

# **EXHIBIT 7**

**FBI probes Nevada governor for corruption**  
Nevada governor under investigation

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**Did Jim Gibbons accept cash and gifts in exchange for defense contracts?**

**By**  
**Lisa Myers, Jim Popkin & the NBC News Investigative Unit**  
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The key facts are familiar. A politician gets a fancy vacation and perhaps other lucrative benefits. And a defense contractor gets multi-million-dollar government contracts. The question now: Was any of it criminal?

The new governor of Nevada, Jim Gibbons, is being investigated by the FBI because of alleged gifts and payments from Warren Trepp, a defense contractor whose Nevada firm received tens of millions of dollars in federal contracts.

The FBI wants to know if Gibbons, while a member of Congress, improperly used his influence to help Trepp get those contracts.

Sources close to the investigation say a key focus is a lavish week-long Caribbean cruise in March 2005 by Gibbons, his wife and son, and Trepp, who paid for almost everything. In photos obtained by NBC News, Gibbons is seen hamming it up — kicking back with a drink and posing with his wife, Dawn, Trepp and Trepp's other guests.

Software designer Dennis Montgomery was also on that cruise with Gibbons. He estimates the trip cost "probably \$20,000 a person," claiming he saw the invoice. Montgomery says his former business partner Trepp chartered a 727 to fly guests from Nevada to Florida and back and picked up the tab for penthouse rooms, private meals and expensive wines.

In an exclusive interview with NBC, Montgomery — who's now at war with his former partner — makes an explosive charge. He says that near the end of the cruise, he saw Trepp pass money to the congressman.

**Dennis Montgomery:** There was a lot of alcohol and a lot of drinking. And that's when I first saw Warren give Jim Gibbons money.

**Lisa Myers:** How much?

**Montgomery:** Close to \$100,000.

**Myers:** How can you know?

**Montgomery:** Because he gave him casino chips and cash.

**Myers:** Are you sure about what you saw?

**Montgomery:** I'm absolutely, positively sure.

So sure that Montgomery has made the same allegations in federal court. Montgomery's wife also says she saw Trepp pass casino chips to Gibbons. In addition, Montgomery provided NBC with hundreds of e-mails, he says, from Trepp's computer.

Days before the cruise, Trepp's wife e-mails her husband: "Please don't forget to bring the money you promised Jim and Dawn on the trip."

Hours later, Trepp e-mails back: "Don't ever send this kind of message to me! Erase this message from your computer now!"

There also is a paper trail showing Gibbons helped Trepp's company, eTreppid, get government contracts.



Then-Congressman Jim Gibbons, seated, toasts with Dennis Montgomery during a March 2005 cruise.



In a 2003 e-mail, an eTrepid executive tells Trepp that Gibbons helped secure a contract and "we need to take care of him like we discussed." Two years later, the same executive writes, "He [Gibbons] has always been really good to us."

Gibbons, fifth from left in the back row, poses with fellow cruise mate 2005.

Gibbons, a Republican, says he would help any Nevada company, and strongly denies all wrongdoing.

"I'm not the kind of congressman or governor that would ever accept any kind of payment or bribe or gift or whatever it is!" he says.

Gibbons says Trepp has been a friend for nearly 20 years, that he reimbursed him \$1,654 for the trip and that he only flew one-way on the 727.

Trepp also strongly denies any wrongdoing, and suggests the e-mails were doctored. Both men also question Montgomery's credibility, arguing he's involved in a vicious legal battle with Trepp over ownership of their company, with millions of dollars at stake.

Montgomery admits he's no angel, that he's been known to gamble and he was sued for sexual harassment. Montgomery is now cooperating with the FBI in the criminal investigation of Gibbons and Trepp. In court, and in our interview, Montgomery claims that Trepp gave Gibbons cash twice, the second time allegedly was in Trepp's office at eTrepid.

**Montgomery:** He took a hundred thousand out of his desk, two \$50,000 bundles, and asked me to get a briefcase, which I did. 15 minutes later, Jim came in, picked it up and left.

**Myers:** Did you see the Congressman with the briefcase?

**Montgomery:** Yes.

**Myers:** And you're sure the money was in there?

**Montgomery:** Yes.

Montgomery, a registered Republican, says he never reported the alleged payments to the FBI. He says he did tell the Air Force official who was handling their contracts as had been instructed.

**Myers:** Why didn't you go to the police?

**Montgomery:** Because I've been informed, because of the nature of the work that we do, this is the only person I am to go to.

**Myers:** Because you do classified work for the government?

**Montgomery:** We do work for the government.

NBC News called Montgomery's Air Force contact and asked whether he ever knew about or reported any alleged payments to the congressman. The official said "no comment" and hung up. Montgomery also says he confronted Trepp, to no avail.

**Myers:** Did you raise the possibility that this was improper?

**Montgomery:** Yes.

**Myers:** And he said?

**Montgomery:** Stay out of it.

Montgomery's credibility will be put to the test, but so will Trepp's. He was chief broker for junk-bond trader and convicted felon Michael Milken. The Securities and Exchange Commission tried to bar Trepp from the industry for what a judge called "egregious, recurring and intentional" misconduct. The case against him eventually was dismissed because the government waited too long to bring charges.

**Myers:** Some people are going to look at this and say, "This is just one angry, disgruntled man. Why should we believe him?"

**Montgomery:** Because I know what happened for the last five years and I can prove it.

The FBI now is trying to sort out who's telling the truth. It's always possible that no charges will be brought. But grand-jury subpoenas have gone out and a governor's reputation hangs in the balance.