

Gold Hill Debacles - A Brief History

By Edward Snook
Investigative Reporter

Gold Hill, OR – The US~Observer has published numerous articles regarding the unethical, unprofessional and outright underhanded actions taken against Gold Hill's outstanding Chief of Police Dean Muchow by City Councilors Hobart Gus Wolf, Jan Fish and Donna Silva. The three have continued their slander and libelous acts to date, showing no sign of easing up.

In January 2006, local citizens fed-up with the undesirable's scurrilous attacks on their police launched a recall effort to oust them. While they were able to get the culprits on the ballot the recall failed at the ballot box, due in large part to lies printed on hand-outs and distributed throughout the city.

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Injustice in OKC The Continued Imprisonment of Ryan Wonderly

By Ron Lee
Investigative Reporter

Oklahoma City, OK - In the last issue of the US~Observer we covered the Oklahoma case of Ryan Wonderly who had been charged, forced to plea, and was sentenced to and is currently serving 35 years for allegedly committing 23 counts of lewd acts, including rape by instrumentation with minor girls who were part of his children's ministry at Bethany First Church of the Nazarene. Ryan Wonderly, still fearful of his safety, sits in prison awaiting his day of vindication, but according to the Oklahoma State Courts Network (OSCN) web site there has been no update on his case since

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Deer Creek - Elite Way to the Masses Money - Fraud *Victim Fung falsely charged as Prescott's bilk millions!*

By Edward Snook
Investigative Reporter

Also Contributing:
R. S. Errol
Investigative Reporter

Editor's note: This is the second in a series of articles involving multi-million dollar scams perpetrated by numerous individuals. This is the story of just one of hundreds of victims.

Sunnyvale, CA – Back in 1988, LeRoy E. Fritts, aka Roy Fritts and Roderick A. Prescott, aka Rick Prescott, revived a business called National Trust Services -- NTS. They invited business owners and wealthy individuals to a free, one-hour seminar, enticing them with, "We will show you how the elites like the Rockefeller's and certain politicians use complex trusts (blind trusts) and charitable foundations to run their lives, gain wealth and you can do the



An innocent Sam Fung ponders false charges.

same. Sovereignty to the People!"

In Gary Allen's landmark book, "Rockefeller File," the author stated: "All trusts are not equal. Only a handful of attorneys in the country know how to establish the type of trusts the Rockefellers have. These specialized trusts are most emphatically not the sort

your friendly local solicitor can create for you. They not only can eliminate probate, cut inheritance taxes, and reduce income taxes; unlike corporations, they can achieve almost total privacy...With a little effort, taxes disappear." Think back to Nelson Rockefeller's confirmation hearing in 1974, when he announced the fact that he did not pay any income tax. Why can't we all be like Nelson? Maybe the elitists want to keep their methods private and maintain class superiority or could it be that the ordinary citizens are simply without the necessary money, influence and power to achieve this standard of living. The NTS information was intriguing to those people who wanted to move up the economic ladder and it seemingly provided a legal way to achieve upward mobility.

Tuition or "educational endowment" for this program

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Blood Sport The False Conviction of Kris Smith

By Edward Snook
Investigative Reporter

Also Contributing:
R. S. Errol
Investigative Reporter

Grand Junction, CO – There is a cynical and probably accurate saying about the criminal justice system in this country that states: If you are a prosecutor and have a good case, argue the facts, if you have a weak case argue the law, and if you have no case attack the defendant's character.

Apparently this is what occurred in Denver during the first week of August. Equal protection under the law is a legal tenet that derives itself from the Fourteenth Amendment that is touted time and time again to ensure that all the people are treated fairly under the laws of this country. This tenet was totally disregarded during the Federal District Court trial of Kris Smith a Grand Junction business woman and community



Kris Smith (above) first victimized by AAA now the Feds.

Strip Club Protestors Fire Back

By US~Observer Staff

Douglas County, OR -- On or about July 12, 2006 the Josephine County residents who actively participated in the protesting of Club 71, the county's only strip club, and who were targeted by club owner Larry Lacey, his attorney Claud Ingram, and a Club 71 regular patron Greg Staton in two separate but strikingly similar lawsuits, have filed suit against Ingram and Staton claiming, "damages for wrongful use of civil proceedings (ORS § 31.230), intentional, reckless, or negligent infliction of emotional distress, and civil conspiracy."

The protestors, Dorothy Sims, Herbert Gelwick, Jerry Franklin, Jeanette Franklin, Tiffany Gendron, Carl Pierce, Jan Pierce, Garry Rose, Olivia Wytcherley, and Carol Ahlf all

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The National Grange is the nation's oldest national agricultural organization, with grassroots units established in 3,600 local communities in 37 states. Its 300,000 members provide service to agriculture and rural areas on a wide variety of issues, including economic development, education, family endeavors, and legislation designed to assure a strong and viable Rural America. It was formed in the years following the American



Grange Headquarters,
Washington, D.C.

Civil War to unite private citizens in improving the economic and social position of the nation's farm population. Over the past 137 years, it has evolved to include non-farm rural families and communities.

The Grange is also a fraternal order known as the Order of Patrons of Husbandry, hence the "P of H" on the organization's logo. Founding members determined that a fraternal organization would be best able to combine loyalty and democratic ideals to provide service to others. The National Grange was one of the first formal groups to admit women to membership on the basis of equality with men. It remains so today.

The 11-story landmark National Grange headquarters building in Washington, D.C. was dedicated by President Dwight D. Eisenhower on June 29, 1960, and is the only private edifice in a federal block across from the White House. It serves as a non-governmental headquarters for agricultural and rural families. A professional staff administers policies established annually by democratic Grange processes at local, county, and state levels.

National Grange Headquarters Building • 1616 H St. NW • Washington, DC 20006. Built in 1957 - The original headquarters was located on Lafayette Park.

Each year, a listing of more than 1,400 issues of concern is published and distributed by the National Grange.

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Grange Resolution

Subject: H. J. Res. 27- To Withdraw the United States From the World Trade Organization (WTO) Agreement.

Whereas: The World Trade Organization (WTO) was approved by the United States Congress and our U.S. President in the year 1995, which illegally ceded part of our sovereignty as a Nation to this organization. The (WTO) panel consists of a 148 nation global body, headquartered in Geneva, Switzerland.

Whereas: During the month of September, 2004, a three-member (WTO) panel ruled that a number of U.S. Government assistance programs for the farmers in the cotton industry are prohibited export subsidies, that has caused significant suppression of world cotton prices during the years 1999 through 2002, which has lead to a levy of punitive fines and taxes against the U.S.A. These rulings are enforced by the (WTO) through trade sanctions against the U.S.A.

Whereas: The United States still has some tariffs in place that protect the U.S. steel companies and some other industries. Because of these tariffs, the (WTO) made a ruling November 26, 2004, that the U.S. must pay punitive taxes until Congress repeals these tariff laws.

Whereas: The United States Constitution does not allow U.S. policies to be decided by an international bureaucracy which requires that our central government manage free trade according to the dictates of the World Trade Organization (WTO).

Whereas: The United States Constitution assigns to Congress all powers of regulating commerce with foreign nations plus imposing taxes and tariffs. There is no provision in the United States Constitution that allows Congress to delegate this power to any other element of our federal government nor to a foreign multilateral bureaucracy such as the (WTO).

Whereas: The American colonists fought a war with England rather than allow a distant parliament to claim power to impose taxes, etc. on us without our consent. The (WTO) an emerging global trade regime is imposing punitive taxes against the United States without the consent of the American people.

Therefore be it resolved: That the Oregon State Grange, in order to save the sovereignty of the United States and our economic destiny, requests that the United States Congress support the passage of H.J. Res. 27, which will withdraw the United States from the World Trade Organization.

This resolution was drafted by William D. Waggoner, Master. Mr. Waggoner can be reached at 1920 Thompson Creek Rd., Selma, Oregon 97538.

This resolution adopted by the Deer Creek Grange # 371 at its regular meeting held on May 9, 2005.

This resolution was also adopted by the Oregon State Grange at its 132nd Annual Session held at Reedsport, Oregon, the week of June 20-24, 2005.

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Deer Creek Fraud ...

was \$9,500 cash for a two-and-a-half-day workshop under the tutelage of Fritts and Prescott. Newcomers were “educated” in the art of contracts related to the formation of Business Trusts in which to hold their businesses as opposed to standard vehicles like corporations or sole proprietorships. Additionally, the seminars initially provided detailed instruction regarding how to complete the IRS tax return Form 1041 incorporating the Trust Indenture, minutes and resolutions. As a result of this training, some clients felt confident enough to complete their own tax returns all the while living their lives in trust. Scores of successful and intelligent business people were unknowingly duped by Leroy Fritts and Rick Prescott due to their lies, deceptions and Fritts’ near-hypnotic abilities.

One person who bought into the program was a well-educated ex-chemical engineer turned commercial real estate expert named Samuel S. Fung. Fung had achieved the professional status of Certified Commercial Investment Member (CCIM) thus being recognized as an expert in commercial real estate which was a rarity in his profession in 1989.

NTS, through its charismatic spokesperson Roy Fritts purported that their complex trusts limited liabilities and reduced the risk of lawsuits. Fritts often told anecdotal stories to his audience for the purpose of not only impressing them but more so in an effort to underhandedly mislead them into a mental state of acceptance where he and Prescott could then easily empty the clients bank accounts. Fritts stated that the Kennedy family’s attorney told him that between the time that Mary Jo Kopechne died and before the Chappaquiddick accident was reported, valuable assets were drained from the Trust in which the car was held in an effort to avoid an attachment of assets. Fritts went on to claim that he was consulted about trusts by Dianne Feinstein while she was the mayor of San Francisco and he discovered how Feinstein and her spouse Richard Blum used business trusts to obtain many lucrative construction jobs with change orders signed by Mayor Feinstein. This alleged activity may have possibly created an estimated net worth of at least \$38 million as reported in their 1992 and 1993 financial-disclosure forms. Included in NTS’ extensive client base was the super wealthy Bogdanovich family, holder of Star-Kist Foods and the Heinz Ketchup brand. Following a workshop attended by Bogdanovich it is reported that he offered to buy out NTS

so the program would no longer be available to the masses. It should be noted that the Bogdanovichs’ reportedly had their Washington DC attorneys and CPA’s validate the Trust programs before they made their offer. Their offer was subsequently rejected. In a recent interview Fung stated, “If I had any reservations about NTS they disappeared when I witnessed the Bogdanovich offer. I was even more interested in the program knowing that high-powered attorney’s and CPA’s had validated NTS.”

In the early 1990’s IRS Agent Dennis S. Brown was assigned to investigate NTS. In 1993, Brown led a raid on NTS headquarters domiciled in a Sunnyvale, CA house belonging to the parents of Rick Prescott. Fritts was living there at the time and used part of the home as an office for NTS. The IRS seized computers and other materials, which were reportedly later returned to NTS. This further validated NTS activities to Sam Fung, as any prudent person would believe that if the government returned “suspect evidence,” then they must be condoning (legalizing) the activity.

Later, Fritts and Prescott contacted Sam Fung who at that time was an established Bay Area commercial realtor to find new office space for NTS. While performing this task it occurred to Fung that through networking with his new clients he could solicit the NTS client base for commercial real estate leads. Fung attended as many workshops as his schedule would allow in order to create real estate contacts.



NTS spokesperson Roy Fritts

NTS’ cult-like culture

Fritts and Prescott instructed their members/clients to refer their friends to

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ARE YOU A VICTIM OF FALSE PROSECUTION?

If you are then you are aware of how the ‘justice’ industry (racket) in America works. You (**the innocent person**) are falsely charged with a crime. Most of the time you receive a myriad of stacked charges intended for the sole purpose of extracting a “plea bargain” from you.

You then rush to an attorney, pay him a retainer to cover the usual \$150.00 per hour (if not higher), which he/she charges, to supposedly defend your innocence. The attorney usually files some motions, writes some worthless letters and makes countless, unproductive (unless they pertain to you accepting a plea bargain) phone calls until you are broke. Generally you haven’t even started your trial and 99% of the time the attorney hasn’t completed any investigation.

All of a sudden your attorney is telling you that you can’t win your

case and you should accept the benevolent plea bargain that the almighty district attorney has offered you. “Do you want to take the chance on spending 30-40 years in prison when you can plea bargain for 18 months,” your attorney tells you. What happened to: “I think we can win this case, it’s a good case.” Remember? Isn’t that pretty close to what your attorney told you as he/she was relieving you of your money?

You then accept a plea bargain and go to jail or you have a jury trial, you’re found guilty (because your attorney hasn’t produced enough evidence-if any and because the judge directs the jury to find you guilty) and then you go to jail. When you finally wake up you realize that on top of now being a criminal, you are flat broke and incarcerated. You find that the very person (your attorney) you frantically rushed to retain, became your worst enemy.

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Strip Club Owner Fights City and Wins

By Ron Lee
Investigative Journalist

Grants Pass, OR -- City officials finally met with Larry Lacey at his building on the corner of 5th and "G" streets downtown after over 30 days of being under a city order to vacate the premises. The outcome of the August 10th meeting was a reversal of the order and an issuing to Lacey of a permit of occupancy. Immediately, the yellow caution tape and postings of warning were removed and Lacey and his tenants were allowed back in.

At issue has been Lacey's renovation of the upstairs portion of the building; which, according to city officials, citing a report filed by someone who had been witness to the renovations, weakened the structure, forcing its closure and evacuation on July 7th. The evacuation occurred in the evening when Shiki Sushi and Hunan Garden, tenants of Lacey's, were in the midst of a First Friday dinner rush with police officers escorting everyone out of the building. The cited report which began all of this was actually filed by Daily Courier journalist Shaun Hall who came into Lacey's building to see what was going on, and was asked to leave by Lacey. On Hall's information alone, a warrant was issued and city police evacuated the building and broke into the upstairs section of the building.

Up to that point Lacey had contracted engineering work to be supervised by Shane Earp, who also oversees an approximated 60% of the city's engineering issues, and Lacey had given Earp all of the changes he was going to be making and Earp was going to be signing-of on them. But, the day after the evacuation, when Lacey met with building officials on the property Earp was there in an official city capacity and later drafted a letter stating that he felt

the building was unsafe. Using words like "in my opinion" and "I would assume" Earp cited no real structural computations that proved the building or individuals occupying the building to be in any danger.

Lacey tells of city officials, especially Ulys Stapleton the Grants Pass city attorney, stopping at nothing to keep him from opening a business - any business - within city limits as they fear it would be nothing more than Josephine County's second strip club - the first within Grants Pass city limits - as the real reason his building was closed. Lacey, however, still hasn't decided what he wants to put in upstairs other than offering a place to play pool and shoot in Nationally sanctioned pool tournaments.

Within several days of the closure Lacey had found structural engineer Tim Walden of Eugene to come in and look-over the work in progress. In fact, Lacey has documentation from several engineers, including Walden, who painstakingly crunched the calculations according to the building's schematics and remodel history, and they all came to the agreement that the building was safe and well beyond roof load limitations. Lacey stated, "I had 3 structural engineers sign-off on what I was doing." Lacey even posed the questions, "If they (city officials) were really concerned about the building coming down why didn't they close down the bike shop next door that shares a wall? I'd think they'd be in danger, too, if the building was really unsafe, don't you?"

Obviously with the meeting on August 10th and the issuance of the permit of occupancy it is apparent that officials had closed the building without just cause and were working more from their feelings about what was going on than the facts of the buildings structural

integrity. Stapleton, however, suggests that it was Lacey's refusal to allow inspectors in that kept the building closed. Lacey denies this and has stated that officials even broke appointments to clear up this whole issue.

The city's closure of Lacey's building dislocated several established businesses and caused many employees to be without work. These displaced businesses, such as Hunan Garden, are due to reopen, but many are still angry that nothing was done to protect them and their investments and jobs. An issue which has many divided over who has ultimate culpability in this circumstance.

Lacey maintains he did everything to ensure the safety of the public and that of his tenants, and plans to in the future as well, saying, "I still have to put in a fire sprinkler system to get this place up to code, but I got to do it, right?"

According to Lacey he had been diligently seeking permits for all of the work, but was running into resistance. Lacey, however, admits to having begun tearing walls down without permits for that particular reconstruction after trying to procure one and being told he would have to use a sanctioned contractor. Lacey said that it just made financial sense to do so, stating, "It would have cost me over \$20,000 if I were to get permits and use their 'approved' contractor to make it to the point the building is in now, and it's only cost me \$2,500." Lacey feels that his intent to acquire the needed permits shows that he was trying to do everything legally and that the city's refusal to issue is the true crime.

Many business and home owners have faced a similar question, "Do I spend an absurd amount of money to do this project legally, or should I just do it and perhaps pay a lesser fine?" Obviously the system is broken and many suggest



Lacey's Building

city planners should look at the bottom-line when it comes to permit fees and requirements. One local even saying, "With as many government agencies you have with their hands out for a piece of pie when you want to do something on your own property, it's not long until that pie is completely gone and there is nothing left for yourself."

Many castigate Lacey for opening Josephine County's first strip club, Club 71 in Sunny Valley, but he is fighting against a system many feel is corrupt; that of the city building department and the heavy-handed antics of city attorney Ulys Stapleton. This has left many conflicted with whom they want to side with.

Lacey has plans to file suit against all individuals involved in the building's closure.

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Continued from page 2 Deer Creek Fraud ...

the program and bestowed upon the members/clients the title of "Trust Counselor." Trust Counselors were compensated for their referral effort with commissions or a "referral fee." NTS also advocated the idea that a Trust Counselor could or should become an agent -- Trustee -- of their referred clients' trusts, performing duties and receiving further compensation from these trusts. According to many Fritts had an almost hypnotic ora about him. One client stated, "We all felt unbelievably elevated when Roy was with us. In retrospect, I can certainly understand how people are lured into cults."

In 1995, NTS formed Fountainhead Global Trust (FGT), an investment trust exclusively for NTS clients that offered huge annual returns. Fung also invested in FGT with a minuscule amount of money he was able to accumulate. One of FGT's phony investment vehicles was Cash for Title (C4T), a chain of car-title-loan pawn shops located in the southern Untied States. Fritts later claimed he was the silent owner of C4T and took credit for over 300 million dollars that were collected through the program. Investors were told their dollars were funding C4T when in reality the great majority of the money was being deposited into private bank accounts offshore. C4T was exposed and charged as a Ponzi scheme in 1999: SEC v. Homa Gause et al., case number: 99CV06895. Much of funds raised were

eventually deposited with the Bank of Bermuda and this bank reportedly settled related money laundering charges for about \$80 million by returning a fraction of the money to investors while the Securities and Exchange Commission (SEC) stated that the seizure was only a few hundred thousand dollars. What became of the remainder of the mega-millions? The missing money fueled the rumor mill regarding Fritts' half-a-million dollar Country Coach RV; Karla Prescott's shopping sprees to Rodeo Drive in Beverly Hills where she purchased clothing costing thousands of dollars and the jewel of their empire, the Deer Creek Ranch in Selma, Oregon, purchased with the embezzled funds of their loyal followers. Charles Homa and Michael Gause lived extremely lavish lifestyles off of C4T funds. Ultimately these two and several others were charged, prosecuted and sent to prison.

Fung, like most NTS clients was invited to attend investment seminars held in the Cayman Islands. Here, Fung came to realize that the total of FGT funds were beyond imagination and this revelation led to his failed attempts to convince the FGT Board to allocate funds for commercial real estate investment through his business.

In an effort to find NTS's money, IRS Agent Dennis Brown from N. Highland, CA issued summons letters in 2000, to Fung demanding his bank records. Due to faulty "legal" advice Fung sued Brown in U.S. District Court case number: C-01-4947-MHP in San

Francisco attempting to stop the summons. Fung thought this was the correct course of action since he had little to do with NTS operations and he had no NTS money, hidden or otherwise. Assistant United States Attorney (AUSA) Thomas Moore defended Brown and won a judgment in Brown's favor. In accordance with Fung's attested affidavit dated 9/26/05, "while walking out of the courtroom with a smiling Brown at his side, Moore screamed at me, "Fung I am going to get you! I am going to get all you NTS people!" Fung was astonished at Moore's overt and unprofessional display of contempt and vitriol. It is obvious from Brown's actions that he bought into the false allegations that the Prescott's and/or others leveled at Fung. In other words, agent Brown was sent on a "wild goose chase" by sophisticated criminals.

