1 IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE NORTHERN DISTRICT OF OHIO
2 EASTERN DIVISION

3 UNITED STATES OF AMERICA,)
)
4 Plaintiff,) Judge Wells
) Cleveland, Ohio
5 vs.)
) Criminal Action
6 JAMES A. TRAFICANT, JR.,) Number 4:01CR207
)
7 Defendant.)

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TRANSCRIPT OF PROCEEDINGS HAD BEFORE
9
THE HONORABLE LESLEY WELLS
10
JUDGE OF SAID COURT,
11
ON THURSDAY, MARCH 14, 2002
12
Jury Trial
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Volume 18
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23 U.S. District Court - Room 539
201 Superior Avenue
24 Cleveland, Ohio 44114-1201
(216) 241-5622
25 Proceedings recorded by mechanical stenography; transcript
produced by computer-aided transcription.

1 Thursday Session, March 14, 2002, at 8:45 A.M.
2 THE COURT: Sir, you're still under oath.
3 Good morning, everyone.
4 THE JURY: Good morning.
5 MR. TRAFICANT: Good morning, your Honor.
6 THE COURT: Good morning.
7 CROSS-EXAMINATION OF DOMINIC ROSSELLI
8 BY MR. TRAFICANT:
9 Q. Good morning, Dominic.
10 A. Good morning, Congressman.
11 Q. Can I call you Chip?
12 A. Yes, you may.
13 Q. Did you go home last night?
14 A. Yes, I did.
15 Q. Talk to your dad?
16 A. Briefly.
17 Q. How is your dad and mom doing?
18 A. Very well. Thank you.
19 Q. Your position as treasurer then, you had
20 responsibility for all Cafaro accounts?
21 A. That's correct.
22 Q. Did you have annual reviews and audits of the
23 bookkeeping procedures?
24 A. Yes. We performed annual audits.
25 Q. Did you ever have outside consulting firms provide

1 audits?
2 A. On occasions, yes.
3 Q. What were those companies' names?
4 A. Kentucky Oaks Mall Company and Governor Square Mall
5 Company.
6 Q. And weren't they, in fact, malls owned by the
7 Cafaros?
8 A. Those two particular entities had outside partners,
9 and the partnership agreement required independent
10 certified audit.
11 Q. So the other mall owners required outside audits; is
12 that correct?
13 A. That's correct.
14 Q. Did the Cafaros have any of their contracts as a
15 requirement for outside audits?
16 A. With the entities the Cafaros owned, no.
17 Q. Did you ever visit with the IRS at any time during
18 the time you were treasurer?
19 A. No, I have not.
20 Q. Have the IRS ever conducted an audit of Cafaro
21 business?
22 A. Yes, they have.
23 Q. While you were treasurer?
24 A. Yes.
25 Q. What year was that?

1 A. The audit was conducted two years ago, but I believe
2 there were years were prior to my being treasurer they were
3 under audit.
4 Q. Would that be the Year 2000?
5 A. I believe there was a settlement for the Year 2000.
6 Q. There was a settlement in the year?
7 A. 1999 or 2000, I'm not exactly sure which year.
8 Q. You know what time the Cafaro investigation relative
9 to the Traficant matter was initiated?
10 A. No, I do not know that.
11 Q. Before you were auditor and treasurer, how many years
12 had you served with the company?
13 A. I've been with the company a total of 18 years. I
14 started in '83. So '83 to '97.
15 Q. Other than the 1999 IRS audit, did you or were you --
16 did you have any knowledge of any IRS audit before that?
17 A. Absolutely.
18 Q. What years?
19 A. Most years, almost every year is audited.
20 Q. They ever audit you?
21 A. Me personally or --
22 Q. No, the company?
23 A. The company's audited almost every year.
24 Q. Were they audited in 2000?
25 A. No. I don't believe the Year 2000 has been audited.

1 Q. Have they contacted you about 2001?
2 A. Not that I'm aware of.
3 Q. Now, you said you never really met Richard Detore,
4 right?
5 A. No, I met Richard Detore.
6 Q. Where did you meet Richard Detore?
7 A. In the Youngstown office at one meeting, and I met
8 him once in Manassas.
9 Q. And when you met with Mr. Detore in Manassas -- let
10 me ask you this: When you met with USAG in Manassas, who
11 was, in fact, the spokesman for USAG at that time?
12 A. When you say spokesman, do you mean who was
13 conducting the meeting?
14 Q. Yeah.
15 A. J.J. Cafaro.
16 Q. Who was answering the questions on the laser
17 technology?
18 A. I believe J.J. Cafaro and possibly Richard Detore.
19 Q. Did you take a plane flight?
20 A. Yes, I did.
21 Q. What hour of the day was it?
22 A. It was in the evening.
23 Q. Do you know why they conducted the flight in the
24 evening?
25 A. I believe so that the landing lights would be visible

1 to show how well it performs in the evening.
2 Q. Wasn't it a fact that if you had the test during the
3 day, you could not see the laser lights?
4 A. I don't know that.
5 Q. You know if the FAA ever tested the guidance system?
6 A. I don't know that for sure.
7 Q. How many times did you meet with the FBI?
8 A. Twice.
9 Q. Do you remember the first time?
10 A. Yes, I do.
11 Q. And when was that?
12 A. I don't recall the exact date. I believe January,
13 January.
14 Q. Of what year?
15 A. 2002.
16 Q. You didn't meet with them in 2001?
17 A. I don't recall the exact date. There were two
18 meetings. I don't recall the dates of the first and second
19 meeting.
20 Q. Well, was it more than six or eight months ago?
21 A. No, I don't believe it was that. It may have been
22 about six months maybe.
23 Q. It could have been even a little longer, huh?
24 A. It may have been. It wasn't more than a year,
25 though. Probably six months would be a fair guess.

1 Q. Did the FBI have documents to show you?
2 A. Yes, they did.
3 Q. What documents did they have in their possession?
4 A. If I recall, the copies of the memos that we went
5 over yesterday.
6 Q. Did any of those memos deal with legislative
7 activities?
8 MR. MORFORD: Objection as to relevance.
9 THE COURT: Sustained.
10 THE WITNESS: Should I --
11 THE COURT: Oh, don't answer.
12 BY MR. TRAFICANT:
13 Q. Did they ask you about the $3,000?
14 A. Yes.
15 Q. Now, wasn't it a fact if J.J. Cafaro's initials were
16 on a document, and you just went ahead and paid it?
17 A. That's correct.
18 Q. Without checking with Tony?
19 A. That's correct. As long as it was within the budget,
20 we paid it.
21 Q. So it was at some point where Anthony had approved
22 some extension or there was money available for the USAG
23 account, right?
24 A. That's correct.
25 Q. Now, when you were shown a copy of the $3,000 check

1 to Mr. Lange, was the $5 million cap already exceeded?
2 A. I'm not sure I understand the question. Are you
3 referring to the one I was shown a copy of the check in the
4 meeting with the FBI?
5 Q. Do you recall a $3,000 check that became an issue
6 brought up by the Prosecution about whether or not this
7 $3,000 check to Mr. Lange was a 1099 or an expense to USAG?
8 A. Yes, I do remember.
9 Q. And at first, it was what?
10 A. It was treated as an expense reimbursement.
11 Q. Isn't it a fact it was first treated as a 1099 issue
12 to Mr. Al Lange for income?
13 A. No. I believe the original memorandum indicated it
14 was for expenses so it was treated that way.
15 Q. But you first treated it before the memorandum as an
16 income, didn't you, to Al Lange when issued a 1099?
17 A. No. When it was -- when the check was originally
18 issued, it was treated as an expense item.
19 Q. Well, where did the 1099 issue come from?
20 A. That came at the end of the year when the auditors
21 were reviewing and preparing 1099s for all vendors. They
22 reviewed that and determined there was not sufficient
23 backup to classify that as a reimbursable expense.
24 Q. What auditors were those?
25 A. Those were internal auditors.

1 Q. Did they bring that to your attention?
2 A. Yes.
3 Q. Whom did you address about that problem?
4 A. I contacted J.J. or his secretary.
5 Q. Did you personally talk with J.J.?
6 A. No, I don't believe so.
7 Q. Did you report it to Anthony?
8 A. No.
9 Q. Did you become aware at any time that USAG had hired
10 a bookkeeper?
11 A. Yes.
12 Q. Was that at your request?
13 A. No.
14 Q. Isn't it a fact that in 1999 they hired a bookkeeper?
15 A. I don't recall at what point in the process they
16 hired the bookkeeper.
17 Q. Let me say this: You don't recall the time, is it
18 fair to say, then, that they had no bookkeeper for USAG?
19 A. During the particular period of time, they had no
20 bookkeeper, that's correct.
21 Q. Who did their books?
22 A. We prepared their checks. We issued the checks, and
23 we transferred all that information to the accounting firm
24 of William Rayall and Company.
25 Q. When you say we, who are you referring to?

1 A. The Cafaro Company.
2 Q. So the Cafaro Company did the books up until USAG
3 hired a bookkeeper, right?
4 A. We did not complete the books. We only processed the
5 checks. We served as a check writing service actually. We
6 did not complete the bookkeeping services.
7 Q. Wouldn't a bookkeeper do that? Don't bookkeepers
8 process checks for companies?
9 A. Sometimes.
10 Q. Do you?
11 A. Do I? No, I do not.
12 Q. Do you have a bookkeeper on your staff?
13 A. Yes, I do.
14 Q. Do they?
15 A. They're part of the process, yes.
16 Q. Isn't that a normal accounting process, Chip?
17 A. Yes.
18 Q. Were you aware of any bonus money owed to Mr. Al
19 Lange?
20 A. No, I was not.
21 Q. Did you ever become made aware of that?
22 A. Only recently.
23 Q. Who told you?
24 A. It may have come up in the questioning.
25 Q. Questioning by whom?

A. By the FBI.

Q. Did you have any knowledge of Mr. Cafaro having a $26,000 check?

A. No, I do not.

Q. Did you participate in anything in inquiring about that check?

A. No, I did not.

Q. Are you now familiar with what the check was? Did the FBI show you the check?

A. Well, I have heard reference to the check. I'm not sure if I've ever seen the check.

Q. Who gave you the reference to the check?

A. I believe it was just in questioning if I had any knowledge of the check from the FBI.

Q. Wasn't it a fact that J.J. would come to the company for money?

A. Not unless -- if he was spending it out of his own personal funds, he would not.

Q. Were you shown by the FBI a check for the amount of approximately $2,100 something? You remember that?

A. No, I don't recall that.

Q. Were you sometimes -- were you at any time informed that there were repairs being made on a boat?

A. Yes.

Q. When did you learn that those repairs were being made

1 on the Traficant boat?
2 A. Probably in questioning with the FBI.
3 Q. When did you stop sending money completely to the
4 U.S. Aerospace Group?
5 A. Probably would have been April 2000.
6 Q. Were you familiar with any of J. J. Cafaro's
7 activities on his credit card?
8 A. No.
9 Q. Did he have a company credit card?
10 A. During certain periods of time, yes, he did.
11 Q. Did you audit and monitor the activities of his
12 credit card of the Cafaro Company?
13 A. I personally did not.
14 Q. Did anyone in your staff do that?
15 A. Yes, they did.
16 Q. Who did they report to?
17 A. They would report to me.
18 Q. Do you know whom in your office handled Cafaro's
19 personal finances, J.J.'s personal finances?
20 A. Patty Dorenzo would handle J.J.'s checkbook.
21 Q. Who's Patty Dorenzo employed by?
22 A. She's employed under the umbrella of the Cafaro
23 Company.
24 Q. Now, you used the term umbrella. Does the Cafaro
25 Company own the umbrella?

1 A. No, it does not. It's just a -- it's a name we use
2 to refer to everything that goes on with the family.
3 Q. Does the company own the Cafaro Company?
4 A. Yes, they do.
5 Q. Did J.J. ever ask you for cash?
6 A. Not me, no.
7 Q. Did he ever ask you for checks to be made out to him?
8 A. When he would request checks, he would request them
9 out of his personal account. He would request through
10 Patty Dorenzo, not me.
11 Q. Did Patty Dorenzo have the authority to go ahead an
12 issue you the check?
13 A. She would write the check out his checkbook for his
14 signature. Yes, she would do that.
15 Q. And what, if anything, then, would she do as a
16 follow-up to having written that check for J.J.?
17 A. She would do nothing. It's just she would deliver
18 the check to him for his signature and would leave with it
19 with him.
20 Q. Would she file it?
21 A. If there was backup for, you know, support or receipt
22 or something that was attached to it, she would file that.
23 Q. Would she give a copy to you?
24 A. No.
25 Q. Did you maintain records of all financial

1 transactions in the Cafaro Company?
2 A. Yes, I did.
3 Q. Well, if an employee of the Cafaro Company by the
4 name of Ms. Dorenzo, wrote a check to J.J., would that not
5 be memorialized in the files of the company records?
6 A. It would be memorialized in his personal records.
7 Q. Within the company's building?
8 A. Yes.
9 Q. Was a check written in the Cafaro building or in
10 Mr. Cafaro's residence?
11 A. It would be in the building.
12 Q. Did Ms. Dorenzo ever go write checks at his
13 residence?
14 A. I have no way of knowing that.
15 Q. Did you?
16 A. No.
17 Q. Were you aware of an agreement to buy the Traficant
18 boat?
19 A. I was never aware of that.
20 Q. Did the FBI ever tell you there was an agreement to
21 buy the Traficant boat?
22 A. In the question they asked if I was aware of it, that
23 was all.
24 Q. Did you ever issue checks to repair J.J. Cafaro's
25 boat?

1 A. Those would have been issued out of his personal
2 account.
3 Q. In his personal account, would that have been under
4 the umbrella of the Cafaro Corporation?
5 A. No.
6 Q. And you would have no record of same?
7 A. Only J.J.'s personal files would contain that.
8 Q. Were the assets of the family members kept on record
9 at the Cafaro Company building?
10 A. They're kept in files but not -- yes, they're kept in
11 files in the building.
12 Q. Who does the taxes for them, Chip?
13 A. Employees of the Cafaro Company.
14 Q. And who ultimately reviews their tax returns?
15 A. The employees.
16 Q. What employees?
17 A. Employees under the umbrella of the Cafaro Company.
18 Q. Who supervised the individuals that did the tax
19 return for the Cafaro family, namely Flora, J.J., and
20 Anthony?
21 A. We have a tax manager that reports to me. He would
22 supervise -- he would be the direct supervisor of that.
23 Q. And would he report to you?
24 A. Yes.
25 Q. And would you look it over and see if you found any

1 inconsistencies?
2 A. I did not review those tax returns.
3 Q. I did not ask you if you redid them. Did you look
4 them over?
5 A. No, I did not review them.
6 Q. But you always requested receipts for any expenditure
7 made under the Cafaro umbrella, right?
8 A. That's correct.
9 Q. Even if it was with a partner; is that correct?
10 A. That's correct.
11 Q. Did the partners, in fact, require substantiation,
12 documentation?
13 A. Yes, they would.
14 Q. Were there ever any payments made from any of your
15 partners' accounts that were made for Cafaro activities in
16 regards to that partnership?
17 A. Not that I'm aware.
18 Q. Was that ever audited?
19 A. No.
20 Q. Did you ever audit it?
21 A. No.
22 Q. Well, how do you know they weren't ripping you off?
23 A. They weren't handling our funds. We managed the
24 entities that we have partners with, so we control all the
25 cash receipts and disbursements.

1 Q. So they were required to report it all to you?
2 A. They had -- they were just -- they were limited
3 partners so they had no involvement in the operations of
4 the entities.
5 Q. Could you have thrown them out of the partnership?
6 Could Anthony Cafaro say you're gone?
7 A. No, he could not.
8 Q. Was there stock in these companies?
9 A. There were partnerships so there would be partnership
10 interests as opposed to stocks.
11 Q. Were they corporations?
12 A. No, they were partnerships.
13 Q. Do you have agreements on file in the corporation
14 company offices?
15 A. Yes, we do.
16 Q. Did you show them to the FBI?
17 A. No, I did not.
18 Q. How many times did you meet with the FBI?
19 A. Twice.
20 Q. How many agents did you deal with?
21 A. In the first meeting, there was one FBI agent and one
22 IRS agent. In the second meeting, I believe it was just
23 one FBI agent.
24 Q. Say the first, there was an FBI and an IRS?
25 A. That's correct.

1 Q. And the second just an FBI?
2 A. Yes.
3 Q. What questions did the IRS agent ask you?
4 A. I don't believe he asked any question.
5 Q. So did you know if the Cafaro Company did pay bonuses
6 to their employees?
7 A. Yes, they did.
8 Q. Was it a standard practice?
9 A. I wouldn't call it a standard practice. It occurs on
10 occasions.
11 Q. Did you get bonuses?
12 A. No, I did not.
13 Q. You're the treasurer, and you didn't get a bonus?
14 A. That's correct.
15 Q. Now, on your umbrella company, did some of them give
16 bonuses?
17 A. Yes.
18 Q. Was it uncommon?
19 A. For certain classes of employees, we would sometimes
20 have incentives. They would get bonuses.
21 Q. Who was it up to to give those bonuses?
22 A. Anthony Cafaro would have the ultimate say in those.
23 Q. Would Anthony Cafaro have the ultimate say on USAG
24 bonuses?
25 A. I don't believe so. I believe J.J. Cafaro had the

1 ultimate say on those.
2 Q. Do you know if there was a note that existed between
3 J.J. and his brother on the loans made to USAG?
4 A. I don't believe there were notes to those loans.
5 Q. Did you ask if there were?
6 A. No. We carried them as just open obligations.
7 Q. What is an open obligation as far as the IRS is
8 concerned?
9 A. It's just a demand. It's due any time. There's no
10 documentation for a loan.
11 Q. Okay. It's due on demand. Who would make the
12 demand, and who would it be demanded upon in relationship
13 to the Anthony -- J.J. loans?
14 A. Anthony would make the demand, and J.J. would have to
15 pay.
16 Q. Did Anthony ever make the demand?
17 A. Not that I'm aware of.
18 Q. If you were aware of it, would it not, in fact, be a
19 part of your tax documentation?
20 A. Yes.
21 Q. Would it by law be required to be?
22 A. I don't know that for sure.
23 Q. Did you not say that you handled tax matters for the
24 corporation for seven years?
25 A. I was in the tax department, yes.

1 Q. Are you aware of the Internal Revenue Service laws?
2 A. It's been a few years since I've practiced in any
3 tax, but, yes.
4 Q. Are you aware of Ohio Taxation laws?
5 A. To some extent.
6 Q. Are you aware of Virginia taxpayer laws?
7 A. No.
8 Q. How many different states do the Cafaro Companies --
9 name the states that they are located in with real estate
10 activities.
11 A. The state of Washington, Oregon, Ohio, Pennsylvania,
12 Tennessee, Kentucky, Virginia, West Virginia.
13 Q. Do you know if all of those state laws are the same?
14 A. I don't assume they would be the same.
15 Q. Do you have a tax expert that, in fact, ensures that
16 the Cafaro Company is in compliance with state laws in the
17 respective states in which they operate?
18 A. Yes, we do.
19 Q. Who does that person report to?
20 A. Reports to me.
21 Q. And who do you report to?
22 A. Anthony Cafaro.
23 Q. Has any state audited you?
24 A. Yes.
25 Q. What state?

A. Ohio has audited us.
Q. When was the last time?
A. I don't recall the last audit.
Q. If you can't recall, would you say it was more than five years ago?
A. Probably less than five years.
Q. Would you say your memory's good to about five years?
A. Generally, I don't know.
Q. Now, there started to come a number of checks being written to USAG on the request of J.J. Cafaro; is that correct?
A. That's correct, he would ask us to pay the bills.
Q. And if Anthony had approved the money, you'd just go ahead and write the check, right?
A. As long as he approved it, yes, we would.
Q. Was the laser equipment ever brought to Youngstown for demonstration?
A. Not that I'm way aware of.
Q. When you flew to Manassas, how did you get there?
A. Company plane.
Q. Describe the company plane.
A. It's a Cesena Citation.
Q. Two-engine jet or propeller?
A. No, a two-engine jet.
Q. There's not a guy with a hand pump and a couple

1 rubber bands, is there?
2 A. No.
3 Q. It's a jet, isn't it?
4 A. A two-engine jet, yes.
5 Q. How big is the jet?
6 A. I believe it seats eight passengers.
7 Q. How many went on that trip?
8 A. Four passengers.
9 Q. Who were they?
10 A. J.J. Cafaro, Rick Goldberg, Jim Dober, and myself.
11 Q. How long ago was that?
12 A. I'm sorry. What was the question?
13 Q. How long ago was that?
14 A. Three or four years ago.
15 Q. Could it be 1996, Mr. Rosselli?
16 A. It could have been. I really don't recall the exact
17 date we went down. I don't know if it was back that far,
18 though. I'm confident it would not have been 1996.
19 Probably 1997, 1998.
20 Q. You had been asked by the Prosecutors about the
21 Avanti disaster. Is that a matter -- is that a fact?
22 A. That's correct.
23 Q. At the time of the Avanti disaster, was J. J. A
24 member of the, say, top governing officials of the
25 corporation, of the company?

1 A. For a portion of that time, he was.
2 Q. And you said it was after Avanti that he left?
3 A. No. He left during the middle of the Avanti years.
4 Q. Middle of Avanti?
5 So now you've exhausted $10 million and gone forward
6 on the strength of a press release from Washington?
7 A. There was a lot of information that convinced them to
8 continue to fund it.
9 Q. What other information convinced them to fund it?
10 A. Mostly from what I was aware we would meet, and J.J.
11 would give us his explanation of what was being done by the
12 company and what had been accomplished.
13 Q. Did you ever write checks in the Cafaro Company or
14 any of its individuals who were political candidates as
15 contributions?
16 A. I did not, no.
17 Q. Are you aware of those?
18 A. I know they made political contributions, but I'm not
19 aware of the specifics.
20 Q. Did the company ever discuss law with you about
21 political contributions?
22 A. Yes. We were aware that there were limitations on
23 political contributions.
24 Q. And what were those limitations?
25 A. I'm not that familiar with the law.

