

FBI

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K361

TRANSMIT VIA:

- Teletype
- Facsimile
- AIRTEL

PRECEDENCE:

- Immediate
- Priority
- Routine

CLASSIFICATION:

- TOP SECRET
- SECRET
- CONFIDENTIAL
- UNCLAS E F T O
- UNCLAS

Date 6/28/93

TO : DIRECTOR, FBI
 ATTN: CID, VCMOS - DT
 SSA HORACE MEWBOEN, ROOM 5214

FROM : SAC, KNOXVILLE (100A-KX-61340) (P)

SUBJECT : ORDER OF ST. JOHN, aka;
 DOMESTIC SECURITY/TERRORISM (DS/T);
 OO: KX

SUBJECTS SHOULD BE CONSIDERED ARMED AND DANGEROUS.

REQUEST OF THE BUREAU:

The Bureau is requested to renew the fill field investigation in captioned matter for a 180 day period.

b7C Re Knoxville airtel with LHM to Bureau dated 12/21/92; Bureau teletype to Knoxville dated 6/4/93; telephone call of SA [redacted] Knoxville Division, Cleveland RA, to SSA [redacted] CID, VCMOS - DT on 6/11/93.

Enclosed for the Bureau are the original and four copies of an LHM setting forth investigation of captioned group during the past 180 day period.

Full field investigation authorized on 7/16/92 to expire on 7/9/93.

100A-KX-61340-25

- (3) - Bureau (Enc. 5)
- 3 - Knoxville

JDJ/bdp
(6)

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 6-3-99 BY 6026 WLS/BCE/DA
 412915

b7C

7-5211

Investigation not extended. Expired 7/9/93.

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

100A-KX-61340

Based on information provided to the Bureau in referenced Knoxville airtel and LHM and information provided in instant communication, Knoxville is of the opinion that captioned matter should remain open for six months to more fully investigate the activities of captioned group.

ADMINISTRATIVE:

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Special Agent The PATCON UCA referred to in the enclosed LHM is
 Baltimore Division. b2

The CS referred to in the enclosed LHM is b7D

SUBJECTS SHOULD BE CONSIDERED ARMED AND DANGEROUS.

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to
File No.

710 Locust Street
Knoxville, Tennessee 37902

June 28, 1993

✓ ORDER OF ST. JOHN, also known as
Sovereign Order of St. John of Jerusalem;
DOMESTIC SECURITY/TERRORISM

This case was predicated upon information received that the Order of St. John (OSJ), through the head of the organization, John L. Grady, M. D., and another organization headed by Grady, the American Pistol and Rifle Association (APRA), had presented a reasonable indication of furthering political and social goals by the use of force or violation of the criminal laws of the United States. The groups are motivated by a belief in white supremacy and a distrust of and lack of confidence in the government of the United States.

On January 12, 1993, PATCON undercover agent (UCA) received a letter from Dr. John L. Grady, Benton, Tennessee, providing information regarding a sales marketing program involving the sale of personal and home security devices through which the patriot associated with the program could make money for themselves as well as hopefully donate a percentage of the proceeds to APRA in furtherance of the patriotic cause. Nothing further was heard by the PATCON UCA regarding the scheme and it was not brought up in additional conversations with Grady.

On February 16, 1993, a confidential source (CS) advised that [redacted] a member of the Civilian Material Assistance (CMA), headed by [redacted] in Decatur, Alabama, had made contact with Grady in an attempt to set up a meeting with Grady and spending time at Grady's compound in Benton, Tennessee. Grady told [redacted] the weather was not good for a visit and that [redacted] should wait for a later date.

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 6-5-99 BY 60267NLS/BCE/06
42915

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On February 20, 1993, [redacted] an assistant to Grady, was observed at a booth at a gun show at the Chattanooga, Tennessee Trade and Convention Center. [redacted] was wearing military style clothing and carrying a 9mm pistol in a shoulder holster. [redacted] was also wearing a small pin on his collar that was round with a red background with a white cross. This pin allegedly designates Knights of the OSJ. [redacted] was selling assorted black, nylon web gear and holsters as well as books and magazines mainly about survival tactics and the White Supremacy movement. Also observed at the gun show was [redacted] who was selling surplus military gear and weapons.