The Prescott's and Fritts fight at Deer Creek Ranch in 1999

After much infighting regarding the control of embezzled funds in 1999, Rick Prescott (and his "right-hand man" Mike Mann of Josephine County, Oregon) along with his spouse Karla and some of their cohorts took off with absconded investor's money and headed

to sunny San Diego with the intent of starting up a "new NTS": Trust Educational Services (TES). In an effort to kick-start the new fraudulent endeavor they charged clients \$15,500 for their workshop. Roy Fritts, the odd man out, was left high and dry. Or was he...?



Karla and Rick Prescott with Pat Fritts

A friend of Fritts' contacted Fung and stressed his opinion that Fung should move to the Deer Creek Ranch in Oregon to assist Fritts because he had visited the Selma location numerous times and was familiar with NTS structures. Fung rejected the request out of consideration for his wife and their infant triplets. Coincidentally, Jackie Edlefsen from Wasco, Oregon contacted Fung to discuss Fritts' supposed dire situation but Fung successfully convinced Edlefsen that she should be the one to go to Selma and help Fritts. In 2000, Edlefsen and Fritts finally enticed Fung to leave San Jose and move to Oregon to work for them. Soon after Fung matriculates north he discovers

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Judicial Corruption Arrogance – Part Five

The Eugene Forte Story

By R.S. Errol

Monterey County, CA – School yard bullies are often depicted as being all muscle and no brains. Actually, bullies purposely hide behind their brawn in order to intimidate, those less physical in stature, all the while obscuring their own shortcomings. In any event the intimidation process is used to extract something of value from the victim, be it personal freedom or financial assets including lunch money. The bully has two basic means to accomplish his goal. The first is shear power whether it consists of threats of physical or legal force. A secondary method is to marginalize the victim into an insignificant state of being so that the public will not sympathize with the individual. The first thing the state attempts to do when they attack a person is to send out news releases to the press so that the accused appears to be deserving of whatever maltreatment the state metes out. They belittle the accused and make him a caricature of what is repulsive to reasonable men. A favorite trick utilized by the courts is to announce the accused is undergoing psychological exams or infer that the defendant has some unresolved issues. These statements alone will do the damage intended and any facts that contradict this perception never see the light of day. The Bible gives an example of how the accused is victimized when reading about the capture, scourging and crucifixion of Jesus Christ. The pharisees made him into a laughing stock so pitiful that the people demanded they be given Barabbas, a known criminal with a wicked past, rather than Christ.

Eugene Forte’s treatment by the State of California is not unlike what happens to those that dare standup to authority. The local newspapers write stories of his set back portraying him to be the fool for taking on the establishment but neglect or distort stories that highlight his substantial victories.

Judge Robert O’Farrell and a few of his peers may be likened to the pharisees by their deliberate marginalization of Forte. Aside form the previously mentioned hearings in which O’Farrell would magically appear on the bench to rule against Forte, the judge would actually lie about the proceedings that occurred on December 19, 2003. O’Farrell, after arresting and keeping Forte sitting handcuffed in the jury booth for three hours, proceeds to convene a contempt hearing. The judge proceeded to explain what took place that morning for the record and in so doing exposes the dichotomy between what transpired leading up to the arrest and O’Farrell’s version of the actual events. It appears that form trumps substance in some courtrooms.

In the actual complaint for Personal Injury and Damages in Forte vs. O’Farrell it points out that Judge

O’Farrell never told Forte to take a seat in the jury box and therefore Forte never refused to do so. Although a transcript is void of body language and vocal tone there is no evidence that Forte was disruptive. Actually, Forte was attempting to remind O’Farrell that a California Civil Procedure 170.6 peremptory challenge had been filed and he wanted the judge to know prior to commencing with the hearing that he had been disqualified. Under this CCP section O’Farrell should have immediately recused himself. Ergo by not acknowledging the peremptory challenge at the start of the hearing O’Farrell was concealing the fact that he had knowledge of its existence, however, during an ex parte communication with Dennis McCarthy after Gene was removed from the courtroom, O’Farrell admitted that in fact he was aware of it but wasn’t about to let it get in his way of trying Forte and sending him to jail. O’Farrell also castigates Forte for repeatedly disrupting his court many times in the past but after a reading of the court transcripts there is not one mention of a warning let alone a contempt charge. Furthermore, O’Farrell had a special criminal bailiff assigned from the criminal court in Salinas, CA in anticipation that the judge’s “Roy Bean” behavior would infuriate Forte and cause him to go postal in the courtroom.

Bullying and intimidation work quite effectively on the timid but are like water off a duck’s back when applied to a confident person with street smarts and the knowledge of the corruption that is entrenched within the Monterey Superior Court. Confronted by Forte’s confidence, the bully becomes enraged and hoists himself, as the expression goes, upon his own petard.

The actual complaint against O’Farrell has five causes of action.

The first is the false arrest and imprisonment that took place on 19 December 2003. This false arrest was subsequently used by Defendants Dennis McCarthy counsel for Alain Pinel Realty and Stephanie Crabb to imply that Forte was possibly a violent and dangerous man, an overt act to marginalize Forte, as was the report, in the Monterey Herald, concerning the arrest. Battery, the second cause, also took place on the same day when the bailiff roughed Forte up while taking him into custody. Was the bailiff only following the orders of a judge as per the “Nuremberg” defense that didn’t justify goon tactics then and shouldn’t now?

Third cause entails the abuse of process that Forte had to endure due to O’Farrell’s insistence that he control the cases involving Forte and refusing to abide by the peremptory challenge provisions of the civil code of procedures in December 2003. Included in this cause is O’Farrell’s allowing court officers to suborn perjury, conceal evidence, and partake in and condone ex

parte communications to the detriment of Forte during hearings involving Forte vs. Powell, Forte vs. Crabb and Forte vs. Lichtenegger. Most importantly O’Farrell quashed motions that would allow Forte proper discovery in his other legal proceedings in clear violations of the Judicial Canon of Ethics that judges swear to abide by.

Intentional infliction of emotional distress, the fourth cause of action, is demonstrated by the arrest and violation of Gene’s Sixth Amendment rights of counsel and violation of California Code of Civil Procedure sec.1209(c) allowing three court days to elapse in order to determine the validity of court orders. In addition Forte suffered, many times over, harm to his reputation, severe humiliation, embarrassment, and emotional distress that may have contributed to the heart attack Forte suffered at a hearing in September 2004, followed the next day by open heart surgery, when there were eight bailiffs assigned to protect the court from a man marginalized into an unbalanced person but whose only egregious crime was to search for justice in the justice system. Give them Barabbas!

The fifth cause of action covered a broader scope of participants in this drama for their complicity in a civil conspiracy against Forte. Following the heart attack and surgery in September 2004 Gene had a stay granted to him in Forte vs. Albov case until March 2005. Never-the-less judges O’Farrell and Duncan refused to stay the proceedings of a second Forte vs. Lichtenegger trial causing additional emotional stress on a person in medical recovery. Elected officials of the county, such as Dave Potter a County Supervisor, Charles McKee County Counsel and his deputy Michael Hogan, neglected to investigate complaints of county employees’ abuse toward taxpaying citizens. In addition to neglect, county employees, refused to answer written correspondence pertaining to requests for an investigation. By refusing to look into the matter there was constituted a breach of duty by each and every public official that made a conscious decision to ignore Forte’s request for assistance.

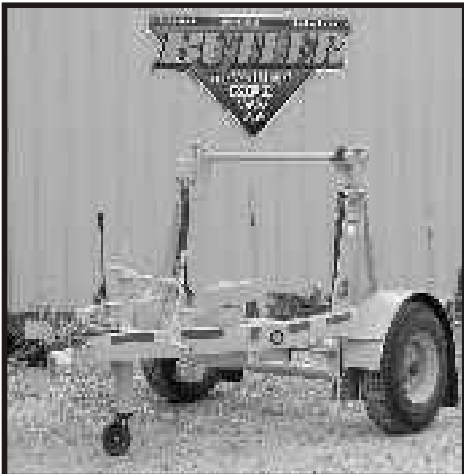
The District Attorney Dean Flippo and Terry Spitz, assistant D.A., also joined into the melee by refusing to investigate or respond to Forte’s claims of illegal and unethical activity being perpetrated against him. Customer service is what can make or break a private company in the eyes of their customers. Evidently, this criterion is not important in the public sector known as Monterey County. Forte was frustrated by the lip service rendered and the cover up of the abuses and possible criminal activity but had nowhere to turn and no one to come to his aid. Imagine what must go through a victims mind while they are being physically attacked knowing that help is at hand but authorities are too disinterested to respond to the mayday.

It is sometimes referred to as being, “so close but yet so far.”

While Forte recoups from his heart surgery he prepares and files the complaint against Judge Robert O’Farrell, Dennis McCarthy, the Fenton & Keller Law Firm, their client Stephanie Crabb, and many Monterey County employees. His intent is to recoup the damages these named defendants inflicted upon him because of their membership in the “good ole boys” of Monterey. So, after five years of wallowing in the mud hole of judicial politics and dealing with the circled wagons of public servants bent on thwarting Gene’s right to a fair trial, clearing of his good name from the smear attack that marginalizing tactics often accomplish and righting the wrongs inflicted upon him, Gene runs into one of the greatest ironies that could be mustered against any man. The supervising judge of Monterey Superior Court assigns the case to the justice who is most knowledgeable to all of the facts of the case. Judge Robert O’Farrell nominates the defendant Judge Robert O’Farrell to be the presiding judge in Eugene Forte vs. Robert O’Farrell et al, Superior Court of the State of California in and for the County of Monterey. This is what bad dreams are made of, especially, in the context that O’Farrell is being defended by the Attorney General of California, Bill Lockyer. Is this blatant abuse of privilege or clear evidence of the “good ole boy” system in high gear?

Next time the story will explain Gene’s attempts to undo this wrong and how the California State Attorney Generals office becomes embroiled in this unbelievable tale of (not so) honorable judges. To learn more about this story log onto: www.usobserver.com.

Mr. Errol can be reached at: rserrol@usobserver.com ■■



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Oregon News

Fish-killing 'dead zone' along Coast worse than initially thought, OSU scientists say

PORTLAND, Ore. (AP) — The oxygen-starved "dead zone" along the Pacific Coast that is causing massive deaths of crab and fish is worse than initially thought, scientists said.

Weather, not pollution, appears to be the culprit, scientists said, and no relief is in sight. However, some said there is no immediate sign of long-term damage to the crab fishery in the dead zone, a 70-mile stretch of water along the Continental Shelf between Florence and Lincoln City.

Oregon State University scientists looking for weather changes that could reverse the situation aren't finding them. They say levels of dissolved oxygen critical to marine life are the lowest since the first dead zone was identified in 2002. It has returned every year.

Strong upwelling winds pushed a low-oxygen pool of deep water toward shore, suffocating marine life, said Jane Lubchenco, a professor of marine

biology at Oregon State.

She said wind changes could help push that water farther out, but current forecasts predict the opposite.

"We saw a crab graveyard and no fish the entire day," Lubchenco said, after a recent trip to the dead zone and an inspection via camera on a remote-controlled submarine. "Thousands and thousands of dead crab and molts were littering the ocean floor. Many sea stars were dead, and the fish have either left the area or have died and been washed away."

The effect on the commercial fishery isn't yet known, said Hal Weeks, a marine ecologist with the Oregon Department of Fish and Wildlife. He said the last two years were record-breaking for the Dungeness crab despite dead zones.

"In that fishery, there has been no apparent effect," he said. "That doesn't mean there won't be."

Weeks said crab populations fluctuate wildly for reasons not well understood. Whether any harvest decline is a result of normal fluctuation or the effects of the dead zone is hard to say, he said.

He said some reports indicate the loss of fin fish may be due to their movement to areas with more oxygen rather than to mortality.

Al Pazar, chairman of the Oregon Dungeness Crab Commission and a crab fisherman, said this season is shaping up to be the second-best ever, around 28 million pounds, but that most crabs are caught in the six or eight weeks following the season's winter opening, well ahead of the appearance of the dead zones.

Few boats are fishing now, he said, and the season closes at midnight Monday. But he said the affected area is a major crab producer, "right in the thick of it."

The 2002 dead zone was the worst until this year's, he said. After 2002, he

returned to the area when the season reopened and had good results.

"They do move back in," he said.

Oregon State scientists working with the Oregon Department of Fish and Wildlife used a remote-control device Aug. 8 to check biological impact and continue oxygen sampling.

Dissolved oxygen readings off of Cape Perpetua north of Florence, Oregon are between 3% and 10% of levels needed for survival and near zero in some areas.

A reef near Yachats, Oregon normally swarms with rockfish, but they are gone. Dead Dungeness crab, sea stars and other marine life carpet the ocean floor.

Similar but lesser zones have been found elsewhere along the Oregon and Washington coasts. Scientists say they don't yet know how widespread it is.

Some dead zones been caused by agricultural runoff. Those similar to Oregon's have been found off Africa in the Atlantic and Peru in the Pacific. ■■

OR Sailor Charged as Spy



Petty Officer 3rd Class Ariel J. Weinmann

By Michael Felberbaum

Richmond, VA - A sailor accused of taking a Navy laptop containing classified information and peddling its contents to foreign governments is being held for possible court-martial, the military Wednesday.

The Navy said that Petty Officer 3rd Class Ariel J. Weinmann gave the classified information, containing national defense data, to an undisclosed foreign government before he destroyed the computer.

Weinmann, 21, of Salem, Ore., was confined at Norfolk Naval Air Station on six charges, the Navy said in a statement.

The charges include three counts of espionage, including a suspected March 2005 visit to Bahrain, where Weinmann tried to pass along classified information to a foreign government, the Navy said.

Months later, the Navy said, Weinmann deserted his submarine, the

USS Albuquerque, for more than eight months and traveled to Austria and Mexico to "communicate, deliver or transmit" the information.

Weinmann used a mallet in March, near Vienna, to destroy the computer's hard drive, the Navy said.

Naval attorneys for Weinmann, a fire control technician previously assigned to the New London, Conn.-based sub, declined to comment Wednesday.

Ted Brown, U.S. Fleet Forces Command spokesman, would not comment on which government Weinmann was charged with spying for, what he was seeking in exchange for the information, or how he obtained the computer.

Weinmann was picked up at the Dallas/Fort Worth International Airport March 26 and transferred to Norfolk, the Navy said.

The Navy also charged Weinmann with failing to properly safeguard and store classified information, making an electronic copy of classified information, communicating classified information to a person not entitled to receive it, and stealing and destroying a government computer.

Weinmann's father said FBI and Navy investigators searched the family's house twice.

"In a lot of ways he was very naive, gullible," Rob Weinmann told KGW-TV. "I definitely don't want him to be a scapegoat."

He added that his son had become disillusioned with the Navy by the time he disappeared.

Weinmann could face the death penalty if his fleet commander decides to press for a court-martial. ■■

The Best Salesperson Stamp of Approval

By Ron Lee

Grants Pass, OR - Recently my car started giving me some problems. Actually, water started leaking from the radiator as if it were a sieve, and besides, I have over 180k miles on it so I thought it was about time to shop for a new one.

As with many other car shoppers my quest began with an on-line shopping spree of the main auto manufacturers traveling from site-to-site. After hours of deliberation I figured out what I wanted. Not the exact make and model, mind you, but the features, colors, mileage range, amenities and so on. I'm not one of those guys who feels his car is defining of his character (or lack thereof) so I don't care about it being the fastest, or if it has the most torque. I just want my car to get me from point A to point B safely, quickly (I guess I do like them to be at least a little peppy), and affordably.

With my goal to purchase in mind I set out on a day of discovery in the local marketplace. Shopping all of the "new" car dealerships in town, I found that I have to give props to who I would consider the best car salesman in the area, Joe Dinkowitz of Wheeler Toyota.

Not only was Joe courteous and responsive to my questions, he was very informative, and I felt he really wanted to make my buying experience a good one. Something I can honestly say I didn't find at many of the other dealerships.

While I didn't shop all of the salesman at all of the locations, this article is definitely skewed, but when you find in a person a great experience why would you need to go further?

Joe Dinkowitz has been in the car-selling business since 1999 and loves the fact that he gets to interact with so many outstanding people. Joe says he feels that Wheeler Toyota is more of a



Joe Dinkowitz standing in the Wheeler Toyota lot showing off a new car.

family and he enjoys the atmosphere they provide, not only for the employees, but the car buyers as well.

You can find Joe on the lot at 124 S.W. K Street downtown Grants Pass. If you live outside the area, don't worry! Joe handles their internet sales as well ... just log onto www.wheelertoyota.com.

In case you do decide to go with Joe ... Let him know the US~Observer sent you. ■■

Pictured below Joe puts a smile on the face of a prospective purchaser.



TAKING

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LIBERTY

How Private Property is being Abolished in America

California, Oregon Salmon Fishers Get Good News From Feds, Courts, Utility

By Frank Hartzell
The Advocate

Commercial fishers, suffering through one of their worst regulatory years ever, got three pieces of potentially good news in recent days. The federal government took the first step toward cash aid, while a Fort Bragg salmon fishing group sued the federal government to get part of the season back, and a Klamath River utility announced it may remove several dams from the troubled river.

A declaration of a commercial fishery failure last Thursday by U.S. Commerce Secretary Carlos Gutierrez is the first step toward cash financial relief for fishermen from San Francisco to Oregon.

The federal failure declaration, the first since 1992 to come before the end of a fishing season, includes figures showing revenues for the season at 15 percent of their average in California.

The virtual elimination of salmon season is as a result of drops in the numbers of salmon returning to the Klamath River. The ocean off Fort Bragg has been yielding big catches all year for sport boats, but the commercial fishermen, who travel farther and catch more, were identified as having too much contact with salmon from the Klamath to allow more than a week of salmon fishing late in the year. Fish being caught locally are mostly from the Sacramento River, but the fish mix in the ocean.

Congress will now be able to move forward in seeking up to \$80 million in disaster aid that has been slowed for lack of declaration. Currently, Small Business Administration loans are available to those in the industry, but now direct aid is being sought.

The declaration was immediately lauded by the governors of California and Oregon, along with most of California's congressional delegation.

"Despite this massive step forward, there is still a tremendous amount of work that needs to be done to help these families get back on their feet and restore one of Northern California's most important industries," responded Congressman Mike Thompson to the failure finding.

"First, we must appropriate the funds needed to help the thousands of families who lost their livelihood. Next, we must take steps to restore the salmon population by ensuring a clean and adequate supply of water. Over the coming weeks, I will be working closely with my colleagues in the House and Senate to ensure these funds are appropriated as quickly as possible."

Praised on one hand, Gutierrez (as part of the federal government) is being sued on the other by the Fort Bragg-based Salmon Trollers Association, a group still hoping to have a season longer than a week.

The lawsuit challenges the science and logic of blaming commercial fishermen for the problems on the Klamath River, believed to be caused entirely by water

diversions, dams and other habitat problems on the river.

Mendocino attorney Editte Lerman, who filed the suit for the Salmon Trollers, pointed out the contradiction between the federal government giving fishermen disaster relief on one hand and saying the season closure does not cause irreparable harm on the other.

"They are talking out of both sides of their mouth," Lerman said.

"The government is scapegoating onto the fisherman habitat problems. Whatever number of fish are caught, there is not enough water to sustain the river."

The Salmon Trollers' lawsuit includes a request for a restraining order or injunction to extend the salmon season beyond the one week now set for September.

U.S. attorney Kevin Ryan argues that the Salmon Trollers have not submitted evidence of irreparable harm and criticizes the request to extend the season as having been filed too late to be practical. No court date had been set by press time.

In addition to the actions to take pressure off fishermen, there was potentially good news for salmon from the Klamath River.

The announcement by dam owner PacifiCorp that it may remove four dams is the solution to the warm, pest-infected waters of the Klamath that

Indian tribes, environmentalists and fishers alike have long sought.

The four dams, which are scheduled for relicensing this year by the Federal Energy Regulatory Commission, cause an increase in water temperatures and reduction in gravel areas needed for spawning for king and silver salmon as well as oceangoing steelhead trout. Warm water is lethal to salmon and also spurs growth of toxic blue-green algae.

The Commerce Secretary made his announcement during a conference call with Thompson, U.S. Senators Dianne Feinstein and Barbara Boxer of California, Gordon Smith and Ron Wyden of Oregon, California Gov. Arnold Schwarzenegger, Oregon Gov. Ted Kulongoski and members of both states' congressional delegations.

