

DEPARTMENT OF THE TREASURY- BUREAU OF ALCOHOL, TOBACCO AND FIREARMS		1. INVESTIGATION IS		Page 1 of
REPORT OF INVESTIGATION (Law Enforcement)		<input checked="" type="checkbox"/> ROUTINE	<input type="checkbox"/> SIGNIFICANT	5 pages
2. TO:		3. MONITORED INVESTIGATION INFORMATION (Number and Branch)		
Special Agent in Charge Seattle Field Division Seattle, Washington		CIP: 746000 93397-01 FY-97 VIOLENT CRIME REPORT 038		
4. TITLE OF INVESTIGATION		5. INVESTIGATION No. (Include Suspect No.)		
Kehoe, Chevie		746010-97-0033		
6. TYPE OF REPORT (Check applicable boxes)		7. BUREAU PROGRAM		8. PROJECT(S)
<input type="checkbox"/>	PRELIMINARY	<input checked="" type="checkbox"/>	TITLE I	TARGETED OFFENDER
<input type="checkbox"/>			TITLE II	TERRORIST/EXTREMIST
<input type="checkbox"/>	STATUS		TITLE VII	OCB
<input type="checkbox"/>			TITLE II	ITAR
<input type="checkbox"/>	FINAL		TITLE XI	SEAR
<input checked="" type="checkbox"/>	SUPPLEMENTAL		TOBACCO	OMO
			ALCOHOL	<input checked="" type="checkbox"/> OTHER (Specify) TRAFFICKING

9. DETAILS:

DESCRIPTION OF ACTIVITY:

ATF Agents continue investigative leads in the Chevie Kehoe et. al. investigation.

SYNOPSIS:

Interview of Montana State Prison inmate John Shults concerning his three year involvement with the Aryan Nations Church and the Kehoe group in the Pacific Northwest.

NARRATIVE:

1. On October 9, 1997 S/A Gunderson interviewed John Shults who is incarcerated at the Montana State Prison in Deerlodge, Montana. Shults had been a close associate to the leader and members of the Aryan Nations Church in North Idaho as well as Chevie Kehoe and Jake Settle.

2. Shults states that his correct date of birth is 011870 and his correct SOC # is 342-58-5736. Shults has prior felony convictions and prison time in the States of Tennessee and Illinois. Shults is currently in the Montana Prison system for theft and is waiting action on a pending escape and robbery charge which are alleged to have happened when he escaped from the Prison Honor Farm. A man in Anaconda, Montana was tied up and his vehicle stolen by shults escape

10. SUBMITTED BY (Name) Steve Gunderson <i>S. Gunderson</i>	11. TITLE AND OFFICE Special Agent, Spokane F.O.	12. DATE 10/16/97
14. REVIEWED BY (Name) Robert L. Harper <i>R. Harper</i>	14. TITLE AND OFFICE RAC, Spokane Field Office	15. DATE 10/23/97
16. APPROVED BY (Name) Margaret M. Moore <i>M. Moore</i>	17. TITLE AND OFFICE Special Agent in Charge	18. DATE 10/23/97

ATF FF 1270.2 (5-90)

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partner. The pair were arrested several days later in North Idaho and sent back to Prison.

3. Shults states that he adopted his racist/white extremist views while incarcerated in the Illinois Prison system. Shults states that he made several telephone calls to Pastor Butler from prison, and shults was invited out to the church when he got out of prison.

4. Upon discharge from the Illinois Prison System Shults did another prison sentence in Tennessee and got married to Georgianna Shults. John states that originally Georgianna was not a racist but soon became a fervent white extremist after moving with John out to the Pacific Northwest.

5. John and Geogianna originally moved to Spokane, Washington in 1992 and soon after arriving in Spokane called the Aryan Nations Compound in Hayden Lake, Idaho. John reminded Pastor Butler of his prison phone calls and Pastor Butler sent the then Aryan nation (AN) Security Chief Wayne Jones to pickup the Shults and bring them out to the AN Compound to live.

6. John states that he initially met several regulars at the AN Compound, one subject was known as "Brian" described as 25 years of age, tall, skinny and blond. "Brian" had been affiliated with white extremists in Pennsylvania and then relocated out to the AN Compound. John also met a Russian immigrant known as "Al" who was some what dark skinned. Al helped John and Georgianna get government food and housing assistance in Coeur d' Alene, Idaho.

7. On one fall afternoon in 1992 Al and John had car trouble at the Mall in Hayden Lake, Idaho. They called the AN Compound for assistance and several men came to tow their disabled vehicle up to the compound. The men that came to help them were;

- a. Brian, from Pennsylvania.
- b. unknown male living at the compound who was from the State of Ohio.
- c. Chevie Kehoe.
- d. Jake Settle.

Chevie told John that he had come to Idaho from Elohim City, Oklahoma.

8. Soon after his introduction to Chevie Kehoe, Kehoe convinced John and Georgianna to move up to the Kehoe cabin located east of Colville, Washington. Chevie advised John that his brother Cheyne would soon come up to the Northwest after completing "training" at Elohim City. John also met Kirby and Gloria Kehoe up at the cabin when they came to visit Chevie from Arkansas. John states that Chevie worshipped Robert Mathews and the "Order" and asked John if he would be interested in joining a similar type group organized by Chevie. John states that Chevie was very strict in not letting his wife Karena know what type

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of operations he was planning or involved in.

9. During the late winter of 1992 or early 1993 chevie took John on a theft and vandalism operation near their cabin east of Colville. Chevie wanted to protest logging in a certain area and took John to this logging company equipment area where he vandalized equipment and stole various items. Chevie wore black paramilitary clothing and both Kehoe and Shults were armed with firearms. Chevie gave John a Russian made 9mm pistol during this time period.

