

The Wild Ways of Washington

The afterglow of the party was barely diminished as Wilkes, and I headed back to Washington. Arrangements were already underway for the House Appropriations Committee to place \$ 14 Million into the 1994 fiscal year defense budget to "...acquire and test an automated document conversion system (ADCS) for the purpose of converting archival drawings and systems specifications currently in the DoD inventory into forms of data that support high-level intelligent usage".

Word spread quickly that our software system would be matched by Defense Logistics against Intergraph's process. After ten years, our day of reckoning had finally come and we had high hopes it would decide the best conversion methodology, once and for all. But since nothing is ever a sure thing in Washington, Brent and I were very busy furthering support for our test program. The dog and pony show now moved over to the Senate. I made presentations to John McCain, Dianne Feinstein, Lauch Faircloth, John Warner, Mitch McConnell, and Chuck Robb, among others.

Appointments were made on a "who knew who" basis. Brent had cultivated long standing ties with Chuck Robb, while my friends in Arizona helped set me up with McCain. Feinstein was Audre's Senator, and both Lauch Faircloth and Mitch McConnell were friends or associates of some of our shareholders and stockbrokers. One thing was for sure, Senators enjoy much better surroundings. Their offices were very large and included fireplaces in the "office suite". I especially remember laughing when riding the underground tram to the Senate Buildings. Unlike the House shuttle train, the Senator's train had wind screens. The importance of this became quickly apparent when on one occasion we encountered a TV crew all set up at the Capitol end of the tracks to engage a Senator in an on-air interview. The trains move through the tunnel at a brisk pace, and you would not normally spend much time thinking about it, but it does blow your hair around. Senators have apparently spent some time thinking about it and as was on display during the interview, the carefully coiffed and wind shielded Senator stepped off the train and before the lights without a worry about looking disheveled. This was humorous because we saw the Senator getting prepped by his aids on the Senate side of the tracks: hair, makeup, ties straight, the whole makeover, to then have his arrival and appearance before the cameras appear spontaneous.

While there was a modest level of interest in our project, there was none of the rapt enthusiasm that was felt in the House. Everyone seemed preoccupied with the larger issues of the day, and it became evident that we would not be an appropriated item in the Senate Budget. That withstanding, we were constantly assured that all would be worked out when the House and Senate reconciled the budget disparities during the summer conference. It really seemed like they approved of the program, but due to its origins in the House, the Senators were going to extract a price for their support. Call it horse trading if you like, but there was no question that we were going to be bartered over and the Senators intended to get something in return for approving our program. I was far from happy with all the game playing but felt assured that at the end of the process we would obtain the funding we needed to prove ourselves.

John Karpovich and Ann Barnes felt similarly. The word inside the Pentagon was that we had a lot of support on the Hill and that played perfectly into their department's plans to morph from Navy Publishing and Printing into the Defense Printing Service. I could sense the excitement building as the realization sunk in that Audre would trounce the entrenched competitor's methodologies and be the tide that lifts all ships. Nice allegory, but the only thing that mattered to them was that they find victory amid all the vanquishing and that meant that Defense Printing was being given the opportunity and ultimately the cash to grab all the document conversion business at not only the Navy facilities, but also all the Army, Air Force and Marine bases as well. Where at one time they faced the winding down of print operations and the dispersal of their workforce, they were now looking into a tailwind of appropriations, resource acquisitions and endless accolades. Well, I thought that was all that mattered to them. I soon found out that was just the beginning of their interest in Audre. They were determined to get something on the back end as well and I was just the guy to do it all. End to end, one stop shopping. What could be more perfect?

It was a wonderful San Diego Sunday when I got the surprise call. John and Ann were in town, and they wanted to drive out to my ranch to meet with me. First off, they were government employees of long tenure and they never worked on weekends unless they had to. The second thing that got my attention was that John had no driver's license due to his multiple DWI convictions and Ann was going to take the wheel. That would seem appropriate unless you knew they always had their vendors or their contractor CACI do all the driving. Why hassle when someone else could

stand in the rental car line and look for parking spaces while you got dropped off at the front door?

Not long after I could say lickety-split, they were driving up the mountain and onto my ranch, all smiles, and high-fives. Time to celebrate and after all, where we not a great team? John had been the Admiral behind all our activities, and we were at the pinnacle of success. Audre had succeeded with an appropriation that would open all doors and alongside us entering those pearly gates would be Evergreen and Tomahawk. We had already been the darling of Wall Street and they had not seen anything yet. And, so they said, had neither John nor Ann. In a segue that I will never forget, Karpovich counts all the avenues of my impending success and then asked "...what's in it for Ann and me?" After all he muttered, they were going to have to put in a lot of effort to see all of this through and without their good work, who knows what unforeseen events could occur?

Because it is your job? I replied, quite annoyed by the intonation of his voice. Well, John replied, that wasn't good enough, because despite the preeminent role they were going to play as program managers, the reality was their pay would not increase and they would be left as road apples, to be soon forgotten on the side of the information highway, while my net worth climbed into the stratosphere. But not to worry. They had it all figured out. All I had to do was set them each up with a large slug of stock options in Canada and then everyone on the "team" would get rich, including them! I was having flashes of déjà vu all over again and I was getting sick of it. Did I have a sign on my back advertising Canadian stock options? But I elected to control my temper and seek a rational solution because I could easily see that they were being very, very serious.