"The partial closure of salmon season has created severe economic hardship for California's vital salmon industry and the communities along the coast," according to a statement by Schwarzenegger.

"Since May, salmon fishermen have averaged a mere 9 percent of their seasonal catch. This extremely low number has resulted in less than 15 percent of their average revenues. These numbers cause great concern as the impacts of this season could impact the industry for years to come," the governor said. ■■

Sheriff Candidate Marches to the Beat of Public Opinion

By Ron Lee

Josephine County, OR - The committee to elect Gil Gilbertson for Josephine County Sheriff announced in a press release that Gilbertson would be personally visiting every home in the county seeking input from residents on the current issues they feel face the department and what they want from a sheriff.

Gilbertson commented on his endeavor, "I love this county and want what is best for it and that starts with hearing from everyone what it is that is important to them. It doesn't bother me that I'll wear out a few pairs of shoes to do it ... If I miss you at home, give me a call."

According to the release, "Gilbertson has already stopped by an approximated 3,000 Josephine County homes, and is well on his way to wearing out his second pair of shoes!"

The press release went on to say that



Josephine County sheriff candidate
Gil Gilbertson

Gilbertson can be reached at 541-955-4697 should he not find you at home, or that he can be found at Blind George's News Stand every First Friday. ■■



Oregon Home Buying Program Suspended

By Sarah Skidmore
The Associated Press

PORTLAND - A state agency has suspended a popular program for first-time home buyers, citing concerns raised by the Oregon state treasurer's office about the impact of a proposed state spending limit.

The Oregon Bond program helps low and moderate-income people buy their first homes by providing low-interest financing and cash assistance. The program is funded through the sale of bonds. More than 1,000 families participated in it in 2005.

The Oregon Housing and Community Services agency says it doesn't want lenders, buyers and others to make long-term commitments the state may not be able to follow through on if Measure 48 passes.

"We didn't want to get lenders out there funding loans that we wouldn't be able to fund until December if it fails or never if it passes," said Lynn Schoessler, housing finance section manager for the program.

Kate Richardson, chief of staff for the Office of the Treasurer, said the state is currently reviewing the measure's language to find out what other long-term programs may be affected by the proposal.

Backers of Measure 48 countered that Treasurer Randall Edwards, a Democrat, is pulling a political stunt and is not interpreting the measure correctly.

Measure 48 would limit the increases in state spending to the percentage increase in inflation plus the percentage increase in population. State experts say

it would reduce state spending on schools, public safety and social services by \$2.2 billion in the next two-year budget period.

"The treasurer is trying to score political points at the expense of Oregon homeowners," Matt Evans, advocate and spokesman for Measure 48, said via e-mail. "While it's 11 months before the measure would start to restrain spending, it's only two months until ballots go out."

The state says the language in the measure is unclear and could also affect the state's ability to issue bonds and lower its status with rating agencies.

The treasurer's office alerted state agencies this week that the pending measure could have an impact on long-term planning; Edwards' staff is already rescheduling the calendar for handling bonds.

Richardson said she is not sure what other programs may need to change plans.

Lynn Schoessler, housing finance section manager for the home-buying program, said the need for the program has increased as interest rates rise, making it more difficult for first time home buyers to find an affordable way to make their purchase.

Evans said Oregon homeowners should be "outraged that the treasurer would sell them down the river to try to sway the results of an election."

But the state says it is simply being cautious.

"(The treasurer) is just being prudent to not create problems as the landscapes may change," Richardson said. ■■

In The Nation

Five years on, US little prepared to combat terrorism

By P. Parameswaran

WASHINGTON (AFP) - Despite the swift disruption of an alleged plot to blow up US-bound airliners, the United States remains little prepared to combat terrorism five years after the deadly September 11 attacks.

As Americans heaved a sigh of relief a day after Britain busted, with help from Washington, an astonishing terror plan to blow up planes in mid air, analysts ask whether the United States has an effective strategy to keep the country safe.

There may have been no terrorist strikes on the United States since the 9/11 mayhem but "we're still squarely in the terrorists' cross-hairs," warned Peter Brookes, a former senior Pentagon official.

He said disruption of the plot "demonstrates once again that we have two enemies in the 'War on Terror': terrorists and our own complacency."

While actionable intelligence -- the first line of defense against terrorism -- has been good, the United States needs new security procedures, education and technologies that can detect and prevent "copycat" terrorist attacks, especially overseas, said Brookes, the author of "A Devil's Triangle: Terrorism, WMD and Rogue States."

A range of threats loom across the United States from "catastrophic terror," said Michael O'Hanlon, a security analyst at the Brookings Institution.

"There are various risks in our skyscrapers and chemical industry and a number of areas. In some of the cases,

we are not doing enough yet to mitigate the danger," he said.

"I'm not suggesting we can eliminate it but I think if the standard is to contain and minimize the risk of catastrophic terror, that is the right standard," he said.

O'Hanlon said that while the debate should continue to focus on "these areas of ongoing vulnerability, the fact that we haven't had a terrorism attack in five years would seem to suggest that we have made at least some progress."

But a report just a day before the disclosure of the alleged suicide bomb plot in London Thursday suggested that after five years, the US fight against terrorism often seems like a chaotic work in progress.

The counterterrorism infrastructure that resulted following the September 11 attacks has become so immense and unwieldy that many have trouble understanding how it works or how much safer it has made the country, The Washington Post reported in a extensively researched report.

It showed that institutions historically charged with protecting the nation had produced a new generation of bureaucratic offspring, many with seemingly overlapping missions.

A blueprint for information-sharing among US entities has been slow to get off the ground amid competition for turf among intelligence and security agencies.

Deadlines for priorities have been missed.

The report cited for example repeated delays by the Department of Homeland Security in supplying a Congressionally



AP photo caption: Homeland Security Secretary Michael Chertoff, left, speaks as Attorney General Alberto R. Gonzales, right, looks on.

mandated list of the nation's critical infrastructure.

"It's as if we're at 2002 and not 2006 in terms of where we are," Zoe Lofgren, the Democratic lawmaker from California and a member of the House of Representatives Homeland Security Committee was quoted saying.

But US President George W. Bush is reportedly studying a new national counter-terrorism blueprint which for the first time sets government-wide goals and assigns responsibility for achieving them to specific departments and agencies.

The document, according to the Washington Post, designates lead and

subordinate agencies to carry out more than 500 counterterrorism tasks, among them vanquishing Al-Qaeda, protecting the homeland, wooing allies, training experts in other languages and cultures, and understanding and influencing the Islamic psyche.

"I think the short term homeland security agenda in the United States has been pursued moderately effectively but the long term effort to challenge Al-Qaeda and its ideology and its underlying causes has not made very much progress," O'Hanlon said.

"And the Iraq war has probably unbalanced and made things worse," he said. ■■■

Fed. Judges Get Tax Relief?

By BEN WINOGRAD
The Wall Street Journal

WASHINGTON - In the early 1970s, Philadelphia lawyer Jan E. DuBois inherited a relatively small amount of stock. Its value grew nearly 50-fold over the next three decades, and he hoped to keep it until he died.

But a problem arose last year for Judge DuBois, now a federal district judge, when the company whose stock he held was bought by a plaintiff in a class-action case over which he had presided since 1999. Forced by conflict-of-interest laws either to drop the case or the investment, Judge DuBois says he faced two unattractive options: disqualify himself from a matter that had consumed years of his and the litigants' time, or divest himself of the stock and incur a substantial capital-gains tax.

Federal judges have complained for years about paying capital-gains taxes on stock sold to avoid disqualification from cases on their dockets. Now, a provision tucked into a pending bill in Congress may grant their wish.

The massive bill, which would cut estate taxes and raise the minimum wage, would also extend to federal judges a tax benefit now available only to members of the executive branch: a tax-free rollover of capital gains on holdings sold to avoid conflicts of interest while in office.

The measure's passage would mark a significant victory for a branch of

government whose members' wages -- ranging from \$165,200 for district judges to \$212,100 for Chief Justice John Roberts -- are quickly surpassed by their former law clerks.

At the same time, the federal bench has faced heightened scrutiny after reports that a handful of judges have ignored financial conflicts. Wisconsin Republican Rep. F. James Sensenbrenner, chairman of the House Judiciary Committee, has introduced legislation to create an inspector general of the judicial branch.

Judicial experts widely agree that the capital-gains tax -- currently 15% -- can create a perverse incentive for judges to put their portfolios ahead of already-crowded court dockets. "If they want to do the right thing, let's not make it financially painful for them," said Charles Geyh, a law professor at Indiana University who follows the judiciary.

For his part, Judge DuBois opted to stay on the case, incurring what he called a substantial capital-gains tax. "I really thought it was unfair to burden a new judge with the very time-consuming task of learning what had been going on in the case for five or six years," said Judge DuBois, appointed to the Eastern District of Pennsylvania bench in 1988. "The files cover a wall."

The current tax bill ... would add federal judges to a tax-code provision Congress enacted in 1989 to remove a deterrent facing wealthy investors appointed to the executive branch. Former Goldman Sachs Chairman

Henry Paulson Jr. took advantage of this provision upon his recent appointment as Treasury secretary, divesting himself of stock valued at hundreds of millions of dollars tax-free. To avoid capital-gains taxes, beneficiaries must reinvest the gains in government securities or approved mutual funds within 60 days of divesting.

If enacted, it would have varied impact throughout the judicial branch. At the trial level, supporters say the bill was designed principally for conflicts that arise in the middle of complex litigation, where switching judges would cause delay for the parties. In most situations, though, district judges familiar with their portfolios simply decline to hear cases that present financial conflicts in the first place.

The potential for conflict is higher at the Supreme Court, whose nine members can't be replaced in the event of recusal. At least six of the justices boast more than \$1 million of investment and banking assets, and the docket is traditionally packed with business cases. Chief Justice Roberts, who also oversees administrative matters for all federal judges and has urged Congress to raise their salaries, declined to comment for this article. But the chief justice, who owns hundreds of thousands of dollars in stocks, believes the tax proposal is very important to the judiciary, said Thomas G Hogan, a federal district-court judge in the District of Columbia, who sits on the Judicial Conference, the policy-making arm of the federal judiciary.

Ethics obligations and federal law have long barred judges from hearing

cases in which they or family members have a financial stake. But judges say the rigidity of congressionally imposed recusal requirements can create unwanted results.

In 1981, for instance, a district judge in Arizona reluctantly disqualified himself from a massive price-fixing suit he had presided over for five years, after defense lawyers discovered his wife owned shares in seven of the more than 200,000 class members ...

Congress amended the law eight years later to permit judges to sell stock when financial conflicts arise in the middle of litigation. Yet judges continued to recuse themselves when divesting carried large tax hits.

After numerous lobbying efforts by groups representing the federal judiciary, Republican Rep. Bill Thomas of California tucked the proposal into legislation the House approved Friday; Senate passage remains uncertain.

The strongest legislative push, however, came from Senate Judiciary Committee Chairman Arlen Specter, who attended the University of Pennsylvania and Yale Law School with Judge DuBois. In an April 6 letter, Specter said the provision "would solve an immediate problem facing a Federal district judge in my state of Pennsylvania."

Judge DuBois sold the stock days before the House passed the bill. He said he gave the maximum amount ... under the annual gift-tax exclusion and paid capital-gains tax on the rest. Declining to state his overall profit, he said, "I don't think anyone is going to feel sorry for me." ■■■

COMMENTARY

Your Right to Speak Out

Verbal Assassination:

What Would You Do?

By Ron Lee

Here I was, all ready to throw some harsh words toward the world for sympathizing with the Hezbollah and for giving Mel Gibson such a harsh deal about saying inappropriate things while he was DRUNK - it's not like anyone else hasn't said things they didn't mean while intoxicated ... please - but then life has this magical way about slapping you in the face and I was presented, once again, with the reality of existence and I couldn't help but revisit a writing of old.

The Slap in the Face

While visiting a good friend who runs a Dutch Bro.'s coffee stand (I love coffee), an employee of the shopping center where the coffee cart is located came up saying that a man had just died outside in the parking lot. I asked a few question that the employee could not answer, so I decided to see what was going on.

The parking lot was crowded by emergency vehicles and personnel, store employees, and the typical rubber-necking gawkers. On the pavement near a parking space lay a man who appeared to be in his 50's (but I didn't get a good look at him) being diligently worked on by EMT's trying to get his heart to beat.

Now, I'm not squeamish, but there was a sudden reality which hit me hard. It was as if this man who now lay prone on the ground with hands beating at his chest had just fallen in mid-stride. I looked away and found an on-looker in front of my gaze. He was sitting in his pick-up watching the events unfold, and it looked like he had been there for a while so I asked him if he had seen anything. He told me that he had been on the ground ever since he walked out of the store and that it had been about ten minutes. He said something about how he thought the guy wasn't going to make it, but I didn't hear him.

I walked away with a reminder lesson ... one that I had pondered years ago and had written about.

And, I ask that after you read it you really, really, think about the question. Then I want you to get out a piece of paper and write down your answer and mail it to me.

In Ending

Suppose the world was to end tomorrow and you were the only one to know.

*Would you have any regrets?
Would you have any would
haves, should haves, could haves?*

*Would you find your love and
watch the sun come up on the last
day of existence?*

*Would you find any love and live
it to the end?*

*Would you right a wrong, or
make more?*

Would you be alone in thought?

*Would you run, to find a way out
of ending?*

*Would you have sex or make
love?*

Would you be scared?

*Would you surround yourself
with family and friends and party
to the end?*

*Would you heal an old
relationship?*

*Would you wonder what went
wrong?*

*Would you cry a thousand tears
and pray to God it's wrong?*

*Would you do the things you
could have done?*

Would you take your own life?

*Would you see things differently,
as the fateful time came along?*

*Would you be disappointed or
glad?*

*What would you say if I told you
people die every day, and
tomorrow may never come?*

Perhaps in the next issue, I'll give you my answer.

...

It's your generous contributions that make these and other articles in the US~Observer possible. We thank all of our supporters!

By Pastor Chuck Baldwin
NewsWithViews.com

Speaking in Wisconsin last week, President George W. Bush declared that the United States is at war with "Islamic fascists who will use any means to destroy those of us who love freedom."

That Islamic nations are a threat to Western civilization is long established. Islam has always been a violent faith system. Since the inception of Islam, "infidels" (translated: anyone outside the Islamic faith, especially Christians and Jews) have been targeted for death and destruction. In this regard, nothing has changed during the past 1,500 years.

American patriots, especially Christian patriots, need to take a step back from their criticisms of President Bush long enough to recognize the very real and serious threat that Islamic nations pose to the United States. It is also a fact that if Islamic leaders have their way, Israel will be obliterated from the face of the earth! That is a reality that cannot be explained away!

That said, it is incumbent upon all of us to remember that it is internationalists in Europe and America that are largely responsible for the tensions that envelop not only the Middle East, but also the entire planet! Let's be blunt: the international elite use conflict in the Middle East (and elsewhere) to keep the cauldron of global tumult boiling! Violence and fear serve the interests of internationalists very well! And it is at this point that I find President Bush's remarks disingenuous.

How can President Bush refer to himself and the rest of his administration as lovers of freedom when they have done much to restrict and collapse freedom within the United States? It makes one wonder what Bush's definition of "freedom" really is!

At the end of the day, what difference does it make who takes our freedom away? Would anyone want to argue who was the worse tyrant, Hitler or Stalin? Was fascist Germany better or worse than socialist Russia? Does anyone truly want to argue the nuances as to whose fascism is worse?

You see, the Islamic governments of

the Middle East are supplied by Russia and China. And who, pray tell, supplies Russia and China? The governments of the United States and Great Britain.

In an attempt to create a global economy, international bankers and commercial moguls have supplied eastern powers with the tools and wealth necessary to augment a host of rogue regimes-regimes that are violently hostile to the United States. Remember, too, that the U.S. and Great Britain have opened the welcome mat to all forms of foreign investment and immigration to the point that it is doubtful that our two countries truly have much authority to direct either our financial or our military affairs!

Does anyone really believe that the United States is not capable of protecting itself from virtually any threat without surrendering our constitutional liberties? Only gullible and gutless people would respond in the affirmative!

Yet, our leaders in Washington, D.C., insist on keeping our borders open and unprotected. They refuse to halt the influx of Middle Eastern Muslims. They continue to promote so-called "free trade" deals with third world countries. They push forward with attempts to merge independent nations into regional, hemispheric entities.

All of the above accomplishes only three things: 1) it guarantees persistent and continual conflict, 2) it creates ever-increasing encroachments upon our liberty, and 3) it facilitates the transfer of independent nationhood to international governance. And that, my friends, is the intended goal!

Should we recognize and deal with the threat of "Islamic fascists"? Yes, of course. (The problem is, we are NOT truly dealing with it at all!) At the same time, we should also deal with the fascist tendencies of our own political and commercial leaders. Anyone who insists that Americans give up their liberty in the name of security is guilty of the same evil he purports to protect us from! In other words, fascism by any other name is just as dangerous!

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Continued from page 1 Blood Sport ...

volunteer. Smith was convicted by a jury on August 4, 2006; a jury that never heard most of her evidence or from her key witnesses. This story will reveal the unsavory side of our government officials and expose the malicious prosecution that certain vindictive functionaries perpetrated upon Smith with total disregard for her rights, in limiting her ability to mount a defense. Smith was rail-roaded for an alleged crime that was only vaguely addressed during the five day trial.

Seven years ago Smith was introduced to an investment program sponsored by Anderson Ark and Associates (AAA). When she learned that the nature of the business was a tax deferral program (Complex Business Organization (CBO) - pay less taxes in the first few years and pay more taxes in the future) she began her due diligence as to whether the investment was sound in nature and legal in application. Being a sharp business woman she consulted the IRS tax codes, contacted the local IRS office for publications to verify how the code applied to the business plan she was contemplating and discussed the opportunity with her Certified Public Accountant Sam Baldwin of Cucchetti, Baldwin and Co., CPA's based in Grand Junction, Colorado. The results of her search validated her intentions to move forward with the investment as there were no red flags that would have made a reasonable person shy from the opportunity.

Kris Smith was educated, as were other investors, by Certified Public Accountants and IRS enrolled agents (IRS sanctioned tax preparers) of AAA. One such person asserted that he was a former IRS agent and attested that everything in his presentation was tested and proven to be correct in all aspects. This cadre of experts answered all of her many questions and backed up their responses with citations from the IRS Code Manual. Having CPA's, enrolled agents and ex-IRS agents propose a solid business transaction made it hard to resist and seemingly a legal and profitable thing to do. For two years Smith participated in the program, all the while receiving updates from AAA with prognostications of potential cash flow which would result in greater income.

In addition to the deferred tax program AAA also offered a high yield loan investment program that lured in many people. Smith invested all of her retirement funds and life savings, including the proceeds of the sale of her former business into the loan program and reported any and all income less expenses on her income tax returns. All was seemingly fine with the world since Smith had done her due diligence and examined the tax consequence of her actions.

In August 2000, Smith attended a CBO business opportunity meeting at the local Holiday Inn hosted by AAA management personnel. In attendance by her personal invitation was her CPA Sam Baldwin, the man who gave her the

green light to invest in the AAA programs. Also invited was CID-IRS agent Michelle Hagemann of Glenwood Springs, Colorado at the behest of some potential investors. At this meeting Smith was introduced along with another Coloradoan Bill Hays as being new Information Officers for AAA. The job of the information officer was to assist others, curious about the program, with answers to their particular questions. Having been in the personal service business her whole life, it made perfect sense to Smith to assist others looking for a way to save taxes and/or create income. Kris especially felt she was doing the right thing by people because of her thorough research into the program.

In late February 2001, the Department of Justice Tax Division and elements of the Internal Revenue Service conducted a raid on multiple office locations of AAA in both this country and Costa Rica. Smith was questioned by two IRS agents who claimed to be ignorant about taxes thereby precluding Smith from talking to them. Baldwin, who apparently panicked by a similar visit hunted Smith down proclaiming he was scared to death. Smith instructed him to abide by the IRS information requests as she had nothing to hide. He did so while stating that he had to get along with the IRS agents who held his livelihood in their hands. Are these people his boss? (Taxpayers beware...your tax preparer is not always on your side)?

As a result of these raids many lives have been destroyed or forever altered.