10. Early 1993 John and Georgianna moved back to Hayden lake and the AN Compound. While living in a trailer at the compound John met Jake and sue settle. John became friends with Jake and soon after Jake invited John and Georgianna to come live at Jakes' cabin in the Yaak area of north western Montana. John feels that Jake Settle originally bought this land and cabin on Pipe Creek road using the alias of Tim Mayo before kirby Kehoe moved into the same cabin later.

11. Shults describes Jake Settle as "private", "manipulative", "intelligent", "strongminded", "deceiving", and "dangerous". Shults describes Settle as a professional shoplifter who has created a somewhat sophisticated system where he and his family do a planned and consistent business thefts on a large enough scale to support his family and his travels around the United States. Settle has taught his theft system to other couples including John and Georgianna Shults, his brother-in-law Luke and Angela LNU and most probably Chevie and Karena Kehoe. John states that in 1994 Settle had a substantial firearms collection including a two thousand dollar HK anti-sniper rifle.

12. Shults states that Settle, Kehoe, Luke LNU and Shults have all purchased motorhomes from a Joplin Trailer sales in Phoenix, Arizona it is unknown by Shults if the Joplin business is a white extremist sympathizer.

13. During shults time in the northwest Alex Drager was a close associate to Chevie Kehoc and Jake Settle. Alex had been a firearms salesman in the Spokane area.

14. On 011894 Chevie Kehoe took John Shults to Arkansas with the goal of investing in marijuana and reselling it in the northwest for a profit. Shults states that they met with Kirby Kehoe and an associate known only as "Dale" in Arkansas. Both men invested money into the marijuana scheme which eventually failed. During this trip John attended a gun show with Chevie, Kirby and "Dalc" somewhere in north western Arkansas. They maintained a table of firearms for sale at this show. Shults states that he may have been introduced to William Mculler at this gun show, Chevie introduced John to a "friend" who had

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a table at the gun show. Shults remembers that the subject was in his 40's, thinning brown hair, glasses, approximately 5'8" and had some fancy engraved pearl handle revolvers and pistols for sale. Shults saw Kirby Kehoe and "Dale" discuss access to arms which could be used for paramilitary style robberies.

15. Shults related that during this Arkansas trip he was taken to the Elohim City, Oklahoma compound twice by Chevie Kehoe. Shults described the compound as a paramilitary style group and he observed two meetings where numerous males were present. Shults identified the photo of the leader of this Compound Mr. Millar and stated that he was called "grandpa" by the people living there. Shults also identified a photo of Andy Strassmeir who Shults says had a thick German accent. Shults states that he attended a meeting in a trailer home at the compound where Strassmeir and eight to ten other adults were talking about firearms trafficking and the use of Ryder Rental trucks. Shults states that he doesn't know if he ever saw Tim McVeigh at Elohim City but that many men there fit McVeigh's general description. Shults states that there was another male at Elohim City that also had a thick foreign accent that was seen talking to Strassmeir. Shults states that he attended an Elohim Church service where the members placed their firearms in racks inside the church during services. Shults observed a photograph in S/A Gunderson's possession, this being an alleged ATF CI Carol Howe. Shults felt he saw her also at the compound and remembered her due to her striking good looks. He saw her in the company of a stocky white male adult who was well built wearing fatigue style clothing. Shults was given the impression that they were engaged to be married. Shults stated that he saw Strassmeir, the unknown subject with the foreign accent, Chevie Kehoe and a white male adult with a very thick brown mustache take a long walk and involved in discussion.

17. After leaving the Oklahoma Compound Chevie Kehoe again asked if Shults would like to belong to a group patterned after "The Order", Kehoe related that the other members were Jake Settle and "Monty" LNU (moved to north Idaho from Baker City, Oregon). One plan was to execute the "black robes" (judges) in a choreographed manner to start civil unrest. Chevie also mentioned to Shults that robbing an entire gun show would be a good target. Shults states that "Monty" has experience in making explosive devices.

18. Shults attended the 1994 AN World Congress where Jake Settle introduced him to Louis Beam. A subject known as Tim LNU, described as having a "hairlip" (possibly Tim Pronto AKA Eugene McCoy) stated that the local north Idaho Police, suspect Jake Settle of trafficking in narcotics. John met John Scott a Canadian extremist along with a reported Royal Canadian Mounted Police (RCMP) employed informant who later defected to the extremist movement known as Luke LNU. After

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Luke was found to be an informant Jake Settle told John that they may have to kill the RCMP informant. Before Settle could take action against the informant, Luke apparently defected to the extremist side and married Sue Settle' sister which seemed to cool Jake and his murder plan, (Jake later taught Luke and his wife Angela his store theft Modes Operandi). Jake Settle allegedly wanted Angela as his second wife before she married "Luke".

19. Shults states that he was incarcerated in the Spokane County Jail on Theft charges in May or June of 1994 and while in jail may have met Danny Lee or Sean Haines (Kehoe associates and Skin heads). Shults was booked into jail under his alias of Phillip Moore using a Washington Drivers License.

20. Shults states that three Skinheads murdered a man in North Idaho during the winter time. The suspects used a 9mm or .380 pistol to kill the man. Shults states that the murder weapon was sold to the Skinheads by Jake Settle.

21. After the AN Conference in July 1994 John Shults was arrested for a firearms theft in Montana and was later sent to the Montana State Prison ending his involvement in the Aryan Nations and the Kehoe group. His wife Georgianna has fled Montana probation on the same firearms theft and is a wanted only through contiguous states to Montana for probation violation. Current information is that she is in Phoenix, Arizona or somewhere in California.