

Dennis L. Montgomery

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Dennis Lee Montgomery (born 1953) is an American software designer and former medical technician credited with "bamboozling" federal officials into purchasing computer programs he claimed would decode secret Al Qaeda messages hidden in Al Jazeera broadcasts and identify terrorists based on predator drone videos.^[1] A 2010 Playboy Magazine investigation called Montgomery, "The man who conned the Pentagon" winning millions in federal contracts for his terrorist exposing intelligence software.^[2] The software was later exposed as an elaborate "hoax" and Montgomery's own lawyer Michael J. Flynn called him a "con artist" and "habitual liar engaged in fraud".^[3]

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Dennis L. Montgomery

Born	July 9, 1953 Mena, Arkansas, U.S.
Residence	Yarrow Point, Washington,U.S.
Nationality	American
Occupation	Software designer
Spouse(s)	Brenda Kathleen Tate (m. 1974)
Children	Brian Thomas Montgomery, b. 1976 Steven Lee Montgomery, b.1979 Kathleen Ann Burgyan, b.1981

Education and career

Dennis Montgomery is a former medical technician originally from Mena, Arkansas. Montgomery attended Grossmont Community College where he received an Associate's degree in medical technology in 1973. He worked as a biomedical technician for San Diego area hospitals from 1973 to 1990 before becoming a computer software consultant. Montgomery was then employed at 3Net Systems, a financially struggling Sacramento-based medical software company^[4] until 1996. In 1998 he co-founded eTreppid Technologies with partner Warren Trepp to develop video compression and noise filtering software for the gaming and casino industries.^[5] Montgomery and Trepp evolved their offerings for military applications and in 2004 won a no-bid contract with the Department of Defense. Following a dispute over software ownership Montgomery was fired from eTreppid in 2006 and formed a new venture with billionaire backers Edra and Tim Blixseth called OpSpring which was later renamed Blxware where he had the title of Chief Scientist.^[6] Blxware was dissolved as part of the Blixseth's 2009 divorce and bankruptcy.^[7]

Patents and software copyrights

Dennis Montgomery has applied for 11 and has been granted five patents for software and systems ranging from programs designed to gather data from casino gaming tables to his now infamous claimed terrorist message decoding system. All of his granted patents were assigned to eTreppid Technologies and later purchased by BLXware which went bankrupt in 2009. In addition, Montgomery has 13 U.S. copyrights filed for source code for work he performed at Barrett Laboratories and for ComputerMate, Inc. (3Net). Montgomery's remaining unassigned intellectual property patent applications (valued by Montgomery at \$10 million)^[8] were listed as assets against liabilities in his personal Chapter 7 bankruptcy in 2012. These patents and patent applications include:

- Optical encoding of audio data (<http://www.google.com/patents/US7142778>), patent granted 2006 (assigned to eTreppid)
- System and method for managing memory in a surveillance system (<http://www.google.com/patents/US7058771>), patent granted 2006 (assigned to eTreppid)
- Method and apparatus for streaming data (<http://www.google.com/patents/US7050583>), patent granted 2006 (assigned to eTreppid)
- Method and apparatus for detecting and reacting to occurrence of an event (<http://www.google.com/patents/US7006666>), patent granted 2006 (assigned to eTreppid)
- Method and apparatus for storing digital video content (<http://www.google.com/patents/US6978047>), patent granted 2005 (assigned to eTreppid)
- Data gathering for games of chance (<http://www.google.com/patents/US20030096643>), patent application 2001
- System and method for generating alert conditions (<http://www.google.com/patents/US20030095687>), patent application 2001
- Method and apparatus for storing digital video content (<http://www.google.com/patents/US20060098880>), patent application 2005
- Method and system for size adaptation and storage minimization source noise (<http://www.google.com/patents/US20030095180>), patent application 2001
- Method and apparatus for encoding information using multiple passes (<http://www.google.com/patents/US20020101932>), patent application 2000
- Method and apparatus for determining patterns within adjacent blocks of data (<http://www.google.com/patents/US20030081685>), patent application 2001
- Copyrighted source code: for IBM personal computers: CORTEX software. V3536D631 2006-03-27 (Assigned to Barrett Laboratories, Inc.)
- Copyrighted source code: Computermate source code for Hewlett Packard model 87, blood gas analysis & 6 other titles. V3536D581 2006-03-27 (Assigned to ComputerMate, Inc. (3Net))
- Copyrighted source code: MIND 1.0 ANATOMIC PATHOLOGY laboratory software for personal computers with source code. TX0002095009 / 1987-06-05 (Assigned to Barrett Laboratories, Inc.)
- Copyrighted source code: MIND 4.0 clinical software for IBM personal computers with source code. TX0002000234 / 1987-01-20 (Assigned to Barrett Laboratories, Inc.)
- Copyrighted source code: Computermate source code for Hewlett Packard model 85, blood gas analysis. TXu000098727 / 1982-06-03 (Assigned to Computermate, Inc. (3Net))
- Copyrighted source code: Computermate source code for Hewlett Packard model 85, blood gas quality control. TXu000098728 / 1982-06-03 (Assigned to Computermate, Inc. (3Net))
- Copyrighted source code: Computermate source code for Hewlett Packard model 87 blood gas analysis. TXu000098018 / 1982-05-28 (Assigned to Computermate, Inc. (3Net))
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- Copyrighted source code: MIND 1.0 microbiology laboratory software for personal computers with source code. TX0002083750 / 1987-06-04 (Assigned to Barrett Laboratories, Inc.)
- Copyrighted source code: MIND 3.0 clinical laboratory manual for IBM personal computer. TX0002034758 / 1987-01-15 (assigned to Barrett Laboratories, Inc.)
- Copyrighted source code: CORTEX source code for IBM personal computers. TX0001983147 / 1987-01-16 (assigned to Barrett Laboratories, Inc.)