Many innocent investors, not unlike Kris Smith, lost their invested funds that they thought were safely working for future, supplemental retirement income. Over 2,400 people through out the country were involved in one way or another with AAA believing that they did no wrong. In a more perfect legal system they would be correct in their assumptions, however, when embroiled with Administrative Law such as the IRS code one must consider themselves guilty until proven innocent.

After the February 2001, IRS raids, all participants were suspended in a sea of uncertainty regarding their potential IRS dealings and the possibility of regaining their invested funds. This continued for three to four years. Well-to-do and well connected individuals such as government operatives and politicians invest offshore without any harassment or scrutiny. AAA clients didn't fit this description and subsequently became the target of the full force and weight of the United States government.

Smith's turn came one day while she was in the emergency room of her community hospital with her deathly ill son. IRS agent Hagemann dragged her away from her son's bedside, reflecting the level of compassion possessed by IRS types. Smith was subpoenaed for her tax records for several past years and documents pertaining to her involvement with AAA. Within five months the

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Gold Hill Debacles ...

A Brief History

Among the false allegations aimed at Muchow, written in the form of questions, is the statement asking, why did Chief Muchow use the city charge card to buy gift certificates for contractors who donated labor and material when Chief Muchow supervised the construction of Gold Hill’s new police station?

The fact is the station was built for pennies on the dollar. “Giving a contractor \$200 for a \$4,000.00 commercial floor is just good business and did not benefit anyone but the city,” said Muchow. The Chief continued, “I also bought meals for those workers who donated their labor while they were working. The labor was professional and worth every bit of \$20 per hour. Buying a cheeseburger for the professional carpenter is just good business and shows gratitude.” Chief Muchow should have received an award for not going over the paltry budget he was given to build the station, instead of backstabbing from hateful councilors. Gus Wolf and Donna Silva objected to the purchase of the these meals and gift cards given to various contractors and laborers even though a hypocritical Wolf gladly accepted a free lunch while he assisted in painting the police station.

In July of 2005, Muchow wrote an \$800.00 check to the City of Gold Hill to cover the costs of the meals and gift cards. He wrote in a letter to council that this should put an end to the issue and it would buy him more “bragging rights” to the building of the station. In August of 2005, the Gold Hill City Council voted to return Muchow’s check. Donna Silva cast the only “no” vote. Given that this matter and other dead issues were settled in 2005, why would Wolf, Fish and Silva revisit the issues on the flyers they passed out? At one point the vindictiveness of these three nearly cost the City of Gold Hill traffic safety grant money due to the council in-fighting and attacks on the police. Karlyn Campbell of the Oregon Association of Chiefs of Police (OACP) wrote in a letter, “I’ve been reluctant to allocate funds to your department as it appears your city



Police Chief Dean Muchow - Fed up.

council in not supportive of the police.” When three out-of-control councilors constantly create turmoil it is always the citizens who pay.

In June of 2006, Gus Wolf, in consort with recalled city councilor Christine Alford crafted a 13-point complaint against Chief Muchow to the Oregon Department of Government Standards and Practices Commission (GSPC). The complaint states that Muchow “bugged” city hall, perjured himself regarding testimony given while acting as a McCall, Idaho City Police Officer, used the city charge card inappropriately, misused city funds when he purchased meals and gift cards, used the city phone for personal use, etc.

The facts show that Muchow never bugged city hall, a charge that only desperate lunatics would make. The Observer has checked with authorities in McCall, Idaho who inform us that

Muchow never perjured himself while in their employment and was never charged with perjury or anything else (they did say he was a “fine officer”). Our investigation has shown that Muchow never used the city charge card inappropriately when he saved the city thousands of dollars building the new police station and that he has never used the city phone for personal use that he didn’t reimburse the city for. In fact, during his first few months of employment Muchow used his personal cell phone for hundreds of dollars of city business which he has never been reimbursed for and he has over reimbursed the city for personal calls each time a bill arrives.

Another outlandish complaint is that Muchow receives free meals from local restaurants. Oddly, Muchow has collected letters from all restaurant owners/managers in Gold Hill to the contrary. The complaint also stated that Muchow used a Gold Hill patrol car to travel to a job interview in Culver, Oregon in May of 2006. A simple investigation shows that Muchow used his own vehicle (his credit card invoice shows Muchow filled the gas tank of his personal vehicle before returning to Gold Hill from Culver), that he went to the interview on his time and that some of the Gold Hill patrol cars wouldn’t be operating were it not for Muchow getting transmission shops and mechanics to donate parts and labor to keep them running. Why didn’t the undesirables properly investigate before spreading their lies? They should have commended the Chief for donating 4-5 hours of phone time regarding City of Gold Hill business while on his trip to Culver; however commendations don’t fit into their conspired agenda against Muchow.

Gus Wolf sent a similar complaint to the Oregon State Department of Public Safety Standards and Training in late May, 2006. The department sent the complaint to Jackson County District Attorney Mark Huddleston. After looking into the complaint Huddleston responded in a letter to the department, “Accordingly, I see no basis to request an investigation into these allegations

by the Oregon State Police or any other law enforcement agency.” There is “no basis” because the complaint contains only blatant falsehoods.

As a direct result of the lies, constant turmoil and trouble-making perpetrated by Gus Wolf, Jan Fish and Donna Silva, the insurance carrier for Gold Hill, City County Insurance (CIS) has raised the deductible-per-incident to \$10,000.00. Gus Wolf, in his patented sneaky manner has publicly blamed this on the police, but nothing could be further from the truth. The Observer has obtained a correspondence sent to CIS from Hobart Gus Wolf dated July 9, 2006, the very time that CIS was contemplating raising the deductible. Wolf states, “I received a call from a citizen who called 911 to complain of a Gold Hill City officer who ran a stop sign in the center of Gold Hill, with no light bar on, swerved almost to the center line and almost side-swiped the vehicle he and his wife were traveling in. The officer smirked and proceeded to flip on his light bar and pull over a van down the road.” Hobart states that he contacted police liaison Kathleen Price and she informed him that the citizen “had a grudge against the police.” Wolf goes on to talk of another alleged incident and then this mental midget asked CIS for help in resolving disputes within the city. When CIS is contemplating raising the deductible for the city why in the world would Hobart confront them with additional alleged problems (according to our investigation these were actually grudge statements)? Any prudent person reading this article will clearly see that _ _ _ stirrer Hobart Gus Wolf and his accomplices are solely responsible for the severe problems facing Gold Hill. During the August 2006, city council meeting Public Works Director Royal Gasso stated to the effect, “I am virtually left without insurance.” It is the opinion of this writer that if the citizens of Gold Hill don’t wake up soon and deal with the undesirables who control their city they will lose their city status in the not too distant future.

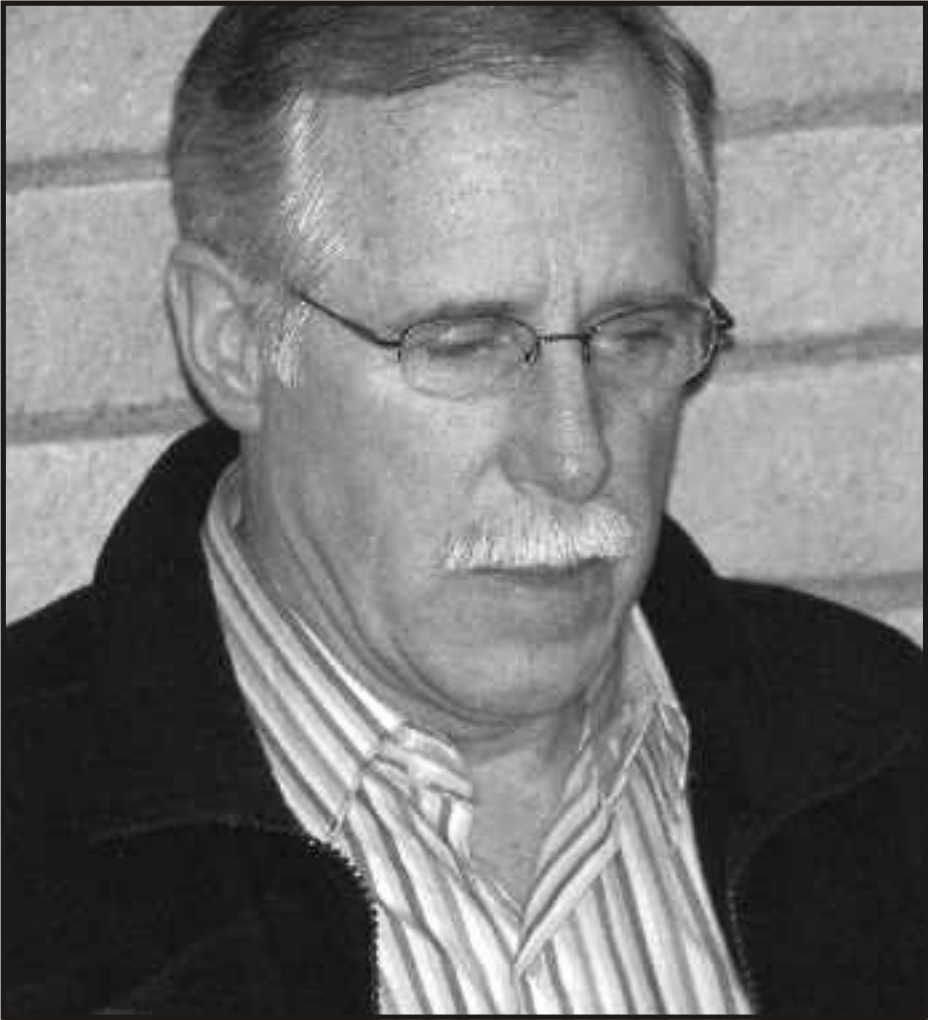
Unfortunately Chief Dean Muchow was forced to attend an interview before the GSPC on August 18, 2006 in Salem, Oregon. The Commission, after stating that there was no factual basis to support the false allegations against Muchow voted to not open an investigation into the matter. The hearing lasted approximately around 30 minutes. This is just one more example of how the citizens of Gold Hill, Oregon are being cheated; Muchow had to spend an entire day defending himself against vicious and unfounded lies instead of serving and protecting the people he works for.

In wrapping up this informational article I would commend Chief Muchow for single-handedly arresting a dangerous rapist in Gold Hill this past year before the rapist was able to attack more women. Also, it should be noted that he played a major role in solving two Gold Hill bank robberies and that he solved the burglary of a major automotive repair shop in Gold Hill, all the while taking care of his many other responsibilities.

Editor’s Note: As we go to press we are informed that Jackson County District Attorney Mark Huddleston has forwarded complaints to the Oregon State Police requesting that they investigate Hobart Gus Wolf. Wolf has been accused of using his position as a city councilor to gain favors from a contractor working near his home. Reportedly, Wolf has already received an underground phone line free of charge and he wants more...

■■■

Corrupt City Councilman Gus Wolf



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Blood Sport ...

subpoena was denied by a Federal District Court in Seattle; however Smith, along with other investors, was still targeted in an investigation. The list of suspects consisted of medical professionals and successful business people from around the country. AAA had stated to clients after the raid in 2001 that they were working to clear up the gross misunderstanding that perpetrated the raid in the first place. Smith waited like all the rest of AAA investors while the wheels of the federal bureaucracy continued to slowly grind.

Word spread far and wide that some AAA investors were undergoing audits as the IRS was attempting to determine the validity of the CBO related business loans. Each CBO participant expected such an audit in conjunction with some civil inquiry regarding reversal of tax credits received as a result of their participation. Smith waited for over four years for such an audit without hearing from the IRS. When word came it wasn't what she had expected. The DOJ decided that some tax filers were more culpable than others and relegated these persons to criminal prosecution as opposed to civil actions.

The concept of equal protection under the law takes a round house punch to the jaw with this edict from the District of Columbia. Various people involved in the same tax shelter are divided into four groups without regard to due process under the law. One group was given a cursory review of their participation, another was subjected to an audit and possible civil penalties, the third group was dragged through the criminal justice system without regard for the similarity of their alleged participation in AAA. Due to fear and intimidation the fourth group told the government everything they wanted to hear. Baldwin testified that Smith wanted him to change his testimony when all she said to him was "Tell the truth." Would Baldwin telling the truth be tantamount to changing his story?

Smith wasn't questioned by competent IRS agents, never received an audit to determine the legality of her business deductions, nor was she initially interviewed with counsel present. In her case, as with a few others, she was informed that she was being investigated by a grand jury under the auspices of Assistant United States Attorney (AUSA) Krista Tongring who was a major force in the Seattle trial of the AAA principals in 2004. Tongring and Hagemann made it a vendetta to destroy AAA investors, disregarding the fact that the IRS had settled with similar investors through audits and in some cases declared that there was no tax due. In fact two attorneys from Missouri, Shine Lin and Thomas C. Pliske who represented other CBO participants of AAA in tax court submitted a sworn affidavit in Kris Smith's trial stating, "In the case against Kris Smith, the DOJ argues that the loans...were invalid during the years the loans were issued... and the deductions claimed by participants...were invalid. The IRS argues that the loans were completely valid during the years the loans were issued...and the deductions claimed by participants...during the prior years when the loans were issued, are wholly valid." It must be noted that this critical evidence was suppressed, in other words the jury never heard a word of it. Looks like a case of what is good for the gander is not good for the goose. Is this equal protection under the law? Is this an action based on possible personal gains of functionaries of the DOJ and

Criminal Investigative Division agents (CID) of the IRS? What bonuses and incentives are given these fine upholders of justice that trample on the existence of honest people? Is this Justice or Blood Sport? This question will become self explanatory as this story unfolds.

While Smith waited for the proverbial shoe to drop she continued to file her tax returns as she had done all of her adult life. There was one exception to her normal filing routine however, in that she was so confused by the actions of the IRS and DOJ regarding her returns from 1999 and 2000 that she followed the advice of a friend to sign the returns "under duress." It is suggested that all readers take the time to read the jurat that is just above the signature line on the IRS form 1040. Be advised that you are giving up your Fifth Amendment right not to self-incriminate as to the accuracy of the form under penalty of perjury. She had previously affirmed the accuracy of her tax returns in question and now she was being subjected to investigations and indictments. Smith reported all of her revenues and expenses and was ready to prove her return if need be but she was reluctant to subject herself to perjury charges if she was in error. This she did for the years 2002, 2003 and 2004. The returns were never rejected and all tax payments processed as usual. The prosecution used the "under duress" catch phrase as its main weapon in deceiving the jury and subsequently gaining their false conviction of Kris Smith.

In September 2005, IRS agent Hagemann served Smith with a subpoena for a hand writing exemplar (an example of one's handwriting). Smith refused by exercising her Fifth and Sixth Amendment protections guarding against self-incrimination and for not being informed of the nature and cause of the accusation. She did eventually submit the exemplar but possible charges and her particular status were still unknown to her. In anticipation of an indictment Smith began to build her defense. Being an outstanding business woman in her community and active member and Treasurer in the Lions Club she attempted to gather letters from friends and business associates vouching for her character. This effort apparently turned out to be a very bad idea in the eyes of Lynn Hood (CID agent for the State of Colorado) as he reportedly proceeded to threaten those people that were amenable to helping Smith. Is this yet another example of equal protection under the law?

The criminal justice system closely resembles a ballet in that there are many contortions, perilous leaps and spins, coupled with methodical processes that obscure justice through legal language, procedures and lies that are meant to silence the cast of defendants. Recite your favorite line from "Swan Lake" but I digress.

One of the principal means of contortion is the legal dagger known as the Motion in Limine. According to Black's Law 6th Edition, "it is a pretrial motion requesting a court to prohibit opposing counsel from referring to or offering evidence on matters so highly prejudicial to the moving party that curative instructions cannot prevent a predispositional effect on the jury. Purpose of such motion is to avoid injection into trial of matters which are irrelevant..." If a defendant was desirous to keep incriminating evidence from the jury or witnesses from testifying this legal maneuver would certainly prove useful. On the other



hand if the prosecution filed this motion, is it conceivable that they would use it to prevent the defendant from establishing their innocence? The public is unaware of one fact and that is Federal District Courts are equity courts and defendants are guilty until proven innocent. There are no common law juries as stipulated in the Constitution...

The charges in the indictment state that Smith willfully and knowingly filed false tax returns. That she willfully and knowingly committed the alleged crime would be next to impossible for the government to prove. In this scenario the government asserted she deliberately committed this crime then set out to make it impossible for her to refute their assertions. How was this done, a reasonable person might ask? Yes sir, they filed a motion in Limine to prevent Smith from proving that her state of mind was not bent on felonious actions. The prosecutors, Gregory Bockin and Larry Wszalek argued that Smith be precluded from presenting evidence that was irrelevant (yet actually relevant) to defendant's good faith belief as it could cause confusion for the jury. Maybe the jury would think that she was innocent but they will never know if the evidence is suppressed.

Evidence necessary to prove her innocence was included in the testimony from the Seattle trial that convicted the promoters and principals of AAA. The prosecutors' statements regarding how these defendants defrauded hundreds of AAA clients including Kris Smith were somehow irrelevant "because the potential risk of unfair prejudice substantially outweighs its probative value." It would confuse the jury and maybe allow them to acquit Smith. Most

importantly the prosecutors stressed in their motion that the nature of the charges in the Seattle trial was not germane to Smiths involvement in the tax shelter plan as charges against the promoters consisted of: tax conspiracy; mail/wire fraud conspiracy; substantive tax offenses; and money laundering offenses. However, they neglected to state that some of the principals were convicted for aiding and assisting in the preparation of fraudulent tax returns.

Her attorney argued that not only did the government declare her a victim of fraud so did independent fraud investigators. Consequently, other identical victims could attest to their reliance on the sales pitch used to lull investors into the program. Although not testifying to Smiths state of mind at the time she signed her IRS 1040 they could attest to the believability of the inducements and Smith's motivation to participate. Again a motion in Limine citing various rules of evidence prohibited these witnesses from appearing. The government felt that the jury could determine the defendant's state of mind for themselves without the testimony of these other victims. This may be true on its face but highly unlikely if the jury is given biased testimony during the trial.

At least two years ago a victims list was published by the government listing the amounts of restitution that was due each victim. Smiths name was on one of two victims list. The government argued that her inclusion on the list was not relevant to her filing a false tax return and that it only applied to her investment in what was called "Loan 4" which was a voluntary investment. Therefore the fact

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Copperfield Says He's Found Fountain of Youth

By Jane Sutton

MIAMI (Reuters) - The man who made the Statue of Liberty appear to vanish may soon claim to do the same for unsightly bags and wrinkles.

Master illusionist David Copperfield says he has found the "Fountain of Youth" in the southern Bahamas, amid a cluster of four tiny islands he recently bought for \$50 million.

One of his islands in the Exuma chain, Musha Cay, is a private resort that rents for up to \$300,000 a week and the other islands serve as buffers to keep prying eyes away from celebrity guests on the white sand beaches.

Copperfield is coy about his reasons for the Fountain of Youth claim, but the man best known for entertaining with grand deception insists his archipelago also contains the legendary waters that bestow perpetual youth. Seriously.

"I've discovered a true phenomenon," he told Reuters in a telephone interview. "You can take dead leaves, they come in contact with the water, they become full of life again. ... Bugs or insects that are near death, come in contact with the water, they'll fly away. It's an amazing thing, very, very exciting."

Copperfield, who turns 50 next month, said he had hired biologists and



David Copperfield

geologists to examine its potential effect on humans but he's not inviting visitors to swim in or drink from it just yet. ■■

Xerox Sends Free Cards to Our Heroes Abroad

By US~Observer Staff

Stamford, CT - Recently, the US~Observer received an e-mail which stated that the Xerox Corporation was sending free postcards to members of our Armed Services who are abroad. Following the link enclosed we found ourselves on the web site www.letsaythanks.com, indeed sponsored by Xerox.

According to their web site, "The mission of Let's Say Thanks is to provide a way for individuals across the country to recognize U.S. troops stationed overseas. By submitting a message through this site you will send a free personalized postcard greeting to deployed servicemen and women. The postcards, depicting patriotic scenes and hometown images, were selected from a pool of entries from children across the country. All you have to do is click on your favorite design and either select the message that best

expresses your sentiment or draft a personal note. The postcards are then printed on the Xerox iGen3® Digital Production Press and mailed in care packages ..."

They state they have already received nearly two-million messages.

Editor's Note: *The US~Observer believes Xerox should be praised for their efforts and that all citizens should log-on to letsaythanks.com and participate in support of our troops. We sent ours!* ■■

One of the many designs by children across the country that you can choose.



