

Background on Mark Pinto, the dirty agent that worked with Chernov, and the FBI hushed it all up

Cop warned FBI off Security Aviation, papers say

DOCUMENTS: Warrants, affidavits, inventories reveal details of inquiry into weapons, financial trust.

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A longtime local cop angrily demanded that the FBI look the other way from the explosive, unexplained growth of Security Aviation, fearing an investigation would disrupt the money party that began in the summer of 2005. Stop "putting your nose where it doesn't belong," the unnamed cop growled at a federal law enforcement officer, according to a sworn FBI

statement. "A lot of people think this is a good thing. There is a lot of money being spread around and going through banks in this town -- \$162 million at one bank."

The officer's statement, described as a "veiled threat" and a reason for the FBI investigation to remain covert until it was sprung in a series of armed raids starting Feb. 2, was contained among more than 800 pages of search warrants, FBI affidavits, inventories of seized material and related documents unsealed this week in federal court.

The affidavit didn't say which local agency employed the officer, and assistant U.S. attorney Steve Skrocki declined to elaborate.

After hearing the statement read over the phone on Tuesday, Anchorage deputy police chief Audie Holloway said he will contact the FBI to find out if it's a member of the Anchorage Police Department. If so, he said, "we'd do an

investigation to see if he did do anything that was outside of policy."

Small portions of the documents released this week were previously made available in court documents filed by defense lawyers and prosecutors. But the massive filing, unsealed by U.S. Magistrate Judge John Roberts at the request of the U.S. Attorney's Office, reveals many of the facts and suspicions leading up to the Feb. 2 raids and the arrest of Security Aviation's second-in-command, Rob Kane, on federal weapons charges. Kane and the company are charged with illegal possession and transportation of Soviet-era rocket launchers capable of being mounted on its fleet of Czech-made L-39 Albatross jets.

The defendants say the rocket launchers were just for show and are incapable of being used. Their trial is scheduled for next month.

Court documents have shown the government also is investigating suspicions

of bank fraud, wire fraud and other financial crimes. No financial fraud charges have been filed.

Bob Bundy, Security Aviation's attorney, said the newly released documents change little. When the government investigation is complete, he said, it will be clear "everything was on the up and up."

The freshly unsealed documents say directly for the first time that in addition to Kane two other people were subjects of the government's investigation.

One was Mark Avery, a former city and state prosecutor who last summer bought Security Aviation, an air charter company, and created or acquired a host of related companies in Alaska, Nevada and elsewhere. Avery is also one of three trustees of the nearly \$360 million May and Stanley Smith Charitable Trust, a position he inherited from his late father, a noted San Francisco expert on trusts. The FBI said in court

documents that it suspected the trust was illegally raided to support Avery's purchases.

The government also named an Anchorage man who repairs and sells firearms, Dennis Hopper, as a subject of its investigation. Hopper has federal licenses to make and sell silencers and machine guns and has told federal witnesses he was involved in "black ops" and classified U.S. government operations. He claimed to have brought "foreign nationals" to Alaska in Security Aviation aircraft, an FBI affidavit said.

Neither Avery nor Hopper has been charged criminally. Hopper's attorney, Brent Cole, said he doesn't believe his client is still under investigation.

"I read that whole affidavit, and I am still trying to figure out what laws were broken. I've never seen anything like it," Cole said. "It's a bunch of hunches and suppositions and maybes."

Reached Tuesday afternoon, Avery declined to reveal much about the case or his defense.

"When someone is in this position, the only strength they have in dealing with litigation and the government is not to tip their hand to the government," Avery said.

The documents, while generally dismissive of Kane's often-voiced claims of a background in law enforcement, special operations and intelligence, nevertheless provided some support for his assertions. The investigation's case officer, FBI special agent Matthew Campe, said in several of the affidavits that the Tampa FBI field office listed Kane as an informant until mid-2005.

"He is no longer acting in that capacity," wrote Campe, who began looking into Kane at least a year ago.