1 Q. Is J.J. a good businessman?
2 A. With respect to some items, yes.
3 Q. What items?
4 A. The real estate business.
5 Q. Was J.J. as good a businessman as Anthony?
6 A. I believe Anthony is a stronger businessman than
7 J.J.
8 Q. Did Anthony ever venture out of the real estate area?
9 A. Not that I'm aware of.
10 Q. Did Mr. Cafaro ever venture out of the real estate
11 area?
12 A. Not that I'm aware.
13 Q. Is it not a fact Mr. Cafaro approved the billing of a
14 stadium for a minor league baseball team?
15 A. That was really done within the auspices of helping
16 to contribute to the development of the Eastwood Mall
17 property.
18 Q. Who paid for the stadium?
19 A. Cafaro family.
20 Q. Did you -- did you write the checks?
21 A. Yes.
22 Q. Is it a beautiful stadium?
23 A. Yes, it is.
24 Q. Is it -- does it carry the Cafaro name?
25 A. Yes, it does.

1 Q. Did you write the checks on that account?
2 A. Yes.
3 Q. Did you meet with Mr. Alan Levin?
4 A. No, I never did.
5 Q. Who gave you the authority to go forward and write
6 the checks?
7 A. Anthony Cafaro.
8 Q. Was his father still alive?
9 A. I don't recall the time frame of when the stadium was
10 built and Mr. Cafaro's passing, but I believe when it was
11 started, Mr. Cafaro was alive.
12 Q. Mr. Cafaro would have had to approve it to go
13 forward, would he have not?
14 A. Yes.
15 Q. But who was it that gave you the instructions to go
16 ahead?
17 A. Anthony Cafaro.
18 Q. Anthony was the boss?
19 A. That's correct.
20 Q. Now, U.S. Aerospace employees, why were they under
21 the Cafaro insurance group plan?
22 A. Probably just to take advantage of the group rates
23 that would be available for all the companies.
24 Q. Yeah. But would that not, in fact, connote to the
25 auditors that they were, in fact, employees of the Cafaro

1 Company?
2 A. Well, actually, no. In true legal sense, the Cafaro
3 Company has no employees. We worked for -- the paychecks
4 actually say William Cafaro Associates. The accounts the
5 funds are drawn is in the name of Cafaro Lockbox Fund, LP,
6 and I believe the name on the payroll tax return is Cafaro
7 Management Company. It serves -- it serves as a common
8 paymaster for all of the Cafaro umbrella companies.
9 Q. That's a pretty specific and pretty large and broad
10 convoluted deal, isn't it?
11 A. Yes, it is.
12 Q. Did the IRS audit every one of those?
13 A. I believe they were looking at everything.
14 Q. I didn't ask you if they looked at them. Did the IRS
15 audit every single account that you just mentioned?
16 A. No, they do not.
17 Q. Well, then, how do they audit -- how did they audit
18 the Cafaro Company?
19 MR. MORFORD: Objection as to what he'll
20 know, as to how they did that, your Honor.
21 THE COURT: If he knows, he can answer it.
22 THE WITNESS: Could you repeat the question?
23 Q. How did they audit the Cafaro Company?
24 A. They may not have audited the Cafaro Company. They
25 selected and picked which companies they were going to

1 audit.
2 Q. You said in 1999 they audited them?
3 A. When I said they audited the Cafaro Company, I was
4 referring to the Cafaro Company as the blanket, which may
5 mean they may have chosen five or six specific companies
6 within that umbrella that they would audit.
7 Q. Chip, you just explained a myriad of companies that
8 employees were paid from. Now, listen to my question
9 carefully.
10 Did the IRS ask for every one of those accounts?
11 A. No, they did not.
12 Q. Did they audit any of those accounts?
13 A. Some of the accounts, they would.
14 Q. Which ones?
15 A. I don't recall specific entities that were audited.
16 Q. How do you know which company was paid from which of
17 these accounts you just mentioned?
18 A. Our internal records will identify where employees
19 were located and which entity would be charged for those
20 payroll services.
21 Q. So your words were the IRS would, quote unquote,
22 selectively decide which to audit, is that your statement?
23 A. That's correct.
24 Q. Did you explain to them about all of these other
25 entities that you had?

1 A. Yes, there were.
2 Q. They asked you about them?
3 A. I do not -- they don't ask me. I don't conduct the
4 actual discussions with the Internal Revenue Service.
5 Q. Who does?
6 A. We have a tax manager that does that.
7 Q. Who does he report to?
8 A. He reports to me.
9 Q. Would the IRS go to the boss?
10 A. No.
11 Q. Would the IRS go to Ms. Dorenzo?
12 A. No.
13 Q. Who directed them, and how did they know who to go
14 to?
15 A. The owners of the entity would sign a power of
16 attorney, which would give them the ability to discuss the
17 matters with the Internal Revenue Service.
18 Q. Who signed the power of attorneys?
19 A. Whoever the owner was of that particular entity.
20 Q. If they were Cafaro Company entities, who signed
21 them?
22 A. Whichever Cafaro family members owned that particular
23 entity. They don't all own the same entities.
24 Q. So it either has to be J.J., Flora, or Anthony?
25 A. They would have -- they would have been involved in

1 it. They could be involved in any of them, that's correct.
2 Q. Now, if the IRS came to the boss of a multi million
3 dollar, 11th biggest privately owned company in America,
4 they wouldn't consult with their treasurer?
5 A. They did not.
6 Q. Now, when the IRS completed their audits, did you ask
7 for their findings?
8 A. Yes.
9 Q. Did you review their findings?
10 A. People under my supervision, we do.
11 Q. Did you report them to anybody?
12 A. Anthony Cafaro would be made -- would be made aware
13 of them.
14 Q. Did you have outside consultants that you at times
15 used to assist in assuring compliance?
16 A. Yes, we would.
17 Q. Name them.
18 A. We would use various -- different legal firms.
19 Thompson Hine and Flory I believe was one firm that was
20 used.
21 Q. Pardon?
22 A. Thompson Hine and Flory.
23 Q. Where were they located?
24 A. In Cleveland.
25 Q. Cleveland. What was one of the other ones?

1 MR. MORFORD: Objection, your Honor, as to
2 relevance, as to what this has to do with any of the facts
3 of this case.
4 THE COURT: The objection is sustained.
5 BY MR. TRAFICANT:
6 Q. Are you familiar with the counts of my indictment,
7 sir?
8 A. No, I'm not.
9 Q. Were you ever asked about a boat to be used for
10 testing for the laser guidance system?
11 A. I questioned some expenses for repairs for a boat,
12 and I was told that the boat was to be used for marine
13 test -- marine demonstrations.
14 Q. Did the Government show you a check that was written
15 in January 2000 to Mr. Lange?
16 A. No, they did not.
17 MR. TRAFICANT: 302, transcribed 3-27,
18 interview 3-09.
19 Second paragraph, your Honor. I have used it as a
20 work product. Can I show this to the witness?
21 THE COURT: Yes. Don't read it out loud,
22 though.
23 MR. TRAFICANT: What page was that? I'm -- I
24 don't have my copy.
25 MR. MORFORD: Page 4.

1 MR. TRAFICANT: Thank you.
2 Q. Could you read, Chip, his dad was the greatest
3 basketball coach in history, the second paragraph.
4 A. Okay.
5 MR. TRAFICANT: Can I have my document, your
6 Honor?
7 THE COURT: Um-hum.
8 MR. TRAFICANT: Can he keep that while I ask
9 him some questions, or you need them back.
10 THE COURT: Well, you can do it one at a
11 time. So I need it back.
12 MR. TRAFICANT: Okay.
13 Q. Do you recall any issues regarding a welder or
14 generator?
15 A. No, I do not.
16 Q. Do you remember being questioned about a check to Al
17 Lange in the amount of $2,172?
18 A. Yes, I do.
19 Q. When was that check written?
20 A. I believe that said January 2002.
21 Q. Well, since you read it, would your memory be
22 refreshed that it might be January of 2000?
23 A. It slips my memory, I apologize.
24 Q. Because --
25 THE COURT: Here.

1 THE WITNESS: Yes, it says January of 2000.
2 Q. Wasn't it a fact at that time the Cafaro Company was
3 completely away from writing any checks for U.S. Aerospace?
4 A. That's correct.
5 Q. Wasn't it a fact that U.S. Aerospace was supposed to
6 be writing its own checks?
7 A. That's correct.
8 Q. Why did the Cafaro Company send a check?
9 A. I don't know that.
10 Q. But, it is a fact that the Cafaro Company sent a
11 check after the Cafaro Company --
12 MR. TRAFICANT: I object to the objection
13 here.
14 THE COURT: It hasn't been -- the objection
15 hasn't been --
16 MR. MORFORD: I'm waiting for him to finish
17 his sentence.
18 MR. TRAFICANT: Unless he's standing to help
19 his knees.
20 THE COURT: No. But, it would be helpful if
21 you wouldn't talk when he's standing to make an objection.
22 You can proceed --
23 MR. TRAFICANT: Did you have --
24 THE COURT: Excuse me. You can proceed.
25 MR. MORFORD: I object because there is

1 absolutely no evidence that this was a Cafaro Company
2 check, and it's misleading.
3 THE COURT: Thank you. The objection is
4 sustained, Congressman. Move on.
5 BY MR. TRAFICANT:
6 Q. Let me ask you something: Wasn't it your response
7 that you had no knowledge of that check?
8 A. That's correct.
9 Q. And why would you say at that time USAG was writing
10 all its own checks?
11 A. January 1st of 2000, we stopped all activity. We --
12 that's when we began to find out what the final one, that
13 they wrote their own checks.
14 Q. But you knew that the check was not written by USAG
15 according to what you just read, didn't you?
16 A. No.
17 MR. TRAFICANT: Show him the document again.
18 THE COURT: No. We don't need to keep doing
19 that. He said he didn't know about this check.
20 Q. Was not one of the big issues involving this case
21 that certain employees of U.S. Aerospace believed that the
22 umbrella company --
23 THE COURT: Sir, are you talking about this
24 case?
25 MR. TRAFICANT: This case.

1 THE COURT: Okay. Well he's already said he
2 doesn't even know about the indictment in the case.
3 MR. TRAFICANT: I'm not talking about that
4 question. You didn't let me ask my question.
5 THE COURT: Well, you got enough of it out
6 for me to say you can't pursue that with this witness.
7 MR. TRAFICANT: I got enough of it out?
8 THE COURT: Yeah.
9 BY MR. TRAFICANT:
10 Q. Were you aware of any lawsuits filed against the
11 Cafaro Company by USAG employees?
12 A. Rick Detore filed a lawsuit.
13 Q. Wasn't it a fact that Rick Detore maintained that he
14 was a Cafaro Company employee?
15 A. I don't know the specifics of that lawsuit.
16 Q. Did you confer at all with anybody about the lawsuit
17 when you heard about it?
18 A. No, I did not.
19 MR. TRAFICANT: No further questions at this
20 time.
21 THE COURT: Thank you.
22 MR. MORFORD: We have nothing to redirect
23 here.
24 THE COURT: Thank you. You're excused.
25 Thank you very much.

1 TRACY SLOAN

2 of lawful age, a witness called by the Government,

3 being first duly sworn, was examined

4 and testified as follows:

5 DIRECT EXAMINATION OF TRACY SLOAN

6 BY MR. KALL:

7 Q. Could you please state your name, and spell your last

8 name?

9 A. Tracy Sloan, S-L-O-A-N.

10 Q. And, Ms. Sloan, could I ask you to pick up the

11 microphone so we can hear you, please?

12 A. Is that better?

13 Q. Okay.

14 Where do you live?

15 A. I live in 9611 Scales Place, 9611 Scales Place,

16 Bristow, Virginia.

17 THE COURT: Can you spell the street?

18 THE WITNESS: S-C-A-L-E-S.

19 Q. Are you currently employed?

20 A. Yes, I am.

21 Q. Where do you work?

22 A. Altarus Corporation.

23 Q. How long have you worked there?

24 A. Almost a year.

25 Q. Have you ever worked at a company called U.S.

Aerospace Group?

A. Yes, I have.

Q. Also referred to as USAG?

A. Yes, it is.

Q. When did you work at U.S. Aerospace Group?

A. Sometime in '99 to 2000.

Q. What were your duties there?

A. Basically, I was the accounting manager, office manager, and HR manager.

Q. Who were your bosses within the office?

A. I reported directly to Ruth Nielson, but the majority of my duties came from Richard Detore and Capri Cafaro.

Q. And what were Mr. Detore and Ms. Cafaro's titles?

A. Mr. Detore -- there was -- there was a change of titles sometime during the time that I was there. So I'm not -- I don't recall the titles any longer. It's been awhile.

Q. But you did report to Mr. Detore and to Ms. Cafaro?

A. Yes, I did.

Q. During the course of your employment at USAG, did you ever meet Congressman Traficant?

A. No, I did not.

Q. Were you aware of his office contacting U.S. Aerospace Group?

A. Yes, I was.

1 Q. How did you become aware of that?
2 A. His office would call and contact myself occasionally
3 to set up luncheons or have Mr. Detore or Mr. Lange come
4 down to meet with him.
5 Q. How frequently did that occur?
6 A. I don't remember.
7 Q. Was it an unusual occurrence?
8 A. I didn't think it was.
9 Q. Who did you understand -- who are you setting up
10 these appointments for at USAG?
11 A. I'm not sure what you're asking.
12 Q. Who are the people at USAG that were scheduled to
13 attend these meetings?
14 A. The majority of the time it was Mr. Detore, Mr. Lange
15 went down.
16 Q. And did you under -- were you told who they were to
17 be meeting with?
18 A. Not all the time, no.
19 Q. Do you recall who was on the phone?
20 A. If I'm not mistaken -- and this is a guess, again
21 it's been a long time, I think -- the think the gentleman's
22 name was Paul -- I can not remember his last name.
23 Q. Okay.
24 A. Marcone maybe.
25 Q. Okay. Did you ever see any correspondence going

1 between the congressional office and USAG?
2 A. I saw some faxes being sent to and from the items in
3 which they referenced. I don't know.
4 Q. All right.
5 During the time that you were employed at USAG, were
6 you ever asked to contact any car rental companies?
7 A. Yes, I was.
8 Q. Was this a normal occurrence?
9 A. No, it was not.
10 Q. How often during the course of your time there were
11 you asked to do that?
12 A. Once.
13 Q. Who asked to you do that?
14 A. Mr. Detore.
15 Q. What were you asked to do?
16 A. I was asked to rent a -- a car for Mr. Traficant,
17 Congressman Traficant.
18 Q. Do you recall when this occurred?
19 A. Latter part of '99.
20 Q. Was this part of USAG's normal business?
21 A. No, it was not.
22 Q. What kind of car were you instructed to try to find?
23 A. I was instructed to find an exotic or luxury car.
24 MR. TRAFICANT: Pardon?
25 THE WITNESS: Exotic or luxury car.

1 Q. Were you able to find something like that?
2 A. Yes, I was.
3 Q. What did you find?
4 A. I found a Corvette.
5 Q. Where did you find that?
6 A. A company called Millennium Cars.
7 Q. And did you end up setting up a rental for that?
8 A. Yes, I did.
9 Q. For how long was the car to be rented?
10 A. Originally, it was a two-week period.
11 Q. And you say originally. Did that come to change at
12 some point?
13 A. It did. It was extended. I think it was extended
14 another two weeks.
15 Q. At the time that you made this reservation for the
16 car rental, was it secured in any way?
17 A. It was secured with Mr. Detore's credit card.
18 Q. Did Mr. Detore tell you why USAG would be doing this?
19 A. My recollection of why we were doing it is because we
20 were finding some -- we were finding a shop to do some
21 repairs on Congressman Traficant's car, and this was -- the
22 payment of the car -- the rental of the car was going to be
23 reimbursed by Congressman Traficant.
24 Q. What kind of car was USAG repairing for Congressman
25 Traficant, did you understand?

A. It was an Avanti.

Q. Do you know whether or not -- let me ask it this way: Do you know where that Avanti came from?

A. Rephrase the question.

Q. Were you aware of J.J. Cafaro ever having affiliation with the Avanti company?

A. Yes, I was.

Q. Were you ever told that that Avanti came from the Avanti company?

A. I -- I'm not sure how -- I'm not sure.

Q. Okay.

But it was your understanding that while the Avanti was being repaired, a Corvette was going to be rented for Congressman Traficant?

A. Yes.

Q. Do you know who eventually paid for the Corvette?

A. I'm not sure.

Q. Was there ever any incident regarding Mr. Detore's credit card, any problems you recall relating to this?

A. Yes. This -- the rental of the car had to be somewhere at the end of the year, right around Christmas, and Mr. Detore wanted to purchase a gift for his wife and could not use the credit card to purchase the gift because the Millennium had hit his card for the charges for the car.

1 Q. What was Mr. Detore's reaction?
2 A. He was angry.
3 Q. I'd like to ask you some questions now about a boat.
4 During the time that you were employed at USAG, are you
5 familiar with any repairs that were made to a boat?
6 A. Vaguely, yes.
7 Q. Who was in charge of these boat repairs?
8 A. Albert Lange.
9 Q. And do you recall whether or not Mr. Lange was ever
10 reimbursed for these boat repairs?
11 A. Yes, he was.
12 Q. As part of your duties, did you become familiar with
13 that?
14 A. Limited, yes.
15 Q. How much do you recall Mr. Lange being reimbursed for
16 boat repairs?
17 A. It had to be in a sum of over $2000. The number
18 2,000 comes to mind.
19 Q. If there were additional reimbursements to Mr. Lange
20 from J.J. Cafaro directly, would you in your position have
21 seen those?
22 A. No.
23 Q. And were -- was there a time when USAG's finances
24 were handled out of Youngstown as opposed to out of
25 Manassas?

A. Yes.
Q. Did Mr. Lange seem happy to be doing these boat repairs?
A. No, he did not.
Q. Did you ever hear him complain about it?
A. Yes, I did.
Q. Did you ever hear him reminisce about how fond he was about the boat, anything like that?
A. No, I did not.
Q. Did you ever hear him say he wanted to do this work?
A. No, I did not.
Q. Do you know why the boat was being repaired?
A. No.
Q. Do you know whose boat it was?
A. I -- I don't know for a fact. I just know my impression of where or whom I thought owned the boat.
Q. And that impression is based on things that other people might have told you?
A. Yes.
Q. Okay. During the time you were employed with USAG, do you recall anything unusual -- unusual about a generator?
A. I came across some documentation that I was going over the company's asset list and came across some documents, and I -- we had a receptionist/bookkeeper prior

1 to my coming on board, and I was going through her files,
2 trying to clean things up.
3 And I found documentation for a generator, and I knew
4 we already had a generator, and that generator was
5 purchased during the time I was there. So I was a little
6 surprised to see another one, and so I started
7 investigating where the generator was because it was
8 sitting on our asset list.
9 Q. Why would you do that?
10 A. Well, if it's sitting on your asset list, you have to
11 know where the property is, and you've got to depreciate it
12 for your taxes, and so we're responsible for the property.
13 If we don't have the property, then we need -- you
14 know, have to find out where it went, if it was damaged,
15 you know, the circumstances behind it, and if it was
16 damaged, we have to write it off.
17 Q. What did you do to try to look for it?
18 A. We -- we were on the second floor of the large
19 manufacturing facility. So I went downstairs to start
20 locating it, looking around to see if it was on the meat
21 trailer, talked to Mr. Lange about it, and I wasn't able to
22 locate it.
23 Q. Do you have any personal knowledge what happened to
24 that generator?
25 A. Not at all.

Q. How do you know that that particular generator was not still around, how were you able to compare it?

A. The serial numbers.

MR. KALL: Nothing further at this time, your Honor.

THE COURT: Thank you.

CROSS-EXAMINATION OF TRACY SLOAN

BY MR. TRAFICANT:

Q. Good morning, Tracy.

A. Good morning.

Q. The FBI visit with you?

A. Yes, they did.

Q. Where?

A. At the facility at U.S. Aerospace.

Q. And that is in Virginia?

A. Yes, sir.

Q. Did you know me?

A. No, sir.

Q. You ever meet me?

A. Never.

Q. Ever see me?

A. Other than on TV, no.

Q. Ever talk to me on the phone?

A. No, sir.

Q. How did you see me on the TV down in Virginia?

1 A. I think you were on CNN or one of the Capitol Hill
2 shows that --
3 Q. Did they call you and tell you they were going to
4 come out and meet with you, the FBI?
5 A. Yes, they did.
6 Q. Um-hum. When you came into USAG, was it a mess as
7 far as bookkeeping?
8 A. It needed some cleaning up. I wouldn't -- compared
9 to some of the companies that I have gone into, it was
10 pretty neat.
11 Q. Did you know Mr. Detore before you went to work
12 there?
13 A. Yes, I did.
14 Q. Did he hire you?
15 A. Yes, did he.
16 Q. Did Mr. Cafaro hire you?
17 A. No, sir. He got all -- Mr. Detore got authorization
18 from the Cafaro Company to hire me.
19 Q. From the Cafaro Company?
20 A. Yes, sir.
21 Q. Who was the Cafaro Company that authorized it?
22 A. I'm not sure who authorized it.
23 Q. Did they call back to Youngstown for authorization?
24 A. I wouldn't know that. You have to ask Mr. Detore.
25 Q. Now, when you said they would call the office, you

1 mean Paul Marcone?
2 A. I'm sorry. I didn't hear that.
3 Q. You said when my office had called, they were made by
4 Paul?
5 A. I think so. I think I spoke with at least two
6 different people.
7 Q. Did you ever talk with me?
8 A. No, sir.
9 Q. When someone called your office, would you ask their
10 names?
11 A. Usually when they called, they would say who -- who
12 it was calling.
13 Q. So I never called?
14 A. No, sir.
15 Q. Are you familiar with a company called NAVCOM?
16 A. Yes. Yes, sir, I am.
17 Q. Did you work for NAVCOM?
18 A. Yes, I did.
19 Q. Can you explain what NAVCOM was?
20 A. NAVCOM was a Government contractor.
21 Q. And what did they do for the Government?
22 A. They built demarcation systems.
23 Q. What are those systems?
24 A. I don't even want to go into an explanation of it.
25 I'm not a technical person.