Continued from page 12 Blood Sport ...

that she invested a very large sum of money had no bearing on her filing false tax returns. Let's take a moment to reflect on this logic. An individual is sold an investment idea that includes two elements. The first element is a business venture that offers immediate tax savings and according to prosecutors reeks of tax evasion, while the second element is advertised as a wealth creating vehicle. Would a reasonable person invest their hard earned money-life savings in the second element knowing full well that they are risking the investment by becoming involved with the first? In fact the government has desperately avoided arguing the legality of the CBO in a court of law. Is this because the tax courts are treating the program as valid? Why the dichotomy? If one department of the executive branch condones the activities similar to that of Smith why does another condemn it? Let us not forget the sworn affidavits from attorneys Lin and Pliske. They had been working with CBO clients in their private wars with the IRS and possessed exculpatory evidence that maintains the investment program is valid. Kris Smith was tried by the Department of Justice for participating in an investment program that the IRS has ruled to be valid. Again, why wasn't this information allowed into the court? The prosecutors simply filed a Motion in Limine, which is point, set and match in the day to day sport of destroying innocent people's lives.

Most Americans flippantly believe that only the guilty are indicted. This couldn't be further from the truth. An indictment is a charge resulting from a one-sided presentation by government agents concerning alleged conduct of the suspect to a grand jury, thereby ensuring the indictment of the "ham sandwich/defendant." People also assume incorrectly the ham sandwich/defendant will have a chance

to present their side of the story during trial. In a U.S. Federal District Court it is imperative for the government to win. What better way to ensure victory than by controlling the admittance of evidence by using their so-called rules of law.

In government organizations the prerequisite for promotion, perks and recognition is outstanding performance evaluations. I am sure within these cabals the in-fighting can be fierce. AUSA's must have convictions if they are to be taken seriously as a player. The residue of people's lives is of no concern to them if it lowers their batting average. In reference to the opening line of this article it stands to reason if the prosecutorial evidence is weak the government will use the rules of evidence to hamstring the defense.

Why would anyone truly concerned with justice want to withhold anything from a jury?

The last resort is for the prosecutor to disparage the defendant thereby poisoning the minds of the jurors ergo predetermining the outcome of the trial. Smith's good and noble character was defamed when prosecutors told the jury she considered herself to be a sovereign citizen. They maintained that sovereigns remove themselves from the tax rolls and hold themselves above their fellow Americans. To the jury this inference incites resentment and promotes a guilty verdict based on revenge or misinterpretation. The tag team of prosecutors brought in Bill Hays a former member of AAA to testify that Smith and he talked about becoming sovereign. They also let the jury listen to select portions of AAA tapes that outlined injustices and obscure practices of the United States government. The prosecutors wanted the jury to hate Smith and they painted a picture of her that would ensure their distain. Defense's attempts to let the jury hear parts of the same tapes that refuted these scurrilous claims were denied. Surprisingly, according to investigative

reports, Bill Hays is the very individual who recruited her into AAA. He's not being prosecuted. Why (most assuredly a corrupted immunity deal)? Is this yet another example of government's justice? It must be as Hays was a mover and shaker in AAA according to numerous victims. Do a Google search on sovereignty and you will find this definition: "Sovereignty is the exclusive right to exercise supreme political (e.g. legislative, judicial, and/or executive) authority over a geographic region, group of people, or oneself." In fact there are extracts found in U.S. Supreme Court decisions, legal definitions and state code sections that will prove there is no connection to one's willingness to pay taxes and upholding their sovereign rights. Here are a few extracts.

"The state cannot diminish rights of the people." *Hertado v. California*, 100 US 516.

"Republican government. One in which the powers of sovereignty are vested in the people and are exercised by the people, either directly, or through representatives chosen by the people, to whom those powers are specially delegated. In re Duncan, 139 U.S. 449, 11 S.Ct. 573, 35 L.Ed. 219; *Minor v. Happersett*, 88 U.S. (21 Wall.) 162, 22 L.Ed. 627." *Black's Law Dictionary*, Fifth Edition, p. 626.

"In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business....The people of this State do not yield their sovereignty to the agencies which serve them." *California Government Code Section 54950*.

The prosecution maintained that anyone who says they are sovereign is automatically a tax protestor. This was a deliberate smear against the defendant that is without merit. U.S. citizens are obligated to pay taxes through contract and averring sovereignty cannot change that. The prosecutors knew this fact full

well but in order to get their win they had to fool the jury into believing that the defendant believed herself superior to the jurors. Furthermore, if someone was planning to not pay taxes by declaring their sovereignty it would be impossible to operate in commerce. How would a business person make a living if they couldn't open checking accounts, have investments or own real estate. This tactic was a fabrication meant to confuse the jury as Kris Smith is a business woman who always filed her tax returns and operated in commerce.

As this article is being prepared for our next edition it is a sure bet that the prosecutor, government investigators and officers of the court are feeling smug about their unanimous victory against Smith. They have only a "self ordained" right to feel this way due to their unbridled success against a defendant that was blindfolded, bound and gagged during her trial. Sadly, this is a normal occurrence in court rooms across this country and the trail of broken lives is appalling. There are thousands of personal stories, not unlike Kris Smith's, who have been the prey in the federal blood sport of equity "justice." It was reported that the government employees were so overjoyed with their "Trojan Horse" victory in Denver that they were hugging each other and giving the thumbs-up sign. Sounds like a sporting reaction to me. What does it sound like to you?

According to court room witnesses and a check of the docket it is apparent that a defense "motion to dismiss" is still on the table for Judge Phillip S. Figa to consider. The judge dismissed the motion without prejudice twice but stated he would re-entertain it if Smith was convicted. Our background on Judge Figa shows him to have ruled on the side of true justice numerous times. We would prompt the Honorable Judge to continue this practice.

■■■

N. Korea Appears to Be Preparing for Nuclear Test

By Jonathan Karl
ABC News

There is new evidence that North Korea may be preparing for an underground test of a nuclear bomb, U.S. officials told ABC News.

"It is the view of the intelligence community that a test is a real possibility," said a senior State Department official.

A senior military official told ABC News that a U.S. intelligence agency has recently observed "suspicious vehicle movement" at a suspected North Korean test site.

The activity includes the unloading of large reels of cable outside P'unggye-yok, an underground facility in northeast North Korea. Cables can be used in nuclear testing to connect an underground test site to outside observation equipment. The intelligence was brought to the attention of the White House last week.

Even before this most recent intelligence, there has been growing concern within the U.S. government that North Korea has been moving toward a nuclear test. North Korea is believed to have enough nuclear material to build as many as a dozen nuclear bombs, but it has never tested one. A successful test would remove any doubt that North Korea is a nuclear power.

"What does he have to lose?" asked one senior military official, referring to North Korean leader Kim Jong Il.

On July 4, North Korea conducted seven ballistic missile tests, which provoked international condemnation, including a unanimous United States Security Council resolution condemning its actions. A nuclear test,

however, would be seen as a much greater provocation than the missile tests. Only seven other nations in the world have ever conducted nuclear tests.

U.S. officials fear a nuclear test could provoke a nuclear arms race in East Asia, forcing Japan and South Korea to develop their own nuclear weapons.

"A nuclear test is going to be alarming and troubling for everyone and would cause a very strong reaction I think from all of North Korea's neighbors," said former National Security Council official Michael Green, now with the Center for Strategic and International Studies.

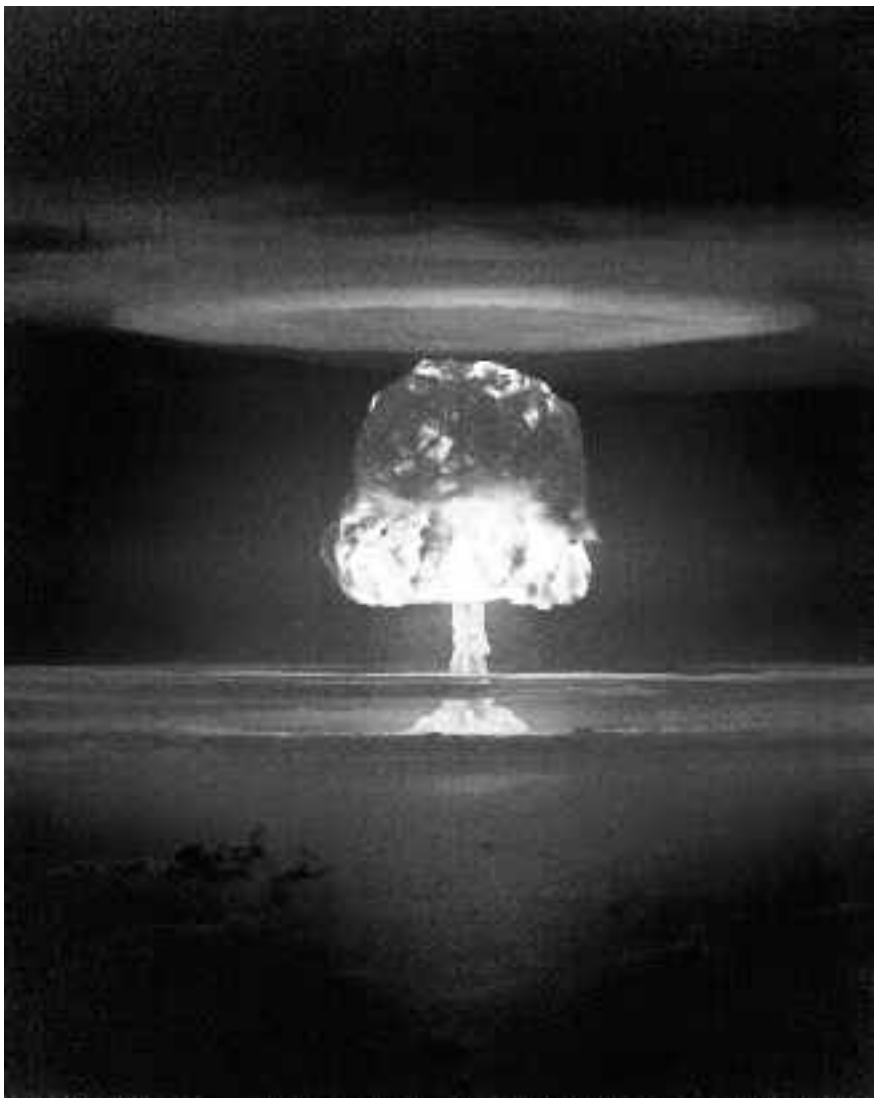
U.S. officials caution that the intelligence is not conclusive. Last year U.S. spy satellites picked up suspicious activity at suspected test sites in North Korea, leading some to predict an imminent nuclear test, but nothing happened.

Underground nuclear tests are notoriously difficult to detect ahead of time. U.S. intelligence agencies, for example, failed to predict nuclear tests by India and Pakistan in 1998.

Officials say it is possible that North Korea may either be putting on a show for American spy satellites to get attention, or may conduct a nuclear test in an entirely different location.

Some analysts believe Kim Jong Il may feel the only way to be taken seriously is to prove that North Korea is a nuclear power. Officials acknowledge that nobody really knows Kim Jong Il's intentions, but there is a belief among analysts that he is upset about the recent U.N. resolution condemning his missile tests and upset with the Chinese for supporting that resolution.

"It is the view of most in the



community that there is a 50-50 chance North Korea will conduct a nuclear test by the end of the year," said one analyst.

Asked what the United States would do in response to a nuclear test, a senior U.S. official told ABC News, "We would try to hermetically seal the hermit kingdom."

The official said the United States would immediately push for sanctions to cut North Korea's ties to the outside world. Another possible option would be a naval blockade of North Korea.

But it is unclear how effective such efforts would be. North Korea is already the most isolated country in the world. ■

Iran military exercises show danger of nuclear ambitions: US



Picture taken from Iran's state television shows a new short-range missile.

WASHINGTON (AFP) - The White House said that Iran's military exercises, which included a short-range missile test, was a reminder of the danger of the Islamic republic's nuclear ambitions.

President George W. Bush's administration also recalled that Iran has until August 31 to respond to a UN Security Council demand that it suspend uranium enrichment and warned that failure to comply could swiftly lead to sanctions.

"We have made clear that if Iran fails to comply with the Security Council's mandate we will move quickly at the United Nations to impose sanctions," Emily Lawrimore, a White House spokeswoman, said in a statement.

The White House statement came after Iran test-fired a short-range, surface-to-

surface missile during the second day of nationwide military exercises in a demonstration of its readiness to "respond to any threat," state television reported, Iranian state television reported.

"Iran's show of military force while it continues to defy the international community's unanimous demands regarding its nuclear program serves to remind us of the dangers of its nuclear ambitions," Lawrimore said.

"Iran sits at the nexus of weapons of mass destruction and terrorism; we know that Iran is producing and developing delivery systems that could threaten our friends and allies in the Middle East and Europe and eventually the United States itself," she said.

■■■

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Arkansas 1874, Preamble. We, the people of the State of Arkansas, grateful to Almighty God for the privilege of choosing our own form of government...

California 1879, Preamble. We, the People of the State of California, grateful to Almighty God for our freedom.

Colorado 1876, Preamble. We, the people of Colorado, with profound reverence for the Supreme Ruler of Universe.

Connecticut 1818, Preamble. The People of Connecticut, acknowledging

with gratitude the good Providence of God in permitting them to enjoy.

Delaware 1897, Preamble. Through Divine Goodness all men have, by nature, the rights of worshipping and serving their Creator according to the dictates of their consciences.

Florida 1885, Preamble. We, the people of the State of Florida, grateful to Almighty God for our constitutional liberty, establish this Constitution...

Georgia 1777, Preamble. We, the people of Georgia, relying upon protection and guidance of Almighty God, do ordain and establish this Constitution...

Hawaii 1959, Preamble. We, the people of Hawaii, Grateful for Divine Guidance.. Establish this Constitution.

Idaho 1889, Preamble. We, the people of the State of Idaho, grateful to Almighty God for our freedom, to secure its blessings.

Illinois 1870, Preamble. We, the people of the State of Illinois, grateful to Almighty God for the civil, political and religious liberty which He hath so long permitted us to enjoy and looking to Him for a blessing on our endeavors.

Indiana 1851, Preamble. We, the

People of the State of Indiana, grateful to Almighty God for the free exercise of the right to choose our form of government.

Iowa 1857, Preamble. We, the People of the State of Iowa, grateful to the Supreme Being for the blessings hitherto enjoyed, and feeling our dependence on Him for a continuation of these blessings establish this Constitution.

Kansas 1859, Preamble. We, the people of Kansas, grateful to Almighty God for our civil and religious privileges establish this Constitution.

Kentucky 1891, Preamble. We, the people of the Commonwealth are grateful to Almighty God for the civil, political and religious liberties...

Louisiana 1921, Preamble. We, the people of the State of Louisiana, grateful to Almighty God for the civil, political and religious liberties we enjoy.

Maine 1820, Preamble. We the People of Maine acknowl! edging with grateful hearts the goodness of the Sovereign Ruler of the Universe in affording us an opportunity ... And imploring His aid and direction.

Maryland 1776, Preamble. We, the

people of the state of Maryland, grateful to Almighty God for our civil and religious liberty...

Massachusetts 1780, Preamble. We...the people of Massachusetts, acknowledging with grateful hearts, the goodness of the Great Legislator of the Universe ... In the course of His Providence, an opportunity and devoutly imploring His direction..

Michigan 1908, Preamble. We, the people of the State of Michigan, grateful to Almighty God for the blessings of freedom establish this Constitution.

Minnesota, 1857, Preamble. We, the people of the State of Minnesota, grateful to God for our civil and religious liberty, and desiring to perpetuate its blessings:

Mississippi 1890, Preamble. We, the people of Mississippi in convention assembled, grateful to Almighty God, and invoking His blessing on our work.

Missouri 1845, Preamble. We, the people of Missouri, with profound reverence for the Supreme Ruler of the Universe, and grateful for His goodness. Establish this Constitution.

Montana 1889, Preamble. We, the

Continued on page 21

Continued from page 1 Injustice in OKC ...

May 11, 2006. The US~Observer find this highly disturbing as there was to have been a filing of sentence modification in June of '06 and we fear that Mr. Wonderly's day of justice is still several battles away.

There are so many questions in Wonderly's case that should it have been taken all the way through trial, the jury would have been privy to so much information it would have been almost impossible for them to say that there was no reasonable doubt, but this isn't the way justice is served-up in Oklahoma City by Judge Twyla Mason Gray. It has been brought to the attention of the US~Observer by even more individuals who feel they have been damaged by Judge Gray's tactic to coerce many defendants in the criminal cases she over-sees (as a supposed impartial judge) - especially in sex abuse related cases - by telling them that she thinks they are guilty and that she will give them a harsher sentence should they not take a plea deal, exactly as what happened with Wonderly.

In a 2004 interview with Albert Alschuler, a professor of law and criminology, by PBS's FRONTLINE Alschuler was asked if plea bargaining connects to justice. His response, "*Plea bargaining has nothing to do with justice. It has to do with convenience, expediency, making the life of prosecutors and defense*

attorneys easier and more profitable. It's designed to avoid finding out the truth. It's designed to avoid hearing the defendant's story. I mean, what's a more basic component of justice than if you're going to lock somebody up, you ought to hear whatever he has to say in his defense first? Isn't that the most basic element of procedural justice? If you have something to say, if you have a story to tell, we want to hear it. We don't want to punish you unless we're convinced that you've done something wrong. ..."

Perhaps Judge Gray isn't interested in justice when she seeks to silence these charged individuals by forcing them to take a plea. Wonderly is one of the many that have faced this sort of judicial behavior and found himself in jail for something he still maintains he is innocent of. While Judge Gray's tactics are reprehensible so, too, is the behavior of the defense attorneys who bow to this pressure and represent to their clients that this may be what is best. For if it wasn't for them, the truly innocent would perhaps be granted their rightful ruling of "not guilty" in the due process of a jury trial, but then again, where is the money in that?

There are, however, rumors that Judge Gray along with Wonderly's lawyer John Coyle III are being investigated by the Oklahoma State Bar for undisclosed improprieties of law, but this was neither confirmed nor denied by State Bar Investigators who failed to

respond. Should this rumored investigation be true and the outcome find that Judge Gray and others acted inappropriately, it would go a long way toward helping Wonderly achieve what he is rightfully due, his day in court.

But that is only one of Wonderly's possible victories. Recently it was the US~Observer's honor to speak with David Prater who is running against the current OKC District Attorney Wes Lane for that position. From a biography on Prater's web site, "*Whether serving on the front lines as a police officer or seeking justice as a public prosecutor, David Prater has dedicated over eighteen years to fighting crime and protecting Oklahomans.*

David began his law enforcement career at 19 years of age when he was hired by the Cleveland County Sheriff's Office as a Deputy Sheriff. At the age of 20, Prater became the youngest cadet ever to graduate from the Norman Police Academy. During his time with the NPD, Prater was a dedicated and respected Master Police Officer. In addition to his patrol duties, David was a member of NPD's Tactical Unit, Underwater Rescue and Recovery Team and the Norman Police Department's Pistol Team. Additionally, Prater was responsible for training other officers in patrol techniques, firearms, and Emergency Vehicle Operations and was awarded more than 20 commendations from Norman's Chief of Police.

In 1988, Prater left the police department to complete his Law Enforcement Administration Degree from the University of Oklahoma. In 1991, Prater began law school at the University of Oklahoma, graduating in just two and a half years. From 1993 until 2001, Prater served Oklahoma County and the state as an Assistant District Attorney under Bob Macy and as an Assistant Attorney General, in the Grand Jury Unit, under Attorney General Drew Edmondson.

During the last four years, Prater has maintained a private law practice in Oklahoma City, with the firm of Huddleston, Pike, Henderson, Cusack & Parker."

When asked during the conversation if there was any recourse for Wonderly if he were to be elected District Attorney he stated, "If someone was to introduce a case to me, I'd be willing to look into it and go over all of the records ... It's not just about prosecuting current cases but making sure justice has been had in all." While he made no claims to be able to help Wonderly, he is a man who is committed to ensuring the integrity of the system. A system that by many accounts is currently broken.

Editor's Note: We will continue to monitor Ryan Wonderly's case and pursue his vindication. Please log on to usobserver.com to read the first story on Ryan Wonderly.