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On [redacted] the CS advised that [redacted] supposedly bought SKS assault rifles and ammunition from [redacted] on February 21, 1993 at the Chattanooga Gun Show.

The CS advised that [redacted] had travelled to Benton, Tennessee to meet with Grady. Grady told Matthews that Grady had heard that [redacted] had been talking to the "Feds" in Alabama and wanted to know if [redacted] knew what [redacted] was doing. Grady [redacted] talked about [redacted] coming back to Grady's compound around the middle of April while [redacted] was at the compound, Grady was also with [redacted] allegedly furnishes ammunition for the firearms schools conducted by APRA. Grady said [redacted] was helping with the church newsletters as [redacted] was very busy going to school. The CS also said [redacted] talked to Grady about a man known as [redacted] and Grady said no and that he did not want to have any dealings with anyone who might bring any unwanted attention to Grady and his groups. [redacted] had previously been introduced to Grady during the APRA convention at Grady's compound in September 1992 and [redacted] supposedly had his own White supremacy group in Texas. A discussion was also held about the ongoing incident in Waco, Texas with David Koresch and the Branch Davidians. Grady referred to the law enforcement there as the Gestapo and how he did not like their tactics or the tanks being on the scene. Grady said the American people should wake up to the way the Gestapo works and that there should be a Congressional hearing into the incident. Grady also told [redacted] he was tired with all the things that he had going on and was thinking about giving up his work at the hospital and going into drug rehabilitation with his [redacted] at the compound.

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The CS advised that [redacted] who had travelled to Tennessee [redacted] talked with Grady's wife, [redacted] Grady told [redacted] that she and Dr. Grady were trying to get a halfway house started for drug rehabilitation or were going into counseling Catholics in drug matters for the Church.

The CS advised that [redacted] met with Grady at his compound in Benton, Tennessee. Grady asked Matthews if he had talked to [redacted] told Grady that [redacted] had been staying away from [redacted] Grady replied that [redacted] was a crazy man, good for nothing and was going to get someone rocked up and that it was good that [redacted] was not having anything to do with [redacted] Grady also said he did not have enough time to do everything he needed to do, especially with [redacted] being at gun shows and going to school. b7C

The CS said [redacted] asked if Grady was still b7C ining on doing drug rehabilitation and Grady said he was but that it took a lot of paperwork.

Grady said he still planned on going away with APRA after the first of the year that he did not have time for it anymore and saying that he did not want to be associated with something that might bring attention to the cause and that more could be accomplished through political influence than doing something that might get him locked up. Grady further stated that with the way things are, he does not want to draw attention to himself and his organization and with the government looking at groups, it is not a good time to be doing anything.

On [redacted] PATCON UCA met with John Grady at Grady's compound in Benton, Tennessee. Grady was curious as to what prompted the visit. The UCA replied that the visit was because the UCA was visiting a nearby girlfriend and the UCA wanted to get Grady's views on the Waco incident. Grady said he thought the UCA's visit was extremely coincidental in that [redacted] had been to the compound recently. [redacted] supposedly come to visit Grady and to buy army surplus gear in the area but had then suddenly left after visiting with Grady. Grady then thought it strange that the UCA then showed up a week later. b7C b7D

Grady questioned how the UCA had met [redacted] which the UCA explained had been through [redacted] Texas. After seemingly accepting the UCA's explanation, Grady told the UCA that Grady thought [redacted] was an informant for the Bureau of Alcohol, Tobacco and Firearms (ATF) and had been responsible for a [redacted] being arrested by the ATF in Phoenix, Arizona. Grady said he had become suspicious of [redacted] because of his actions at the PARA convention last fall and of other things that [redacted] had done and said. Grady said he took his attorney with him to the ATF office in Chattanooga after [redacted] last visit but was told by the ATF that they did not know [redacted] and were not working a case against Grady. Grady then went to [redacted] motel to confront him, but [redacted] had left. Grady said he had copies of court documents which indicated to him that [redacted] was indeed a b7C

snitch. Grady further questioned the UCA about associations with [redacted]

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Based on Grady's reaction and later statements by the UCA, it appears that Grady accepted the UCA's background and representation.

