



# Forensic Intelligence International, LLC

*the Kauth house*, 318 Cooper Avenue, Hancock, Michigan 49930

151 Moore Street SE, Crawfordville, Georgia 30631

Tel. 906-482-4899 (MI), 706-456-2696 (GA), 706-294-9993 (cellular)

Fax & Voice Mail 603-452-8208 | E-mail: [sdresch@forensic-intelligence.org](mailto:sdresch@forensic-intelligence.org)

Monday, September 20, 1999

**Ref:** Ibrahim<sup>1</sup>, Fuad<sup>2</sup> and Nancy<sup>3</sup> El-Hibri, Admiral William J. Crowe, Jr.<sup>4</sup>

**DBAs:** Porton Products, Ltd. (UK; F. El-Hibri, director)<sup>5</sup>

Speywood Holdings, Ltd. (UK; F. El-Hibri, director)<sup>6</sup>

East West Resources Corp. (Washington, D.C., 1990; Fuad El-Hibri)<sup>7</sup>

I&F Holdings NV (Netherlands Antilles; Ibrahim El-Hibri)

Intervac LLC (Maryland; Crowe, N. & F. El-Hibri, I&F Holdings)<sup>8</sup>

Intervac Management LLC (Maryland; F. El-Hibri and “four others”)

BioPort, Inc. (Michigan, 1998; Intervac, Intervac Mgt., MPBI<sub>1</sub>)<sup>9,10,11,12</sup>

Michigan Biologic Products, Inc. [MBPI<sub>2</sub>] (MI, 1/7/97; MBPI<sub>1</sub> principals et al.)<sup>13</sup>

Michigan Biologic Products Institute [MBPI<sub>1</sub>] (state; Myers, van Ravenswaay)<sup>14</sup>

Michigan Biologic Products Commission [MBPC] (state)<sup>15</sup>

Dynport LLC (Reston, Virginia; ?)<sup>16</sup>

Southern Research Institute (Birmingham, AL; Col. David Franz, USAMRIID)<sup>17</sup>

British Nuclear Fuels, Ltd. (UK, government owned)<sup>18</sup>

BNFL, Inc. (U.S. subsidiary of BNFL)<sup>19</sup>

Global Options (D.C. “crisis management firm”)<sup>20</sup>

K: This is a vastly expanded version of the earlier summary. In addition to any information you may be able to find on the Russian and Polish activities of Fuad and Ibrahim El-Hibri and East West Resources Corp., is it possible that any of your English academic contacts might be able to provide information on Porton, Speywood and the El-Hibri/I&F Holdings activities in the UK? I am particularly interested in any role Crowe, as ambassador, may have played in facilitating their UK entry. The El-Hibris' German history might also be worth exploring.

Stephen P. Dresch, Ph.D.

xc: J

- 1 Ibrahim El-Hibri is a Venezuelan citizen of Lebanese origin.
- 2 Fuad El-Hibri, of Lebanese extraction, was born in Germany, was a German citizen and is now a U.S. citizen. "He holds a Masters Degree in Public and Private Management from Yale University and a Bachelors Degree in Economics with Honors from Stanford University... Prior to founding his own company [East West Resources Corp., 1990, D.C.], Mr. El-Hibri helped establish regional offices in Singapore and Sydney for Booz-Allen & Hamilton. As a Senior Associate and resident project manager, Mr. El-Hibri led consulting projects in Jakarta, Kuala Lumpur, Singapore, Sydney, and Wellington. Before joining Booz-Allen, he was a manager of Citicorp in New York (Mergers and Acquisitions) and in Jeddah, Saudi Arabia (Operations and Credit). Married to the former Nancy Grunenwald, Mr. El-Hibri and his wife have three children. Mr. El-Hibri is fluent in several languages and enjoys polo and other equestrian activities." Source: BioPort biography.