■ ■ ■

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Citizens who have founded and support it believe in the Bill of Rights and Article 1, Section 1, of the Oregon Constitution which states:

“We declare that all men, when they form a social compact are equal in right; that all power is inherent in the people, and all free governments are founded on their authority and instituted for their peace, safety, and happiness and they have at all times a right to alter, reform, or abolish the government in such a manner they think proper. This enumeration of rights and privileges shall not be construed to impair or deny others retained by the people.”

On the Internet:
www.usobserver.com

Continued from page 4 Deer Creek Fraud ...

that Edlefsen and Fritts had formed Hope Life Foundation (HLF) to be a mirrored image of NTS, whereby they excluded Fung from all but the fringe operations.

Subsequently, Fung’s acquaintance Eric Aaron Lighter, a real estate developer from Hawaii, came to visit in June, 2002, intending to meet Fritts. Fritts invited them to his Merced, CA home-office and during this meeting Fritts allegedly bragged that Linda Gause (ex-spouse of Mike Gause, manager of C4T) had asked him to handle approximately \$100 million dollars. Apparently, the SEC through negligence, inability or international legal restrictions failed to seize these funds. Fritts further stated that he could not spend the cache of money until a ten year period of time had elapsed in an obvious awareness of the ten year statute of limitations imposed for this type of criminal activity. Fritts then reportedly and accidentally discovered that Edlefsen had attempted to relieve him of some of the funds by requesting wire transfers to her personal bank account from an offshore source. Honor among thieves?

Now living in Oregon, Fung frequently commuted to his San Jose, CA office in order to tend to his commercial real estate business. In 2002, he commenced an additional commercial real estate practice in southern Oregon. In December, 2003, the U.S. government sued Fung on a permanent injunction related to Fung’s assisting people with their tax returns through the use of his legally purchased software, case number: 1:03-CW-3123, while Fung was associated with an established commercial real estate firm in Medford, OR. Fung settled without admitting any wrongdoing. In March of 2005, the U.S. Attorney forwarded the last document to be completed by Fung that required Fung to divulge his clients.

During this time one of NTS’ clients, prominent psychiatrist Irwin Gootnick, (author of “Why You Behave in Ways You Hate And What You Can Do About It” and a featured guest on the Oprah show) nominated Fung to be a trustee of Gootnick’s trusts. According to Fung, Gootnick frequently called him while he served in this capacity, stressing about the possibility of IRS audits. As Fung began to become suspicious and questioning of Gootnick and his possible dishonesty, Gootnick reportedly informed Fung that he was opting for the services of a high-powered law firm in San Francisco. According to Fung Gootnick let it be known during one conversation that he had under-reported a large amount of income. At this juncture Fung ended his relationship with Gootnick. Fung then blew the whistle on Gootnick in the aforementioned AUSA document request of Fung’s clients in accordance with Title 18 USC on or about April 27, 2005, which requires anyone with knowledge of a crime to report said crime to the proper authorities. However, many times when reporting crimes against protected individuals the report gets lost in a three card monty.

The U.S. government eventually sued Roderick Prescott and TES in case

number: 02-CV-0692-L. During this lawsuit, Prescott made false statements against Fung in an apparent attempt to deflect his personal liability by implicating an innocent individual. These statements proved damaging as Fung was arrested along with Fritts and Prescott on August 3, 2005. The grand jury indictment dated April 12, 2005, case number: 5:05-cr-00215-JW stated that Fung had knowledge about and aided and assisted in the preparation of false tax returns for a dozen NTS clients. However, Fung, like hundreds of other victims was instructed by Fritts and Prescott in what he thought was the correct and legal procedure for preparing tax forms.

The question begging an answer is why is Fung being charged instead of at least two CPAs who actually did most of the NTS clients’ tax returns? Additionally, why aren’t the other NTS clients, specifically those whom Fung assisted, being charged criminally if they filed false tax returns with or without Fung’s assistance? Note that the clients provided Fung with their financial data and he merely entered the figures into his computer tax program which calculated the taxes owed. Selective and malicious prosecution comes to mind when pondering these questions. Perhaps the tax returns weren’t false but it avails Fung to be a convenient target for government retaliation.

Later, when Fung found out his defense attorney was not working in his best interest, Fung filed documents alleging prosecutorial misconduct. His attorney resigned immediately. At that time, Fung learned that the new prosecuting attorney was none other than AUSA Thomas Moore who had publicly threatened him years earlier according to Fung’s sworn affidavit.

Finding himself in the cross hairs of a seemingly vindictive AUSA and IRS agent Fung is searching for answers to more questions. Why did the government not take into consideration Prescott’s motives for implicating Fung? Was this indictment payback for Fung’s lawsuit against Brown in light of Moore’s expressed blatant unprofessional conduct? Then again, why did agent Brown wait for more than a decade to bring these charges while doing nothing to close down NTS as millions were swindled from investors? Remember Brown initially raided NTS in 1993, eventually returning all the records to NTS without a referral to prosecutors. This act once again confirmed the legal status of NTS to Fung.

Emily J. Kingston, resigned as an AUSA shortly after being named to be Fung’s original prosecutor and joined the private practice law firm of Sideman and Bancroft, LLP located in San Francisco. The Observer discovered that this is the same so-called high-power law firm that Irwin Gootnick retained after his relationship with Fung was terminated. Coincidence, or is this a blatant conflict of interest? Upon reflection, could this overwhelming conflict be the reason why Gootnick hasn’t been indicted for alleged tax evasion and money laundering or again, just an example of the three card monty?

Note well that in the U.S. Bankruptcy

Court, Hawaii, case number: 05-50023 and Adv. Pro. number 06-90001, Dr. Wing C. Ng, an attorney and CPA stated: “Gootnick continued to hide taxable income, by, among other things, failing to report same...The income generated and being ‘hidden’ or ‘laundered’ and in spite of Mr. Prince’s legal advice, the Gootnicks continued with the NTS tax scam for more than two years, which may arguably demonstrate their criminal intent to evade taxes.” Dr. NG continued, “In my professional opinion as a tax practitioner for twenty-eight years, I have not seen such brazen behavior on the part of a taxpayer to cheat the United States and the States of Revenue. It is just ridiculous.” Ng seems to have discovered the very alleged conduct that caused Fung to become suspicious of the Gootnick’s.

Shouldn’t a reasonable person think that Moore, purporting to be an ethical person, would recuse himself from this case due to his past threats against Fung? In addition there may be a transparent protective barrier in the above mentioned law firm as Gootnick’s attorney Richard Nelson is a former AUSA in Northern District of California. Could this also have some bearing on why Gootnick and his wife have never been charged with any crime to date?

Margie Paris, a criminal law professor at the University of Oregon, stated: “There’s this old saying that a grand jury would indict a ham sandwich if the prosecutor wanted them to. When the grand jury declines to indict, it’s really because the prosecutor doesn’t want them to.” How true!

Is wrongfully charging and harassing an innocent man like Sam Fung an outrageous act of malicious prosecution? It is general knowledge that during the years Fung has lived in Oregon he has been an active, contributing citizen of his community performing volunteer work, including acting as a director of a local non-profit organization, which has greatly benefited the community. He’s a dedicated husband and a responsible father to his young children. It is our firm belief and strong contention that Sam Fung is an honest and upright person who believed he was acting both ethically and legally in everything he did. The Observer has obtained letters written by Fung to clients regarding dishonesty on their tax returns. If Fung had any intent to do wrong he certainly would not have addressed suspected wrongdoing. Scam artists/crooks don’t confront wrong, they simply go along to get along in an effort to make more money. And, let’s not forget Fung’s suspicions of Gootnicks alleged dishonesty. Apparently Fung’s suspicions and questions caused Gootnick to run to the protection of a law firm employing former AUSA’s who undoubtedly still have close ties to the United States Attorney’s Office in San Francisco.

Fung’s story is convoluted with dark tones and shady characters that frequently seem to be moving from one side of ethical conduct to the other. Sam Fung was victimized first by people he trusted; now he’s being victimized by the “legal system” in which money and

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Passage of Vitter Amendment Shows Public Shift on Gun Rights After Katrina

BELLEVUE, WA – The Senate’s overwhelming 84-16 vote this week to prohibit gun confiscations from private citizens in emergencies shows there has been a remarkable shift in the public’s attitude about gun rights after the Hurricane Katrina debacle, the Second Amendment Foundation (SAF) said today.

“For many in the Senate, like Republicans Mike DeWine of Ohio and Lincoln Chaffee of Rhode Island, and Democrats Patty Murray and Maria Cantwell of Washington,” observed SAF Founder Alan Gottlieb, “it was the first time they’ve voted to support the individual rights of law-abiding gun owners. They saw the looting and lawlessness, and watched the outrage of

post-Katrina gun confiscations, and so did their constituents.

“Incredibly,” he continued, “sixteen extremist anti-gun Democrats, led by Hillary Clinton, demonstrated by their vote that they think it’s just swell for the government to seize private property from law-abiding citizens, often times at gunpoint and always without warrant or due process of law. This time, it’s guns but what about next time? If it is okay with these senators for police to take legally-owned firearms without probable cause, what would they advocate next for confiscation?”

SAF successfully sued the City of New Orleans and St. Tammany Parish last September to force a halt to those illegal gun seizures. The National Rifle

Association joined in that lawsuit.

“For people of such divergent political views as Joe Biden, Robert Byrd, Blanche Lincoln, Joe Lieberman, Patrick Leahy, Chuck Hagel, Orrin Hatch, Wayne Allard, Max Baucus and 75 of their colleagues, this vote was a no-brainer,” Gottlieb observed. “What a pity that Sen. Clinton’s group remains so myopic about firearm civil rights that they vote to essentially support the warrantless seizure of private property.

“We hope the House concurs with this vote,” Gottlieb concluded, “so that never again, on American soil, will we witness a police state mentality that would sooner disarm people and leave them defenseless when they should be offered assistance and medical aid if necessary. Being secure from warrantless search and seizure is guaranteed by the Bill of Rights, even if some people in New Orleans, and a

handful on Capitol Hill, seem willing to ignore that.”

The Second Amendment Foundation (www.saf.org) is the nations oldest and largest tax-exempt education, research, publishing and legal action group focusing on the Constitutional right and heritage to privately own and possess firearms. Founded in 1974, The Foundation has grown to more than 600,000 members and supporters and conducts many programs designed to better inform the public about the consequences of gun control. SAF has previously funded successful firearms-related suits against the cities of Los Angeles; New Haven, CT; and San Francisco on behalf of American gun owners, a lawsuit against the cities suing gun makers and an amicus brief and fund for the Emerson case holding the Second Amendment as an individual right. ■■

Continued from page 16
Deer Creek Fraud ...

power figure prominently. In retrospect the missing money seems to have been relegated to last place while Fung gets framed to look like a mafia don. As they say down at the hall, “good enough for government work.”

Our run-away criminal justice system needs our full attention and we desperately need to restore honesty and accountability into our “halls of justice” however it remains to be seen if this can be accomplished in our lifetime. The U.S. Attorney’s Office in San Francisco seems to have forgotten that a person cannot be a victim and a perpetrator simultaneously. Sam Fung invested thousands of dollars over the years with NTS and FGT and why would any prudent person with integrity invest his hard earned money into a scam if he knows it to be a scam. Leroy Fritts and the Prescott’s stole Fung’s money just as they stole millions from hundreds of other highly capable, yet deceived individuals and businesses.

This story is not unlike the case we reported about in May 2005, regarding Tedd Peck a recipient of the Purple Heart in Viet Nam while serving as a Swift Boat officer. Peck, like Fung was maliciously prosecuted by AUSA Thomas Moore. Peck was a victim of a fraudulent scam but Moore attempted to prosecute him based on perjured testimony to a Grand Jury by Karyn Fazio, the investigating IRS-CID agent. In this convoluted case Peck’s tax preparer was never indicted or questioned by the testifying IRS-CID agent. In addition he was never audited or given a chance to rectify his returns. Our investigation of both cases is still

ongoing and the complete truth will be exposed. It should be noted that while we publicly indict Thomas Moore for false prosecutions, it is not up to him but rather to his boss, United States Attorney Kevin Ryan to decide who to prosecute. And many times, even Ryan is directed form up above (Washington D.C.) concerning who he should attack. The bottom line is: The United States Attorney dropped seven major felony tax charges (the result of public pressure provided by the US~Observer) against Captain Tedd Peck because he was a victim and not a perpetrator. They need to do likewise with Sam Fung, for the very same reason...

At the very least, the US~Observer promises that all of those involved in the factually false prosecution of Sam Fung will find their names well known within hundreds of thousands of households across America and right at the top of Google and Yahoo’s search engines before this tragic story ends.

Editors Note: As our investigation widens it is becoming vividly clear that the major criminals in the Deer Creek Ranch/NTS/FGT debacle is none other that Rick and Karla Prescott. Karla Prescott has escaped being charged to date even though there is overwhelming evidence illuminating her guilt. Karla Prescott greatly profited from embezzled funds over the years and she continues to profit with the help of individuals in the legal community. We are committed to exposing and ultimately ending her crime spree. The US~Observer would prompt anyone with knowledge of the events and or individuals involved in this article to contact Edward Snook at 541-474-7885. ■■

Statement from Chris Cox on NRA's Lawsuit Against the City of New Orleans

Today, in a landmark victory for NRA and law-abiding gun owners, Judge Carl J. Barbier of the U.S. District Court for the Eastern District of Louisiana denied the City of New Orleans' motion to dismiss NRA's lawsuit against the city and held that the Second Amendment applies to law-abiding residents in the State of Louisiana and the City of New Orleans. Straining the bounds of credibility and reflecting the true sentiment of anti-gunners, the City of New Orleans contemptuously argued that the Second Amendment does not apply to residents in the State of Louisiana and the City of New Orleans.

NRA first filed suit after reports surfaced indicating that, following Hurricane Katrina, firearms were confiscated from law-abiding New Orleans residents. Former New Orleans Police Chief Eddie Compass issued orders to confiscate firearms from all citizens, under a flawed state emergency powers law. With that one order, the one means of self-protection innocent victims had during a time of widespread civil disorder was stripped away.

NRA filed suit in federal court and won a preliminary injunction ending all the illegal gun confiscations. After the City of New Orleans failed to comply

with the court's ruling and dishonestly claimed that the gun confiscations never occurred, NRA filed a motion for contempt that included an order directing all seized firearms be returned to their rightful owners.

After denying the illegal confiscations for months, on March 15, 2006, Mayor Nagin and the New Orleans Police Department finally conceded in federal court that the seized firearms were stored in two trailers. The city then agreed in court to a process by which law-abiding citizens would be able to file a claim to receive their confiscated firearms. However, few firearms were returned because the NOPD never notified gun owners how to claim their guns, and turned many away citing impossible standards for proof of ownership.

Today's ruling sets the stage for a continued legal fight in which NRA will be forced to expend additional resources to fight back the anti-gunner's blatant and shameful attempts to ignore the Second Amendment. The case will now move to discovery and pre-trial preparation.

NRA will keep you informed of future developments regarding this case. ■■

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PRIVACY

U.S. Judge Nixes Warrantless Wiretaps

Immediate Halt To NSA Surveillance Program Ordered, But Parties Agree To Delay Injunction

(CBS/AP) A federal judge ruled Thursday that the government's warrantless wiretapping program is unconstitutional and ordered an immediate halt to it.

U.S. District Judge Anna Diggs Taylor in Detroit became the first judge to strike down the National Security Agency's program, which she says violates the rights to free speech and privacy as well as the separation of powers enshrined in the U.S. Constitution.

"Plaintiffs have prevailed, and the public interest is clear, in this matter. It is the upholding of our Constitution," Taylor wrote in her 43-page opinion.

The Bush administration immediately appealed the ruling, and the parties in the lawsuit have agreed to a delay of the injunction to stop the surveillance until they can argue before Judge Taylor for a stay pending appeal, CBS News producer Beverley Lumpkin reports.

U.S. Attorney General Alberto Gonzales said the surveillance program has been "very effective" in protecting Americans.

"We believe very strongly that the program is lawful. ..., " Gonzales said in Washington. "We respectfully disagree with the decision of the judge and have appealed the decision."

The American Civil Liberties Union

filed the lawsuit on behalf of journalists, scholars and lawyers who say the program has made it difficult for them to do their jobs. They believe many of their overseas contacts are likely targets of the program, which involves monitoring phone calls and e-mails between people in the U.S. and those in other countries, without obtaining warrants from a judge, when a link to terrorism is suspected.

The government argued that the program is well within the president's authority, but said proving that would require revealing state secrets.

The ACLU said the state-secrets argument was irrelevant because the Bush administration already had publicly revealed enough information about the program for Taylor to rule.

"At its core, today's ruling addresses the abuse of presidential power and reaffirms the system of checks and balances that's necessary to our democracy," ACLU executive director Anthony Romero said in a conference call with reporters.

He called the opinion "another nail in the coffin in the Bush administration's legal strategy in the war on terror."

White House press secretary Tony Snow said the Bush administration "couldn't disagree more with this

ruling."

"United States intelligence officials have confirmed that the program has helped stop terrorist attacks and saved American lives," he said. "The program is carefully administered and only targets international phone calls coming into or out of the United States where one of the parties on the call is a suspected al Qaeda or affiliated terrorist."

The Justice Department said it had appealed Taylor's ruling because the program is "an essential tool for the intelligence community in the War on Terror."

"In the ongoing conflict with al Qaeda and its allies, the President has the primary duty under the Constitution to protect the American people," the department said in a statement. "The Constitution gives the President the full authority necessary to carry out that solemn duty, and we believe the program is lawful and protects civil liberties."

Taylor's ruling won't take immediate effect. The Justice Department said it had reached an agreement with the ACLU to postpone implementing the order until Taylor hears its request for a stay pending appeal. A hearing on the motion was set for Sept. 7, Snow said.

While siding with the ACLU on the surveillance issue, Taylor dismissed a separate claim by the group over NSA data mining of phone records. She said not enough had been publicly revealed about that program to support the claim and further litigation would jeopardize state secrets.

The lawsuit alleged that the NSA "uses artificial intelligence aids to search for keywords and analyze patterns in millions of communications at any given time." Multiple lawsuits have been filed related to data mining against phone companies, accusing them of improperly turning over records to the NSA.

However, the data mining was only a small part of the Detroit suit, said Ann Beeson, the ACLU's associate legal director and the lead attorney on the case.

In the decision, Judge Taylor quoted Justice Earl Warren from the 1967 case, U.S. v Robel, Lumpkin reports.

"Implicit in the term 'national defense' is the notion of defending those values and ideas which set this Nation apart. ... It would indeed be ironic if, in the name of national defense, we would sanction the subversion of ... those liberties ... which makes the defense of the Nation worthwhile," Taylor wrote. ■■

U.S. to Roll Out Electronic Passports

Agency Plans to Issue Smart Chip-Embedded Passports to American Citizens

By Dan Caterinicchia
AP Business Writer

WASHINGTON (AP) - Despite ongoing privacy concerns and legal disputes involving companies bidding on the project, the U.S. State Department plans to begin issuing smart chip-embedded passports to Americans as planned Monday.

Not even the foiled terror plot that heightened security checks at airports nationwide threatens to delay the rollout, the agency said. Any hitches in getting the technology to work properly could add even longer waits to travelers already facing lengthy security lines at airports.

The new U.S. passports will include a chip that contains all the data contained in the paper version name, birthdate, gender, for example and can be read by electronic scanners at equipped airports. The State Department says they will speed up going through customs and help enhance border security.

Privacy groups continue to raise concerns about the security of the electronic information and a German computer security expert earlier this month demonstrated in Las Vegas how personal information stored on the documents could be copied and transferred to another device.

But electronic cloning does not constitute a threat because the information on the chips, including the photograph, is encrypted and cannot be changed, according to the Smart Card Alliance, a New Jersey-based not-for-profit made up of government agencies and industry players.

"It's no different than someone stealing your passport and trying to use it," Randy Vanderhoof, executive director of the alliance, said in a

statement. "No one else can use it because your photo is on the chip and they're not you."

Yet the ability to clone the information on the chips may not be the sole threat, privacy advocates argue. A major concern is that hackers could pick up the electronic signal when the passport is being scanned, said Sherwin Siy, staff counsel at the Washington-based Electronic Privacy Information Center, a leading privacy group.

"Many of the advantages the industry is touting are eliminated by security concerns," Siy said.

After testing the passports in a pilot project over the past year, the government insists they're safe.

