



UNCLASSIFIED  
FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/18/2011

To: Counterterrorism

Attn: BCSU  
UC  
SBA  
UC  
SSA

From: Anchorage

Contact: SSA

Approved By:

b6 -1  
b7C -1  
b7E -1, -2, -3

Drafted By:

Case ID #: (Pending) 2544  
(Pending) 96

Title: BUDGET MATTERS  
ENHANCEMENT REQUEST  
266T INVESTIGATION  
ANCHORAGE DIVISION

SCHAEFFER COX

Synopsis: To request an enhancement of case and travel funds in support of the above substantive case.

Details: As a result of the ongoing militia extremism case being investigated in the Anchorage Division, Fairbanks RA, Anchorage Division requests the following enhancement of case and travel funds to support this priority investigation.

At the current time, the Fairbanks RA is staffed with only two agents, with one agent dedicated to working Counterintelligence matters. The RA is a 6-8 hour drive from Anchorage (depending on weather) or a one hour flight on commercial jet service. Due to the priority nature of this investigation, Anchorage Division requests funding for a 90 day

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FBI(17-cv-611)-503

- 96 b7E -3

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To: Counterterrorism From: Anchorage  
Re: 01/18/2011

the Anchorage Division, and a TR# from [redacted] to facilitate the travel of Anchorage Division personnel to the Fairbanks RA:

Type of Enhancement	Est. Payment Amt for ea CHS * 4 CHSs	Total Amount Requested each item
TDY for one agent for 90 day period	Hotel and MI&E \$170 X 90 days (Estimate) Airfare	\$15,300
Investigative case funds	\$10,000	\$2,000 \$10,000

As of January 14, 2011, the program account (PGM/SPGM-TOXT) contained money, Of this

1. Fulton
2. Olson
- 3.
- 4.

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To: Counterterrorism From: Anchorage  
Re: 01/18/2011

TDY to begin immediately. Agents from the Anchorage JTTF will augment the agent personnel in the Fairbanks RA as this investigation progresses.

Currently, the main subject, Schaeffer Cox, has indicated his desire to file liens and legal papers against sitting judges and law enforcement personnel in Fairbanks. Recently, Cox has become involved with the Assembly Post (AP). The AP is an offshoot organization created from the Guardians of the Free Republic. The AP view themselves as sovereign citizens and live their lives accordingly. Cox has been elected as the Secretary of Defense for the national movement of the AP. Recently, Cox has stood up an Alaska Assembly Post in which he has been designated the Secretary of War. According to CHS reporting,

Cox has also formed a militia type organization that has espoused potentially violent acts if the political situation does not change in the United States. More recently, CHS reporting indicates that

It is known to local law enforcement that Cox and his followers are armed at all times and do not have a problem approaching law enforcement officials with their weapons concealed. Although Cox has not specifically threatened law enforcement officers in the Fairbanks area, he has indicated that "blood may be shed" in the future.

Cox is a charismatic speaker and is gaining the support of people all over the United States. This investigation has progressed to the point where additional FBI agent assets are needed in the Fairbanks RA. These assets will assist the Anchorage Division, Fairbanks RA with the recruitment and handling of CHSs, collection and dissemination of intelligence and evidence, conducting interviews, creating liaisons and tripwires, and serve as back-up to the agents in the Fairbanks RA.

For the above reasons and in furtherance of this investigation, the Anchorage Division requests the below enhancement of case funds and travel funds for TDY agents from

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FBI(17-cv-611)-504

It says they need money to pay 4 "CHSs" i.e. informants. We know of Fulton, and Olson. So who are the other two?

1 THE COURT: Keep your eye on the clock too, Mr.  
2 Skrocki.  
3 MR. SKROCKI: I won't even come close, Judge.  
4 THE COURT: All right.  
5 MR. SKROCKI: Your Honor, you seem to have a very good  
6 handle -- I know you do -- on the facts that we've both  
7 presented to you this morning. And I'm going to just get a  
8 couple of things that you didn't hear from defense counsel.  
9 And it's important because when -- you're going to be sitting  
10 on the trial on this case. And what you're hearing is an  
11 attempt by the defense to paint this investigation as one  
12 against this plot to overthrow government. And that's not what  
13 it's about.

14 This case, as we've indicated in our brief, is about an  
15 investigation against individuals. As far as we understand,  
16 the various organizations Mr. Cox led are still in effect and  
17 can still operate. The fact of the matter is, his conduct, his  
18 words, his actions, and later the actions of his co-defendants,  
19 Mr. Barney and Mr. Vernon, were being investigated as well.