In 1990 El-Hibri "facilitate[d] the purchase of anthrax vaccine for Saudi Arabia." On October 2, 1996, he "contact[ed] Dr. Robert Myers [director of the Michigan Department of Public Health's Biologic Products Division] regarding the anthrax vaccine." [Oppiger report, Michigan House of Representatives]

El-Hibri is an officer of the Georgetown Polo Club in Potomac, Maryland.
- 3 Nancy [Grunenwald] El-Hibri, an American citizen, is the wife of Fuad El-Hibri.
- 4 Admiral William J. Crowe, Jr., was chairman of Joint Chiefs of Staff from 1985 to 1989, was appointed by Clinton as ambassador to the UK (1994-97), and has served as chairman of the President's Foreign Intelligence Advisory Board. Inter alia, he was appointed by Secretary of State Albright to head the special review board on embassy security appointed after the bombings of U.S. embassies in Tanzania and Kenya. He is a "senior advisor" to Global Options, a "crisis management" firm which predicts "an upsurge in guerrilla violence against U.S. targets to mark the dawning of the year 2000." [MSNBC] As chairman of the Joint Chiefs of Staff he also supported the use of the U.S. military in the "war on drugs": "[T]he departing chairman of the Joint Chiefs of Staff ... delivered forceful farewell comments in which he emphasized the military's willingness to do battle against the new threat to national security and asserted that the American people would have to give up some of their liberties if the nation was to win the war on drugs." [Cato publication.]
- 5 Directed by Fuad El-Hibri, Porton had been a UK government-owned defense-biologics firm. It was privatized via "management buyout" by the El-Hibris, with "passive investment" by I&F Holdings. Porton has a marketing agreement with the Centre for Applied Microbiology and Research (CAMR), a UK government-owned lab, which involves marketing and distribution of substantial quantities of botulinum Type A and anthrax vaccines.
- 6 "As a Director of Speywood Holdings Ltd., the re-organized Porton, Mr. El-Hibri was involved in the oversight of operations that encompassed such products as Hyate C (Factor VIII – coagulant), Erwinase (anti-leukemia), Dopacard (inotrope), Dysport (Botox – anti-spasm). During his association with Porton, Mr. El-Hibri was instrumental in marketing and distributing substantial quantities of two types of bio-defense in the early nineties." Source: BioPort biography. In the **Register of Lords' Interests**, published by the House of Lords, Lord Chilver reports that he is chairman of Speywood Group Ltd., which may, or may not, be related to Speywood Holdings Ltd.
- 7 "Utilizing his skills to structure transactions for financial optimization and to bring multi-national strategic organizations as partners together, Mr. El-Hibri has also directed the business development of a number of projects in the telecommunication sector. Among recent accomplishments, he developed and co-managed as a principal, the implementation of the first digital cellular operating network in Moscow, Russia. He also managed the comprehensive modernization and expansion program of the local fixed telecommunications operation with more than four million subscribers in Russia. In tandem, he assisted a major European telecommunications operator to prepare a bid and win the mobile GSM tender in Poland. Mr. El-Hibri succeeded in acquiring additional mobile telecommunications licenses in Venezuela and El Salvador, projects which are currently being implemented. The mobile networks are expected to be operational during this year in both countries." Source: BioPort biography.
- 8 "According to Crowe's associate and spokesman, Jay Coupe, Crowe owns 22.5 percent of Intervac shares, though he hasn't 'invested a penny' in the venture. Another 30 percent of Intervac shares are owned by Nancy El-Hibri, a mother and homemaker in suburban Maryland and the rest of the company is in the hands of 'I&F Holdings,' a company directed by Nancy El-Hibri's father-in-law, Ibrahim El-Hibri, a Venezuelan citizen, and her husband, Fuad El-Hibri, a German citizen of Lebanese descent. ... Coupe says that Crowe's ownership of Intervac stock gives him a 13 percent share of Bioport." Source: ABC News, 20/20 (March 12, 1999).
- 9 Board of Directors: Fuad El-Hibri, Admiral William J. Crowe, Jr., Myron W. Solter, Dr. Robert C. Myers and Robert C. van Ravenswaay. Solter is a Poolesville, Maryland (Montgomery County), attorney.
- 10 If Crowe's 22.5 percent interest in Intervac LLC implies a 13 percent interest in BioPort, then Intervac LLC holds approximately 58 percent of BioPort. Further, 20 percent of BioPort stock consists of nonvoting shares which have been awarded to "each and every employee." Thus, together, Intervac Management LLC and MBPI<sub>2</sub> hold an approximate 22 percent interest in BioPort.