1 Q. Did they have Government contracts, though?
2 A. Yes, they did.
3 Q. Did they have a Government contract, outstanding debt
4 the Government owed them money?
5 A. Yes, they did.
6 Q. Were you doing the books at that time for NAVCOM?
7 A. The latter part -- NAVCOM had several different
8 companies under the NAVCOM umbrella, and until the latter
9 part of my employment, no, I did not do the books for the
10 Government contracting side of the house, no.
11 Q. While you were doing the books, were you familiar
12 with the fact that the Government owed NAVCOM any money?
13 A. I can't respond to that one way or another. I'm
14 not -- the -- you have to understand that NAVCOM was a
15 large company. They had many, many different Government
16 contracts. I did not keep up with the contract. So -- and
17 at the latter part of my employment with NAVCOM, there were
18 a lot of issues between NAVCOM and the Government. So I
19 can't respond to that.
20 Q. Did you have to get approval from the Youngstown
21 company to pay employees?
22 A. Yes. We -- we did not get autonomy from the
23 Youngstown office for a considerable amount of time. So
24 everything that was -- was paid, was approved, and at one
25 point, at the beginning of my employment there, the checks

1 actually came from Youngstown.
2 Q. Who signed the check?
3 A. I don't even remember.
4 Q. Was it a Cafaro Company check?
5 A. Yes, they were.
6 Q. Your paycheck came from the Cafaro Company?
7 A. Yes, it did.
8 Q. Who paid for your health insurance?
9 A. Well, when I first started my employment with USAG,
10 the Cafaro Company did. When we started insisting upon our
11 autonomy, we did.
12 Q. Now, when you insisted upon autonomy, was it a fact
13 the Cafaro Company was no longer making money available to
14 U.S. Aerospace?
15 A. No, sir, that's not true.
16 Q. Do you know if there were loans owed to the Cafaro
17 Company?
18 A. Yes, there were.
19 Q. Did you handle those loans?
20 A. As far as loan documentation or --
21 Q. Documentation to have bookkeeping records?
22 A. We -- we both -- the transactions as they came in to
23 where the funds were coming from, yes.
24 Q. You maintained them in your files?
25 A. Yes.

1 Q. Other than the Cafaro Company, was there any other
2 money coming in?
3 A. I'm not sure what you're asking.
4 Q. Other than the money that was being loaned from the
5 Cafaro Company, were you getting any significant amount of
6 money from any other sources?
7 A. I would answer no to that question. I mean -- to me,
8 there's such a fine line between the Cafaro Company and the
9 Cafaro individuals.
10 Q. Now, when you talked with Mr. Lange about the
11 generator, what did he say?
12 MR. KALL: Objection, hearsay.
13 THE COURT: Right. You can't answer what he
14 said to you.
15 THE WITNESS: Okay.
16 Q. Did you investigate the generator?
17 A. Yes, I did.
18 Q. What if -- what, in fact, did you learn in your
19 investigation?
20 MR. KALL: Objection to the extent this is
21 based on hearsay.
22 MR. TRAFICANT: No, I didn't ask that. I
23 asked what she learned upon her investigation.
24 THE COURT: You have to talk about your own
25 experience, what you know firsthand.

1 MR. TRAFICANT: Yes.
2 THE COURT: Because nobody else is here to be
3 cross-examined or to be sworn, and so you can't -- they
4 can't put evidence of other people on.
5 MR. TRAFICANT: Excuse me. For the record, I
6 object. I asked a question what she learned from her
7 investigation, not who she learned it from. Now, can I ask
8 that question?
9 THE COURT: Yes, you can ask that question.
10 Q. From your investigation, what did you personally
11 learn?
12 A. I learned that the generator was not on our site.
13 Q. Did you further investigate it to where it would be?
14 A. I went as far as I could go as to find out where it
15 was.
16 Q. Did you ever find out where it was?
17 A. No, sir, I did not.
18 MR. TRAFICANT: This is a defense exhibit
19 marked -- I can't even read my own handwriting.
20 THE COURT: Well, show it to the Government.
21 MR. TRAFICANT: It's a rental agreement. Is
22 that DD-2 or BS-2?
23 MR. KALL: That's DD-2.
24 MR. TRAFICANT: Thank you, Matthew. Coming
25 to my defense.

1 Q. I want you to look at this very carefully. Is that
2 the rental agreement you called on?
3 A. It looks like it.
4 Q. What's the name of the company?
5 A. Millennium.
6 Q. What does it say at the top?
7 A. Which section?
8 Q. Right there.
9 A. Rental agreement.
10 Q. Now, does it say who rented the car?
11 A. The renter's name is Richard Detore.
12 Q. And was anybody listed as an additional driver on the
13 car?
14 A. Yes, sir.
15 Q. What was the name of the individual listed as the
16 additional driver?
17 A. James A. Traficant.
18 MR. KALL: We'd ask this be made a joint
19 exhibit.
20 THE COURT: It will.
21 MR. TRAFICANT: I ask it now be submitted now
22 into evidence.
23 THE COURT: We do that at breaks, as you
24 know, Congressman.
25 MR. TRAFICANT: Okay.

1 Q. So Mr. Detore put Mr. Traficant's name on it, didn't
2 he?
3 A. I would assume so.
4 Q. You assume, or did you see it?
5 A. I didn't -- I wasn't sitting there watching him fill
6 out the documents.
7 Q. You testified in court before?
8 A. I'm sorry. I didn't hear that.
9 Q. Have you testified in courts before?
10 A. Yes, sir, I have.
11 Q. Did the Millennium Company bill for the car when it
12 wasn't returned after two weeks?
13 A. I'm not sure. I -- I'm not sure. I don't recall how
14 the billing -- I know that the charges were hit on
15 Mr. Detore's credit card. As to whether we actually got a
16 hard copy invoice, I don't recall.
17 Q. You know how many days the car was rented for?
18 A. Not off the top of my head I don't.
19 Q. Do you know that there was a charge on the Millennium
20 rental agreement?
21 A. I'm sorry?
22 Q. You know if there would be a charge listed on the
23 bill?
24 A. I'm sure there would be.
25 Q. Would you have maintained this in your company files?

1 A. I -- I don't know. I'm sure I probably had a file.
2 I don't know. I don't recall.
3 Q. Who was the boss of U.S. Aerospace?
4 A. Well, title-wise or who actually ran the day-to-day
5 operations?
6 Q. Who was the boss that ran the day-to-day operations?
7 A. Richard Detore ran the day-to-day operations.
8 Q. Who was the professional engineer that understood the
9 laser technology?
10 A. Albert Lange.
11 Q. Did Mr. Richard Detore understand the technology?
12 A. I assumed he did. He seemed to.
13 Q. Who would fly the planes on demonstrations, if you
14 know?
15 A. Mr. Detore.
16 Q. You know if he was a licensed certified pilot?
17 A. I would hope so. I don't know for a fact.
18 Q. What, in fact -- well, we just had a couple TWA
19 buildings go down. They're still wondering what happened,
20 but anyway, was there anybody that would hold the box on
21 the runway?
22 A. Hold the box --
23 Q. Was the laser a little box?
24 A. Yes. It was positioned on the runway. Nobody --
25 Q. You know who would positioned it on the runway?

1 A. Albert Lange and Robert Looney.
2 Q. Do you know if you had a portable unit that could be
3 carried on your back?
4 A. Yes, we did.
5 Q. Did you think it was a good technology?
6 A. I certainly did.
7 Q. Did you know if the company lobbied many members of
8 Congress?
9 A. I couldn't speculate to that.
10 Q. Did Capri Cafaro ever ask you for money?
11 A. Ask me for money?
12 Q. Yes. As far as checks or anything?
13 A. I'm not sure -- I mean, we would go over accounts
14 payable list and -- together. What are you referring to?
15 Q. What role did Capri Cafaro play with the company?
16 A. She would review documents, help, you know, sit in
17 with meetings, make her opinion, or she would sign checks,
18 review AP's, you know.
19 Q. Did she have the authority to sign checks?
20 A. Yes, she did, but that was after we received autonomy
21 from the Cafaro Company. These were our checks, out of our
22 account. U.S. Aerospace's checks are out of U.S.
23 Aerospace's account.
24 Q. You started working in '99?
25 A. If my memory serves me well, yes.

1 Q. So at what time after you started did you start
2 writing your own checks?
3 A. It was after 2000. I think the last -- I'm sorry, go
4 ahead.
5 Q. No. I'm sorry. I might have cut you off.
6 THE COURT: Right.
7 Q. I might have cut you off. I thought you had
8 concluded.
9 A. I think the latter part of '99 we established an
10 account, a local account, put a couple of dollars in there
11 to get the account started to -- to speed things up as far
12 as, you know, when we finally got the autonomy, and then in
13 the Year 2000, the beginning half -- the first quarter is
14 when we were able to --
15 Q. Were there signators to that account? Whose names
16 had to appear on the checks, or could just any employee of
17 U.S. Aerospace sign the check?
18 A. No, we had -- we had signators.
19 Q. Who were the signators?
20 A. I'm not sure if it was just Capri Cafaro and Richard
21 Detore or if there were other people. It wasn't a limited
22 number of people. At least the two of them.
23 Q. Did Capri Cafaro work eight hours a day?
24 A. No, she did not.
25 Q. Was she there very often?

1 A. No, she was not.
2 Q. Was she hardly there?
3 A. Yes.
4 Q. Was she a figurehead?
5 A. I don't know. I mean she -- you know, she could be
6 off-site doing other things in regards to the company. I
7 don't know that.
8 Q. Do you know who her father was?
9 A. Yes, I do.
10 Q. Who was her father?
11 A. J.J. Cafaro.
12 Q. And who was his brother?
13 A. Anthony Cafaro.
14 Q. Who was the boss of the Cafaro Company?
15 A. I assumed Anthony Cafaro.
16 Q. Why did you assume that?
17 A. I couldn't tell you how I came up with the
18 assumption.
19 Q. When your paycheck was signed from the Cafaro Company
20 but you were working for U.S. Aerospace and your insurance
21 was coming from the Cafaro Company, as an experienced
22 bookkeeper, as an experienced worker in Government
23 activities, whom do you believe was your employer?
24 A. Well, I've worked for several companies who have
25 had -- who have been -- who have had subsidiary companies,

1 and the checks have come from the corporation, but you work
2 for the subsidiary.
3 I personally -- I didn't like my paycheck coming from
4 the Cafaro Company, but I -- I've had it happen before.
5 Q. Are employees usually paid by their employers?
6 MR. KALL: Objection.
7 THE COURT: Sustained.
8 Q. Did you ever work for a company who they themselves
9 did not pay you?
10 MR. KALL: Objection, relevance.
11 THE COURT: Sustained.
12 Q. Was Mr. J.J. Cafaro there?
13 A. Once in a while he would come in, yes.
14 Q. Who established the bank account?
15 A. Ruth Nielson went down, got all the documentation we
16 needed, brought it back to the site, and got -- I would
17 assume Capri signed the documentation to establish the
18 account.
19 Q. Well, you said earlier when the prosecutors asked you
20 if you knew about any titles. You said you didn't know any
21 titles; is that correct?
22 A. No, I can't recall.
23 Q. Can you recall now?
24 A. No. I -- the titles changed midstream, and they
25 changed there at the end. And I'm not -- I don't want to

1 tell you something that's -- that's not factual or that I'm
2 incorrect in saying so --
3 Q. At any time you were an employee with U.S. Aerospace,
4 was there someone called a president?
5 A. Yes.
6 Q. Who?
7 MR. KALL: Objection, your Honor. She said
8 she didn't remember titles.
9 MR. TRAFICANT: No, she just said yes.
10 THE WITNESS: There was somebody that was a
11 president of a company.
12 THE COURT: If you know. Answer if you don't
13 know.
14 THE WITNESS: I don't want to speculate. I
15 don't want to say -- make a false statement. I don't know.
16 Q. Did you order the Corvette?
17 A. Yes, I did.
18 Q. Did you specifically ask for a Corvette?
19 A. Yes, I did.
20 Q. And your testimony to the FBI -- and the Prosecutor
21 you said some luxury model car?
22 A. After I did the research and called Millennium to say
23 this is the car, that's the car I ordered, but while I was
24 doing the research, I was looking for a luxury or exotic
25 car.

1 Q. You know what the car was to be used for?
2 A. I'm sorry?
3 Q. Do you know what the car was to be used for?
4 A. My knowledge was that you would be using it.
5 Q. Do you know for what?
6 A. I would assume travel.
7 Q. Do you know who ultimately paid the bill on the car?
8 A. No, I do not.
9 Q. Did you write it off as an expense for U.S.
10 Aerospace?
11 A. No, we did not.
12 Q. Well, if it was a U.S. Aerospace expense, wouldn't
13 you have as the bookkeeper written it off as a business
14 expense?
15 A. Yes. But the -- the car was -- Mr. Detore's credit
16 card was used. U.S. Aerospace never expended funds to my
17 knowledge to pay for that car.
18 Q. Did U.S. Aerospace have money in the bank to pay for
19 this car?
20 A. I don't recall at that time if we had funds to pay
21 for the car.
22 Q. Well, you said when the account was opened, it was
23 opened with a couple dollars?
24 A. Yes.
25 Q. Who physically went to the bank and opened the

account?
A. I don't recall.
Q. Did Mr. Rick Detore show up for work?
A. Yes, he did.
Q. Was he a delegator?
A. In what respect?
Q. Would he delegate duties to others?
A. Yes.
Q. And have them report to him?
A. Yes.
Q. Did you consider him a good manager?
A. He was a decent manager, yes.
Q. Did he ever do an evaluation on you?
A. No.
Q. Did anyone ever do an evaluation on you?
A. No.
Q. Were there any evaluations ever on U.S. Aerospace staff?
A. Not that I'm aware of.
Q. While you were there?
A. Correct.
Q. Did Capri ever talk with staff?
A. Yes.
Q. Did Capri ever give orders to staff?
A. Yeah. She would delegate things.

1 Q. Did she ever delegate things for you to do?
2 A. Yes.
3 Q. Did you ever question it with Mr. Detore, who was the
4 chief executive officer?
5 A. I don't recall.
6 Q. Who was your boss?
7 A. I had several different bosses.
8 Q. Tell me who they were, names.
9 A. Ruth Nielson, Richard Detore, Albert Lange, Capri
10 Cafaro.
11 Q. Which one of those four was related to the Cafaro
12 Company?
13 A. I'm sorry --
14 Q. Which one of the four was related to the Cafaro
15 Company?
16 A. Capri Cafaro.
17 Q. Could you describe Capri Cafaro to the jury?
18 A. She's a blond, rather short female.
19 Q. How old was she?
20 A. In her early 20's.
21 Q. Pardon?
22 A. Early 20's.
23 Q. How early, how early?
24 A. Early -- I don't know, 21, 22, 23, early 20's.
25 Q. Did she perform services for the company on Capitol

1 Hill?
2 A. I don't know.
3 Q. Did Rick Detore perform services for the company on
4 Capitol Hill?
5 A. To my knowledge, yes.
6 Q. Do you know if he went?
7 A. Yes, he did, because I read an article where he
8 testified on Capitol Hill regarding the -- my mind just
9 went blank. I'm sorry. I read an article where he
10 testified on Capitol Hill, yes.
11 Q. And he went to many offices on Capitol Hill, would
12 that be a correct statement?
13 A. I couldn't respond to that.
14 Q. Do you know if he went to my office?
15 A. To my knowledge, yes.
16 Q. You know if he met with me?
17 A. To my knowledge, yes.
18 Q. Now, did Mr. Detore buy meals on the expense account
19 of U.S. Aerospace?
20 A. Yes, he did.
21 Q. And were some of those meals with me?
22 A. If my recollection is correct, yes.
23 Q. Would you list whom the meal was with? Would they
24 list on it what the event was to get reimbursed?
25 A. I would assume so. I don't know.

1 Q. Did you process those documents?
2 A. At the latter part, yes, I did.
3 Q. Did you maintain any records in the files?
4 A. Yes, I did.
5 Q. Did the company make political donations to the best
6 of your knowledge?
7 A. Not to my knowledge.
8 Q. Do you know if any individual members of the company
9 made political contribution?
10 A. It would be speculation for me to say.
11 Q. Now, you saw an Avanti car?
12 A. Yes, I did.
13 Q. And you knew Mr. Cafaro had built the Avanti car?
14 A. Yes.
15 Q. And you know where that car was built?
16 A. To my knowledge, it was -- no, I don't.
17 Q. Do you know if Mr. Cafaro had a company to build cars
18 in Youngstown, Ohio?
19 A. That was my -- I don't know how I assumed this, but
20 that was to my knowledge, yes.
21 Q. Whose car was it?
22 A. My understanding that it was your car.
23 Q. Did you know if I had a title for that car?
24 A. No. I don't know that.
25 Q. Wasn't it, in fact, a 1989 car?

A. I don't know that.
Q. Was Mr. Lange ever reimbursed by U.S. Aerospace for work on a boat?
A. Yes, he was.
Q. Who wrote that check?
A. I -- I think U.S. Aerospace did.
Q. Who would have signed it?
A. Capri or Richard Detore.
Q. So Capri evidently have the same authority as Mr. Detore for signing checks?
A. Yes.
Q. Did anyone else ever sign the checks?
A. Not to my knowledge, not to my recollection.
Q. Did Capri Cafaro have to get approval from Mr. Detore to have a check signed?
A. I don't think so.
Q. Did you ever inquire of Mr. Detore if, in fact, you should write a check because Capri had asked you to?
A. I don't recall the need to have done that, no.
Q. Why wouldn't you have had the need to have done that?
A. I'm just saying that I don't recall ever having to do that or having seen anything that I questioned to have done that.
Q. Could Mr. Detore fire Capri Cafaro?
A. No, he could not.

1 Q. Could Capri Cafaro fire Mr. Detore?
2 A. I guess so, yes.
3 Q. Who was the boss?
4 A. I can't answer that question.
5 Q. Well, if I can fire you, and you can't fire me, are
6 you my boss?
7 A. I guess so.
8 Q. Now, you just testified Capri Cafaro could fire
9 Detore but Detore couldn't fire Capri. Now who was the
10 boss?
11 A. I cannot make a statement to that effect. There --
12 Mr. Detore had an employment contract. Ms. Cafaro, I don't
13 think -- and again, this is speculation, I don't even want
14 to get into this line because I'm assuming things that --
15 Q. I don't want you to assume anything, just what you
16 know?
17 A. Okay. Then I can't answer this question.
18 MR. KALL: Objection, your Honor, she said
19 this is speculation.
20 MR. TRAFICANT: Okay.
21 Q. We've established for the record, though, that Capri
22 could fire Mr. Detore?
23 A. I wouldn't think she could walk in on her own accord
24 and fire Mr. Detore, but, yes, it could come through that
25 she would bring him into her office or go into his office

1 and say, "I'm sorry, I'm going to have to let you go."
2 Q. Well, whom would Mr. -- would Ms. Cafaro have to
3 clear it through someone?
4 A. Mr. Cafaro.
5 Q. Which Mr. Cafaro?
6 A. Probably J. J. Cafaro.
7 THE COURT: Congressman, it's 10:30. Is this
8 a good time to stop?
9 MR. TRAFICANT: Yes, I didn't realize that,
10 and I have more questions for this witness.
11 THE COURT: Okay. Very well. We'll see you
12 again at 11:05. Have a nice break.
13 (Thereupon, a recess was taken.)
14 THE COURT: You're still under oath.
15 BY MR. TRAFICANT:
16 Q. Good afternoon, Tracy.
17 A. Good afternoon.
18 Q. Or it's still morning?
19 A. Still morning.
20 Q. Were you familiar with the boat agreement relative to
21 the repairs made on the Traficant boat?
22 A. No, I wasn't.
23 Q. Are you familiar with a welder?
24 A. I'm sorry.
25 Q. Were you ever familiar with a welder?

1 A. No. I have no knowledge of a welder.
2 Q. And so some point did you consider yourself when you
3 were first hired as a Cafaro Company employee?
4 A. No. I don't think I ever considered myself a Cafaro
5 Company employee.
6 Q. Would you have the original checks?
7 A. No, I wouldn't.
8 Q. Did you know who signed the check?
9 A. No.
10 MR. TRAFICANT: No further questions at this
11 time.
12 THE COURT: Thank you.
13 REDIRECT EXAMINATION OF TRACY SLOAN
14 BY MR. KALL:
15 Q. Tracy, you were asked questions earlier about a car
16 rental agreement. You recall those questions?
17 A. Yes, I do.
18 Q. Do you have that agreement in front of you right now?
19 A. I do.
20 MR. KALL: May I put it on the overhead, your
21 Honor?
22 THE COURT: Yes.
23 THE COURT: It's a joint exhibit, but I don't
24 remember the number.
25 MR. KALL: It's listed as Defendant's Exhibit

1 DD-2. So Joint Exhibit DD-2.

2 THE COURT: Thank you.

3 Q. When was this car rental agreement prepared? Do you

4 see a date in the upper right-hand corner?

5 A. Yes, I do, December 10th, '99.

6 Q. December or November, does it say 11-10-99?

7 A. Oh, you're -- I'm sorry?

8 Q. It's November?

9 A. Oh, you're right, you're right. I'm sorry, looking

10 at the due date.

11 Q. What was the amount of the rental?

12 A. $5,000.

13 Q. Were there additional things on there?

14 A. Additional driver, $10 a day.

15 Q. So $300 extra for that?

16 A. Exactly.

17 Q. Who was listed as the rental on this?

18 A. Richard Detore.

19 Q. And the additional driver listed?

20 A. James Traficant.

21 Q. Now, does there appear to be what's written as a

22 credit card number at the bottom securing this?

23 A. There is.

24 Q. And you see a series of numbers. You don't recognize

25 those numbers personally, do you?

A. No, I don't.

Q. But you see to the right of that a credit card imprint?

A. Yes.

Q. And that's for Rick Detore, correct?

A. Correct.

Q. Who did you understand was ultimately going to pay for this credit card -- excuse me -- for this Corvette rental?

A. The Congressman.

Q. Do you recall being asked that question when you were met by the FBI, when you were interviewed by the FBI?

A. Not specifically.

Q. Will it refresh your recollection to see the document regarding this?

A. It would.

MR. TRAFICANT: What are you showing her?

MR. KALL: The 302, third paragraph.

THE WITNESS: Okay. Yes, they did ask me that question.