Numerous companies competed the last two years to provide the technology. One winner was San Jose-based Infineon Technologies North America Corp., a subsidiary of Germany's Infineon AG. Another was French firm Gemalto, which earlier this month announced that it had received its first production order from the Government Printing Office. It is producing the passports for the State Department, using the Infineon technology.

Another company, On Track Innovations Ltd., was notified July 31 that it had been eliminated from consideration and is appealing the decision, a spokeswoman for the Fort Lee, N.J. company said this week. On Track previously had been eliminated but appealed that decision in the U.S. Court of Federal Claims in Washington, D.C., which found in favor of the company and ordered it be reinstated.


Infineon has been approved for production-quantity orders but hasn't received any because of the unresolved legal dispute, said Veronica Meter, a spokeswoman for the Government

Printing Office. The rollout that begins Monday will use technology built up during the pilot project.

Neville Pattinson, director of technology and government affairs for Gemalto in Austin, Texas, would not discuss financial terms of the contract. He acknowledged the economic potential is massive, noting that the State Department issued 10 million passports in 2005 and expects that to

increase to 13 million this year.

Citizens who get new passports can expect to pay a lot more. New ones issued under this program will cost \$97, which includes a \$12 security surcharge added last year. Not all new passports will contain the technology until it's fully rolled out a process expected to take a year. Existing passports without the electronic chips will remain valid until their normal expiration date. ■■



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Bill Seeks National Medical Records System **PRIVACY**

By **Ricardo Alonso-Zaldivar**
Times Staff Writer

WASHINGTON - After Hurricane Katrina devastated New Orleans and Mississippi, thousands of evacuees with health problems faced double jeopardy because their medical records had been lost - forcing doctors in evacuation centers to rely on educated guesswork in treating patients they'd never seen before.

One group was spared that risk: former members of the armed forces whose records were available electronically from the Department of Veterans Affairs. For these patients, doctors in Texas, Arkansas and other states that took in Katrina refugees could call up medical charts, prescriptions, lab results - even videos of medical imaging tests.

Congress is trying to bring the benefits of computerized medical records systems like the VA's to the whole country. By reducing reliance on paper records, lawmakers hope to save billions of dollars. And by tying computerized records systems together in networks, they hope to reduce medical errors by making information instantly available wherever it is needed.

But legislation to encourage a move to computerized records, now moving through the final stages of congressional approval, has provoked opposition from

privacy advocates, consumer groups and civil libertarians who point to recent security breaches - including the much-publicized theft of a VA laptop containing personal information on millions of veterans.

These groups warn that the legislation wouldn't provide enough safeguards.

On one side of the debate is the issue of ensuring adequate protection for a person's most personal information. On the other side is the imperative from government, employers and insurers to curb the seemingly unsustainable growth of healthcare spending, as well as to improve medical treatment.

"We are not going to be able to get healthcare costs under control and improve quality without dramatic implementation of health [technology] over the next 10 years," said Robert Laszewski, a health policy consultant. "It's one of those things where choices are going to have to be made."

"That doesn't mean give the healthcare industry a blank check - we've got to have standards - but I'm afraid we're going to have to take some risks," he said.

Privacy advocates say the legislation needs stronger protections, such as provisions that would allow patients to control who sees their records or even to opt out of the electronic system. Agencies should be required to notify

patients of a security breach, and patients should have the right to sue over unauthorized disclosures, privacy advocates say.

"The main thing we are concerned about is that if this information leaks out to employers, it can destroy people's reputations and livelihoods," said Dr. Deborah Peel, a leading critic and a psychiatrist who heads the Patient Privacy Rights Foundation in Austin, Texas.

Under the legislation, patients would not "have the basic right to control who can see and use the most sensitive information on Earth about you," Peel added.

Supporters of the legislation - known as the Health IT bill - say existing federal medical-privacy laws offer sufficient safeguards. Such laws "already provide absolute protection of our health information," said Rep. Nancy L. Johnson (R-Conn.), a coauthor of the legislation.

The Senate unanimously approved a version of the Health IT bill last year. The House version sparked partisan battles over complex technical and legal issues, as well as privacy. But House Republicans won passage over Democratic opposition last month.

A House-Senate conference to try to iron out differences promises to be contentious. Sen. Edward M. Kennedy

(D-Mass.) has branded the House legislation "a weak, partisan bill."

Both versions share the same goal - to establish a legal and technical framework for a records system that would guarantee that doctors and hospitals anywhere could seamlessly share patient files.

Private industry would design and build the system, and pay for most of the cost. A federal technology czar in the Health and Human Services Department would oversee standards and ensure that computer systems could communicate with one another.

Architects of the system envision achieving more than a vast records repository. It could help doctors, for example, by warning them if they are about to prescribe a medication to which a patient is allergic. Patients would also have access. For instance, people with heart disease and diabetes could report daily blood pressure and blood sugar readings online, instead of bringing handwritten notes to their medical appointments.

The Bush administration strongly supports the legislation.

"We would love nothing more than to see the entire country covered," Veterans Affairs Secretary Jim Nicholson said. "And most especially the Department of Defense - they come

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Immigration

Support For Border Agents Floods In

By Sara A. Carter
Daily Bulletin Staff Writer

Hundreds of e-mails and letters from across the country supporting two convicted Border Patrol agents are pouring into a local Border Patrol support organization since the Daily Bulletin reported the agents' story Sunday.

Numerous Web sites also are encouraging their users to sign online petitions for a presidential pardon for the two men.

Friends of the Border Patrol, a Chino-based non-profit organization that has been following the story of convicted Border Patrol agents Ignacio Ramos and Jose Alanso Compean, has launched "Pardon the Agents," a national campaign to assist Ramos and Compean. The group also is asking for a congressional investigation and hearing into the case, hoping to overturn the agents' convictions.

Andy Ramirez, founder and chairman of Friends of the Border Patrol, said that in addition to e-mails and letters, he has fielded countless phone calls about the agents since their story came to light.

"Our job is to fight for this family, because that has always been the primary mission of our organization,"

Ramirez said. "We need the public's help to get this case overturned, and we are appealing directly to George W. Bush to overturn this unjust conviction with a presidential pardon. We are also hoping to raise money to hire new representation for their appeal."

In conjunction with Friends of the Border Patrol, a conservative Web site, Laptop America, is asking for people all across the country to sign a petition that will be forwarded to the White House and congressional leaders. TJ Bonner, president of the National Border Patrol Council, the union that represent border agents, said his organization would start a fund for the men next week.

In March, an El Paso jury convicted Ramos and Compean of causing serious bodily injury, assault with a deadly weapon, discharge of a firearm in relation to a crime of violence, and a civil rights violation.

They are scheduled to be sentenced Aug. 22 by Judge Kathleen Cardone. Each man faces up to 20 years in prison.

On Feb. 17, 2005, Ramos and Compean were chasing Osbaldo Aldrete-Davila -- who was attempting to smuggle nearly 800 pounds of marijuana from Mexico into the U.S. in his van -- near the Rio Grande town of Fabens, Texas, about 40 miles

southwest of El Paso. Aldrete-Davila ditched the van and ran away from the agents. Compean caught up with Aldrete-Davila, a scuffle ensued, and Compean fired several shots, none of which hit the Mexican national.

According to Ramos, Aldrete-Davila pointed a gun at him when he eventually caught up with the alleged smuggler. Ramos shot at him. Unbeknownst to Ramos, his bullet struck Aldrete-Davila in the buttocks, though the man made his way into the murky river and back into Mexico, where he was picked up by another van.

U.S. Attorney Debrah Kanof, who prosecuted the case, said the agents destroyed the scene of the incident because Compean picked up his shell casings. She also stated both agents violated Border Patrol policy "not to pursue unless authorized by a supervisor" when they chased Aldrete-Davila. A jury was convinced by her

arguments.

Aldrete-Davila, who was given immunity by the U.S. government to testify against the agents, is suing the Border Patrol for \$5 million for civil rights violations.

The Ramos family has spent nearly everything it has to cover attorneys' fees and living expenses, since Ignacio Ramos lost his salary, Ramirez said. Ramos has three boys, ages 6 to 13, who have been kept away from the publicity surrounding the agents' trial and conviction, said Ramos' wife, Monica.

"He's spending all the time he has left with them," she said. "This has not been easy on the children, but we are doing our best to protect them.

Ramirez is hoping the conviction will eventually be overturned.

"We want the family to get all the support necessary," Ramirez said. "We will stand by Ramos because he is a hero, not a criminal."

What do you think we should do about immigration?

Send your comments to: editor@usobserver.com

Continued from page 1
Strip Club Protestors ...

contend in their lawsuit filing that Lacey, through his attorney Ingram, and Greg Staten, did maliciously file suit against them for the following, "unlawful and improper purposes: to retaliate against Plaintiffs for their exercise of First Amendment rights; to intimidate and discourage Plaintiffs from engaging in further demonstration activity at Club 71; to harass them; and to cause them severe emotional distress." Both prior suits against the named protestors were dismissed. In Lacey's case against them he was ordered to pay approximately \$19,000 in attorneys' fees, and Staten's suit Staten moved to voluntarily dismiss his action against these named individuals as he admitted under oath that he had no knowledge that any of the defendants (those demonstrators named herein)

committed any of the acts that formed the basis of his lawsuit.

The protestors listed above have been successfully represented by the AMERICAN FAMILY ASSOCIATION (AFA) CENTER FOR LAW & POLICY (www.afa.net) a not-for-profit organization who according to their web site, "responds to the requests of Christians for legal representation involving first amendment free speech and free exercise rights as well as the constitutional issues involved in the continuing battle against pornography and obscenity."

The protestors are seeking total compensatory damages in excess of \$10 million, punitive damages to be determined by a jury, litigation and attorneys' fees, as well as any other relief they may be entitled to.

Editor's Note: The US~Observer will keep you informed on the status of this suit as it unfolds.

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Continued from page 19
Bill Seeks National Medical ...

to us with paper files, which is sort of an anachronism."

Independent analyses suggest the cost savings would be considerable. A Rand Corp. study last year estimated savings of at least \$81 billion a year, mostly from lower administrative costs. And with increasing use of the system, the practice of medicine could become more efficient, eventually saving as much as \$346 billion annually. Even for a country that spends about \$2 trillion a year on healthcare, the savings would be substantial.

The study also found that about 20% to 25% of hospitals are now using electronic records systems, along with about 15% to 20% of doctors' offices. One reason for the small numbers is cost. Installing a nationwide system in hospitals and doctors' offices would take about \$7.7 billion a year over a 15-year period. The Senate bill provides some modest federal starter grants, but the House bill does not.

Opponents of the legislation deny that they are trying to hold back progress. "I want medical science to go forward," said Rep. Lois Capps (D-Santa Barbara), "as long as we take care that what we are going to do is not going to expose people's privacy."

As a former nurse, Capps said she would be glad to see note-taking and deciphering doctors' squiggly handwriting relegated to the realm of lost arts, but added: "If people don't trust the [new] system, they are not going to sign up for treatment."

House Republicans backed off an initial attempt to preempt state laws, but privacy will remain a delicate issue for the conference committee. Major labor unions and consumer groups, including AARP, are calling for stronger protections than those currently in either bill.

Some physicians are also concerned. Dr. Jack Lewin, chief executive of the California Medical Assn., said he worries such powerful technology could

be misused by hospitals and insurers to coerce doctors.

"It could conceivably be used in a witch hunt, going after a doctor who is outspoken on quality issues," Lewin said. "While we don't think that would commonly occur, medical staffs want to make sure these kinds of protections are considered."

In addition to the privacy issues, the conference committee must grapple with a House provision that would waive anti-kickback laws to allow doctors to accept electronic records systems from hospitals and other enterprises.

Veterans Affairs department officials say that their electronic medical records system has not been breached in its six years in operation and that they have saved \$100 million a year. The VA was widely criticized earlier this year after a laptop with other kinds of personal data on 28.6 million veterans and active-duty service members was stolen from an employee's home. The computer was later recovered, and FBI analysts said the data had not been compromised.

"We have never had someone hack the [records] system, nor have we ever had a data loss," said Dr. Robert Lynch, who chairs the internal VA committee that oversees the system, called VistA.

Paper records were not always more secure, Lynch said. "The controversy is that [electronic] data is more transportable," he said.

The agency uses a variety of strategies to protect its system, he said, such as data encryption and monitor screens that prevent the data from being seen by a visitor in a medical office.

Although the transition to electronic records would be a major change for hospitals and doctors, Lynch said he is not sure that it represents a new privacy frontier for patients.

"The reality is that you and I already have our major diagnoses coded in computers all over the place," he said. "Even without electronic records, that information is already in cyberspace because of the billing system. If anything, this is just more detail."



US Immigrant Population Jumps

By Adriana Garcia

WASHINGTON (Reuters) - The number of immigrants living in U.S. households increased 16 percent to 35.7 million between 2000 and 2005, and many newcomers are moving to states that traditionally have not had many immigrants, the U.S. Census Bureau said on Tuesday.

The foreign born represent 12.4 percent of the total population, up from about 11.1 percent five years ago.

Almost 17 million immigrants are of Hispanic descent, according to the 2005 figures. This reflected a heavy flow of people seeking work from Mexico and other South American countries.

The new data focus attention on the already divisive issues of immigration and border security in the United States.

Congressional conservatives want tighter enforcement at borders while others, including President George W. Bush, back legislation that would put most of the estimated 11 million to 12 million immigrants who are in the country illegally on a path to U.S. citizenship.

The Census Bureau figures show newcomers are spreading out from traditional areas such as California and New York to states not normally associated with large immigrant populations. This raises challenges in providing public services such as health and education, experts said.

"Many states do not have the structure to accommodate these new arrivals," said Jean Batalova, an analyst at the Migration Policy Institute.

"They will face problems with education, health and other public

services. They will find it difficult, for example, to find bilingual teachers," she said.

BIG JUMPS

Jeffrey Passel, a demographer at the Pew Hispanic Center, cited South Carolina, which saw a 48 percent increase in immigrants, and Delaware, which had a 40 percent rise, as states with big growth.

Some states without historic immigrant populations now have more than one out of 10 people born outside the United States, according to the report. Massachusetts had 14.4 percent born elsewhere, Rhode Island 12.6 percent, Washington state 12.2 percent and Maryland 11.7 percent.

"It seems like there are more migrants in more places now," said Eric Newburger, a demographer at the Census Bureau.

The trend for immigrants to move farther afield started in the early 1990s when California faced a recession and immigrants started to move where jobs were available, especially in the Midwest and Southern states, Passel said.

Those immigrants took jobs at the agriculture and food processing industries and started spreading the word to families and relatives, Passel said.

"They went because these places had the kind of jobs they could do, and we are talking basically about Mexican undocumented (immigrants)," he said.

California, home to one of the biggest Hispanic communities in the United

States, had the most people born outside of the United States at 27.2 percent of its population, according to the 2005 research.

More than a third of some California city populations are foreign-born. In Los Angeles, the figure was 40.3 percent and in San Jose 37.9 percent.

At the other extreme, only 1.1 percent

Immigration

of West Virginia's population was born outside the United States while Mississippi, Montana and North Dakota all had 2 percent or less. The data was gathered from 3 million households in the United States.

(Additional reporting by David Wiessler)

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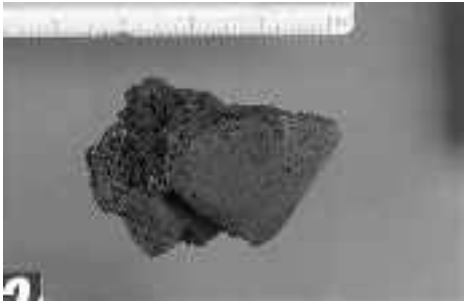
US arrests 138 in heroin busts across country

WASHINGTON (Reuters) - U.S. agents on Tuesday arrested 138 people in a crackdown on a heroin trafficking organization that used illegal immigrants as dealers, offered home delivery and "buy two, get two free" sales of the drug.

Drug Enforcement Administration agents and other officers made the arrests across the country as part of a nationwide effort to clamp down on the sale of black tar heroin -- a potent form of the drug that is dark and sticky and is usually melted down and injected by drug users.

The drugs were smuggled into the United States and sold by illegal immigrants, mainly from Mexico, who set up shop in smaller cities -- often near methadone clinics frequented by recovering heroin addicts.

"They purposely and shamelessly sold heroin in areas near methadone clinics," said Deputy DEA Administrator Michele Leonhart. "They convinced those already



Black Tar Heroin

struggling to remain clean to pick up their dangerous ... often deadly habit again. They even lured them with 'buy two drugs, get two free' marketing scheme."

The organization also used the illegal immigrants as couriers in a "call and deliver" system under which a customer could have his heroin delivered to the front door, the Justice Department said.

The organization was importing and distributing about eight kg (17.64 lb) of black tar heroin, with a street value of about \$2 million, each month from Mexico into the United States, Leonhart said.

...

Continued from page 15 God & Country ...

people of Montana, grateful to Almighty God for the blessings of liberty ... Establish this Constitution ...

Nebraska 1875, Preamble. We, the people, grateful to Almighty God for our freedom ... Establish this Constitution.

Nevada 1864, Preamble. We the people of the State of Nevada, grateful to Almighty God for our freedom establish this Constitution.

New Hampshire 1792, Part I. Art. I. Sec. V. Every individual has a natural and unalienable right to worship God according to the dictates of his own conscience.

New Jersey 1844, Preamble. We, the people of the State of New Jersey, grateful to Almighty God for civil and religious liberty which He hath so long permitted us to enjoy, and looking to Him for a blessing on our endeavors.

New Mexico 1911, Preamble. We, the People of New Mexico, grateful to Almighty God for the blessings of liberty.

New York 1846, Preamble. We, the people of the State of New York, grateful to Almighty God for our freedom, in order to secure its blessings.

North Carolina 1868, Preamble. We the people of the State of North Carolina, grateful to Almighty God, the Sovereign Ruler of Nations, for our civil, political, and religious liberties, and acknowledging our dependence upon Him for the continuance of those

North Dakota 1889, Preamble. We, the people of North Dakota, grateful to Almighty God for the blessings of civil and religious liberty, do ordain...

Ohio 1852, Preamble. We the people

of the state of Ohio, grateful to Almighty God for our freedom, to secure its blessings and to promote our common

Oklahoma 1907, Preamble. Invoking the guidance of Almighty God, in order to secure and perpetuate the blessings of liberty ... establish this ..

Oregon 1857, Bill of Rights, Article I. Section 2. All men shall be secure in the Natural right, to worship Almighty God according to the dictates of their consciences...

Pennsylvania 1776, Preamble. We, the people of Pennsylvania, grateful to Almighty God for the blessings of civil and religious liberty, and humbly invoking His guidance

Rhode Island 1842, Preamble. We the People of the State of Rhode Island grateful to Almighty God for the civil and religious liberty which He hath so long permitted us to enjoy, and looking to Him for a blessing

South Carolina 1778, Preamble. We, the people of he State of South Carolina grateful to God for our liberties, do ordain and establish this Constitution.

South Dakota 1889, Preamble. We, the people of South Dakota, grateful to Almighty God for our civil and religious liberties.

Tennessee 1796, Art. XI.III. That all men have a natural and indefeasible right to worship Almighty God according to the dictates of their conscience...

Texas 1845, Preamble. We the People of the Republic of Texas, acknowledging, with gratitude, the grace and beneficence of God.

Utah 1896, Preamble. Grateful to Almighty God for life and liberty, we establish this Constitution.

Vermont 1777, Preamble. Whereas all

government ought to enable the individuals who compose it to enjoy their natural rights, and other blessings which the Author of Existence has bestowed on man ..

Virginia 1776, Bill of Rights, XVI Religion, or the Duty which we owe our Creator can be directed only by Reason and that it is the mutual duty of all to practice Christian Forbearance, Love and Charity towards each other.

Washington 1889, Preamble. We the People of the State of Washington, grateful to the Supreme Ruler of the Universe for our liberties, do ordain this Constitution

West Virginia 1872, Preamble. Since through Divine Providence we enjoy the blessings of civil, political and religious liberty, we, the people of West Virginia reaffirm our faith in and constant reliance upon God ...

Wisconsin 1848, Preamble. We, the people of Wisconsin, grateful to Almighty God for our freedom, domestic tranquility

Wyoming 1890, Preamble. We, the people of the State of Wyoming, grateful to God for our civil, political, and religious liberties .. establish this Constitution.

After reviewing acknowledgments of God from all 50 state constitutions, one is faced with the prospect that maybe, the ACLU and the out-of-control federal courts are wrong!