The foregoing, however, is inconsistent with a report by majority counsel David Oppliger to the Oversight and Ethics Committee of the Michigan House of Representatives (September 23, 1998), which attributes a 32 percent interest in BioPort to MBPI2. Also, on July 8, 1998, the Associated Press reported that “the lab’s managers” held a 32 percent interest in BioPort and that Neogen Corp., “a Lansing (Michigan) -based food safety research and development company,” held 10 percent. Interestingly, Neogen has not been referenced subsequently in connection with BioPort.

In short, the precise ownership of BioPort is unclear.

- 11 According to the Oppliger report, the BioPort offer for MBPI<sub>1</sub> totaled \$24 million, having a net present value of \$17 million. In addition to an initial payment of \$2.25 million, BioPort was liable to the state for a series of loans: \$3.15 million (one year, eight percent interest), \$4.5 million (five years, eight percent interest), \$4.5 million (receivables assigned to BioPort by the state for one year, zero interest), \$1 million (payable when \$2 million of the \$4.5 million assigned receivables was paid, zero interest). According to Oppliger the loans had a net present value of \$13.6 million, implying that the residual consideration (“donated products, royalties, rents, etc.”) had a net present value of \$1.15 million.

Although a number of companies apparently expressed an interest, the only other bid ultimately submitted was that of Gruppo Marcucci (approved by DoD but not in partnership with MBPI2), which offered \$16.6 million, consisting of an initial cash payment of \$6.7 million, with the residual in royalties, rent and donated products.

On June 5, 1998, Gongwer reported: “An agreement to purchase the lab by SmithKline Beecham was canceled at the beginning of this year and the Biologic Products Commission had to undertake a new search for bidders.” It is not clear which party acted to cancel the SmithKline Beecham agreement, the terms of which were apparently never made public.

On November 12, 1996 (prior to Governor John Engler’s executive order which initiated the process of privatization), KPMGPeat Marwick made a Preliminary Determination of Fair Market Value which found the Biologic Products Division’s value to be nominal to \$10.5 million. This valuation was based entirely on information provided by Myers, van Ravenswaay and Schornack, without audit or verification. [Oppliger report]

The Oppliger report provides some evidence that Myers and van Ravenswaay actively discouraged and attempted to prevent bids in which they (MBPI2) were not included as partners.

Prior to the State Administrative Board’s final approval of the sale to BioPort, the terms of the sale were determined to be “fair” to the state by First of Michigan Corporation (a Detroit investment-banking firm, retained by the Board) and by the Michigan Auditor General.

- 12 “BioPort is the only FDA-approved manufacturer of the anthrax vaccine. In June 1999, BioPort requested extraordinary contractual relief under Public Law 85-804 because it had insufficient cash to continue operations after August 1 and was unable to borrow additional funds. On July 27, 1999, the Army Contract Adjustment Board, which is delegated the responsibility of reviewing requests and providing such relief when necessary to facilitate the national defense, issued its decision. The Board decided to increase the contract per-dose price, reduce the total doses to be purchased, and exercise early the final option of the contract. The contract price was increased by \$24.1 million dollars. Included within the \$24.1 million is the authority for a total of \$18.7 in advance payments to BioPort for future production.” Source: U.S. Department of Defense, News Release No. 367-99 (August 5, 1999).

As a state entity, MBPI1 had provided anthrax vaccine to DoD at a per-dose price of \$3.50. According to the Hartford Courant (Thomas D. Williams, August 13, 1999), the July 1999 renegotiation of the BioPort contract resulted in an increase in the per-dose cost to DoD from \$4.36 to \$10.64, increasing the total contract from \$25 million to \$49 million. However, with a vaccination protocol of six doses per person (and ignoring the required annual booster) this contract would provide vaccine for only about 768,000 members of the armed forces. Thus, “total-force immunization” of about 2.5 million persons would entail an additional vaccine cost of about \$110 million. A ten percent annual rate of force turnover would imply annual initial-immunization costs of about \$16 million while the annual booster doses would entail vaccine costs of about \$24 million per year. Thus, over the long term “total force immunization” implies costs of about \$40 million per year at the current (1999) price per dose of \$10.64. Over the term of the current contract the Department’s \$18.7 million interest-free advance will be repaid at the rate of \$4.60 per dose supplied to DoD.