Q. Does it refresh your recollection what you answered to it at that time?

A. Yes.

Q. Who did you understand was going to pay for the rental?

1 A. Either J.J. Cafaro or the Congressman.
2 Q. Why did you put the charge on Rick Detore's credit
3 card?
4 A. Because we needed to secure, you know, a security
5 deposit or just to secure the car, and they're not just
6 going to let you rent a car without -- or a hotel room or
7 anything else without putting some sort of security on it,
8 and U.S. Aerospace to my knowledge didn't have any credit
9 cards.
10 Q. You said we. Who were you working with on this?
11 A. Richard Detore.
12 Q. Why not put it on Congressman Traficant's credit
13 card?
14 A. I don't know that we had access to his credit card.
15 Q. Do you recall ever seeing this Corvette at USAG?
16 A. I do.
17 Q. Do you have any knowledge why it was delivered to
18 USAG?
19 A. I know that the intent was for Mr. Detore, Mr. Lange
20 to take the car down to the Congressman, and I'm not sure
21 if at that time they were picking up the Avanti and
22 bringing it back or if they had already brought the Avanti
23 back.
24 Q. Couldn't the car simply have been delivered to
25 Congressman Traficant on Capitol Hill?

1 A. I would assume so.
2 Q. Where was the car company?
3 A. I think they were in D.C.
4 Q. And where was USAG?
5 A. Manassas.
6 Q. How far away from D.C. is Manassas?
7 A. Out about 30 or 45 minutes.
8 MR. KALL: Nothing further, your Honor.
9 MR. TRAFICANT: Leave it on.
10 RECROSS-EXAMINATION OF TRACY SLOAN
11 BY MR. TRAFICANT:
12 Q. Tracy, you said that no one of any prudent business
13 mind would let a valuable item go without having some
14 security; is that correct?
15 A. Yes.
16 Q. Do you know if Mr. Detore left from Jim Traficant's
17 office to pick up the car, or did he go in from Manassas to
18 pick up the Corvette?
19 A. The car was delivered to our office in Manassas.
20 Q. So if the car was delivered to your office in
21 Manassas, did you see me come pick up the car at Manassas?
22 A. No, sir.
23 Q. Did you see Mr. Detore drive the car at all?
24 A. No, sir.
25 Q. At some point, was the car not at USAG in Manassas?

A. Yes, sir.
Q. And what did that lead you to conclude?
A. That the car was being delivered or had been delivered to you.
Q. Now -- or I could have possibly picked it up?
A. The car -- when you asked if I saw Mr. Detore drive the car --
Q. Yes.
A. -- I did not physically see him drive the car. I saw Mr. Lange and Mr. Detore leave out of the office during the workday to take the car down.
Q. It was during the workday?
A. Yes.
Q. Did you see me ever at USAG?
A. No, sir, I've never seen you.
Q. Was I there that day?
A. No, sir.
Q. Would Millennium Car Rental -- excuse me, I asked that you leave that on?
MR. KALL: It's on.
Q. So you saw Mr. Detore, Mr. Lange get in the Corvette --
A. No.
Q. You just know they took it?
A. Yes.

1 Q. During work hours?
2 A. Yes.
3 Q. You're not sure if the Avanti was there or brought
4 back after?
5 A. That's correct.
6 Q. What condition was the Avanti in?
7 A. I'm not sure what you're asking.
8 Q. Well, how was the paint job on it?
9 A. It -- it could have used a paint job. It was -- you
10 remember the cars in the'80s where the -- they all seemed
11 to really get that faded paint look. That was what the car
12 looked like. It was that faded, you know, hard '80s look.
13 Q. Isn't it a fact they took it for repairs, and no one
14 wanted to repair it?
15 A. That's correct.
16 Q. Did you know if that car run?
17 A. I know it was driven in.
18 Q. Did you know it was made out of all used parts,
19 including the frame?
20 A. No, I did not know that.
21 Q. Did you know that Jim Traficant had bought two
22 Avantis?
23 A. I did not know that.
24 Q. Did you know who paid for the rental of that car?
25 A. I do not.

1 Q. Did I call you and ask you to rent me a Corvette?
2 A. No, you did not.
3 Q. Do you have any memos or any notes from Mr. Detore
4 about the payment of this car?
5 A. No, I do not.
6 Q. Did Capri Cafaro have to approve this?
7 A. I don't think so.
8 Q. You see a charge of $30 a day?
9 A. Yes.
10 Q. $10 a day?
11 A. Yes.
12 Q. What did that imply?
13 A. That there would be an additional driver.
14 Q. And who was that additional driver to be, to the best
15 of your knowledge?
16 A. Well, the car was rented in Mr. Detore's name, and
17 you would be the additional driver.
18 Q. Now, as a bookkeeper, if Mr. Detore was trying to
19 hide something, would he have put additional driver $10 a
20 day, or would he rent it in his name and not listed Jim
21 Traficant as additional driver?
22 MR. KALL: Objection.
23 THE COURT: Sustained.
24 Q. Did Mr. Detore lie on this document when he said
25 James A. Traficant, Junior would be the additional driver?

A. Did he lie?

Q. Did he lie?

A. I don't know.

Q. Did he list my name?

A. Yes, he did.

Q. He certainly wasn't concealing the fact I was to be the driver, was he?

A. Not to my knowledge.

MR. TRAFICANT: No further questions.

THE COURT: Thank you.

MR. KALL: Nothing further, your Honor.

THE COURT: Thank you. You're excused. Thank you very much.

MATTHEW H. HALL

of lawful age, a witness called by the Government, being first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION OF MATTHEW H. HALL

BY MR. KALL:

Q. Could you please state and spell your last name?

A. Matthew Hall, M-A-T-T-H-E-W, H-A-L-L.

Q. I like the sound of that.

Where do you live?

A. South Boston, Virginia.

Q. What do you do for a living?

A. Account manager for a store called Comstore.
Q. What kind of business is Comstore?
A. I do sales for Cisco Systems.
Q. How long have you held that position?
A. About two years.
Q. Where did you work before that?
A. I did some electrical work for Stauffer Electric.
Q. And prior to that?
A. Millennium Luxury Car Rentals.
Q. How long did you work at Millennium Luxury Car Rentals?
A. About ten months.
Q. From when until when?
A. From August of '99 to about March of 2000.
Q. What were your duties there?
A. I maintained the fleet of cars that we had, took care of most of the rental contracts, any maintenance on the cars.
Q. What kind of --
A. Deliveries.
Q. What kind of cars did Millennium have?
A. High and luxury cars, Mercedes, Porsches, Ferraris. We had one Lamborghini, some Corvettes, fibers, sports utility, Land Rovers, Cadillacs.
Q. Okay.

In the course of your employment with Millennium, were you familiar with the procedures for renting cars?

A. Yes.

Q. And in the course of your employment with Millennium, were you familiar with the paperwork associated with car rentals?

A. Yes.

Q. If you look down in front of you, do you see Exhibit 8-59?

A. Yes.

Q. You may need to take it out of the plastic. What is that?

A. It's a standard rental agreement that we used.

Q. How many pages are there in that exhibit?

A. Seven.

Q. And are all these the documents typical of documents that might be generated as part of a car rental?

A. Yes.

Q. And was it Millennium's normal practice to create and keep such records?

A. Yes.

MR. KALL: Your Honor, may I place these on the overhead.

THE COURT: Yes.

MR. TRAFICANT: I ask they be made a joint

1 exhibit.
2 MR. KALL: No objection.
3 THE COURT: That's fine.
4 Q. Before I do this, let me ask you this: Do you have
5 any personal knowledge or memory regarding this
6 transaction?
7 A. No.
8 Q. Do you recall being involved in this transaction?
9 A. Some of the handwriting on the contract is mine, but
10 that's going to be the case in most of them.
11 Q. Which handwriting was yours?
12 A. The -- the detail on cars being rented out, the VIN
13 number, the date.
14 Q. Is that the stuff that's in the upper right-hand
15 corner of this?
16 A. Yes.
17 Q. Did you have a customer routine in preparing this
18 type of thing?
19 A. Whenever I come in the morning, I'd look at the
20 schedule, what cars were to go out, fill in just the
21 general information on the car. If somebody was coming to
22 pick up the car, I fill in the mileage. If it was being
23 delivered. Whoever delivered it would fill out the rest of
24 the paperwork.
25 Q. Based on the paperwork here, what kind of car was

1 rented?
2 A. A Chevy Corvette, convertible.
3 Q. When was it rented?
4 A. On the 10th of November '99.
5 Q. To whom was it rented?
6 A. Richard Detore.
7 Q. And does it list where he's employed?
8 A. Yes, U.S. Aerospace.
9 Q. Is there an additional driver listed?
10 A. Yes.
11 Q. Who?
12 A. James Traficant.
13 Q. What was the quoted amount for rental?
14 A. It was $5,760 total for the month.
15 Q. And what did that include?
16 A. The $5,000 for standard month rental, $20 a day
17 insurance and additional driver, $10 a day.
18 Q. And sales tax?
19 A. Yes.
20 Q. Was it standard for your company to take a credit
21 card imprint at the time you rented a car out?
22 A. Yes.
23 Q. Look at the next page. It's also been -- this page
24 itself has also been labeled Joint Exhibit DD-2. Whose
25 credit card imprint was taken for this?

A. Richard Detore's.
Q. When would that have been taken?
A. When -- if the car was delivered to him, it would have been taken then.
Q. Does it state in the paperwork when that car was delivered to him?
A. On the 10th of November at 10:00 A.M.
Q. Was it standard for your company to take a copy of a driver's license at the time a car was rented?
A. Yes.
Q. Looking through that material, do you see a driver's license in there?
A. Yes.
Q. Whose driver's license?
A. James Traficant.
Q. And looking through these documents, can you tell when this car was returned?
A. It looks like it was supposed to be returned on the 17th of December, and then it was extended another week so the 24th.
Q. Do you recall the extension or when it was returned?
A. No.
Q. You're basing this on what's written on these documents then?
A. Yes.

1 Q. At the time the car was returned in late December of
2 1999, can you tell from this document if the charges were
3 left on Rick Detore's credit card?
4 A. They were returned about two minutes after they were
5 charged.
6 Q. What do you mean by returned?
7 A. There was a sales processed on his credit card, and a
8 return was done on the same date.
9 Q. So it was originally charged to Mr. Detore, and then
10 it was refunded?
11 A. Yes.
12 Q. Can you tell whose credit card was ultimately charged
13 for this transaction?
14 A. James Traficant.
15 Q. Do you know what happened between November 10th, '99
16 and the end of December of '99 that caused them to change
17 this charge from Rick Detore's credit card to James
18 Traficant's credit card?
19 A. No.
20 MR. KALL: No further questions.
21 THE COURT: Thank you. Congressman.
22
23
24
25

1 CROSS-EXAMINATION OF MATTHEW HALL

2 BY MR. TRAFICANT:

3 Q. You can leave. Do they call you Matthew or Aaron?

4 A. Matthew.

5 Q. How are you doing, Matthew?

6 A. Good, how are you doing?

7 Q. Did you ever meet me?

8 A. No, sir.

9 Q. You know who I am?

10 A. Yes.

11 Q. How do you know who I am?

12 A. The newspapers.

13 Q. What newspaper?

14 A. The Washington Post.

15 Q. You know who Mr. Detore was?

16 A. No.

17 Q. You just got the cars ready for delivery and made

18 sure they had oil in them, right?

19 A. Yes.

20 Q. Was Millennium a luxury car, specific rental place?

21 A. Yes.

22 Q. What did your top Mercedes go for?

23 A. About $450 a day.

24 Q. $450 a day?

25 A. Um-hum.

Q. What did your Porsches go for?
A. $300.
Q. What did the Ferrari go for?
A. $1,200.
Q. $1,200 a day?
A. Yes, sir.
Q. Did a woman go with it or what?
A. No.
Q. What did your Vipers go for a day?
A. Four or five hundred.
Q. What did your Corvettes go for a day?
A. $300.
Q. Would you say then of the luxury cars you had at Millennium, that the lowest price luxury car that was rented was the Corvette?
A. The BMW V-3 was the lowest.
Q. How big is --
A. It is a little two-door convertible.
Q. How much smaller than a Corvette?
A. Not much.
Q. Could it accommodate a hunting trip to Louisiana?
A. No.
Q. In fact, could a Corvette handle a hunting trip to Louisiana?
A. I don't think so.

1 Q. Do you have knowledge there was to be a hunting trip
2 to Louisiana?
3 A. No.
4 Q. Was Mr. Detore honest when he listed an additional
5 driver?
6 A. I don't know.
7 Q. Well, if he didn't list an additional driver, would
8 he have to pay $10 more a day?
9 A. No, so I assume he wouldn't have listed it if he
10 didn't want to pay extra.
11 Q. Would he, in fact, not have to pay more insurance --
12 less insurance if he didn't list an additional driver?
13 A. The insurance rate stays the same.
14 Q. It would have stayed the same?
15 So what effect did it have in putting down additional
16 driver?
17 A. $300.
18 Q. So he let you know who the additional driver was
19 going to be, didn't he?
20 A. Yes.
21 Q. Isn't it standard procedure that you have to have
22 some documentation to prove that that person has insurance?
23 A. No.
24 Q. Or don't you have to know -- have some documentation
25 who the additional driver is?

A. Yes, take a copy of the driver's license.

Q. You're from Virginia?

A. Yes.

Q. Do you have a state law that says you have to have insurance?

A. Yes.

Q. To your knowledge, have you rented to anybody that didn't have to have insurance?

A. Yes.

Q. From what state?

A. Anything outside of Virginia, or we dealt with a lot of diplomats.

Q. So a diplomat didn't need it?

A. No.

Q. Well, diplomats have all kind of immunity, don't they?

A. I guess so.

Q. Was Mr. Detore a diplomat?

A. No.

Q. Am I a diplomat?

A. No.

Q. You know what I am?

A. Yes.

Q. Don't call me names.

Now, Matthew Hall -- Matthew Kall has given me a

1 series of documents to confuse me.
2 MR. TRAFICANT: And I'd like to find the
3 driver's license. If you know where it is.
4 MR. KALL: The fourth page.
5 MR. TRAFICANT: Thank you, Matthew Kall.
6 Q. Do I really look like that guy?
7 A. No.
8 Q. Now, do I look a little bit like that guy?
9 A. A little bit. It's a bad copy.
10 Q. Bad copy or bad looking?
11 A. Bad copy.
12 Q. Uh-huh.
13 MR. TRAFICANT: Let the record reflect it's a
14 bad copy.
15 Q. Does it give an address?
16 A. Yes.
17 Q. You have a social security number?
18 A. Yes.
19 Q. Satisfy the requirements?
20 A. Yes.
21 Q. Did I bring that in?
22 A. Not that I'm aware of. I wasn't there at the time.
23 Q. Who picked the car up?
24 A. It was delivered.
25 Q. Who delivered it?

1 A. Not me.
2 Q. Would one of your company men have delivered it?
3 A. Yes.
4 Q. You know where they delivered it to?
5 A. The Manassas address on the -- in the directions.
6 Q. And you know if I have an office in Manassas?
7 A. No.
8 Q. You know if I have an office in Washington, D.C.?
9 A. No.
10 Q. Now, how many times the FBI meet with you?
11 A. Once.
12 Q. Where did they meet with you?
13 A. My house.
14 Q. Where is your house?
15 A. South Boston, Virginia.
16 Q. You remember the agent's name?
17 A. I think it was Bob White.
18 Q. You know where he was located from?
19 A. Falls Church.
20 Q. He was a Virginia agent?
21 A. Yes.
22 Q. And you did confirm those were, in fact, your
23 handwritten notes on it?
24 A. Yes.
25 Q. Did they have the document, or did you have the

1 document?
2 A. They had the documents.
3 Q. Did Mr. Detore rent cars, other cars from your
4 company?
5 A. I don't know.
6 Q. How long was the meeting with the FBI agent?
7 A. About a half hour.
8 Q. Did you notice a recorder?
9 A. No.
10 Q. Was anybody present with you?
11 A. No.
12 Q. What time of the day was it?
13 A. It was in the afternoon, around two.
14 Q. Now, you said the car was ultimately paid for by
15 credit card. Do you have that one, Matthew?
16 The car ultimately had to be paid for and brought
17 back, right?
18 A. Yes.
19 Q. You know who brought the car back?
20 A. No.
21 Q. Who paid for that car rental?
22 A. You did.
23 Q. How?
24 A. On your credit card.
25 Q. And what credit card was that?

A. Looks like a Visa.
Q. You know what Visa number it was?
A. A 4237 9500.
Q. Read the rest of it?
A. 0982 2332.
Q. Do you know what, other than VISA, if it was from a specific bank or organization?
A. No.
Q. Do you know if I brought that vehicle in?
A. No.
Q. What time was it delivered after it had been used? What was the exact time and date of when it was -- when was it returned?
A. The 17th of December.
Q. You know what time?
A. No.
Q. If I hand you the documents, would you be able to find out?
A. I have the documents.
Q. Could you look through them and see if you can find a time.
A. Looks like 10:00 A.M.
Q. 10:00 in the morning?
A. Yes.
Q. You know what day of the week September 17th was?

A. No.

Q. That was December 17th, right?

A. Yes.

Q. Do you know if the House of Representatives was in session on September 17th?

A. No.

MR. TRAFICANT: No further questions at this time.

MR. KALL: No redirect.

THE COURT: You may step down, sir. You're excused.

Ladies and gentlemen, it's almost noon. I want to give you some instructions at this point. They'll be brief, but I -- we're in the sixth week of the trial, and this is a good time since we have a few minutes for me to do that. So if you'll just sit back and relax for a minute.

I'm going to go back and read again to you from the same instructions that I read as we all began this together. I'm not going to read all of them, but it's time now for me to give you sort of a booster shot on some of those, and this is the easiest way to do it when we aren't delaying you or any witnesses so if you will just sit back and listen for a few minutes. These will all be familiar. You've heard all this before.

1 But, in trials that last, you know, four days or five
2 days, we don't have to do this, but we have been working as
3 long as you have, it's a helpful thing.
4 Way back at the beginning when I summoned you, as
5 part of a large panel of people who were prospective
6 jurors -- think back to that time, in a different month --
7 I explained the case that you've been summoned in as a
8 prospective juror or alternate. And I said as a juror, you
9 are performing one of the most difficult, often
10 inconvenient, and one of the highest civic duties in our
11 American system of self-Government.
12 Remember that when you first started together?
13 You know how inconvenient it can be now. You are
14 also helping guarantee the rule of law to social order and
15 the protection of precious rights under our constitution,
16 the constitution of the United States of America. And then
17 I said on behalf of the public, the United States, and the
18 Defendant, I thank you.
19 And now six weeks into this you're entitled to
20 another round of thanks from us for your attention and your
21 steadfastness.
22 And then I said some other things, but I went over
23 the trial of a criminal jury case and pointed out that the
24 Court consists not just of the trial judge but of the trial
25 judge and the jury.

1 Together the trial judge and the jury constitute the
2 Court. Each has separate functions to perform, and then I
3 went into those separate functions that you, and I have.
4 And then I explained that during the trial evidence is
5 offered by the United States and by the defense if the
6 Defense desires.
7 From the evidence offered in this courtroom, the jury
8 decides the facts, applies the law received from the trial
9 judge to those facts and then determines the guilt or
10 innocence of the accused. In this function, the jury is
11 supreme.
12 Then I talked a little bit more about the rule of law
13 to acquaint you before we even got into evidence with it.
14 It's a fundamental rule of law that a case be decided
15 solely upon the evidence brought out in open court here in
16 this courtroom and upon the law as the trial judge states
17 the law to be, as applicable to the case at hand.
18 The jury must consider the case only upon the
19 evidence presented to it in the courtroom and only under
20 the law that the trial judge provides to the jury.
21 The jury may not consider as evidence anything jurors
22 see or hear or do outside of the courtroom. The jurors may
23 not apply their own notions or opinions as to what the law
24 is or ought to be concerning the facts of a particular
25 case. What jurors are asked to do -- I told you then, is

1 not easy, but day in and day out, in thousands of court
2 rooms across America, men and women interrupt their daily
3 lives, temporarily disrupt their families, their friends,
4 and their work, in order to make justice real, not just a
5 high-minded promise.
6 The rules that govern you as a prospective juror --
7 that's what you were then, and it's true now -- and as a
8 participant with the trial judge, as a member of a court of
9 law, are not ordinary rules. This is not the way we do
10 things everyday.
11 But these rules and admonitions, which I give you,
12 are critical rules of longstanding, which are at the core
13 of our American justice, a powerful and hard-earned brand
14 of justice, which is rare across human history. In
15 America, under our constitution, citizens shoulder with our
16 judges the responsibility of delivering justice.
17 And I said then and I know you understand it now that
18 yours is a high calling.
19 As the Judge presiding at the trial of this case, I
20 must instruct prospective jurors and throughout the trial
21 that whenever and wherever you are, you shall not discuss
22 this case with anyone, not with strangers, not with other
23 prospective jurors, not with family, not with colleagues,
24 not even with the people you otherwise discuss everything
25 with.

1 Also, you must not permit yourself to be addressed by
2 any person who wants to discuss this case. You must not
3 listen to any conversation on the subject of this trial.
4 If anyone attempts to discuss this case with you, you must
5 report the incident to the U.S. Marshals, and I gave you
6 the phone number, immediately.
7 You're bound by your solemn oath or affirmation and
8 by your responsibilities as a juror or alternate to do
9 justice. You're also bound to follow these long,
10 established rules until you're dismissed as a juror or
11 alternate in this case until a verdict in the case is
12 accepted in open court.
13 In addition, I told you then, and I have been telling
14 you as you go along, you're not to read any newspaper items
15 about this trial or any proceedings related to it. You're
16 not to view any matters about it on television, nor listen
17 to any matters relating to it on the radio.
18 Moreover, you may not go out and investigate anything
19 about this case on your own regarding this case, ladies and
20 gentlemen. Television, the radio, print, and computer
21 coverage is not easy to avoid, and I understand that, but
22 although I assure you that I don't underestimate how
23 difficult it is for you to avoid that, that's how you keep
24 your solemn oath, and I commend you for doing it, and six
25 weeks is a long time to have to live under these kinds of

restrictions in this world we live in. So I commend you for it.