20 This is not directed at an organization. It's  
21 permissible under the law, as you -- as you've articulated,  
22 that when somebody says, "I have machine guns and Claymores,"  
23 and in using those in the context of "overthrowing government,"  
24 government needs to change, we're going to be the catalyst of  
25 it, or we're just going to defend ourselves" -- having those

1 troopers." And as you've seen from your view of the case, we  
2 have a temporal aspect here. We have Mr. Cox making speeches  
3 to big groups about what his group has, what he wants to do  
4 with it. And, yeah, the government sent two undercover in on  
5 them. We're not here telling you those folks are angels and  
6 saints, because they're not.

7 But at the same time, you're sitting here being thrown  
8 by the defense that Mr. Cox has got this policy of "Defend all  
9 and aggress none." Didn't apply to the judge he was talking  
10 about killing. It didn't apply to the troopers he was talking  
11 about killing. As long as they didn't -- as long as they  
12 agreed with what he said, they were okay. And he's using this  
13 militia group as a threat to keep them away from him based on  
14 his own troubles. And as we said in our brief, Judge, I'm  
15 not -- I don't need to go through it in any detail -- is a  
16 large degree of credibility that is coming into play with Mr.  
17 Cox's statements.

18 And let me tell you one other thing. You've been on  
19 the bench a lot longer than I've been a lawyer. And I'd be  
20 foolish to try to pull a fast one on you or try to persuade you  
21 to do something that Mr. Traverso indicated that we did with  
22 respect to that -- or that comment with Judge Beistline. Mr.  
23 "Defend all, aggress none" never tried to talk Mr. Vernon out  
24 of killing Judge Beistline. He sat through those conversations  
25 with him. He never reported it to law enforcement. And he's

1 items are -- is illegal.  
2 Now, perhaps the government waited too long to initiate  
3 an investigation. Frankly, we'd be here in this exact set of  
4 circumstances had we started that back in 2009. But there was  
5 a lot of waiting and a lot of restraint shown with respect to  
6 the words being used. And we submit, obviously, that  
7 actionable conduct is chargeable conduct, not investigative  
8 conduct. The Ninth Circuit case law as we provided you in  
9 Aguilar and Mayer does not prohibit the government from  
10 investigating an organization. It doesn't need to have  
11 probable cause, it doesn't need to have a reasonable suspicion.  
12 And in this case we had more, because of what Mr. Cox was  
13 saying he possessed and his group possessed.

14 Now, the reason I'm saying this to you is that they're  
15 trying to paint this as a -- as an -- as a group that was  
16 advocating at the urging of government sources and overthrow of  
17 government. What you didn't hear from them and you're not  
18 going to hear is that when these discussions about overthrow of  
19 government occurred, there were discussions by Mr. Cox and Mr.  
20 Barney about the utility of it, because they weren't strong  
21 enough yet, they weren't ready to do it yet, they didn't have  
22 enough people. Frankly, Judge, it's irrelevant.

23 And what you didn't hear from this side are these  
24 discussions of "It's morally okay for me to put a bullet in a  
25 head of a district court judge. It's okay for us to kill

1 telling you here that "I'm defending all, aggressing none." He  
2 had weeks and months of opportunity to do that. He never did  
3 it.

4 Now, there's one other thing I want to talk to you  
5 about too, and that's with respect to this omission in a search  
6 warrant that Mr. Traverso made a big deal out of. That  
7 omission goes to the same thing we already talked about  
8 concerning that, because the case agent didn't tell you that  
9 they were -- they never wanted to go attack government; well,  
10 he left out the part about because they weren't strong enough.  
11 And I just don't want to leave you with any misimpressions  
12 about that search warrant, because you will hear in the  
13 recordings time and time again that they were not strong enough  
14 to take over what they wanted to do at that time.

15 Now, Mr. Dooley raised an issue of reopening the  
16 briefing in this matter in terms of the case -- the undercover  
17 Mr. Olson exceeding the scope of his authority. The Court  
18 should decline that invitation. We've been sitting on this for  
19 seven months. What I suggest the Court do in terms of to keep  
20 us on the timeline for trial is that let them reopen it after  
21 the close of the evidence.