“Those people who will not be governed by God will be ruled by tyrants.” - William Penn

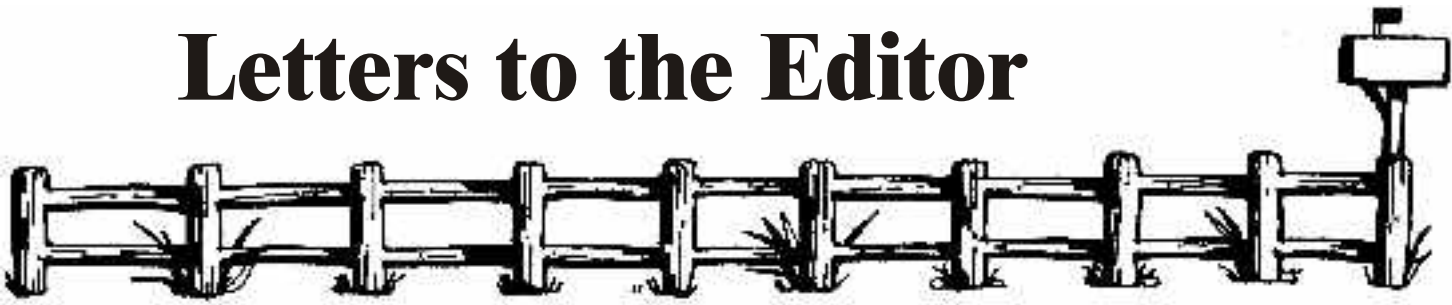
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Second
Amendment
Foundation



Letters to the Editor

Thank you, US~Observer

Editor;

Thank you so much for taking the time to make the calls. As you know my husband and I fought ridiculous zoning restrictions here in Florida for the past 6 years. Our retirement was tied up in our property and without being able to use it as planned our future looked pretty dim. When Mr. Snook made his inquires things began to change and suddenly officials listened. Everything has changed and we have started to build our commercial rentals. Enclosed is our contribution to your publication and a subscription to the paper. Thanks again so much.

Bill and Shelly Watson
Fort Lauderdale, Florida

...

False Federal Indictment

Dear US Observer,

I received an email alert yesterday on the Deer Creek Ranch. The article was quite informative and when I read that Sam Fung had been indicted I was shocked! My partner and I had a commercial business deal with Sam years ago in the Bay area. The transaction became convoluted and Sam had to spend many hours straightening things out, hours that weren't calculated in his commission deal with us. Sam had the opportunity to enhance his commission, but never did so. Now let's get to Sam's real honesty and integrity. One of the entities involved in the transaction had actually gained a \$170,000.00 advantage dishonestly. We didn't catch the deception and our attorney gave his stamp of approval without noticing it. At the last minute before closing we received a call from Sam Fung informing us that we were being cheated. We called our attorney and went over Sam's information and found we were indeed being fleeced out of a substantial amount, a bit more than Sam came up with. Sam was within a few short hours of obtaining a very large commission and he didn't have any obligation to examine the final figures, but he did. Needless to say we backed out of the

deal and Sam never got a commission. This is very important in light of Sam's situation at the time. You see Sam was just getting established in commercial real estate and this deal in which he had invested probably 50-60 hours of hard work went right down the drain. Sam never complained and this example of honesty is more than rare, it is unheard of. Sam knew ahead of time that by coming forward he would most likely lose much. Very few people would have shown the integrity that Sam did. Sam was out of the deal and had no liability. Sam wasn't responsible for the figures because our own attorney had worked them out with the other parties involved. It would be impossible for Sam to knowingly be involved in any business that he believed to be dishonest because Sam's character would not allow it. Thanks for what you did for us Sam and thanks to you US Observer for publishing the truth about Sam Fung. Sincerely,

Velma Hutchins
Los Angeles, CA

...

Calling People of Courage

To the Editor,

In 2005, the operator of a small diner in Sunny Valley changed it to a sleazy strip club. Some valiant citizens in that community protested that he did so in violation of county and state laws. They begged for help from the authorities and the citizens of Josephine County to protect their community from that type of business. No help was received. The protestors were repeatedly harassed and assaulted by numerous patrons of the strip club. For weeks, the strip club operator threatened the protestors with lawsuits if they did not stop protesting. Eventually, some of the protestors were named in lawsuits in 2 counties. Nevertheless, people of courage from Sunny Valley continued to protest despite this brazen attempt to strip them of their Constitutional Rights to freedom of speech and freedom of assembly in a public place. Now, the purveyor of flesh has shown that he intends to establish a club in downtown Grants Pass. The place is not even open and it is already disrupting life in Grants Pass. Are there any people of courage in Grants Pass? Time will tell.

Ron Glynn
Wolf Creek, Oregon

...

Strip Joint in Action

Dear Editor,

I have been following the exploits of Larry Lacey, the strip joint operator in Sunny Valley, for almost 2 years now, and all I can say is "Wow". It seem like he has an inside track on how to manipulate and break the laws of Josephine County and get away with it. He started his infamous career by remodeling and rewiring his strip joint in Sunny Valley without a permit and to this day has gotten away with it. He doesn't seem to care one bit. He was told by the county fire marshal to put in fire protection there and hasn't yet done so. He doesn't seem to care about that either. According to the county building department, he has several more violations to his credit but will not make them good. This has been going since he opened the place in Sunny Valley, and our county agencies either cannot or will not do anything. As a home owner I am expected to comply with all building regulations, submit plans and pay for inspections, which I have done. I now feel like a fool for doing this. If I had known how easy it was to just do my remodel without a permit and inspection I would have done so. Mr. Lacey is now in Grants Pass remodeling a historic old building in the heart of town. He has been shut down by the city inspectors for several violations of the building code and for making the building unsafe for human occupancy. Does this tell you something about his remodeling skills that he used in Sunny Valley? It seems the city has much better enforcement of the building codes than the county. If the county would have done their job, the city of Grants Pass would not have to spend the time, manpower and money making Mr. Lacey do the right thing. I don't know what kind of business he is going to open in Grants Pass but the one he has opened in Sunny Valley is certainly bringing some unsavory people into our community and creating havoc with his frivolous lawsuits against the protesters. I certainly hope that Grants Pass with their building inspectors and good police force has better luck in controlling his illegal doings than did Sunny Valley under the county building dept. and the sheriff's dept.

Irate citizen
of Sunny Valley

An Old Farmer's Advice



- Your fences need to be horse-high, pig-tight, and bull-strong.
- Keep skunks and bankers and lawyers at a distance.
- Life is simpler when you plow around the stump.
- A bumble bee is considerably faster than a John Deere tractor.
- Words that soak into your ears are whispered...not yelled.
- Meanness don't jes' happen overnight.
- Forgive your enemies. It messes up their heads.
- Do not corner something that you know is meaner than you.
- It don't take a very big person to carry a grudge.
- You cannot unsay a cruel word.
- Every path has a few puddles.
- When you wallow with pigs, expect to get dirty.
- The best sermons are lived, not preached.
- Most of the stuff people worry about ain't never gonna happen, anyway.
- Don't judge folks by their relatives.
- Remember that silence is sometimes the best answer.
- Live a good, honorable life. Then when you get older and think back, you'll enjoy it a second time.
- Don't interfere with somethin' that ain't botherin' you none.
- Timing has a lot to do with the outcome of a rain dance.
- If you find yourself in a hole, the first thing to do is stop diggin'.
- Sometimes you get, and sometimes you get got.
- The biggest troublemaker you'll probably ever have to deal with, watches you from the mirror every mornin'."
- Always drink upstream from the herd.
- Good judgment comes from experience, and a lotta that comes from bad judgment.
- Lettin' the cat outta the bag is a whole lot easier than puttin' it back in.
- If you get to thinkin' you're a person of some influence, try orderin' somebody else's dog around.
- Live simply. Love generously. Care deeply. Speak kindly. Leave the rest to God.

Author Unknown

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You think you have what it
takes to write commentary
for the US~Observer?

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Health

World now has more fat people than hungry ones: expert

By Lawrence Bartlett

SYDNEY (AFP)- The world now has more overweight people than hungry ones and governments should design economic strategies to influence national diets, a conference of international experts have heard.

The transition from a starving world to an obese one had happened with dramatic speed, US professor Barry Popkin told the annual conference of the International Association of Agricultural Economists on Monday.

"The reality is that globally far more obesity than undernutrition exists," Popkin said, adding that while hunger was slowly declining, obesity was rapidly spreading.

There are more than a billion overweight people in the world and 800 million who are undernourished, he said at the Gold Coast convention centre near Brisbane. The world population is estimated at about 6.5 billion.

"Obesity is the norm globally and undernutrition, while still important in a few countries and in targeted populations in many others, is no longer the dominant disease."

The "burden of obesity", with its related illnesses, was also shifting from the rich to the poor, not only in urban but in rural areas around the world, he said.

China typified the changes, with a

major shift in diet from cereals to animal products and vegetable oils accompanied by a decline in physical work, more motorised transport and more television viewing.

But all countries had failed to address the obesity "boom", the University of North Carolina professor said.

Food prices could be used to manipulate people's diets and tilt them towards healthier options, he suggested.

"For instance, if we charge money for every calorie of soft drink and fruit drink that was consumed, people would consume less of it.

"If we subsidise fruit and vegetable production, people would consume more of it and we would have a healthier diet."

University of Minnesota professor Benjamin Senauer used a comparative study of lifestyles in the United States and Japan to show how the costs of food and transport play a role in the problem.

Japan has one of the world's lowest rates of obesity and the US one of the highest.

"The average Japanese household spends almost a quarter of its income on food compared to under 14 percent in the US," Senauer said.

While a direct tax on food in the US to reduce obesity would not be politically acceptable, agricultural subsidies which resulted in cheap food could be reduced.



But other factors such as exercise also played an important role and again economic influences were involved, he said.

"Japanese cities are based on efficient public transport -- and walking. The average American commutes to work, drives to the supermarket and does as little walking as possible."

The average Japanese man walks four miles (6.4 kilometres) a day while almost a quarter of US adults may only walk between 1,000 and 3,000 steps a day, Senauer said.

While the relative cost of calories and

fat had decreased over time, technology had eliminated much of the need for physical activity during work.

For most Americans, getting enough physical activity now required a conscious commitment to exercise and often cost money, such as the price of a round of golf or membership of a gym."

"Obesity and overweight bring with them significant risks of chronic disease and premature death and adjusting domestic policy to encourage a less sedentary lifestyle is literally a matter of life and death," he told the conference.

■ ■ ■

Tobacco ruling fuels calls for new rules

By Nancy Zuckerbrod
Associated Press

WASHINGTON - A federal court ruling branding cigarette makers as racketeers has rekindled calls for Congress to impose tough new restrictions on the tobacco industry.

U.S. District Judge Gladys Kessler rebuked tobacco manufacturers in her ruling Thursday, saying they had conspired for decades to deceive the public about smoking's hazards and pitched their products to youngsters and lied about it.

Kessler said she could not require the industry to pay for a multibillion dollar quit-smoking campaign, citing an interim ruling, but she suggested federal lawmakers could do more to stop the industry from addicting new generations of smokers.

Sens. Frank Lautenberg, D-N.J., and Edward Kennedy, D-Mass., predicted Kessler's ruling would help boost the chances for bringing the loosely regulated tobacco industry under the control of the federal Food and Drug Administration.

"A court of law has finally said what Americans have known for years — Big Tobacco lied to get people addicted to cigarettes," Lautenberg said.

A day after Kessler's ruling in the seven-year-old case, industry leader Philip Morris USA confirmed plans to appeal, and R.J. Reynolds Tobacco Co. also indicated an appeal was likely. Lorillard Tobacco Co. and Justice Department officials said they were still mulling what to do.

Public health advocates said Friday it is the Justice Department that should appeal, and they encouraged lawmakers to impose new restrictions on the industry.

"It's imperative that Congress and state



legislatures change the laws where necessary to rein in this industry, since Judge Kessler made it clear she could not because of the higher court ruling that limited the remedies available," said William Corr, executive director of the Campaign for Tobacco-Free Kids.

Lautenberg said Congress should write into law some of the remedies Kessler imposed on the industry, particularly banning the use of "light" and "ultralight" labels, which can imply health benefits that aren't real.

"I'm glad they'll be forced to admit the truth and quit making fraudulent claims about so-called 'low tar' cigarettes," Lautenberg said. "But we can't take a chance that this will be reversed on appeal, so I will keep fighting to make it illegal."

Kessler wrote in her ruling that she was surprised Congress hadn't done more to tackle the issue.

"One cannot help wondering whether this litigation was the best vehicle for attempting to hold defendants

accountable for their indifference to the health of American citizens," Kessler wrote.

"In a democracy, it is the body elected by the people, namely Congress, that should step up to the plate and address national issues with such enormous economic, public health, commercial and social ramifications," Kessler said.

Philip Morris USA is the only tobacco company that supports legislation sponsored by Kennedy and others that would enable the FDA to regulate the industry.

The other companies say a 1998 landmark agreement with the states led to major changes in the industry, including strict marketing restrictions, that make federal oversight unnecessary.

Both Philip Morris and R.J. Reynolds lawyers said they thought Kessler overstepped her authority by ordering remedies that only Congress has the power to impose on cigarette makers.

■ ■ ■

Preserved meat may cause cancer

WASHINGTON (AFP) - The humble hot dog, and other meats preserved with nitrites, may cause genetic mutations known to cause cancer, said a study out Tuesday.

The University of Nebraska Medical Center began their study off-campus.

"We bought at a supermarket large batches of hot dogs," lead researcher Sidney Mirvish told AFP.

"We examined the hot dogs -- wieners, frankfurters or sausages -- because they are a widely consumed nitrite-preserved meat and because of the proposed linkage of such products with colon cancer," the study said.

The researchers used water to extract compounds in the hot dogs, and found apparent N-nitroso compounds, the study said.

The scientists put the water extract in contact with salmonella bacteria, which before long showed a significant mutation of its genetic code.

"Most N-nitroso compounds are carcinogenic in laboratory animals," according to the study, "And these compounds are likely risk factors for the induction of several types of human cancer."

"Sodium nitrite is added to certain meat and fish products as a preservative," the study said.

"If we show that's bad, they might change the manufacturing method of hot dog".

Not so, said an industry group. The American Meat Institute said the study did not at all represent the reality of hot dog manufacture.

They said the level of nitrites in the Mirvish study was much higher than what is used in today's meat products.

The study should not be used to place the hot dog into question, said James Hodges, of the institute.

■ ■ ■

US~Observer

Demanding Accountability

Bush says Iraq straining nation's psyche



By Terence Hunt
AP White House Correspondent

WASHINGTON - President Bush said Monday the Iraq war is "straining the psyche of our country" but leaving now would be a disaster.

Bush served notice at a news conference that he would not change course or flinch from debate about the unpopular war as he campaigns for Republicans in the fall congressional elections. In fact, he suggested that national security and the economy should be the top political issues, and criticized the Democrats' approach on both.

Many Democrats want to leave Iraq "before the job is done," the president said. "I can't tell you exactly when it's going to be done," he said, but "if we ever give up the desire to help people who live in freedom, we will have lost our soul as a nation, as far as I'm concerned."

Now in its fourth year, the war has taken a heavy toll — more than 2,600 Americans have died and many more Iraqis have been killed. Last month alone, about 3,500 Iraqis died violently, the highest monthly civilian toll so far. Bush's approval rating has slumped to the lowest point of his presidency, and Republicans are concerned that they could lose control of Congress because of voters' unhappiness.

Bush said he was frustrated by the war at times.

"War is not a time of joy," he said. "These are challenging times, and they're difficult times, and they're straining the psyche of our country. I understand that. You know, nobody likes

to see innocent people die. Nobody wants to turn on their TV on a daily basis and see havoc wrought by terrorists."

But Bush said he agreed with Gen. John Abizaid, the top U.S. commander in the Middle East, that if "we leave before the mission is done, the terrorists will follow us here." A failed Iraq would provide a safe haven for terrorists and extremists and give them revenue from oil sales, Bush said.

In response, Democrats said it was time for a new direction and Bush should begin redeploying troops this year.

"Our soldiers in Iraq should transition to a more limited mission focused on counterterrorism, force protection of U.S. personnel and training and logistical support of Iraqi security forces," House Democratic Leader Nancy Pelosi said.

Senate Democratic Leader Harry Reid said, "Far from spreading freedom and democracy in the Middle East, the Bush administration has watched while extremists grow stronger, Iran goes nuclear, Iraq falls into civil war and oil and gas prices skyrocket. Simply staying the course is unacceptable."

Bush said differences over Iraq provide "an interesting debate." "There's a lot of people — good, decent people — saying 'withdraw now.' They're absolutely wrong. ... We're not leaving, so long as I'm the president. That would be a huge mistake."

"Leaving before the job is done would be a disaster."

Bush said he would not question the patriotism of someone who disagreed with him — although Vice President Dick Cheney said recently the

Democratic primary election victory of anti-war candidate Ned Lamont over incumbent Sen. Joe Lieberman, a defender of the war, might encourage "the al-Qaida types."

Bush opened his nearly hour-long news conference by calling for quick deployment of an international force to help uphold the fragile cease-fire in southern Lebanon. "The need is urgent," Bush said. He said the United States was increasing humanitarian and reconstruction aid to more than \$230 million.

European countries expected to provide the bulk of peacekeepers have delayed committing troops. France disappointed allies by merely doubling its contingent of 200.

The president also said the United States would seek a new U.N. resolution on disarming Hezbollah in southern Lebanon but he sounded doubtful about achieving results soon on the ground. "Hopefully, over time, Hezbollah will disarm," the president said.

Bush also urged patience about the rebuilding of New Orleans and other gulf communities ravaged by Hurricane

Katrina a year ago. The federal government has committed \$110 billion to help. "I also want the people down there to understand that it's going to take awhile to recover," the president said. "This was a huge storm." He suggested the federal government had done its part and state and local officials should move faster.

On other points, Bush said:

- He talked Monday with Chinese President Hu Jintao about trying to revive six-party negotiations aimed getting North Korea to give up its nuclear ambitions. The White House said the two leaders ... also discussed economic issues that have caused friction.

- There is no quick fix for soaring gasoline prices. He said the answer was to diversify away from crude oil.

- A morning-after contraceptive pill, known as Plan B, should require a prescription for minors. Anti-abortion groups want Bush to withdraw Dr. Andrew von Eschenbach, his nominee to head the Food and Drug Administration, because they think he will approve over-the-counter sales ... ■

Dios bendice América?

38 senators voted
against making
English the
official language
of America.

HERE THEY ARE: 36 Democrats; 1 Republican; 1 Independent

Does this give you a clue as to what is on the Democrat's agenda? Might they be trying to get the vote of the non-English speaking? What do you think?

- Akaka (D-HI)
- Bayh (D-IN)
- Biden (D-DE)
- Bingaman (D-NM)
- Boxer (D-CA)
- Cantwell (D-WA)
- Clinton (D-NY)
- Dayton (D-MN)
- Dodd (D-CT)
- Domenici (R-NM)

- Durbin (D-IL)
- Feingold (D-WI)
- Feinstein (D-CA)
- Harkin (D-IA)
- Inouye (D-HI)
- Jeffords (I-VT)
- Kennedy (D-MA)
- Kerry (D-MA)
- Kohl (D-WI)
- Lautenberg (D-NJ)
- Leahy (D-VT)
- Levin (D-MI)
- Lieberman (D-CT)
- Menendez (D-NJ)
- Mikulski (D-MD)
- Murray (D-WA)
- Obama (D-IL)
- Reed (D-RI)
- Reid (D-NV)
- Salazar (D-CO)
- Sarbanes (D-MD)
- Schumer (D-NY)
- Stabenow (D-MI)
- Wyden (D-OR)

Remember this the day
you vote.
■■■

Life, Love, Politics, Got You Down?

The US~Observer Advice Columns have your answer!



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with either "The Dr." or
"Dear Stabby" in the subject line.

Get out your pencils
and send us your
questions ... The
doctor is in!
Ask Dr. Observer ...

In our upcoming issues we will be featuring
two advice columns. One is for more serious
issues, Dr. Observer, and the other is for the
entertainment value of being faced with the
brutal truth of Dear Stabby.

Dear Stabby is not for the faint of heart.
In fact, Stabby takes your question and so
brutally attacks you with honesty that she
draws blood.