- 13 Robert C. Myers, DVM (president; director of MBPI<sub>1</sub>), Robert C. van Ravenswaay (treasurer; deputy director of MBPI<sub>1</sub>, a lawyer sent to MBPI<sub>1</sub> from position as “technology advisor” to director of Michigan Department of Management and Budget to facilitate privatization), seven former MBPI<sub>1</sub> managers (which may include Myers and van Ravenswaay), “four local lawyers” including Charles Fiedler (secretary, partner in law firm of Still, Law, Essad, Fiedler & Charbonneau, Bloomfield Hills, which is also the law firm for Michigan Biotechnology Institute, another state-created and -funded entity, with loose ties to Michigan State University and a number of other public universities).
- 14 The Biologic Products Division of the Michigan Department of Public Health was reestablished as the Michigan Biologic Products Institute, an independent state agency, by Governor John Engler’s Executive Order 1995-25 (December 1995). The Executive Order converted Robert C. Myers from director of the Division to director of the Institute.

- 15 Governor Engler's Executive Order 1995-25 established the Michigan Biologic Products Commission to provide oversight to the Michigan Biologic Products Institute [MBPI] and, primarily, to engineer the privatization of MBPI. The members of the Commission, appointed by the governor, were Chairman Dennis Schornack (special advisor to the governor for strategic initiatives), James K. Haveman, Jr. (Director of the Michigan Department of Community Health, itself a consolidation of the Department of Mental Health, previously directed by Haveman, and the Department of Public Health, which had included the Biologic Products Division) and Mary Lannoye (state budget director, for whom van Ravenswaay had worked prior to his transfer to the Michigan Biologic Products Institute).
- 16 "Dynport LLC, Reston, Va., is being awarded a \$25,081,981 increment as part of a \$321,873,935 cost-plus-award-fee contract to provide prime systems integrated management, development, manufacture, stockpile, test, distribution and disposal of medical biological defense products for Food and Drug Administration licensed vaccines to protect against biological warfare agents in support of the Department of Defense Joint Vaccine Acquisition Program for Biological Defense. Work will be performed in Frederick, Md. (45.18%); Research Triangle Park, N.C. (26.2%); Waltham, Mass. (19.6%); Lenoir, N.C. (3.7%); Reston, Va. (2.8%); Gaithersburg, Md. (1.92%); Cambridge, Mass (0.3%); and Swiftwater, Pa. (0.3%), and is expected to be completed by Nov. 30, 2007. Contract funds will not expire at the end of the current fiscal year. There were 66 bids solicited on Aug. 9, 1996, and four bids were received. The contracting activity is the U.S. Army Medical Research Acquisition Activity, Fort Detrick, Md. (DAMD17-98-C-0001)." Source: U.S. Department of Defense, contract announcement (11/7/97).

"Q: Can you elaborate, for us, on how the stockpile works? For example, are these vaccines now disbursed around the country at various military bases so that there's easy access if there was an attack in a particular part of the country? Is that contemplated?"

"A: I think that there will be some forward positioning of vaccines to fit various threat profiles. I'm not sure we're there yet. The contract that we let last year was a \$322 million contract to begin stockpiling a list of vaccines, and the first tranche was for \$25 million, so this is clearly something that's going to take -- the first tranche was less than 10 percent of the total -- this is clearly something that will take some time.

"There's still a lot of scientific work that has to be done in a number of these vaccines in terms of developing them and achieving FDA approval. And that's part of the task that the company, which is called dynport limited liability corporation took on."

Source: U.S. Department of Defense News Briefing (May 21, 1998).

The relationship, if any, between Dynport LLC and BioPort, Inc., is currently unknown.