And I asked you this prior to the trial. Can each one of you assure me that you will continue to avoid any and all media coverage related to this case? Can you all give me that answer.

THE JURY: Yes.

THE COURT: Speak out so I can hear you.

THE JURY: Yes.

THE COURT: All right.

Can you remember not to discuss the case and not to let anybody discuss it with you, and if they try, you know the number to call? Okay.

THE JURY: Yes.

THE COURT: All right. All right. And not investigate, don't go out and investigate.

All right. Well, remembering those admonitions, I thank you and hope you have a really good lunch. It's supposed to be beautiful out. It started beautiful this morning so I suspect it'll be nice now. You have until 1:30, and we'll see you back. Thank you.

(Thereupon, a luncheon recess was had.)

1 Thursday Session, March 14, 2002, at 1:30 P.M.
2 (Proceedings in the absence of the jury:)
3 MR. MORFORD: We do have one matter, your
4 Honor.
5 THE COURT: Sir, would you raise your right
6 hand.
7 ALBERT LANGE, JUNIOR,
8 of lawful age, a witness called by the Government,
9 being first duly sworn, was examined
10 and testified as follows:
11 DIRECT EXAMINATION OF ALBERT LANGE, JUNIOR
12 THE COURT: Mr. Morford?
13 MR. MORFORD: Your Honor, it is my
14 understanding having talked to Mr. Lange and his counsel,
15 who's here in the courtroom, that Mr. Alan Gardener, that
16 it is Mr. Lange's intention to invoke his Fifth Amendment
17 privilege against self-incrimination. And I have provided
18 the Court with a motion, and I would like to ask at this
19 time that I be permitted to conduct a short voir dire to
20 establish on the record that is his intention, and I would
21 ask the Court to go ahead and review it.
22 THE COURT: Thank you. Proceed.
23 BY MR. MORFORD:
24 Q. Would you please state your name for the record?
25 A. My name is Albert Lange, Junior.

1 Q. Could you spell your last name?
2 A. L-A-N-G-E.
3 Q. And, Mr. Lange, once the jury comes in and we get
4 started, I'm going to ask you to keep your voice up. If
5 you need to, you can take the microphone out and actually
6 hold it in your hand if you need to.
7 A. All right.
8 Q. And also, speak slow enough that the Court Reporter
9 can get all your words down.
10 Sir, as I understand it, it is your intention to
11 invoke your Fifth Amendment privilege against
12 self-incrimination; is that correct?
13 A. That is correct.
14 Q. And now I'm going to ask you a couple of questions,
15 and if that is your intention, then would I ask you to go
16 ahead and invoke your privilege.
17 Do you know the Congressman, James Traficant?
18 A. Do I know him?
19 Q. Yes. If it's your intention today to invoke your
20 privilege, I would ask you to do so at this time.
21 A. I'd like to plead the Fifth Amendment at this point
22 in time if I can. Right?
23 Q. All right.
24 Did there come a time where you were involved in a
25 scheme to conduct repairs on Congressman Traficant's boat?

1 A. I'm sorry. I'm going to have to refuse to answer
2 that and plead the Fifth Amendment.
3 Q. And is it your intention throughout this proceeding
4 today to invoke your Fifth Amendment privilege as to each
5 and every question that you would be asked about these
6 matters?
7 A. Yes.
8 MR. MORFORD: Your Honor, at this time I
9 would like to ask the order be read into the record.
10 THE COURT: I'll read an immunity order.
11 Listen carefully, sir.
12 On motion of Emily M. Sweeney, United States Attorney
13 for the Northern District of Ohio, filed in this matter on
14 14 March 2002, and it appearing under the satisfaction of
15 this court, that you are being called to testify or provide
16 other information before the Court in the trial of United
17 States versus James A. Traficant, and in the judgment of
18 the United States Attorney, Albert Lange has refused to
19 testify or provide other information on the basis of his
20 privilege against self-incrimination.
21 And that in the judgment of the United States
22 Attorney, the testimony or other information from you,
23 Albert Lange, may be necessary to public interest.
24 And that the aforesaid motion, which was filed in
25 this matter, has been made with the approval of the acting

1 Assistant Attorney General in charge of the Criminal
2 Division of the Department of Justice, pursuant to the
3 authority vested in him by 18 U.S.C. Section 6003 and 28
4 Code of Federal Regulations, Section 0.175.
5 Now, therefore, hearing your invocation of that right
6 here in open court, it is ordered, pursuant to 18 United
7 States Code Section 6002 that you give testimony or provide
8 other information, which you have refused to give or to
9 provide on the basis of your privilege against
10 self-incrimination as to all matters about which you may be
11 interrogated before this Court.
12 You may not refuse to comply with this order on the
13 basis of your privilege against self-incrimination, but --
14 and this is a very important part for you -- no testimony
15 or other information compelled under this order or any
16 information directly or indirectly derived from such
17 testimony or other information may be used against you in
18 any criminal case, except a Prosecution for perjury, giving
19 a false statement, or otherwise failing to comply with this
20 order.
21 And it cites 18 U.S.C. Section 6002, and I'm going to
22 sign this.
23 THE WITNESS: Okay, thank you.
24 THE COURT: You have any questions about that
25 order?

THE WITNESS: No, ma'am.

THE COURT: Did you have an opportunity to consult with your lawyer?

THE WITNESS: Yes, ma'am.

THE COURT: Very well.

MR. TRAFICANT: Question: Has he been officially granted immunity?

THE COURT: He has just been granted immunity.

MR. TRAFICANT: Thank you.

THE COURT: Okay.

MR. MORFORD: Yes, your Honor.

THE COURT: Very well. Stand for the jury, please.

(Proceedings resumed in the presence of the jury:)

THE COURT: Sir, you're under oath.

THE WITNESS: Yes, ma'am

BY MR. MORFORD:

Q. Good afternoon.

A. Good afternoon.

Q. Would you please state your name?

A. My name is Albert Lange, Junior.

Q. And, Mr. Lange, where do you live what city?

A. Manassas, Virginia.

Q. And I'd like to ask you some questions about your

1 employment background. Okay?
2 A. Yes, sir.
3 Q. Are you familiar with a company called USAG?
4 A. Yes, sir.
5 Q. What do the letters USAG stand for?
6 A. U.S. Aerospace Group.
7 Q. And what, if any, connection did you have with USAG?
8 A. I was hired in originally as chief engineer. I was
9 promoted to the general manager, and upon -- at the later
10 part of my employment with the USAG, I was elevated to the
11 chief operating officer.
12 Q. Approximately when were you hired initially with USAG
13 as their engineer?
14 A. October '97.
15 Q. And how were you employed immediately prior to the
16 time that you went to work for USAG?
17 A. I was the director of engineer manufacturing for an
18 engineering house down in Christian, Florida.
19 Q. Where were you employed prior to that?
20 A. I had my own consulting business in Delaware prior to
21 going to Florida to work.
22 Q. Are you familiar with a company called Alliance
23 Avionics?
24 A. Alliance Avionics, yes.
25 Q. And did you work at that company at one time?

1 A. Yes, sir. I was the director of engineer for that
2 company.
3 Q. And approximately when would that have been?
4 A. Mid 1994 to summer of 1995.
5 Q. Now, are you familiar with a person by the name of
6 Rick Detore?
7 A. Yes, I am.
8 Q. And how did you first come to meet Rick Detore?
9 A. I met Richard Detore because he was the owner of the
10 Alliance Avionics, and they were looking for an engineering
11 type to take over some of the work in the company and
12 basically went for an interview.
13 Q. Did you work with Mr. Detore at Alliance?
14 A. Yes.
15 Q. And for how long a period did you work with
16 Mr. Detore? What years are we talking about that you
17 worked with him at Alliance?
18 A. Probably, like I said, mid 1994 to July of 1995, June
19 or July time frame, 1995.
20 Q. Turning your attention back now to the fall of 1997,
21 how did you first come to learn that there was a job
22 opportunity at USAG?
23 A. I was called by Richard Detore.
24 Q. And what was Rick Detore telling you about USAG at
25 the time that he called you?

1 A. The time that he called me, he said that they were
2 starting up USAG, and that he had good backing, financial
3 backing with an investment group or an investor.
4 Q. And what was your understanding of the profit of
5 USAG, the profit potential of USAG and its prospects for
6 success?
7 A. The product I was familiar with, I'd seen it in the
8 -- knew that it was a good technology, that it had very
9 high potential to be very lucrative.
10 Q. And what was your understanding of the ownership of
11 USAG and their wherewithal to take this thing off the
12 ground?
13 A. I was -- I was told that USAG was owned by J.J.
14 Cafaro, a member of the Cafaro Company who were basically
15 billionaires and could do -- they could -- had the
16 financial background, backing to make a company like this
17 go.
18 Q. And what was your understanding of the profit
19 potential of this company with this product?
20 A. Profit potential would be in the tens if not hundreds
21 of millions of dollars over a ten-year period of time.
22 Q. Who was the primary customer base that you would be
23 marketing this technology to eventually if the company took
24 off?
25 A. We would be targeting mainly commercial, regional,

and local airports.

Q. How many airports?

A. Throughout the United States.

Q. How many airports are we talking about across the United States, just ball park?

A. Between 10 and 14,000.

Q. And how well established was USAG at the time that you were initially interviewed for the position of engineer?

A. How well established was it?

Q. Yes.

A. Not very well established whatsoever. They had some incorporation rules going on, but basically, there was no complete infrastructure to operate a business under.

Q. How many man operation was it at that point?

A. There was Richard Detore, hired in as the chief operating officer. I was hired in as chief engineer, and Steven Boffia at the time, who was director of marketing, and there was one other gentleman, his name was Dave Hanna, who was kind of like Rick's helper, but I don't believe he was even on the payroll.

Q. That's it?

A. That's it.

Q. Now, who actually interviewed you for the position of chief engineer at USAG?

1 A. I was flown to Youngstown, Ohio, and escorted by
2 Richard Detore and went in and had a discussion about the
3 company and my employment with J.J. Cafaro.
4 Q. And whereabouts in Youngstown, what facility did
5 you -- was the interview conducted at?
6 A. I was taken to J.J. Cafaro's office at the Cafaro
7 Company, second floor, down at 4445 Belmont Avenue or --
8 whatever that address is.
9 Q. At the Cafaro Company headquarters?
10 A. That's correct.
11 Q. And approximate time frame, what are we talking?
12 A. September of '97.
13 Q. Now, where were you living at the time that you flew
14 up to Youngstown to interview with J.J. Cafaro and Rick
15 Detore about this job opportunity at USAG?
16 A. Christian, Florida on the panhandle.
17 Q. And where were you told your office would be if you
18 took the job?
19 A. Manassas, Virginia.
20 Q. What were you told during the course of the interview
21 regarding your moving expenses if you decided to go ahead
22 and take this job?
23 A. That they would pick up the majority of them.
24 Q. Was there any particular moving expense that entailed
25 more discussion than the others?

1 A. Yes.
2 Q. And what was that?
3 A. The shipment of my boat from Florida to the Manassas
4 area.
5 Q. You had a boat in Florida?
6 A. That's correct.
7 Q. And what kind of boat did you have in Florida?
8 A. 21-foot ranking, got a caddy cabinet, inboard,
9 outboard, fiberglass boat.
10 Q. And you wanted the Cafaro Company to pay to move your
11 boat to D.C. if you took the job?
12 A. That is correct.
13 Q. And what was J.J. Cafaro's position initially?
14 A. At first, he said that the Cafaro Company doesn't --
15 won't pay for moving boats.
16 Q. How important and significant was it to you that they
17 go ahead and move your boat?
18 A. I told them I wouldn't take the job.
19 Q. Did you end up taking the job?
20 A. Yes.
21 Q. What about the boat?
22 A. They put it -- they shipped it.
23 Q. So where did the boat end up?
24 A. The boat just is now located at Lake Manassas in
25 Virginia where I use it during the summer months.

1 Q. Do you still have the boat?
2 A. Yes, I do.
3 Q. And did you have the boat or the 21st-foot fiberglass
4 boat throughout the time you worked for USAG?
5 A. That is correct.
6 Q. And you had it in Virginia during that time?
7 A. Yes.
8 Q. Still in Virginia?
9 Now, you mentioned that it was not just a 21-foot
10 boat but a fiberglass boat. Was there a reason that you
11 chose to own a fiberglass boat as opposed to a wooden boat?
12 A. Yeah. Fiberglass boats are a lot easier to take care
13 of. The maintenance costs are a lot lower than what you
14 would have on a wooden boat.
15 Q. What is your understanding of maintenance cost and
16 problems you incur with a wooden boat?
17 A. Could you repeat that question, please?
18 Q. What is your understanding of the problems and
19 expenses and maintenance that you would incur with a wooden
20 boat?
21 A. Well, wooden boats you have to pull out of the water
22 periodically to recoat with paint, do other wood rotting
23 repair work. You name it, wooden boats are -- they're just
24 not as durable as a fiberglass boat.
25 Q. Going back to the time of your interview and even

1 actually referring specifically to the interview itself,
2 was there any other discussion involving boats during the
3 course of your interview aside from the discussion you had
4 about whether or not the Cafaro Company would move your
5 boat?
6 A. Yes, there was.
7 Q. And can you describe that for the jury, please?
8 A. I was basically asked what it would take to put
9 fiberglass on a 30 some odd foot wooden boat.
10 Q. And who asked you that question?
11 A. I was asked by J.J. Cafaro and reasked by Richard
12 Detore.
13 Q. And what was the context of this discussion? What
14 boat were they talking about, if they told you?
15 A. I wasn't aware of exactly whose boat it was at the
16 time. They just said that they had a friend that needed a
17 boat repaired and needed to have some guidance on how to
18 put the fiberglass on it.
19 Q. And what was your response to this discussion of
20 putting fiberglass on a wooden boat?
21 A. I told them that that was not the way that you want
22 it to go; that the boat was designed with certain engines
23 for certain weight, and by adding a full coat of fiberglass
24 and cloth and resin to that boat would make the engine
25 under power, and that's not the way you repair a wooden

1 boat.
2 Q. Did either Rick Detore or J.J. Cafaro ever mention
3 what this friend of theirs did for a living?
4 A. Not at that time that I can remember.
5 Q. Now, who were the key employers and principals at
6 USAG after you took the job and started there in the fall
7 of 1997?
8 A. I took the -- the key principals I knew of was J.J.
9 Cafaro.
10 Q. What was his position?
11 A. I want to say president of the company.
12 Q. Okay. How about -- who else?
13 A. And Richard Detore was the chief operating officer,
14 and he's the gentleman that I took my direction from.
15 Q. Now, what was the business plan for USAG when you
16 first started in 1997?
17 A. There wasn't a formalized business plan to say, but
18 the -- the focus of the business was to get certification
19 of the laser units so we could start revenuing it by
20 selling it to different airports around the nation.
21 Q. And who did you have to get certification from?
22 A. Well, you had to certify the units through the
23 Federal Aviation Administration.
24 Q. How important was it to USAG to obtain FAA
25 certification of this technology?

1 A. It was extremely important. Without the
2 certification, we couldn't sell the units to commercial
3 airports.
4 Q. What was USAG's single highest priority then when you
5 started there in the fall of 1997?
6 A. Develop the documentation needed to be able to
7 achieve certification of these laser units.
8 Q. Now, was USAG seeking the assistance of any
9 Government officials to help it obtain FAA certification?
10 A. Yes.
11 Q. And who was USAG seeking assistance from?
12 A. Congressman Traficant. We needed a champion for our
13 product line and someone to champion our cause, and he
14 stepped up to do it.
15 Q. Now, who at USAG served as the principal point of
16 contact between USAG and Congressman Traficant?
17 A. Richard Detore.
18 Q. And how long did you actually work for USAG in
19 Manassas before you met -- personally met Congressman
20 Traficant for the very first time?
21 A. About a four to six-month time period I would say.
22 Q. And can you tell the jury what you recall of that
23 initial meeting where you first met Congressman Traficant?
24 A. As far as I can remember, the first time I met
25 Mr. Traficant -- Congressman Traficant was at his boat down

1 in Washington, D.C. Richard Detore had asked me to go down
2 to take a survey of his boat, to see what type of work
3 would -- needed to be done to repair it.
4 Q. Do you recall what time of year it was?
5 A. It was the wintertime. I'm not sure exactly when, if
6 it was January, February, March time frame, but it was --
7 it was cold outside.
8 Q. If you started in the fall of 1997, what year are we
9 talking, winter of?
10 A. '98.
11 Q. Could you describe for the jury the shape that the
12 boat was in when you went out and took a look at it that
13 first day?
14 A. When I went down, we met the Congressman. The
15 Congressman took us on the boat. There was a tarp laying
16 over the boat to keep water from seeping down during the
17 storms. I looked over the boat quickly. I didn't get too
18 involved because there was a gentleman living on the boat
19 at the time, and I didn't want to intrude into their
20 privacy, but the boat was in very rough shape.
21 There was evidence of rotting in various places, and
22 it just needed a lot of repair.
23 Q. What, if anything, did Congressman Traficant ask you
24 all at USAG to do at that time?
25 A. There he was just asking at that point in time what

1 steps would he need to take to be able to get the boat
2 fixed.
3 Q. In your opinion, how important was it at that time
4 that repairs be made to that boat?
5 A. In relation to what though?
6 Q. To what would happen if the repairs didn't get made?
7 A. It was significantly important. I would think
8 that -- I would venture to say that there wasn't a lot of
9 life expectancy left on that boat due to the fact that from
10 rotting back in the transient area sooner or later was
11 going to start to leak.
12 Q. And if it started to leak back in that area, what
13 would happen?
14 A. The boat would have sunk.
15 Q. How difficult would it have been to sell that boat,
16 based on that condition that you saw it in that day when
17 you went out there?
18 A. Extremely difficult.
19 Q. Why?
20 A. It's extremely difficult in the first place to sell
21 a -- or to find somebody to buy a wooden boat that's in
22 excellent condition. It's even harder to try to find
23 someone to buy a boat that's in poor condition.
24 Q. Without telling the jury whether or not Congressman
25 Traficant actually did anything, I'd like you to describe

1 some of the things Congressman Traficant was promising to
2 do for USAG and its technology during the time period that
3 you went out to look at the boat and the months immediately
4 following that.
5 A. Could you repeat the question, please, sir?
6 Q. Yeah. Without getting into whether or not he
7 actually did any of the things he was promising to do, what
8 types of things was he promising you all at USAG that he
9 was going to do to help your technology around the time
10 that you went out to look at the boat in the months
11 following the time you went out to look at the boat?
12 A. He said he was going to work with USAG to move the
13 technology forward, champion our technology and if needed,
14 introduce legislation to help support the introduction of
15 the technology into the marketplace.
16 Q. Was he -- was he telling you he would do anything or
17 promising to do anything regarding something called AIP
18 funding?
19 A. That is correct.
20 Q. And can you explain to the jury what AIP funding is
21 and what Congressman Traficant was telling you all that he
22 would do to help with AIP funding?
23 A. The AIP Fund is a trust fund that's set up for the
24 Federal Aviation Administration. It's for national and
25 international airport usage for upgrades. What that allows

1 is that each airport has its own operating budget for the
2 year, and if they want to do upgrades, they're allowed to
3 use that trust fund to pull funds from that trust fund, to
4 buy equipment that is certified to put on their airport, to
5 provide upgrades without cutting into their normal
6 operating budget.
7 Q. What effect would your company, USAG, having
8 availability to AIP funding, have on the prospective sales
9 of USAG?
10 A. It would make the sales of our equipment
11 significantly easier to occur at these airports on a local
12 and national level.
13 Q. And what was Congressman Traficant saying he would do
14 with regard to the whole certification process at the FAA
15 for USAG?
16 A. He said that he would maintain his influence out of
17 the office to keep pressure on the Federal Aviation
18 Administration efforts, ask people to make sure that they
19 do their job to help us with the certification process.
20 Q. How important were these issues of certification with
21 the FAA and AIP funding to USAG at that point during early
22 1998?
23 A. They were extremely important, extremely important to
24 the fact being that if you can't get your certification, we
25 would not be able to make sales of the units to any

1 revenuing airport or federal or local airport in the
2 nation.
3 Q. Did there ever come a time when USAG discussed
4 actually purchasing Congressman Traficant's boat?
5 A. Yes.
6 Q. And can you describe to the jury how that came about?
7 A. Basically, Richard Detore and Jim Traficant -- excuse
8 me -- J.J. Cafaro, John J. Cafaro talked to me about we
9 were going to head into the maritime applications for the
10 laser units, and we needed a boat to be able to do that
11 certification work.
12 Q. What exactly were these maritime operations that
13 you're referring to?
14 A. The laser system has other applications other than
15 just landing aircraft. It can do channel markings for
16 boats, help harbor definition, create that type of stuff.
17 But that unit needed to have work accomplished on that to
18 be able to get to the -- to that area, you know, to be
19 mature enough to be used in that area.
20 Q. At the time the discussion started about possibly
21 having USAG purchase Congressman Traficant's boat, how far
22 along into this nautical area was USAG at that time?
23 A. Not very far, not very far. We had a -- we had one
24 prototype unit that was used for that -- that was used to
25 demonstrate maritime applications, but the documentation

1 was not available to it, and we were already trying to work
2 in the -- we were focusing on most of our attention towards
3 getting certification on the -- on the laser visual landing
4 system where the big money for the company was going to
5 come from.
6 Q. Was the company at that point big enough to be doing
7 these, two things at once, pursuing FAA certification for
8 the aeronautical system and pursuing Coast Guard testing
9 for the nautical system?
10 A. No, it wasn't.
11 Q. Who was pushing USAG at that point in the nautical
12 area as you understood it?
13 A. Richard Detore.
14 Q. And who was suggesting that USAG would need a boat?
15 A. Richard Detore.
16 Q. And who was suggesting that USAG should buy
17 Congressman Traficant's boat?
18 A. That was a combination of Richard Detore and J.J.
19 Cafaro.
20 Q. Who was the point person at that point who was
21 working with Congressman Traficant in getting him to
22 continue to help USAG with this technology?
23 A. Richard Detore.
24 Q. And who had taken you out to the boat that first time
25 to take a look at the damage and repairs that needed to be

1 done to the boat?
2 A. Richard Detore.
3 Q. Did USAG really need a boat at that time?
4 A. No, it did not, in my opinion.
5 Q. Even if USAG had needed a boat, would Congressman
6 Traficant's boat been a wise choice for USAG from a
7 strictly business standpoint?
8 A. No, it would not.
9 Q. Why?
10 A. Considering the work that needed to be done on the
11 boat to get it into shape to be used, it was going to be an
12 expensive process.
13 Q. Knowing what you knew about boats, would you have
14 recommended to the company to obtain a wooden boat or
15 fiberglass boat if, in fact, it was going to get a boat to
16 use for demonstration?
17 A. I would have opted for a fiberglass boat.
18 Q. Why?
19 A. Fiberglass boats require a lot less maintenance --
20 they have a lot less maintenance requirements. They're,
21 like I said before, they're very -- they're more durable
22 than what a wooden boat would be. It presents much easier.
23 If you're going to be having clientele on board, I mean,
24 the whole idea is to have a piece of equipment that's going
25 to function when you're in a testing environment.