3Net Systems

While a corporate officer at 3Net Solutions Dennis Montgomery was successfully sued for sexual harassment^[9] and for which his company was found financially responsible.^[10] This case was cited as precedent setting in California as mentioned in the article: Key Changes in Employment Law by Margaret J. Grover.^[11]

During his tenure at 3Net Systems Dennis Montgomery served as a marketing consultant and then as vice president responsible for product delivery of FAILSAFE, a software product upon which the company based a \$5 million stock offering.^[12] The Securities and Exchange Commission later determined the FAILSAFE related offering claims were material false and misleading to shareholders and issued a formal cease and desist order sanctioning the company for failing to disclose materially relevant inflated revenues claims.^[13] While at 3Net Montgomery also wrote and filed copyright protections for software source code with 3Net affiliated company ComputerMate, Inc.

eTreppid Technologies, LLC

Montgomery became a partner to former Michael Milken junk bond trader Warren G. Trepp and investor Wayne Prim to develop and sell audio, video and data compression software under the banner eTreppid Technologies in 1998. As executive vice president and chief technology officer Montgomery led the company's efforts to promote software to government agencies associated with tracking terrorist activities. In 2004 eTreppid was awarded a \$30 million no-bid contract with United States Special Operations Command and was ranked the 16th largest defense contractor that year, according to Aerospace Daily.^[14] However, by 2006 the company and Montgomery faced federal investigations for fraud.^[15] That same year Montgomery was found guilty of sexual harassment in a suit brought by a former employee. Montgomery claims he was then "forced out" of eTreppid. He subsequently filed a civil suit^[16] against the company asserting his ownership of the terrorist tracking software.^[17] The court ruled that Montgomery was required to produce his terror tracking software code via discovery to eTreppid to determine ownership.^[18] However, before turning over the code, Montgomery entered into a settlement agreement where his new employers Edra and Tim Blixseth agreed to pay eTreppid an undisclosed amount (later revealed in court documents to be \$75 million) to relinquish all rights to the software to their newly formed partnership with Montgomery called BLXware.^[19]

BLXware partnership

After his firing from eTreppid, Montgomery joined with Edra and Tim Blixseth to bring his alleged terrorist tracking software to other U.S. and foreign government clients. With the Blixseths and former presidential candidate Jack Kemp he helped formed OpSpring LLC later renamed BLXware. Via BLXware, Montgomery pursued selling his terror tracking software to the U.S. and Israel governments leveraging political connections of the Blixseth partnership.^[20] BLXware's owners Edra and Tim Blixseth divorced in 2008 and BLXware became part of Edra Blixseth's sole property. She filed for personal bankruptcy in 2009 which resulted in a Chapter 7 dissolution of all her assets including BLXware and its associated software and intellectual property.^[21]

Offshore Limited D

During the Chapter 7 bankruptcy and dissolution of BLXware in 2009, Dennis Montgomery transferred various internet and software assets to a holding entity called Offshore Limited D and set up companies called Pacific Coast Innovations and Demaratech LLC computer software services with his son-in-law and former BLXware special projects coordinator Istvan Burgyan.^{[22][23]} Under these entities he has begun to offer software related

services for tracking submarines, mining data and medical device software via such brands as Harpoon™ submarine detection,^[24] GeoVations geophysical data mining,^[25] and LumaSkinz optical cloaking and camouflage technology.^[26] OffShore Limited D also lost a domain dispute case for hosting several attack websites for which allegations of trademark violations^[27] were raised and defended unsuccessfully by lawyers for Timothy Blixseth.^[28]