- 17 The following is an August 6, 1998, news release of the Southern Research Institute:

CONTACT: Rhonda Jung, Manager, Public Relations, 205-581-2317, jung@sri.org

Leader in biological defense named V.P. at Southern Research Institute establishes new division dedicated to chemical/biological defense research

BIRMINGHAM, Ala. (Aug. 6, 1998) — One of the world's leading authorities on biological and chemical defense has joined Southern Research Institute to lead its new Chemical and Biological Defense Division (CBD). Recently retired U.S. Army Col. David R. Franz, DVM, Ph.D. joins the Institute today.

"The release of Sarin gas in a Japanese subway, and the threat of biological weapon deployment, have made us much more aware of the urgent need for more effective ways to detect and deal with chemical and biological agents," said Gilbert E. Dwyer, President and CEO at Southern Research Institute. "By bringing Dr. Franz on board, and establishing this new research division, we underscore our commitment to this effort."

Dr. Franz served in the U.S. Army Medical Research and Materiel Command for 23 of his 27 years on active duty. He is a former Commander of the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID), and Deputy Commander of the Medical Research and Materiel Command, both at Fort Detrick, Maryland.

Dr. Franz was Chief Inspector on three United Nations Special Commission biological warfare inspection missions to Iraq, and served as a technical advisor on long-term monitoring. He was also a member of the US/UK teams that visited Russia in support of the Trilateral Joint Statement on Biological Weapons, and as a member of the Trilateral Experts' Committee for Biological Weapons negotiations.

With Dr. Franz's arrival, Southern Research has also established a new division dedicated to chemical and biological defense research, education and consultation. For more than 30 years, Institute scientists have conducted pioneering work in chemical detection and defense for the U.S. military.

Most of that research, such as developing the reactive sorbent used by U.S. troops on the battlefield to decontaminate equipment during a chemical attack, has been conducted in Birmingham. Southern Research has also provided extensive support to the U.S. chemical demilitarization program and is currently extending its efforts into the international arena, providing support to the Japanese government for the destruction of chemi-

cal weapons stockpiles left in China after World War II.

More recently, new projects have also included enhancing the speed and accuracy of detecting biological agents. The Institute's Frederick, Maryland facility is gearing up this summer to begin work as a subcontractor on the U.S. Army's Joint Vaccine Acquisition Program (JVAP). JVAP will produce, stockpile and obtain Food and Drug Administration approval and licensure for vaccines to protect against biological agents.

From that \$333 million award to the prime contractor -- Dynport, LLC of Reston, Virginia -- Southern Research received a \$30-\$40 million (10 year) sub-contract to conduct efficacy and safety testing on existing and newly developed biological vaccines, and will continuously monitor the stockpile of existing vaccine material for stability.

Dr. Franz will continue to reside in Frederick, Maryland, and will direct the Institute's Chemical and Biological Defense Division from its Frederick facility. He holds a D.V.M. from Kansas State University and a Ph.D. in Physiology from Baylor College of Medicine.

Southern Research Institute, which began operations in 1945, is an independent research corporation with established capabilities in engineering, environmental, energy and life sciences. Research is conducted through contracts and grants with government, commercial and academic clients. With a current business volume of more than \$50 million, Southern Research employs more than 550 professional, technical and support personnel in Birmingham, AL; Frederick, MD; and Research Triangle Park, NC.

- 18 BNFL, in addition to fabrication of nuclear fuel and disposal of nuclear wastes, is a major importer (from the U.S.) of depleted uranium and fabricator of depleted-uranium munitions and armour-plating for NATO countries. DU munitions were heavily-used in Iraq and in Serbia-Kosovo and are a prime suspect in "Gulf-War syndrome." The latest version of the Abrams tank, just put in operation by the U.S., greatly increases the DU armour-plating.
- 19 Directors of BNFL's U.S. subsidiary include Crowe and James Schlesinger (former secretary of energy and of defense). Since its establishment in the '90s the U.S. subsidiary has won contracts for operation and clean-up of U.S. nuclear facilities.
- 20 Global Options' CEO is Neil Livingstone, author of America the Vulnerable. Its intelligence and investigations work is headed by Robert Quigley, a former chief of the Federal Bureau of Investigations' Bomb Data Center. Gary Stubblefield, a former Navy SEAL special forces commander, heads Global Options' crisis management. Crowe is a "senior advisor" to Global Options.