, "You can't give this tape to DCIS." Caught by surprise from his adamant response just as my bookkeeper walked into the conference room with his check, I asked her to drop it off and leave before repeating what seemed to be the obvious next plan of action. "Of course, I am going to give it to DCIS. With this tape both he and Barnes will be fired from our project and prosecuted for conspiracy. Their careers and pensions are gone. DCIS wanted me to wear a wire to get him on tape and now we have it. They will jump on this." "Don't be a fool" Wilkes replied, "they will just replace these two with some other assholes. Better the assholes you know than the ones you will probably get. Keep the tape and we own him and Barnes." He went on as to how he and Randall Kerley, our new Vice President of Federal Sales, would let Karpovich know about the tape and then demand his full cooperation.

I had hired Randall on the recommendation of Barry Nelsen, because in his words "Randall is a good old boy friend of John's", and because McClay had turned out to be ineffective, "I still needed someone John would talk to." Randall, Barry, and Brent were all getting along nicely by this time, and Wilkes often had Kerley accompany him when anything technical was discussed or any conversations that required knowledge of military computing were going to be held. He and Randall would work it out so "you will not only own him for this test, but you will also own their asses for as long as they are working for the government. This test is just the beginning. We will need them to take the product for years. Now that congress is backing the project, with these two in our pockets, our success is insured for years to come."

I was shocked and getting angry at his crooked plan. It is one thing to legally tape someone threatening our interests and conspiring to corrupt a congressionally sponsored test. It was something else entirely to extort government program managers and I wanted nothing to do with it. I had worked with innumerable program managers over the years at every branch of the service and at the end of the day; our product will prove its own worth. I had no problem taking our chances in the test and then down the road with a new program manager, and in my opinion, there was no option I would consider other than immediately contacting DCIS as soon as he took the check and handed over the tapes.

I had never imagined that Wilkes would refuse to turn over the recordings, but that was exactly what he did. He said he was preventing me from doing

something I would regret, and that DCIS was as useless as dogshit. Besides, Dusty had set up this entire operation and it would look bad for him to be implicated in domestically taping a Pentagon official. DCIS would not like a CIA guy being involved and Dusty could get in trouble for interfering. There was no way he could turn the tape over to me if I was going to give it to DCIS without speaking to Dusty, and there was no way he could imagine that Dusty would want that kind of exposure.

He pushed away the check and put the tapes and player back in his pocket. I could not believe he was going to walk, especially needing the money as badly as he did. It was also making me very angry that he was withholding the evidence we needed to convict Karpovich and Barnes. He was now placing Audre in jeopardy and his demand that I get mixed up in an extortion plan was outrageous. I certainly had a lot to gain, but I also had a lot to lose, and I was not going to go down this way. I told Wilkes that by his refusing to give me the tape he was putting himself on the wrong side of the company's best interests and that I would not take it lightly. He knew I was red hot mad, and he kept saying over and over that it was Dusty who had tried to help and he could not allow me to bite the hand that helped us by getting him involved with DCIS. I countered that I did not have to tell DCIS about Dusty, but after a heated discussion, we both knew that they would want statements from the off-duty Fairfax Police, and that sooner or later Dusty's involvement would be revealed. I was pissed, but I let him leave my office with the tapes. It was a big mistake not to just take it from him, and throw both he and the check out of my office.