Terrorist software hoax

According to the New York Times, Dennis Montgomery and his associates received more than \$20 million in U.S. government contracts for software they claimed would help stop terrorist attacks on the United States. National Public Radio reported, "For several months starting in the fall of 2003, Montgomery's analysis led directly to national code orange security alerts and cancelled flights. The only problem: he was making it all up."^[29]

Dennis Montgomery originally worked for Warren Trepp, a former top junk bond trader for Michael Milken, at eTrepid Technologies and later partnered with Yellowstone Club founders Edra and Tim Blixseth under the banner Blxware to solicit government contracts for his spy software. The Blixseth's were friends with former U.S. Representative and presidential candidate Jack Kemp who became a minority partner in the venture with Montgomery. According to the *New York Times*, Mr. Kemp used his friendship with Vice President Dick Cheney to set up a meeting in 2006 at which Mr. Kemp, Mr. Montgomery and Ms. Blixseth met with a top Vice President Cheney adviser, Samantha Ravich, to talk about expanding the government's use of the software.^[30]

Montgomery's software claims were reportedly responsible for a false terror alert which grounded international flights and caused Department of Homeland Security Secretary Tom Ridge to raise the government's security level.^[31] In February 2006, the FBI and U.S. Air Force office of Special Investigations opened an economic espionage and theft of intellectual property investigation into Montgomery and Blxware.^[32]

Nevada governor bribery scandal

During the run-up to the 2006 gubernatorial election, Dennis Montgomery accused gubernatorial candidate Jim Gibbons of accepting bribes while serving as a Member of Congress to help Montgomery's company eTrepid Technologies secure military contracts for his terrorist software. In court papers associated with a lawsuit between Montgomery and former business partner Warren Trepp, Montgomery accused Gibbons of accepting casino chips and \$100,000 in cash from Trepp during a Caribbean cruise. Montgomery based his claims on Trepps' personal e-mails he says he accessed while working at eTrepid Technologies.^[33] Gibbons lawyers claimed they had evidence Montgomery fabricated the emails^[34] and presented computer expert evidence in trial that challenged the authenticity of Montgomery's alleged evidence.^[35] An 18 month FBI investigation resulted in no charges and Gibbons being "cleared" of all charges by the Department of Justice. Similar reviews by the Nevada State Ethics Commission and U.S. House Ethics Committee also cleared Gibbons. The New York Times reported that Montgomery's employers at Blxware paid a \$20 million settlement^[36] to Warren Trepp as "compensation for certain allegations" made by Montgomery in the news media linked to the Gibbons bribery claims.^[37]

Personal life

A 2003 U.S. Air Force investigation report revealed Montgomery suffered from gambling problems for which he borrowed \$1.3 million from his then company eTrepid Technologies to pay back casino debts. In 2009 Montgomery was arrested on criminal charges in Nevada for passing \$1 million in bad checks to Las Vegas

casinos.^[38] Montgomery was represented in various lawsuits by attorney Michael Flynn until Flynn claimed he learned Montgomery's software was a "sham"^[39] and who later sued and won a \$628,000 judgment against Montgomery for failing to pay his legal fees.^{[40][41]} Montgomery subsequently filed for Chapter 7 bankruptcy in California in 2009 listing his debts to Flynn, Harrah's Casino (\$540,000), Caesars Casinos (\$990,000) and other creditors totaling debts of more than \$12,000,000.^{[42][43]} In 2013 his former attorney Michael Flynn purchased all of Montgomery's bankruptcy-related debts, encumbrances, real estate and other assets. Montgomery is now a witness on behalf of Flynn representing Tim Blixseth against Credit Suisse and others in Blixseth's bankruptcy.^[44]

Prior to his bankruptcy filing Montgomery maintained multi-million dollar residences with his wife in Rancho Mirage, California, Reno, Nevada and Yarrow Point, Washington. In addition to the Nevada criminal complaint for passing bad checks, Montgomery had a federal criminal investigation into his software dealings delayed following an alleged unconstitutional search of his home by the FBI which Montgomery's attorney Michael Flynn claimed resulted in the firing of the head of the FBI Reno Office and an assistant U.S. Attorney in charge of the case. Federal officials denied the allegations and the case remains open pending resolution of related civil suits between Montgomery and his former employer eTrepaid.^[45]

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External links

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- The Guardian: The Nevada gambler, al-Qaida, the CIA and the mother of all cons (<http://www.guardian.co.uk/world/2009/dec/23/dennis-montgomery-cia-al-jazeera>)
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