22 This is going to be another opportunity for the defense  
23 to throw into the public record more selected statements.  
24 We've tried our best to keep things under seal. We have to  
25 respond to certain allegations. But I think the Court needs to

2nd Cop

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/04/2010

To: Anchorage

Attn: SA [redacted]  
Fairbanks RA

b6 -1  
b7C -1  
b7E -2

SA [redacted]  
[redacted]

Attn: SSA [redacted]  
IA [redacted]  
[redacted]

Salt Lake City

Attn: SA [redacted]  
Kalispell RA

From: Salt Lake City  
Helena, Montana, Resident Agency  
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted]



Case ID #: [redacted]

(Pending) -2  
(Pending)  
(Pending)  
(Pending)

b6 -2  
b7C -2  
b7E -1, -3

Title: [redacted]  
SCHAEFFER COX;  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]  
[redacted]

Synopsis: Schaeffer Cox's alleged charges for domestic assault may impact captioned Montana DT investigations.

FBI(17-cv-611)-290

[redacted] b7E -3

To: Anchorage From: Salt Lake City  
Re: [redacted] 03/04/2010

b7E -3

**Administrative:** This document contains unavoidable references to persons and groups engaged in the exercise of First and Second Amendment Rights; however, the justification for this communication, and that of the captioned investigations, is based upon threats of violence and violations of federal criminal law. Specifically, the captioned subjects and their associates have advocated the use of firearms, explosives, and organized militias to "kill" "spill blood" and otherwise combat the federal government. They appear to be attempting to recruit and encourage others in this regard. Using the least intrusive methods available, attempts have been made to avoid the collection and documentation of information not deemed relevant to this threat.

**Enclosure(s):** Enclosed are the following materials, documenting Cox's popularity and speeches in Montana:

- 1) A transcript of Cox's 11/24/2009 speech to the Sanders County Patriots (provided by a militia-related source).
- 2) Purported court documents (from the Internet) regarding Cox's recent charges.
- 3) Internet communication regarding Cox's upcoming appearance in Montana in May.
- 4) FD-302 regarding subject [redacted] comments regarding Cox.
- 5) Flathead County and Lincoln County Liberty Bell declarations

b6 -2  
b7C -2

**Details:** Since December 2009, Salt Lake City has been investigating activity in Montana related to Alaskan subject Schaeffer Cox. In late 2009, Cox made a series of speeches in Montana and Idaho, during which he advocated a plan for solving perceived problems caused by the federal government. That plan, which Cox suggests is already in place in Alaska, involves: 1) the solicitation of "Liberty Bell" declarations from concerned citizens. 2) the creation of a "Liberty Bell" Network to respond and monitor law enforcement actions; 3) the formation of a separate common law court system; and 4) the creation of an armed militia to violently confront the federal government.

The approximately 25-year-old Cox, from Fairbanks, is a former Republican candidate for Congress, and has formed and successfully promoted a Second Amendment Task Force in Alaska. He helped to organize a "Freedom Fest" rally in April 2009 at the

To: Anchorage From: Salt Lake City  
Re: [redacted] 03/04/2010

b7E -3

Carlson Center in Fairbanks. During this time-period, Cox also appeared at the FBI office in Fairbanks, and made veiled threats to the federal government regarding further federal gun-control legislation.

Based upon discussion with the Anchorage case agent, and with militia activists in Montana, it appears doubtful that Cox has a "3,500 man militia under (his) command" as he has asserted to crowds in Montana. The "Liberty Bell" system he advocates is likely not in force to the degree he suggests in his speeches. One militia activist in Montana has suggested that Cox may have spent time in a mental health facility or drug rehabilitation clinic when he was approximately 18-years old. (Cox frequently tells a story to crowds indicating that he survived a harrowing outdoor adventure in Alaska during this time in his life). These inconsistencies, along with Cox's statements about illegal firearms, explosives, and violence caused militia activists in Montana to report his activities to the FBI. BS

Despite his dubious credentials, Cox's plan, dubbed "The Solution", has garnered significant support in at least three Western Montana counties. Followers have urged like-minded citizens to sign "Liberty Bell" declarations, promising to "abolish and replace" the government if further firearms restrictions are introduced. (It should be noted that on 2/27/2010, U.S. Attorney General Eric Holder publicly asserted that the current Administration foresees the introduction of legislation reinstating of the Clinton era "Assault Weapons Ban. This controversial legislation would appear to trigger the "revolution" called for by Cox and his followers).

Extremist subjects in Montana have praised Cox's assertion that the revolution contemplated in the Liberty Bell declarations should be carried out violently. Cox has urged audiences to be willing to "kill," "spill blood", and "be arrested" to defend liberty. Despite these rather open calls for violence, he and his followers repeatedly cast themselves as "peacemakers", indicating that it is only the tyrannical actions of the federal government that will lead to violence.