1 You should have a boat that's turnkey operation as
2 soon as you -- as soon as you buy it and not spend a
3 considerable amount of time repairing it to make it work
4 for you.
5 Q. Was USAG in the market for a boat prior to the time
6 that Rick Detore suggested that USAG should buy Congressman
7 Traficant's boat?
8 A. Not to my knowledge.
9 Q. To your knowledge, had anyone come out to look at and
10 price boats prior to the time that Rick Detore suggested
11 you should buy, meaning you, USAG should buy Congressman
12 Traficant's boat?
13 A. Not to my knowledge.
14 Q. Did anyone from USAG go out and look at any other
15 boats to compare and price them against Congressman
16 Traficant's boat?
17 A. Not to my knowledge.
18 Q. Did you have any conversations with Rick Detore and
19 J.J. Cafaro regarding this idea of why USAG should buy
20 Congressman Traficant's boat?
21 A. Yes, I did.
22 Q. And what did J.J. Cafaro and Rick Detore explain to
23 you was their primary purpose in seeking to buy Congressman
24 Traficant's boat?
25 A. Basically, it was presented to me that Jim was doing

1 favors for us, and we needed to do a favor for Jim.
2 Q. I'd like you to take a look, if you will, in front of
3 you on the counter, there's an exhibit marked 8-12(1). Do
4 you see that?
5 A. Yes, sir.
6 Q. And have you ever seen this document before?
7 A. Yes, sir.
8 Q. Or at least the check that represents this document?
9 Can you tell us what is this document?
10 A. This is a cashier's check for $26,000 and change that
11 J.J. Cafaro had and tried to present to Jim Traficant to
12 buy out the mortgage on his boat.
13 Q. Let's back up. When is the first time you recall
14 seeing this document?
15 A. Summer of '98.
16 Q. And in what context did you see it?
17 A. I was outside smoking a cigarette in front of U.S.
18 Aerospace Group when J.J. drove up, got out of the car, and
19 showed me the check and said that he tried to give it to
20 Jim, that Jim wouldn't accept it, and needed to figure out
21 what we were going to do next with the boat.
22 MR. MORFORD: Your Honor, may I put this on
23 the overhead?
24 THE COURT: Yes
25 MR. TRAFICANT: Ask it be made a joint

1 exhibit.

2 THE COURT: Okay.

3 BY MR. MORFORD:

4 Q. Let me ask you just a couple things about this.

5 What is the amount of the check again?

6 A. $26,948.18.

7 Q. And do you see a date on the check?

8 A. July 28, 1998.

9 Q. And do you see up in the left-hand corner the name of

10 the bank and the branch of the bank?

11 A. Yeah, Bank One, NationsBank.

12 Q. Do you see above NationsBank where it says Liberty?

13 A. Yes.

14 Q. Do you know what that means?

15 A. I have no idea.

16 Q. Okay.

17 You see something there where it says purchaser?

18 A. Yes.

19 Q. And what does that indicate?

20 A. It says Jim Traficant.

21 Q. Now, when you first --

22 A. Excuse me. J. Traficant.

23 Q. When you first saw this, the check for which this is

24 the carbon, what were you told the purpose of this check

25 was?

A. To buy out Jim's boat.

Q. And you said you were told that it was presented to Congressman Traficant; is that correct?

A. Yes, that's what I was told.

Q. And you were told that he wouldn't take the check?

A. That is correct.

Q. Were you told why he would not take the check?

A. I was told that he wouldn't take the check because it was going to look like a fishy deal, and they didn't want to have any bad press going on between J.J. Cafaro, who's a millionaire living in the area of Youngstown, and Congressman Traficant.

Q. Were you told how the amount, $26,948.18 was determined?

A. At that time, I believe that was the payoff amount for the mortgage that Jim Traficant had on the boat.

Q. After you were shown this check, did there come a time when the boat transaction was modified?

A. Yes, there was.

Q. And could you describe to the jury what happened and how that modification came about?

A. The modification came about that I was talked into making it look like I was going to purchase the boat so that we could keep it out of the papers, so basically, I was told that I should use my name as a front man and buy

1 the boat.
2 Q. Who told you that?
3 A. It was discussed in front of Richard Detore and J.J.
4 Cafaro on more than one occasion.
5 Q. Did you have any personal interest in buying
6 Congressman Traficant's boat?
7 A. No, I did not.
8 Q. Did you already have a boat?
9 A. Yes, I did.
10 Q. Did you need two boats?
11 A. No, I did not.
12 Q. Did you need to have a wooden boat on top of the boat
13 you already had?
14 A. No, I did not.
15 Q. Was there ever a time when you had any personal
16 interest or desire in buying Congressman Traficant's boat
17 yourself with your own money?
18 A. No, sir.
19 Q. Why then did you agree to buy the boat?
20 A. I agreed to buy the boat because J.J. Cafaro said
21 that he was going to give me the money that I needed to
22 take care of purchasing the boat, and that I should just
23 get the boat fixed up and just make it look like it was my
24 money that was being spent.
25 Q. And what was your understanding as to why J.J. Cafaro

1 was going to funnel the money through you to make it look
2 like you were buying Congressman Traficant's boat instead
3 of J.J. Cafaro just buying the boat directly?
4 A. He told me that he, J.J. Cafaro, was such a big wig
5 in Youngstown, Ohio, and Congressman Traficant was such a
6 big wig in Youngstown, Ohio, that it may have some
7 improprietary looks about this purchase going on between
8 the two of them, and that they -- they were concerned that
9 some nosey reporters would blow it out of proportion from
10 what it really was.
11 Q. Under this plan then, were you going to buy the boat
12 in reality?
13 A. I was not going to buy the boat.
14 Q. Were you going to buy it on paper?
15 A. I was going to buy it on paper as long as the money
16 showed up.
17 Q. And who was going to provide the money?
18 A. J.J. Cafaro.
19 Q. In reality, who was really buying the boat?
20 A. J.J. Cafaro.
21 Q. And what were you in this transaction?
22 A. I guess you could call me the mule. I was just
23 funneling the money through my accounts, getting the work
24 done to repair the boat.
25 Q. What was the sole purpose in you and Rick Detore and

1 J.J. Cafaro going to all this trouble to make it look as
2 though you were buying the boat when in reality J.J. was
3 buying the boat?
4 A. Could you repeat that question, please?
5 Q. What was the point and purpose of you and J.J. Cafaro
6 and Rick Detore going to all this trouble to make it look
7 like you were buying the boat when, in fact, it was J. J.
8 Cafaro?
9 A. Just wanted to make sure that it didn't look like
10 J.J. Cafaro and Jim Traficant were doing this deal
11 together.
12 Q. Turning your attention to Government's Exhibit 8-18,
13 do you see that in front of you?
14 A. Yes, sir.
15 Q. And just generically in general, what is this?
16 A. This is a fax I sent to J.J. Cafaro from myself
17 requesting $3,500 in cash --
18 Q. Before you go any further --
19 MR. MORFORD: Your Honor, may I put this on
20 the overhead?
21 THE COURT: Sure.
22 BY MR. MORFORD:
23 Q. Now, do you recognize this fax form?
24 A. Yes.
25 Q. And is this the standard fax form you used at USAG?

1 A. Yes, it is.
2 Q. And who was the author of this fax?
3 A. I was.
4 Q. And what was the date?
5 A. August 13, 1998.
6 Q. Who was the fax sent to?
7 A. J.J. Cafaro.
8 Q. Could you go ahead and read the body of the fax,
9 please?
10 A. "Just wanted to send you a reminder to bring $3,500
11 in cash with you today when you come to U.S. Aerospace
12 Group or to U.S. Aerospace Group. This money is to be used
13 for the operation that you and Rick discussed at your
14 meeting yesterday.
15 "Have a safe trip. I will update you when you get
16 to the office. Joe."
17 Q. Now, what was the, quote, operation, end quote, that
18 J.J. Cafaro and Rick Detore had discussed at their meeting
19 on August 12, 1996, the day before you sent this facsimile
20 to J.J. Cafaro?
21 A. It was about -- starting to get the money needed to
22 start to do the repairs, pay for back slip fees, and on Jim
23 Traficant's boat.
24 Q. Now, was there a decision made to make the repairs to
25 the boat prior to the time that the final payment would be

1 made on the boat?
2 A. Yes.
3 Q. Now, in this memo, why do you use the term "for the
4 operation that you and Rick discussed" instead of just flat
5 out say this money will be used to repair the boat?
6 A. I didn't want it to be -- this was going to a public
7 fax within the Cafaro Company, and I didn't want to do this
8 within the company, to see exactly what the money was going
9 to be used for.
10 Q. Were you trying to keep it secret J.J. was funding
11 the boat repairs?
12 A. Yes.
13 MR. TRAFICANT: What is the exhibit number on
14 this?
15 MR. MORFORD: 8-18.
16 MR. TRAFICANT: Ask it be made a joint
17 exhibit.
18 THE COURT: Fine.
19 BY MR. MORFORD:
20 Q. Why did you ask for cash?
21 A. I wanted to eliminate a paper trail.
22 Q. Turning your attention to Exhibit 8-19 -- you may
23 need to take that out of the glassine, if you would.
24 A. 8-19?
25 Q. Yes.

A. Okay. There's multiples here.

Q. Starting with the first page, do you see a check?

A. Yes.

Q. Do you recognize the signature on the back of that check?

A. That's my signature.

MR. MORFORD: Your Honor, may I put that on the overhead?

THE COURT: Certainly.

BY MR. MORFORD:

Q. What's the date of this check?

A. August 13, 1998.

Q. And what's the amount?

A. $3,500.

Q. And what's -- who's the check made out to?

A. Cash.

Q. And what was this check used for?

A. Initially, this initial check was used to payoff back slip rents for Jim's boat and also start the people into getting a survey done and doing some incidentals on the boat.

Q. Okay.

Looking at the second document there, do you see that?

A. The second document?

Q. I'm sorry?
A. The third document?
Q. Yes. The Airborne?
A. Yes. I see that.
Q. Do you recognize this document?
A. Yeah. I believe this is the document, the shipping package sent in the check in to me.
Q. How did you physically receive the check from J.J. Cafaro in Youngstown?
A. He sent it via Airborne Express, I believe.
Q. Now after USAG decided to go ahead and repair and then purchase this boat, who was tasked with the responsibility of setting up and arranging for repairs to be done to the boat?
A. I was.
Q. And was this something that you wanted to do?
A. No.
MR. TRAFICANT: I didn't hear that.
THE WITNESS: Excuse me?
MR. TRAFICANT: I didn't hear that answer.
THE WITNESS: No, sir. That was not what I wanted to do.
BY MR. MORFORD:
Q. How much of your own personal time did the boat repairs take up?

1 A. A significant amount. I didn't keep track of how
2 many hours, but usually, when the repairs were going on and
3 boat crews are there, I'd do a day's worth of work at U.S.
4 Aerospace Group, leave out from U.S. Aerospace Group around
5 4:30 or 5:00, and then head down to the boat area and at
6 least three days a week stay there until 9:00 at night, and
7 during the weekends, I don't know, for a two-month period
8 of time, three-month period of time, on and off.
9 There were a couple times there that I spent 48 hours
10 straight at the boat location.
11 Q. Approximately how far, distance-wise, was it from
12 Manassas where you lived and where the USAG offices are
13 located over to Washington, D.C. where the boat was?
14 A. I don't know, 25 miles each way.
15 Q. And how was the traffic that time of night when you'd
16 be traveling?
17 A. There would be stop and go from periods of time to
18 wide open -- most of the traffic at that time of night was
19 heading west. It was only when I got down closer to the
20 D.C. area that inside the beltway that the large backups
21 would take place.
22 Q. Did you ever complain to any of your co-workers about
23 having to handle the repairs on this boat?
24 A. Yeah, pretty much complained to anybody that would
25 listen to me from inside the organization.

1 Q. Who were some of the people you recall complaining
2 to?
3 A. Robert Looney I've complained to. I've complained
4 more or less to Richard Detore, but I know he didn't want
5 to hear it; Tracy Sloan, Ruth Nielson, just basically it.
6 Q. Who actually owned the boat, as you started making
7 and funding the repairs with J.J. Cafaro's money?
8 A. Jim Traficant.
9 Q. Who did you hire to perform the boat repairs?
10 A. I hired -- well, actually, the boat repairs were by
11 Ernst deGroot along with a small crew of people to work on
12 it, but I was introduced to him by the guy that I had come
13 do the survey on the boat to get it -- a rough estimate of
14 what kind of work was going to need to be accomplished.
15 Q. You mentioned Ernst deGroot?
16 A. That's correct.
17 Q. What did he do for a living at that time?
18 A. He was a master carpenter, and he was doing work from
19 job to job, and I just -- he knew Bruce Sannino who was a
20 boat surveyor, and we connected, and I put him as crew lead
21 to do the woodwork that was needed on the boat.
22 Q. How did you pay Ernst deGroot and his crew for the
23 work they were doing repairing the boat?
24 A. I paid him in cash I got from J.J. Cafaro.
25 Q. And what was some of the type of work that they had

to do with the boat?

A. If -- well, first we had to pull the boat out of the water, steam it all down, and then tear out all the rotted -- rotted wood that was on the boat, main significant problems with the boat where the transmural from below the waterline to just at the exhaust level, that whole back area had to be replaced, and also, there's -- where the shafts come through, from the engines to go to the outside, the left shaft log had to be replaced, about five-foot section of the shaft log. The shaft log is an eight-inch by eight-inch log that's hogged out, and the shaft is slid up through, and the main structural members of your boat that's connected to your engine comes -- that weight is transferred into that area.

Q. Okay.

Now, you said you paid Ernst deGroot and his crew in cash. What, if anything, did you do to document your payments to Ernst deGroot?

A. Every time that I paid Ernst deGroot cash, I kept accounting that he signed for all the receipts that he turned in, and detailed breakout of the labor hours that was expended on the boat.

Q. Why did you do that? Why did you keep such precise documentation?

A. Because I didn't want anyone from the Cafaro Company,

1 J.J. Cafaro or whoever, to come back to me and tell me that
2 I didn't use the money that was being given to me to do the
3 work on the boat for anything else other than work on that
4 boat.
5 Q. Now, in addition to these carpentry expenses, what
6 were some of the other expenses that you had to pay in
7 repairing and maintaining the boat? You mentioned the
8 survey; is that correct?
9 A. That is correct.
10 Q. Did you have to pay for that survey?
11 A. That is correct, the survey was paid for. I don't --
12 I don't specifically remember how much it was. I think it
13 was $6 or $800, which involved the guy scouring top to
14 bottom on the boat and outlining all the areas of problems.
15 Q. Were there any fees or dues or utility expenses
16 involved in storing the boat at the boat yard?
17 A. Yeah, there was pool out fees, also the monthly
18 electrical fees, monthly slip fees. I had fees to pay to
19 become a member of the boat club because if I wasn't a
20 member of the boat club, then I needed to be -- to move the
21 boat out of that location.
22 Q. What was the name of the boat club?
23 A. The Eastern Power Boat Club.
24 Q. Now, again, at the time that these repairs are being
25 done there at the Eastern Power Boat Club, who actually

still has legal ownership of the boat?

A. As far as I know, at this point in time, Jim Traficant still owns the boat.

Q. What are you telling people at the boat club regarding why you're coming in and doing these repairs to this boat if it belonged to the Congressman?

A. I told them that I was striking a deal with the Congressman to purchase the boat. They questioned why I would want to buy such a boat when they had more than one boat there that they were willing to give up for sale, and I told them that there was a nostalgia tied to that boat, and I was using that as an excuse to make it look like I had a motivation that was -- that was a part of my own motivation to buy that boat.

Q. You say that you were questioned as to why you'd want to buy his boat. Was that because of the condition it was in?

A. That is correct.

Q. And the story you came up about nostalgia, was that true?

A. No. I just needed a cover story because there was only one or two things these people were going to think, either I was a big idiot for buying this type of boat or -- so I needed to have some kind of reason, some viable reason why I would be purchasing this boat.

1 Q. Now, did you save and maintain the documents that you
2 had showing how you had expended the money that J.J. Cafaro
3 gave you to repair the boat?
4 A. Yes, I did.
5 Q. And did there come a time where through your attorney
6 you turned those over to the Government?
7 A. Yes, I did.
8 Q. I'd like to turn your attention for a moment to what
9 is marked in front of you 8-36(1). Do you see that?
10 A. Yes, sir.
11 Q. And if you could take it out of the glassine, there's
12 a number of pages there. We're not going to go through
13 them all, but I'd like to walk you through some so you can
14 explain what they are. Okay?
15 A. Okay.
16 Q. I'd like to you start with 8-36, Page 1?
17 A. Okay.
18 MR. MORFORD: May I put this on the overhead,
19 your Honor?
20 THE COURT: Certainly.
21 BY MR. MORFORD:
22 Q. And what is that and whose handwriting is that?
23 A. The handwriting is Bruce Sannino who was the
24 gentleman that did the survey, the initial survey of the
25 boat, and it's a receipt from him -- or stating that I gave

him $600 to do the work.

Q. Turning to the same exhibit, Page 2?

A. That's a receipt for some work that was done on the 20th -- around the 20th of August from Ernst deGroot.

Q. Okay. Turning your attention to Page 3, could you tell us what that is?

A. Excuse me?

Q. Go ahead.

A. This is a receipt again from Bruce Sannino, stating that I gave him $3,000 in cash to start purchasing items needed for the repair of the boat.

Q. Now, in addition to making these cash payments to Sannino, the surveyor, and Ernst deGroot and his team, the carpenters, were there times that you personally bought materials and supplies that they needed to use in their work? Were there times that you bought supplies or materials?

A. No. Mainly, they did all the purchasing. They knew exactly what it was that they needed to purchase. I don't -- I don't recall that I actually made purchases of materials to take down to the boat.

Q. Let me ask you this: If you can take a look, if you flip through a little bit there to Page 23 of Exhibit 8-36, continuing all the way through Page 48, do you see those documents?

1 A. From Page what, 23?
2 Q. From Page 23 through Page 48.
3 A. Yes.
4 Q. What -- just in general, what are those documents?
5 A. These documents here are of different purchases of
6 materials that were needed to continue work on the boat and
7 do the repairs.
8 Q. Okay. And who was making these purchases?
9 A. Mainly, Ernst deGroot. I guess, as I see here, a
10 couple times I did make some purchases for some of these.
11 Q. If either you made the purchase or Ernst deGroot
12 made the purchase, would you obtain and keep receipts?
13 A. Yes.
14 Q. For what purpose?
15 A. I kept those receipts so I could maintain
16 accountability for the money that was being given to me by
17 J.J. Cafaro for the repairs of that boat.
18 Q. Okay. Turning back to Page 4 of 8-36 and looking at
19 Page 4, Page 5, Page 6, are those more handwritten receipts
20 from Ernst deGroot?
21 A. Yes.
22 Q. Documenting cash that you paid to him for boat
23 repairs?
24 A. That is correct.
25 MR. TRAFICANT: I ask this all be made a

1 joint exhibit.
2 THE COURT: Fine.
3 Q. Next, I'd like to turn your attention to Page 7. You
4 see that?
5 A. Yes.
6 Q. And --
7 MR. MORFORD: Your Honor, may I put that on
8 the overhead?
9 THE COURT: Yes.
10 BY MR. MORFORD:
11 Q. Describe for the jury just generally what this is,
12 this statement.
13 A. I was required to give them money -- give Ernst
14 deGroot and his crew money only if they documented the
15 hours that they were working on the boat. This is an
16 accounting of the hours that they worked on the boat --
17 Q. Okay. And then?
18 A. -- during this period of time.
19 Q. And this would be August 27th through September 3rd?
20 A. That's correct. And it also has who it was of the
21 people working on the boat. If you notice, there's all
22 types of names.
23 Q. So this is a list of who worked each day and how many
24 hours they worked?
25 A. That is correct.