I told them their contribution could not be underestimated and that in fact we did make a good team. They had guided me through the maze and had helped me establish a couple of promising companies and find some employees. They also completely understood my technology and business objectives, most of which were government related. There were an innumerable number of Federal agencies that needed our technology and then there were all the state, county and city governments that needed maps, facility schematics, whatever. It was huge and they had the experience to help me each step of the way. I offered to make them both Vice Presidents of Audre and to compensate them well with both an attractive salary and considerable stock options. During their year hiatus from working with their

prior employer, I would assign them to projects outside of the Department of Defense. After a year, they could run all of my federal marketing and sales efforts. It was a generous offer and I thought they would accept.

They flatly refused me. They wanted it all. They wanted the security of their government jobs and pensions, because after all, we were not guaranteed success and they were very senior in the service and were nearing retirement. It would be too much to give all that up and besides, no one would ever find out about the Canadian options. They would put the holdings in beneficial names and would remain on the inside, steering our path through the tests and then forward through the procurement process that would follow. Intergraph and our competitors were not to be underestimated and I needed them on the inside to protect us and their interests. It was the best of both worlds, as John forcefully put it. I told him I would not even consider it, not even for a minute. I had worked too hard to build the company and I would not jeopardize it by doing such an illegal thing. They could work for me, or they could work for the Pentagon, and that would be their decision, but there was no middle ground. John got very angry, calling me greedy and informing me that as much as they could be helpful, they could destroy my opportunity just as easily.

That was it for me. I do not usually have a great temper under the best of circumstances, and he had pushed me to my limit and beyond. I informed them that they could reconsider my offer or if they continued threatening me, I would fight their illicit activities with all my resources and if this dialogue continued in the manner to which it was heading, I would stomp his ass into the dirt and throw him off the fucking mountain. He told me I would live to regret how I treated them and that they had approached me in the sincerest interests of us all. I told him to go fuck himself and he would be sorry for any attempt to get in my way. They drove away, and that then became the start of a very long downhill slide into oblivion and beyond.

My first call Monday morning was to San Diego's Defense Criminal Investigative Service. I told them I was the recipient of an attempted bribe solicitation, and then a threat to harm the interests of a duly competed contract holder by two employees of the Department. After identifying John and Ann as the employees and their posting as program managers at the Navy Yard in Washington, I was informed that investigators would be in contact with me. By mid-week, I finally received a call from two investigators based out of Washington. After recounting my coming to meet Karpovich,

our winning of the contract, the approval of the appropriation and the entire sequence of events regarding the solicitation in detail, they believed that an egregious breach of conduct had indeed occurred and that it would be highly illegal if consummated. Much to my disappointment, their plan of approach was to set me up with a wire and record my revisiting the offer with John and Ann. They wanted me to say that I had reconsidered what they had said and that I was prepared to go forward with it in the best interests of everyone.

The nature of the request and the fact that I had a holding company in British Columbia made the matter all the more complicated. The investigators had no jurisdiction in Vancouver, and the Canadians were unwilling to cooperate in matters of this kind. I made mention that Jerry Lewis had approached me with a similar request for Canadian options for Lowery, but they quickly changed the conversation by saying he was out of their pay grade and that since no transaction transpired there was no harm and no foul. In another of those moments of self-examination, I found their proposal to be very distasteful. It might have been that they came across as typical cops looking for the honey trap, instead of polished investigators I had hoped to be dealing with, but I could see their point. In the final analysis, what I objected to the most was their unquestioned presumption that I would have no problem playing cops and robbers and that to do so, I would not hesitate to lie and manipulate other people.

I decided that I was not prepared to lie to anyone for any reason. Call it Karma or call it whatever, I just did not like what they were requesting me to do. I knew I had a problem with always being blunt and too truthful, especially when I could have said less and have been discreet. It is a form of conduct that could be seen as a character flaw. Time and time again it came to haunt me, as it did while I was dealing with Jerry Lewis, and that was only a couple of instances in a life full of similar episodes. I also was painfully aware that I had not mixed my message in turning down John and Ann. They knew me well enough to know that I was a self-made man, and I exercised my ability to speak my mind. They especially knew that I meant what I said.

I informed the investigators that I was not willing to wear a wire. They were surprised and became quite argumentative. It incensed me that they expected that I would engage in the charade so easily. I told them that that may be the world they live in, but it was not where I resided, and it was out of the question. I added that it would be without creditability should I even

had contemplated it due to the manner with which I had turned them down. Furthermore, if they were serious about bringing these people to justice, they did not need my involvement. Momentarily catching their attention, I described how they could easily look up John's loss of driving privileges due to his repeated DWI convictions. With that information in hand, all they had to do was stake out his watering holes in Tysons Corner for a couple of evenings and they would have all the evidence of collusion with vendors they would ever need. Vendors and contractors picked him up from his house in the morning and then shuttled him wherever he needed or wanted to go, every day, all day until the time came to pour him onto the couch in his living room.

He had said his wife had long braced herself from his antics and relegated him to the sofa to sleep off his inebriation. With his probable sleeping with Ann on the road, she probably had written him off entirely. You did not have to be much of a detective to soon put together that all of his drinking and the majority of his life was packaged and paid for by the same companies he did business with or had hopes of doing business with him. You want to join his team? Stand in line at the bar and be generous when it is your turn to buy the drinks.

In the end, the investigators decided not to trouble themselves with rising off their chairs and driving all the way out to Tysons, so they dropped the investigation entirely. I believe to this day that had they done the right thing and ultimately removed and then convicted Karpovich, literally a hundred million dollars of graft and corruption would have been avoided and billions of dollars of productivity improvements would have been realized. Instead, they empowered him to continue with his illicit conduct and it permeated the entire effort to modernize defense logistics for another decade.