Cox's groundswell of support in Montana appears to have been generated solely from his one-week speaking tour in 2009, and the circulation of videos of his speeches. Celebrating Conservatism, a group of 500 to 800 citizens in Ravalli County hosted one of Cox's speeches in December, and continues to serve as his most vocal support group in the state. [redacted]

b6 -2  
b7C -2  
b7E -3, -4

To: Anchorage From: Salt Lake City  
Re: [redacted] 03/04/2010

b7E -3

[redacted] claims to have drafted part of a recent "questionnaire/agreement" for Celebrating Conservatism which suggests that the current Sheriff form a militia and arrest federal agents who enter Ravalli County without permission. This agreement/questionnaire appears to have been drafted in conjunction with Cox's speeches in Montana.

b6 -2  
b7C -2  
b7E -3, -4

Lincoln County Watch, [redacted] has posted Cox's videos and Liberty Bell declaration to their website and have indicated that they support his "Solution." [redacted] and other militia activists from northwestern Montana [redacted]

b6 -4  
b7C -4

Another group in Flathead County, comprised primarily of supporters of the controversial bankrupt radio station KGEZ is promoting Cox's videos and soliciting signatures for it's own Liberty Bell declaration. Two members of this group, subject [redacted] recently discussed their support for Cox's assertion that, "It's not enough to be willing to die for liberty, you have to be willing to kill for liberty."

b6 -2, -4  
b7C -2, -4  
b7E -3

It appears that Cox also garnered some support for his ideas during multiple speeches in Sanders County, but established militia-related leaders there rejected his formal "Solution".

Three constitutionalist Montana legislators appear to have spoke at Cox's Freedom Feet in Fairbanks in April 2009. They Celebrating Conservatism's [redacted] also appears to have also traveled to Alaska and maintains regular contact with Cox. Although [redacted] has indicated that her group is taking steps to put Cox's judicial and militia-related plans in place, it is unclear what steps have actually been taken.

b6 -4  
b7C -4

It should be noted that the majority of citizens involved in the above groups, do not pose a threat of actual violence. These citizens and the groups themselves are not subjects of FBI investigations. No attempt is being made to document the names of members of these groups, and the captioned investigations are focused solely on identifying individuals and situations which present actual threats of violence.

On 03/01/2010, Celebrating Conservatism and Lincoln County Watch posted Internet messages advertising a statewide Liberty Convention on May 21 and 22. The message noted that a drawing would be held for attendees to "win" a meal with Schaeffer Cox. Celebrating Conservatism indicated that they are seeking to have at least 5,000 people attend this paid event, which will be

To: Anchorage From: Salt Lake City  
Re: [redacted] 03/04/2010

b7E -3

held at the Adams Center at the University of Montana in Missoula.

On 03/02/2010, the Fairbanks Daily News-Miner posted an online story entitled, "Leader of Fairbanks 2nd Amendment Task Force Schaeffer Cox choked wife, court documents say." The story indicates that on 03/01/2010, the Alaska State Police in Fairbanks charged Schaeffer Cox with second-degree assault, a Class B felony. Cox allegedly choked his wife during an argument on a family trip to Anchorage.

If accurate, the news account of Cox being charged with felony assault presents a variety of potential opportunities for the gathering of intelligence and prevention of violence associated with Cox's militia activities. [redacted]

b7E -4

[redacted]

Cox's arrest may serve to diminish support for the potentially violent movement he has helped to start in Montana. Supporters on the Internet, however, have already asserted that the charges are problematic (due to technical filing issues), suggesting that Cox may be able to escape conviction. Beating the charges (and the resulting loss of his rights to possess firearms) may actually strengthen Cox's reputation in the militia community. Given the nature of militia movement, it is also likely that various conspiracy theories will develop amongst Cox's supporters, insinuating that the federal government is actually orchestrating the state prosecution of Cox. (As such, any attempt by the FBI to obtain information regarding Cox in Alaska should be done as discreetly as possible.)

In light of the above, it is requested that Anchorage

[redacted]

b7E -4



To: Anchorage From: Salt Lake City  
Re: [REDACTED] 03/04/2010

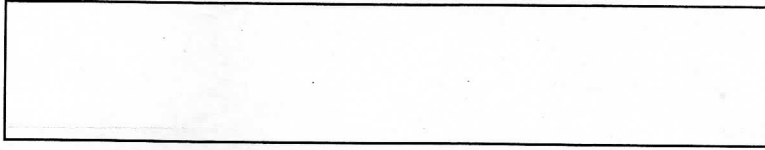
b7E -3

LEAD(s):

Set Lead 1: (Action)

ANCHORAGE

AT FAIRBANKS, AK



b7E -4

Set Lead 2: (Info)

COUNTERTERRORISM

AT WASHINGTON, DC

Read and clear.

◆◆