1 Q. And then down at the bottom, you see where it says
2 grand total?
3 A. Yes.
4 Q. Has total labor, and it has some materials. It has
5 grand total?
6 A. That's correct.
7 Q. And then down here on the left side says receipts to
8 ED less to be total, do you see that?
9 A. Yes.
10 Q. And what did that represent? Is that representing
11 the payments you were making to them?
12 A. Yes. I believe so, yeah.
13 Q. And would you get a statement like this each month or
14 every period?
15 A. Whenever I was -- had a -- whenever we did any kind
16 of cash transaction, yes.
17 Q. Turning to Page 9, it says statement Number 2,
18 September 4 through September 11th?
19 A. Right. Yeah.
20 Q. Is that the same basic kind of statement?
21 A. Same basic kind of thing. You need to know who was
22 doing work and how many hours they were working on it.
23 MR. TRAFICANT: The Exhibit number?
24 MR. MORFORD: This is all 8-36, 8-36.
25 Q. Do you see down here where it says payments, 9-4,

1 $100, 9-8, $1,500, totaling $3,100, you see that?
2 A. Yes.
3 Q. What does that represent?
4 A. I believe I was keeping a running account of what I
5 already paid him and what it was I owed him, and at this
6 point in time, I was up $502 so he had $502 worth of work
7 that needed to be accomplished before I would give him any
8 more money.
9 Q. Okay.
10 Page 10 says statement Number 3?
11 A. Yes.
12 Q. Same basic can type of form for the period September
13 12th through September 19th?
14 A. Yep. I wanted accounting of all the materials put on
15 the boat plus who worked on the boat and how many hours.
16 Q. Page 11 looks like another handwritten receipt from
17 Ernst deGroot?
18 A. Yes.
19 Q. Page Number 12 says statement Number 4?
20 A. Yes.
21 Q. September 20th through September 28th?
22 A. Yes.
23 Q. Same basic kind of summary?
24 A. Basic -- same summary, same type of stuff.
25 Q. Pages 13 and 14, those are more receipts for cash you

1 gave them?
2 A. Yes.
3 Q. Turning your attention to Page 15, is this more of
4 your running summary how much you've given them and how
5 much they billed up?
6 A. This one here is an accounting of what the money that
7 J.J. had already given me and how much has been expended
8 out.
9 Q. Okay.
10 Page 16 --
11 A. Excuse me. I'm wrong on that. You are right. I had
12 a sheet that was -- that would keep track of that, but that
13 was not this sheet. I'm sorry.
14 Q. That's okay.
15 A. This is again an accounting of Ernst deGroot's and
16 his crew's hours.
17 Q. Okay. Page 16. Says Bruce received $500, January 6,
18 '99 Ernst deGroot?
19 A. That's correct.
20 Q. That's just another receipt of cash you'd given him?
21 A. That is a receipt of cash I gave to Ernst deGroot,
22 and then he had Bruce is a -- excuse me, yes, this is a --
23 a receipt of money that I gave him.
24 Q. Okay. Now heading into 1999, there's a statement
25 says January 1st, '99 through March 3, '99. Do you see

1 that?
2 A. Yes.
3 Q. And what are these?
4 A. Again, these are charges for work that was
5 accomplished on the boat.
6 Q. And who was providing these to you?
7 A. Ernst deGroot.
8 Q. And would that be the same type of document for
9 additional periods on Pages 18, 19, 20?
10 A. That is correct.
11 Q. 21?
12 A. That is correct.
13 MR. TRAFICANT: I ask that all of that, 8-36,
14 be made a joint exhibit.
15 THE COURT: Fine.
16 Q. Now, would you have ever kept this detailed a record
17 if this was something you were doing on your own for
18 yourself and not being funded by someone else?
19 A. Probably when I got to this level, I would have been
20 keeping ball park. I still would have asked for most of
21 the receipts, but I -- I would have been looking for, you
22 know, expenditures over $4 or $500 to be accounted for. I
23 still would have asked them to outline all the hours
24 worked. How else can you keep an accounting of how much
25 something you're working on is actually going to cost you?

1 Hobby or no hobby or wanting to have the boat or not.
2 Q. Okay. Turning your attention to Government's Exhibit
3 8-36.2, do you see that in front of you?
4 A. Yes, sir.
5 Q. And is this another receipt that you turned over to
6 the Government?
7 A. That's -- that is correct.
8 MR. MORFORD: May I put this on the board,
9 your Honor?
10 Q. Can you tell us what this is?
11 A. When I first got involved with working on Congressman
12 Traficant's boat, there was $1,750 in arrears on slip rents
13 and electric bill for the slip --
14 Q. I'm sorry. Let me stop you there. You said there
15 was a bill of how much in arrears?
16 A. Arrears of about $1,750.
17 Q. Explain what you mean by that. Who had failed to pay
18 dues and fees and utilities that caused that to be in
19 arrears?
20 A. Congressman Traficant.
21 Q. Okay. And so what did you have to do with regard to
22 that bill?
23 A. We -- I paid the bill in cash. Otherwise, they
24 wouldn't have let me work on the boat.
25 Q. Okay. You a couple times mentioned the term slip

1 fees. What's a slip, and what's a slip fee?
2 A. Your slip is where your boat is docked at. A slip
3 fee is what the rental charge is for using that slip.
4 Q. Okay.
5 Now, the second page of this document, 8-36.2,
6 actually the next two pages, Pages 2 and 3, do you see
7 those?
8 A. Yes.
9 Q. And can you tell us what those are?
10 A. These are two checks for my personal checking account
11 to pay off slip fees owed to the Eastern Power Boat Club,
12 and then a $1,400 check to pay to Ernst deGroot for work he
13 had accomplished on the boat.
14 Q. Now, these were payments to the Eastern Power Boat
15 Club starting with the check at the top, the September '99
16 for slip fees and utility fees were for whose boat?
17 A. Jim Traficant's boat.
18 Q. And then the check June 3rd, 1999, that's still on
19 the board, that was to Ernst deGroot for what?
20 A. Work that was accomplished on the boat.
21 Q. And the final area of these boat fee receipts that I
22 want to walk you through and then we'll be done and move on
23 as is Exhibit 8-36.3, do you see that?
24 A. Yes.
25 Q. Can you tell us -- let's start with -- there's a

1 memo, Eastern Power Boat Club memo. What is that, and what
2 does that deal with?
3 A. I was notified by the Eastern Power Boat Club that I
4 was in arrears on slip -- slip fees and electricity on this
5 boat, and that it had accumulated to $774, and they were
6 giving me 14 days to either pay up, or they were going to
7 take legal action against me.
8 MR. TRAFICANT: What was the date of that?
9 THE WITNESS: 16th December 1998.
10 Q. Now, when you started to make the boat repairs, did
11 you say you actually joined the club?
12 A. Yeah, I had to join the club.
13 Q. And why did you have to join the club?
14 A. Otherwise, I needed to take -- as far as they were
15 concerned, that I was making the purchase of Traficant's
16 boat, and that the boat slips were only available to club
17 members, and if you weren't a member, you couldn't keep the
18 boat at the Power Club. So I paid the money that was
19 required to join the club and joined the club.
20 Q. Now, there's some handwriting sort of a list and
21 chart running down this document. Can you explain to the
22 jury what those notations are?
23 A. Just -- they're just expenditures that had taken
24 place from an additional drop of money that J.J. Cafaro
25 gave me.

1 Q. Okay. And turning to the second page of that
2 document, is that a continuation of the same listing out
3 different expenses that you paid along the way?
4 A. Yes, sir.
5 Q. Now, there's a number of these expenses that are
6 written on here -- by the way, whose handwriting is this?
7 A. This is mine.
8 Q. Okay. And there's a number of these expenses that
9 will say after them, check number, like, if there's -- the
10 item here, you see the item that says $711.76, paid
11 3-18-99, check number 737?
12 A. Yes.
13 Q. And then further down there would be another one,
14 $2,426.52, check number 753?
15 A. Yes.
16 Q. And there's some other entries like that with check
17 numbers.
18 Whose checking account were those checks being
19 written on?
20 A. Mine.
21 Q. And did there come a time where you provided copies
22 of those checks to the FBI as part of its investigation of
23 this matter?
24 A. Yes.
25 Q. Turning your attention to Government's Exhibit 8-38,

it's probably down in your file a little bit, it's not exactly the next item, can you dig down there and see if you can find that?

A. 8-38?

Q. 8-38.

A. I have an 8-20, 28, and 3, 35.

Q. If you keep digging, you'll get there.

A. I don't want to get them too messed up. Okay. I see now 8-38.

Q. Do you recognize those checks?

A. Yes.

Q. And are those checks that you wrote on your account?

A. Yes.

MR. MORFORD: Your Honor, may I put these on the overhead?

THE COURT: Yes.

MR. TRAFICANT: I ask it be made a joint exhibit.

THE COURT: Fine.

BY MR. MORFORD:

Q. Okay. I'm going to just flash these five pages rather quickly and then ask you a couple summary questions. There are a number of checks to the Eastern Power Boat Club; is that correct?

A. That is correct.

1 Q. And then there's at least one check to Ernst deGroot?
2 A. Yeah, more than one.
3 Q. Yeah. Actually it looks like a couple.
4 What were these checks written for, for what purpose?
5 A. Checks were written to cover the expenses and costs
6 of Jim Traficant's boat.
7 Q. And were you reimbursed for the amounts that you
8 wrote these checks for on your account?
9 A. Yes, I was.
10 Q. And who reimbursed you?
11 A. J.J. Cafaro.
12 Q. And was that part of this scheme that you described
13 earlier?
14 A. That is correct.
15 Q. At this time, I'd like it ask if you would take a
16 look at what's been marked Exhibits 8-69, and it's a number
17 of pages there. Do you see those in front of you?
18 A. Yes, sir.
19 Q. And do you recognize the boat that's depicted in
20 these pictures?
21 A. Yes, I do.
22 Q. And whose boat is that?
23 A. Jim Traficant's boat.
24 MR. MORFORD: Your Honor, may I place these
25 up on the overhead?

1 THE COURT: Sure.
2 BY MR. MORFORD:
3 Q. Putting the first Exhibit, which is 8-69(1), up on
4 the screen, do you see that?
5 A. Yes, sir.
6 Q. And is that the boat that you have been describing
7 this morning?
8 A. Yes, it is.
9 Q. And you recognize any of the people that are on the
10 boat there?
11 A. Well, the gentleman in the back is Ernst deGroot
12 who's pulling on the rope.
13 Q. Turning to Page 2 or exhibit -- I guess it would be
14 Exhibit 8-69(2), can you just point out or note for the
15 jury in terms of the shape of the boat from that view what
16 some of the problems were with the boat?
17 A. If you notice from that view, you can see where the
18 tarpaulin that was covering the whole top of the boat has
19 been rolled up and thrown right there at the front deck
20 area.
21 Q. That would be this here?
22 A. That is correct, and the poles that are there were to
23 hold -- see the poles running from -- right from the bow up
24 to the top where the flying bridge is.
25 Q. This stuff here?

1 A. That is correct, that those are the tarp bows so the
2 water would run off.
3 Q. What about the --
4 A. There's some paint removal that's going on in that
5 area there, but that's not a great picture to see some of
6 the more significant damage.
7 Q. Why was the tarp needed?
8 A. To keep water out from -- from rain because the
9 decking around the whole top of the boat would leak.
10 Q. How about page -- or Exhibit 8-69(3)? Again, this is
11 some of the area you were describing that --
12 A. Yes. This is a picture of some of the area that we
13 were redoing. If you notice, there's a piece missing off
14 of there. It was not a significant thing, but it's
15 missing. They're not quite in the order of --
16 Q. I'm going to skip back to 8-69(5).
17 A. 8-69(5)?
18 Q. And 8-69(6), let me see if I can get them both on the
19 screen at the same time and ask you if you could describe
20 some of the problems here, the back of the boat?
21 A. Right.
22 Well, the picture at the bottom is the first picture,
23 is taken when the boat was pulled out of the water. You
24 can't really tell the damage that's, you know, rotting or
25 anything like that because it's got many years of silt

1 built up from the Anticosti River adhering to the bottom of
2 the boat. So prior to doing any kind of work on the boat,
3 the boat needed to have a power wash.
4 Q. Okay. Once you power wash this silt and stuff off,
5 what was revealed, what is -- what is the condition?
6 A. Well, the condition was there was a lot of rotting
7 that -- that followed the whole transom right at the
8 waterline. If you look at the next picture up, you can see
9 where the approximate -- the whole transom first two feet
10 of the transom from the waterline down to the bottom of the
11 boat was basically cut out and replaced with new wood.
12 MR. TRAFICANT: I ask this be a joint
13 exhibit.
14 THE COURT: Fine.
15 BY MR. MORFORD:
16 Q. And 8-69(7), what's being depicted in this particular
17 picture?
18 A. That's the repair going back onto the -- to the
19 transom of the boat, after all the rotten wood was cut off
20 out, discarded, frame and structure put back in and transom
21 put back in place on the back of the boat.
22 Q. Who is the person doing the work in the picture?
23 A. That's Ernst deGroot.
24 Q. How about 8-69(8)?
25 A. It's the same, they're out of sequence. Basically,

1 we had to take and tear down and draw all the paint off the
2 boat so that we could put a fresh coat on and expect to
3 make sure we've gotten all the rot and damage taken care
4 of, but as you can tell on this side, this is the left side
5 of the boat.
6 Ernst was previously working on the right side of the
7 boat so you can tell that the whole back has a transom
8 basically was tore open.
9 Q. And that would also be depicted in this picture?
10 A. That is correct. That happens to show some of the
11 renewed structure going back in.
12 Q. Is this the area that's around --
13 A. Around the exhaust pipe.
14 Q. Okay.
15 A. One of the exhaust pipes.
16 Q. And finally, 8-69(10), what does that picture show?
17 A. That's where the shaft log I told you about before,
18 that had to be taken out, cut out, board to match the pitch
19 of the shaft, and then installed with the shaft in there.
20 MR. TRAFICANT: I ask if any of these not
21 made joint exhibits, they should also be made joint
22 exhibits of 8-69.
23 THE COURT: Very well.
24 Q. Now, approximately how much money did you ultimately
25 spend paying Ernst deGroot and his workers for the repairs,

1 paying for materials that needed to be purchased for the
2 repairs, paying for slip fees, paying for your gas back and
3 forth to Manassas and any other expenses incurred in
4 repairing this boat?
5 A. Actual number, I don't have it at the top of my head
6 at this time, but I would say between $16, $18,000.
7 Q. You don't know the exact number?
8 A. I don't know the exact number but --
9 Q. Let me do this. Let me walk you through some checks,
10 and you can tell us what these checks represent.
11 Earlier, I showed you a check for $3,500. Do you
12 recall that?
13 A. That's correct.
14 Q. And that was for boat repairs?
15 A. Boat repairs.
16 Q. Okay. Turning your attention to Exhibit 8-20.
17 A. Yes.
18 Q. There's a check here from J.J. Cafaro to Al Lange in
19 the amount of $3,800 on August 27, 1998. What was the
20 purpose of that check?
21 A. Boat repairs.
22 Q. Exhibit 8-28, there's a check from John J. Cafaro to
23 cash on September 28, 1998, in the amount of $6,000.
24 Turning it over -- do you recognize this signature?
25 A. Yes, sir.

Q. Is that your signature?
A. Yes, it is.
Q. And what was this check used for?
A. Boat repairs.
Q. Turning your attention to 8-33, there's a USAG interoffice memorandum. You see that?
A. Yes.
Q. Have you seen this document before?
A. Yes.
MR. MORFORD: May I put that on the overhead, your Honor?
THE COURT: Yes.
BY MR. MORFORD:
Q. Can you tell us about this particular fax?
A. It was basically needing $8,000 to try to complete the repairs that were going on with Jim Traficant's boat.
Q. Okay. Who was the memo to, and who was the memo from?
A. The memo was from Richard Detore and went to J.J. Cafaro.
Q. And then turning your attention to Government's Exhibit 8-35, there's a check here in the amount of $8,000 from J.J. Cafaro to Rick Detore, dated December 24th, 1998, do you see that?
A. Yes, sir.

1 Q. And do you see the signatures on the back?
2 A. Yes. There should be two signatures on the back of
3 this check, one from Richard Detore and one from myself.
4 Q. Okay.
5 What was this $8,000 check used for?
6 A. Boat repairs.
7 Q. Now, turning your attention to Government's Exhibit
8 8-21, do you see that in front of you?
9 A. 8-21, sir?
10 Q. Yes.
11 A. Okay. I have 8-21.
12 Q. If you could take it out of the glassine there a
13 moment?
14 A. Okay. Are we done with these other exhibits?
15 Q. And if you would look at the second page of that
16 exhibit, there's a check from the Cafaro Company in the
17 amount of $3,000, payable to Al Lange, dated September 10,
18 1998. Do you see that?
19 A. Yes, sir.
20 Q. And what was this check used for?
21 A. Repairs on Jim Traficant's boat.
22 Q. Now, what, if any, problems did it cause you when you
23 got a check for the boat repairs that -- rather than coming
24 from J.J. Cafaro's personal accounts like the other checks
25 you've looked at, this one came from the Cafaro Company

account?

A. This check was cut, and then when the taxes came in with our W-2s, I had a 1099 attached to it for $3,000 as saying it was additional income that I had received.

Q. Okay. And was this, in fact -- well, you said this was a check for boat repairs, correct?

A. That is correct.

Q. And did -- was that in any way income to you?

A. No, it wasn't. I called, and J.J. Cafaro, Richard Detore called J.J. Cafaro to tell him that they needed to issue a new 1099, zeroing out this $3,000 so I wouldn't have to pay taxes on it.

Q. Turning your attention to 8-23, another USAG interoffice memorandum.

A. 23?

Q. Yes, 23. Do you recognize that?

A. Yes.

MR. MORFORD: I may I put that on the overhead, your Honor?

THE COURT: Yes.

BY MR. MORFORD:

Q. And who was this memorandum to, and who is it from?

A. From Richard Detore going to John J. Cafaro.

Q. And what's the date?

A. 2-16-99.

1 Q. And it's regarding?
2 A. The -- miscellaneous 1099s we were issued or the one
3 I was issued for $3,000 for the money I received from the
4 Cafaro Company to do the boat repairs and whatever Rick
5 had.
6 Q. Okay. And could you go ahead and read the body of
7 this, please?
8 A. "Both Al and I received" --
9 THE WITNESS: Sorry. Excuse me.
10 THE COURT: If you can talk slower because
11 people tend to speed up when they read. Okay. Almost
12 everybody speeds up when they read.
13 THE WITNESS: "Both Al and I received 1099s,
14 miscellaneous nonemployee compensation forms which were
15 filled with -- which were filed with the IRS. The funds in
16 both cases paid out by the company to Al and myself were
17 for expenses not compensation. These forms need to be
18 amended immediately to reflect having been filed in error.
19 "My taxes have been prepared and are filed with the
20 IRS, and this will cause a huge problem if not corrected
21 now. Regards."
22 Q. So it was your position and Rick Detore's position
23 that these expenses for $3,000 for boat repairs were
24 expenses of USAG and not personal funds of yours, correct?
25 A. That is correct.

1 MR. TRAFICANT: I ask that all of the
2 exhibits from 8-33 down and through 8-23 be made joint
3 exhibits.
4 BY MR. MORFORD:
5 Q. Turning your attention --
6 THE COURT: That'll be all right, but we have
7 to figure out the actual --
8 MR. TRAFICANT: 8-33, 8-35, 8-21 and 8-33, I
9 think 8-69, all of their numbers have now been made joint
10 exhibits prior.
11 THE COURT: Thank you.
12 MR. MORFORD: Your Honor, it might speed
13 things up being he has all these exhibits that he can let
14 us know outside the jury's presence, and we can take care
15 of this.
16 THE COURT: Well, that certainly would help.
17 MR. TRAFICANT: I don't want to forget.
18 THE COURT: Well, but it sort of like
19 interrupts everything every time you say it. So if you
20 could just keep a list, we'll do it after the jury's
21 recessed -- recessed for the mid-day break. Okay? Thank
22 you.
23 MR. MORFORD: Sorry. Did you say --
24 THE COURT: No, I am not taking the mid-day
25 break. But that's what we will do at the mid-day break

after the jury's left. Okay?

MR. MORFORD: Thank you.

BY MR. MORFORD:

Q. Turning your attention to 8-24, do you see that?

A. 8-24, I have it.

Q. Okay. And this is another interoffice memorandum on the USAG letterhead; is that correct?

A. That is correct.

Q. And who was this sent to, and who was it sent from?

A. It was sent from me, and it was sent to J.J. Cafaro.

Q. Did you send copies to anyone?

A. To Capri and -- Capri Cafaro and to Richard Detore.

Q. And what was the date of this?

A. 3-1-99.

MR. MORFORD: May I put this on the overhead, your Honor?

THE COURT: Yes.

BY MR. MORFORD:

Q. Could you go ahead and --

(Thereupon, the record was read back by the Court Reporter.)

The body of this memorandum that you sent to J.J. Cafaro, Richard Detore, and Capri Cafaro on March 1, 1999?

A. Right.

Says "I am writing to remind you to double check

1 with the payroll department to be sure that they have
2 processed the paperwork for me to receive the $35,000 bonus
3 and the two weeks of vacation pay that is owed to me from
4 last year.
5 "I also received a substitute 1099 form from the
6 company for $3,000. This amount was for expenses used on
7 the boat. I have already sent in my taxes for 1998. I
8 need you to make sure that the accounting department sends
9 the IRS the proper forms to back out this additional $3,000
10 against my account, to keep me from having troubles with
11 the IRS."
12 Q. Focusing on the first paragraph there, you're talking
13 about a $35,000 bonus. Can you explain to the jury what
14 that issue was and how that came up?
15 A. When I went to work for U.S. Aerospace Group, the
16 incentive package for me to join the company was to
17 increase my pay from what I was making down there. In lieu
18 of paying me all the money up front, J.J. wanted to have it
19 as a performance factor on my pay, to make a base pay and
20 then pay me -- if I made my goals for the year, that I
21 would be paid a $35,000 bonus for the first year that I was
22 there. I made my goals, and it took a considerable amount
23 of time for me to get that money.
24 Q. You say you started in the fall of 1997 so you
25 completed your first year in the fall of 1998; is that

1 correct?
2 A. That is correct.
3 Q. And so what you're telling us is that as of March 1,
4 1999, you have not been paid the $35,000 performance bonus?
5 A. Or the two weeks of vacation that I didn't get the
6 first year.
7 Q. That was supposed to be paid to you back in --
8 A. Supposed to be paid prior to the -- my anniversary
9 date with the company, October 7th, and should have been in
10 that pay period at that point in time.
11 Q. Now, with respect to the second paragraph where you
12 indicated that the $3,000 check from Cafaro was for
13 expenses used on the boat, and you want to make sure it's
14 not treated as income to you, either before or after you
15 sent this memorandum to Rick Detore, did you ever talk to
16 him about the fact that this boat expense money should not
17 be treated as income to you?
18 A. Did I ever talk to who?
19 Q. Rick Detore?
20 A. Yes.
21 Q. And did he agree that this should not be treated as
22 income to you?
23 A. That is correct.
24 Q. Next, I'd like you to look at 8-6(3). Do you see
25 that in front of you?