Grady then talked to the UCA briefly about the history of APRA and that a couple of members of APRA had been members of the Order. Grady characterized these people as hardcore types and having committed a number of indiscretions for which they were now serving prison terms.

Grady went on to tell the UCA that Grady was aware of various law enforcement agency efforts to infiltrate his organization as well as the Anti-Defamation League (ADL) and that a group called "Klan Watch" put out a publication which expressed views contrary to Grady.

Grady then asked what it would take to awaken the American people. He stated the incidents at Waco were regrettable and said the government has a history of burning people out and referred to [redacted]. Grady went on to say that because of continued atrocities by the Federal law enforcement community, there might come a day when he would have to take up arms against the government; however, he was getting too old and he would leave that to the younger members of the group. Grady said for this to occur, there would have to be hard economic times and then not open, direct warfare, but guerrilla type warfare would occur.

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On [redacted] PATCON UCA again visited John L. Grady at his compound and was warmly welcomed by Grady who gave the UCA a tour of the compound, being especially proud of the library in the church which contained over 30,000 books on topics ranging from religion to conspiracy. Grady, however, again questioned the UCA about the relationship with [redacted]. [redacted] Grady was still convinced that [redacted] was a source for the ATF.

Grady talked about the aftermath of the Waco incident and stated that the Davidians shot in the compound had been killed by a Special Forces unit and it was a continuation of a big conspiracy by the government to cover up the incident.

Grady told the UCA that the jury had been out for several days in the Weaver trial in Idaho and that Grady did not think that was a good sign for Weaver. Grady said he did not see anything on the horizon regarding the Weaver outcome.

Grady also told the UCA that there would not be an APRA conference this year because of all of the hard work entailed and

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INFORMATION

because of snitches like [redacted] being around. He said that APRA would still be putting on the firearms schools. Grady said he had had some problems with some of his instructors trying to recruit shooters to their own schools. b7C

Grady asked the UCA if he knew [redacted] to which the UCA replied he knew [redacted] as the Colonel and as being the head of a group in Texas. The UCA said he did not trust [redacted] and thought his group was like that of [redacted] to which Grady laughed.

Grady took the UCA to his office and had his secretary, [redacted] pull up the UCA's file on the computer regarding the UCA's APRA membership. It showed it was expired and the UCA paid \$20 to get current. The file contained the name, sex, date of birth (which was wrong), military status (showed four years) and marital status. The information was blank except for the name, address, telephone number and military status. Grady told the UCA that [redacted] had been the sponsor on the UCA's application.

Grady again questioned the UCA and what he may have told [redacted] about how the UCA had financing for his activities -- such as "creative financing". The UCA said that "creative financing" was all he had told [redacted] and anything else said or thought was supposition on the part of [redacted] or even Grady. Grady said that was good in that he had first thought the UCA might be a Fed because he was supposed to have a large sum of money to give to the cause - money possibly received from robbing banks or armored cars. Grady said that with the way forfeiture laws were, one had to be real careful or the government would seize your property and he did not want that to happen, that in fact, the compound was registered as church owned property.

Grady then talked about how he and [redacted] were getting hardcore lawyers together to represent people in the movement, free of charge. They were also trying to get people together to do their own Declaration of Independence. Each person would have a particular expertise or profession, such as a lawyer or physician and would head their own group to pass on information for furtherance of the cause.

Grady told the UCA that [redacted] was running around the country conducting shooting schools and charging \$100 per person per day. Grady had sent some of his people who told him the instruction was very elementary. At the end of the meeting, Grady invited the UCA to come back at any time.