When agents arrived with an arrest warrant at Kane's

Eagle River house Feb. 2, his wife, Karen, urged them to verify Kane's connection to the bureau through two FBI agents, Bob Coffin in Clearwater, Fla., near Tampa, and **Mark Pinto** in Las Vegas.

Coffin has not returned calls placed to his office. Pinto said Tuesday he couldn't comment without approval from a supervisor. A spokesman for the Las Vegas FBI field office said approval wouldn't be given at least until the Anchorage case is resolved.

When agents raided the C Street headquarters of Avery, Kane and Hopper, they found a fax to Kane from Coffin dated Jan. 12, 2005. The seized item inventory didn't say what was in the fax.

The agents also found three separate copies, in different locations, of Pinto's itinerary for a trip from Las Vegas to Anchorage on March 30, 2005. They also found a copy of a letter from the Philippine National Police to

Pinto requesting counterterrorism training.

Kane has spent years in the Philippines and his wife is from the southern Philippine island of Mindanao, where at least two insurgent organizations, one affiliated with al-Qaida, are operating. Kane has boasted he is involved in training counterinsurgency forces.

According to state corporation records, the day before Pinto's scheduled arrival, Avery signed papers establishing Smith Brandon International-Alaska, an affiliate of a Washington, D.C., security company co-founded by Skip Brandon, a former deputy assistant director of the FBI.

In an interview in February, Brandon said Kane had sought him out years ago, but Brandon said he thought Kane was a braggart and had little respect for him. He was more impressed with Avery, whom he met later, he said, and decided to go into business with him before changing his mind.



Brandon helped Avery with the Smith trust, "including moving the woman who was behind the trust," he said in February. "She was old and senile and they wanted to move her to a new home overseas."

The unsealed documents contained numerous references to Brandon, including the move of May Wong Smith from England to the Bahamas. May Smith created the charitable trust in 1989 with the help of Avery's father. Her late husband, Stanley Smith, made a fortune mining in Malaysia.

Agents found a copy of a fax to Brandon in an folder with other items from January 2005. The fax contained copies of passports of Avery, Kane and Hopper. At the end of that month, according to Campe's affidavits, the three men were aboard a chartered plane that flew first to Britain and then, in, early February, to the Bahamas, where they left Smith.

On Tuesday, Brandon said he cannot talk anymore about the case.

Campe said he believed "that May Wong Smith is very aged and may be suffering from Alzheimer's disease, possibly rendering her incapable of cognizant understanding concerning the use of the trust proceeds and corpus." He charged that Avery and Kane "have gone to great lengths to conceal the whereabouts of May Wong Smith."

In a telephone interview Tuesday, Avery said May Smith used to live in the Bahamas and it only made sense for her to return there. She has Alzheimer's and is receiving good care from Brad and Theresa Zimmerman, a former law enforcement couple he hired to watch over her, he said. Brad Zimmerman left his job as court services officer for the Alaska Department of Public Safety in December 2004. His wife may have worked in law enforcement in another state.

May Smith has no family, Avery said, and he is trustee over her own funds as

well as the May and Stanley Smith Charitable Trust.

"Her former caretakers became aged and infirm and needed to be replaced and it fell upon me to come up with a new care package for her," Avery said.

Kane's wife told investigators that she overheard a discussion about a \$50 million loan that she believe came from a trust Avery was in charge of.

Avery said there was no loan.

"There is a business relationship that is not described as a loan and beyond that I am not going to tell you because I would be helping the government," he said. The business relationship was "to provide services for Mrs. Smith and the trusts," Avery said, but he wouldn't explain further.

During the Feb. 2 search of Avery's C Street offices, agents found May Smith's prescription vials for an anti-psychotic medicine, a sedative, a narcotic and antihistamines that can be used to treat motion sickness.

Avery said the vials were all empty and he needed them to create a record of her medications. He said he doesn't believe she remains on those medications.

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