1 A. 8-6(3), yes.
2 Q. That's another interoffice memorandum; is that
3 correct?
4 A. That is correct.
5 Q. And this is to whom from whom?
6 A. It's to Capri Cafaro from myself.
7 MR. MORFORD: May I put this on the overhead,
8 your Honor?
9 THE COURT: Yes.
10 MR. MORFORD: And what's the date of this
11 memo.
12 THE WITNESS: 5-10-99.
13 Q. And who did you send copies of this memo to besides
14 sending it to Capri?
15 A. Richard Detore and J.J. Cafaro.
16 Q. Could you go ahead and read the body of this memo?
17 A. It says "I wish to thank you for staying on top of my
18 bonus issue and finally getting the majority of it paid. I
19 am still a little short on the bonus amount. The shortage
20 is $5,000. My bonus was for $35,000, but the check issued
21 was for $30. If you could get the amount to be issued --
22 get this amount to be issued in my next paycheck, it would
23 be appreciated.
24 "Second, I need to have a separate check cut from
25 your father's checking account in the amount of $8,000 to

1 finish the repairs on the boat. It needs to be made out to
2 cash. The boat people are, once again, becoming restless
3 about being paid."
4 Q. Now, did there ever come a time when you attempted to
5 create any kind of a written agreement or statement
6 regarding this boat purchase?
7 A. Yes, there was.
8 Q. And can you describe for the jury what you did and
9 why you did it and when you did it?
10 A. The why I did it is I was instructed by J.J. Cafaro
11 to make an agreement up for the sale of the boat to -- the
12 purchase of the boat from Jim Traficant so it would look
13 like a legitimate deal. And you had two other parts of
14 that question.
15 Q. The other parts were approximately when did this
16 occur?
17 A. Sometime after we already started working on the
18 boat. I cannot remember exactly when it was, but it was
19 many months after we were far along with work in progress,
20 way down the line in the work in progress.
21 Q. And what was the sole purpose for writing up an
22 agreement?
23 A. The sole purpose was to make it look like it was a
24 legitimatized sale. J.J. Cafaro made a special trip out to
25 see me, to say that they're -- there was a possibility of

1 an investigation that was going to take place, and that
2 they really -- that I really needed to have a documented
3 place showing me as the purchaser of the boat.
4 Q. And then what did you do? Did you actually create a
5 document?
6 A. Yeah. Sometime after we had that meeting, that I had
7 that meeting with J.J., I wrote this up in my own
8 handwriting and then took it, presented it to Jim and got
9 it signed.
10 Q. Turning your attention to Exhibit 8-17, is that the
11 agreement?
12 A. Yes, sir, it is.
13 MR. MORFORD: May I put it on the overhead,
14 please.
15 THE COURT: Yeah.
16 BY MR. MORFORD:
17 Q. Could you please go ahead and read the agreement? I
18 may stop you along the way to ask you some questions.
19 A. "Sales purchase agreement. An agreement has been
20 struck between Jim Traficant, seller, and Albert Lange,
21 buyer, for the purchase of Jim's 37-foot, 1970 Egg Harbor
22 boat for the purchase price of $26,000 plus cost of
23 repairs, under the following conditions:
24 Albert -- conditions are Albert Lange will pay for a
25 boat survey to determine the boat's condition and value

1 after repairs have been made."
2 Sub paragraph A, "survey will identify problems to be
3 repaired.
4 "(B) estimate cost for repairs will be derived from
5 the survey for which Albert Lange will pay for the repairs.
6 "2. Repairs on the boat will be made at the cost of
7 Albert Lange before final payment of $26,000 is made to Jim
8 Traficant under the following conditions."
9 Q. Let me stop you there. Is that true, that the
10 repairs on the boat were going to be made at the cost of
11 Al Lange?
12 A. No, they weren't.
13 Q. Continue.
14 A. "(B) under the following conditions: If repair costs
15 and payment to Jim Traficant far exceed the value of the
16 boat as stated on the survey, then Albert Lange will
17 have -- will not continue with the purchase but will be
18 responsible for the cost of the survey.
19 "(B) final payment of $26,000 will be made to Jim
20 Traficant at the time Albert Lange has obtained financing
21 to cover the cost of the payment to Jim Traficant.
22 Q. Was that true?
23 A. I never seek financing and had no intention of
24 seeking financing for the boat.
25 Q. Why were these kinds of things put into this thing?

1 What were you trying to accomplish?
2 A. I was trying to accomplish and make it look like it
3 was a legitimized deal by having paragraph, Sub paragraph
4 (b) in there, and I was trying to make sure if J.J. backed
5 out of paying the money, I didn't have Jim Traficant suing
6 me over the purchase of the boat. So that's why I put in
7 that Sub paragraph (a) in, in an effort to cover me.
8 Q. If you could start with Paragraph 3 then.
9 A. "In the event that repairs to the boat are started
10 and the cost to repair the boat or if something happens to
11 make repairs too expensive, then Albert Lange has the right
12 to back out of the sale with the following conditions" --
13 or "following condition" -- excuse me. If Albert Lange
14 backs out of the purchase of the boat, all monies spent on
15 the repair of the boat will be held until such time that
16 the boat is sold by Jim Traficant.
17 "At the sale of the boat, Albert Lange will receive a
18 cashier's check for the amount of the repairs he has paid
19 to restore the boat only. All slip rents and club dues are
20 the responsibility of Albert Lange until final purchase has
21 been made or until Albert Lange has declined to purchase
22 the boat.
23 "Upon completion of the payments of $26,000 to Jim
24 Traficant, Jim Traficant will present clear title to the
25 37-foot, 1973 Egg Harbor boat to Albert Lange within ten

1 working days. This agreement is understood by both
2 parties, and they have entered into this agreement on
3 August -- 10 August 1998."
4 And there's my signature and Jim's signature.
5 Q. Let me ask you about that date, 10th of August 1998.
6 Is that an accurate agreement as to when this agreement was
7 signed by you?
8 A. No, it wasn't.
9 Q. Did you backdate this?
10 A. Yes.
11 Q. Why?
12 A. Because we need it to show that this had been an
13 agreement that had been enforced since the beginning of
14 this whole endeavor and not something that was done as an
15 afterthought.
16 Q. Mr. Lange, could you have afforded to buy and repair
17 this boat on your own if J.J. Cafaro had not been funding
18 it?
19 A. No, sir.
20 Q. Did you have any interest in buying a second boat?
21 A. No, sir.
22 Q. How important was Congressman Traficant to the
23 success of USAG at the period of time from July of 1998
24 when J. J. Cafaro showed you the check for $26,948.18 until
25 the time that you finally executed this agreement and paid

for the boat repairs?

A. It was extremely important. He was championing our cause, and in a bureaucratic society, if you don't have a champion for your cause, you don't get ahead.

Q. I'd like to show you one last exhibit on the boat expenses. If you could turn to 8-39, do you see that in front of you?

A. Yes.

MR. MORFORD: May I put that on the overhead, your Honor?

THE COURT: Yes.

BY MR. MORFORD:

Q. USAG check, in the amount of $2,172.17, do you see that?

A. Yes.

Q. And who is it payable to?

A. It's payable to Albert Lange, Junior.

Q. And who is it signed by?

A. Capri S. Cafaro.

Q. What's the date?

A. 1-17-00.

Q. And what was this check used for?

A. It was -- this check was used to cover two checks that I wrote out of my personal account to pay for back slip fees and electrical fees to Eastern Power Boat Company

1 and to pay for work that had been accomplished by Ernst
2 deGroot on the boat.
3 MR. TRAFICANT: What's the exhibit number?
4 MR. MORFORD: Exhibit Number 8-39.
5 Q. Would those be the two checks you testified to
6 earlier, the first page of Exhibit 8-38?
7 A. That is correct.
8 MR. MORFORD: Your Honor, I'm about to go
9 into a new area.
10 THE COURT: After the break. We'll take
11 our -- we'll take our half hour break, so we'll see you
12 back here at quarter of 4:00, quarter of 4:00.
13 (Thereupon, a recess was taken.)
14 THE COURT: You're still under oath, sir.
15 THE WITNESS: Yes, ma'am.
16 BY MR. MORFORD:
17 Q. I want to ask you a couple questions about a time
18 during the repairs when the boat -- you attempted to put
19 the boat back in the water. Do you recall that incident?
20 A. Yes, sir.
21 Q. And could you describe to the jury why you were
22 putting it back in the water at that point and what
23 happened when you tried to put it back in the water?
24 A. We were putting it back in the water at that point
25 because the lower half of the boat, all the low bearing

1 surfaces or the buoyancy surfaces were repaired, and we had
2 the boat at low tide, pulled back on its dolly, put it into
3 place so the water could come in and get soaked up into the
4 wood so the wood would expand to make the boat float.
5 What had happened is that I had the gentleman working
6 on the boat move the boat back to the point where on the
7 dolly or on its cradle where it was -- where I thought it
8 was in a good spot. After I left to go get some dinner, a
9 decision was made to drive it back approximately another
10 eight to ten feet further down on the boat ramp.
11 During the course of the evening, the tide came up
12 higher than what it was supposed to, so as the water -- as
13 the boat, the water came up on the boat, the boat had --
14 since it had been out of water for an extended period of
15 time in hot weather, the planks all separated so you had to
16 allow the planks to soak up water again to expand, to close
17 off, to keep the water out.
18 What happened in the course of that evening was that
19 by moving the boat back further than it should have, the
20 water came up, and some of the water creeped in and got
21 into the engine compartment and was infiltrated into the
22 gears and motor of the engine.
23 Q. Okay.
24 Now, what was the shape of the engines prior to that?
25 A. They turned over, but it was questionable what the

1 engine repairs were going to be because we could never get
2 the engine started. They had set for years on end without
3 being run, so to say exactly what was wrong with the
4 engines or not wrong with the engines, that was still in
5 question.
6 Q. Was that a repair project that was going to take
7 place after you got the carpentry work done on the boat?
8 A. That's correct. Basically, the philosophy was let's
9 get the boat water tight, both on the upper levels and the
10 lower levels, where the main amount of work was going to be
11 accomplished, and as a -- after that was to take place,
12 then we would work on the etchings to get them back in
13 shape.
14 Q. Now, turning your attention, you have it in front of
15 you, to Government's Exhibit 8-29. You see that?
16 A. Yeah, I have it in front of me.
17 Q. Okay. And there's actually -- it's a two-page
18 document and the front and back show the two pages. You
19 don't even have to take it out?
20 A. Okay.
21 Q. Do you recognize this fax?
22 A. Yeah, I've seen it before.
23 Q. And is this a fax received at USAG?
24 A. Yes.
25 MR. MORFORD: Your Honor, may I put this on

1 the overhead?

2 THE COURT: Yes.

3 Q. Let's start with the second page first if we could.

4 What is the second page of this two-page document?

5 A. It's correspondence between Jim Traficant and Jane

6 Garvey who's the head of the Federal Aviation

7 Administration.

8 MR. TRAFICANT: Objection as to record only.

9 THE WITNESS: Excuse me?

10 THE COURT: Okay. Well, I'll have to handle

11 that when I can deal with what -- what is the basis for

12 your objection?

13 MR. TRAFICANT: Speech and debate.

14 THE COURT: Okay. Okay. Give me a minute to

15 read this.

16 You can proceed. The objection's overruled.

17 MR. MORFORD: Thank you, your Honor.

18 Q. I'm sorry. Again, if you could -- this is a letter

19 sent to USAG from Congressman Traficant to Jane Garvey, the

20 administrator of the FAA?

21 A. Yes.

22 Q. Was she, as you understood it, the head of the FAA?

23 A. Yes.

24 Q. Okay. And could you go ahead and -- well, before you

25 do that, let me flip it over to the other side a moment.

1 How did USAG obtain this letter?
2 A. It was faxed to the office at U.S. Aerospace Group
3 and directed to Richard Detore from Paul Marcone.
4 Q. And there's a notation down there that says, "FYI,
5 please make sure J.J. sees this," do you see that?
6 A. Yes.
7 Q. How frequently would you see faxes come into the
8 office from Congressman Traficant's office with notations
9 like that, make sure J.J. sees this?
10 A. I don't know how many would come in with this
11 particular notation on it, but every time we received a fax
12 from the Congressman or the Congressman's office, we would
13 always forward that fax on to J.J.
14 Q. Okay. And if you could flip it over then, go ahead
15 and read the body of this out loud if you would.
16 A. It says "As you know for the past year, I have been
17 advocating the expanded use of enhanced vision technologies
18 at airport runways and helicopter pads. Enhanced vision
19 technologies should be an integral part of the Federal
20 Aviation Administration's ongoing efforts to improve
21 aviation safety.
22 "I am encouraged by the fact that the FAA is moving
23 forward with the certification of some of the more
24 promising enhanced vision technologies, especially cold
25 cathode lighting. I urge you to continue moving the

1 certification process forward."
2 Q. Let me stop you there.
3 This reference to cold cathode lighting, could you
4 describe for the jury what that is?
5 A. Cold cathode lighting is more or less a type of
6 fluorescent light bulb in lieu of an incadescent light bulb
7 normally used in an airport runway environment. Cold
8 cathode lighting has superior penetration in obscuring
9 weather conditions, i.e., fog, high humidity, heat
10 dispersion.
11 It also requires less energy to be used to give the
12 same results as what your normal incadescent bulb would do.
13 So basically, by installing this type of lighting on a
14 runway, operating costs would be reduced because the
15 electric bill would be reduced, and the ability for a pilot
16 to recognize the airport and be able to land safely, the
17 light will penetrate out further into the atmosphere so the
18 pilot can view it and capture it earlier so that he can
19 have more time to make a stabilized approach for landing.
20 Q. Okay. And to what extent was USAG involved at all
21 with cold cathode lighting enhanced vision technologies?
22 A. In the cold cathode lighting area, we were in
23 discussions with a company called Light Beams, in an effort
24 to do a -- what started to be a joint venture between --
25 between Light Beams and U.S. Aerospace Group, which had

1 touched on J.J. Cafaro actually purchasing the Light Beams
2 Corporation.
3 Q. Was that taking place at the time Congressman
4 Traficant is highlighting the cold cathode technology with
5 Administrator Garvey?
6 A. I believe at this point in time, there were talks
7 going on, and I believe the principals from Light Beams had
8 been to our offices on more than one occasion.
9 Q. If you could continue reading, picking up where you
10 left off, I think it starts "Knowing of your strong" --
11 A. Okay.
12 "Knowing of your strong interest in aviation safety
13 initiatives, I would like to invite you to join me for a
14 nighttime demonstration of enhanced vision technologies. I
15 am ready and willing to accommodate your schedule. The
16 demonstration would take place at Manassas Airport in
17 Northern Virginia. I know that you will find a
18 demonstration of this technology to be both fascinating and
19 informative.
20 "I certainly hope you will find the time in your
21 busy schedule to join me for a demonstration. Should you
22 or your staff have any questions or need additional
23 information, please call my chief of staff, Paul Marcone,
24 at 202-225-5261."
25 Q. Let me stop you there.

1 How big a deal was it for your little company, USAG,
2 to be able to get Jane Garvey, the head of the FAA, to come
3 out to the Manassas Airport and view your technology?
4 A. Very significant.
5 Q. Why?
6 A. If we impressed her enough, then we have not only
7 some -- congressional champion but also the highest ranking
8 member of the Federal Aviation Administration championing
9 us to get our technology moved into the marketplace.
10 Q. And at the time, November 4, 1998, when Paul Marcone
11 is sending this to Richard Detore, this letter and asking
12 him to make sure J.J. sees this, what was the state of the
13 boat situation at that point? We're talking November 1998.
14 A. Repairs were happening, and money was still flowing
15 in from J.J. Cafaro to make the repairs happen.
16 Q. Could you take a look at the next Exhibit, 8-44,
17 that's in front of you? Do you see that?
18 MR. TRAFICANT: 44?
19 THE WITNESS: Yes, I have it.
20 Q. Okay.
21 And is this a record that was made and maintained in
22 the -- what part of the business of U.S. Aerospace Group?
23 A. Yes. This is part of the flight log that's used
24 every time you did a -- any type of flight on the aircraft.
25 Q. You had your own aircraft; is that correct?

A. That is correct. There was a Beech 90 that was being leased by the company.

Q. And each time that aircraft was used, was a flight and maintenance log report like this filled out?

A. That was supposed to be standard procedure, yes.

MR. MORFORD: Your Honor, may I put this on the overhead?

THE COURT: All right.

BY MR. MORFORD:

Q. Now, can you tell us what this flight log indicates with respect to the date, what was the date the flight that's reflected in this particular log?

A. May 4, 1999.

Q. Okay. And can you tell from this what the purpose of the flight was?

A. It was for an LVLS demo, Laser Visual Landing System demonstration.

Q. And can you tell from the passenger log who actually went on this particular demonstration?

A. That is correct, you have Jane Garvey at the top, who is the Number 1 person at the Federal Aviation Administration. She's the administrator. Loni Czekalski an FAA person who was doing consulting work for us at that time. We have Susan Sullivan who is one of the support people for Jane Garvey, and we had Jim Traficant on that

1 flight.
2 Q. So with respect to the last two exhibits you looked
3 at then, November 4, 1998, letter, Congressman Traficant's
4 office was going to try to set up a demonstration for Jane
5 Garvey, correct?
6 A. That is correct.
7 Q. And then this document shows that on May 4, 1999,
8 Congressman Traficant actually was able to get Jane Garvey
9 to come out for a demonstration?
10 A. That is correct.
11 Q. Moving back to just the month prior to this May 4,
12 1999, demonstration, so we're talking about April of 1999
13 now, would you please take a look at Exhibit 8-43, which
14 should be in front of you there. Do you see that?
15 A. Yes.
16 Q. And there's a series of documents there. If you'd
17 turn to Page 1, 2 -- Page 5. There's six documents there,
18 but it would be document Number 5, says U.S. Aerospace, LLC
19 purchase order. Do you see that?
20 A. Yes.
21 Q. And is this a document that was made and maintained
22 in the ordinary course of business of U.S. Aerospace Group?
23 A. Yeah, it was part of the purchase order log to keep
24 track of expenditures for the company.
25 MR. MORFORD: May I put this on the overhead,

1 your Honor?
2 THE COURT: Certainly.
3 BY MR. MORFORD:
4 Q. Now, with respect to this particular purchase order,
5 there's a date down here at the bottom. Do you see that
6 date?
7 A. 4-8-99.
8 Q. That's April 8, 1999; is that correct?
9 A. Yes.
10 Q. And can you tell us what was purchased by USAG on
11 April 8, 1999?
12 A. Yeah. It was a -- it was a welder.
13 Q. And just -- I'm not going to show you all the
14 documents, but the other, one, two, three, four, five
15 documents in this packet, collectively marked 8-43, are
16 those also business records of USAG?
17 A. Yes, they are, all except for the two that appear
18 here that are Granger invoices.
19 Q. Do you know if Granger sent invoices and billed USAG
20 for this purchase?
21 A. Yes, they did.
22 Q. Okay.
23 Now are you familiar with this transaction, the
24 purchase of this particular item?
25 A. Yes, I am.

1 Q. And you said this was what, a welder; is that
2 correct?
3 A. That is correct.
4 Q. And can you describe to the jury your knowledge of
5 this particular purchase and how it first arose? Strike
6 that question. Let me ask it this way.
7 What was it that led USAG to purchase this particular
8 welder?
9 A. What led us to purchase this welder was that Richard
10 Detore and myself accompanied Jim Traficant to dinner at
11 Taverna. During the course of the evening, Jim made
12 mention that he needed to borrow a welder to do some work
13 on a -- a horse trailer that he was either going to build
14 or had built or was in the process of building. He asked
15 if U.S. Aerospace had a welder.
16 After the -- after the dinner, we drove -- as we were
17 driving home, Richard decided that we were going to
18 purchase the welder so Jim could borrow it.
19 Q. And following that meeting at Taverna, did USAG
20 purchase the welder?
21 A. Yes we did. It was delivered to USAG.
22 Q. And is this the welder that was purchased?
23 A. That is correct.
24 Q. Now, you mentioned something called Taverna. What is
25 that?

1 A. It's a local restaurant that's up on Capitol Hill or
2 in the Capitol Hill area.
3 Q. And approximately how far is the Taverna Restaurant
4 from the corporate offices of USAG?
5 A. I don't know. 20, 25 miles.
6 Q. How close did Rick Detore live to the corporate
7 offices of USAG?
8 A. Eight miles, I guess.
9 Q. How far was Taverna from Congressman Traficant's
10 office in the House office building on Capitol Hill?
11 A. Five blocks, four blocks, something like that.
12 Q. When you and Rick Detore would go up to Capitol Hill
13 to meet with Congressman Traficant, where would most of
14 those meetings occur?
15 A. At Taverna.
16 Q. Are you aware of Rick Detore ever going to Taverna
17 with -- for any purpose other than to go to dinner with
18 Congressman Traficant?
19 A. I'm not aware of any other.
20 Q. Who would pay for the bills when you and/or Rick
21 Detore would meet Congressman Traficant for dinner at
22 Taverna?
23 A. Would come off of Rick Detore's credit card.
24 Q. Do you know what entity was paying for it? Was Rick
25 Detore paying or was USAG paying?

A. Rick would initially put it on his expense report, and then his expense report would be paid through USAG.

Q. So USAG was paying for these dinners, correct?

A. Correct.

Q. The third page of this group of exhibits is a document that says at the top AP invoice explanation and contracted service report, do you see that?

A. Yes.

Q. And do you recognize this kind of form?

A. That is correct.

Q. And what -- what type of form is this? What was it used by USAG for?

A. This was the -- an accounting form that needed to be filled out by USAG to send back to the Cafaro Company so that the Cafaro Company could keep track of the expenditures that they were in turn sending back to U.S. Aerospace Group.

Q. Okay.

And do you notice a couple signatures on there? One says director of operations. The other says regional manager. Do you recognize the signature of the regional manager?

A. Yes. It's Richard Detore's.

Q. Do you recognize the signature underneath that?

A. I believe it's J. J. Cafaro's.

1 Q. There was a comment there that says "Preapproved per
2 J.J.."
3 Do you recognize that writing?
4 A. That is correct. I do recognize that writing.
5 Q. Whose writing?
6 A. Of Richard Detore.
7 THE COURT: You were both talking at once, I
8 don't know.
9 Q. Whose writing is that?
10 A. It's Richard Detore's handwriting.
11 Q. Now, was the welder ultimately purchased and shipped
12 to USAG?
13 A. Yes, it was.
14 Q. And what exactly is Granger?
15 A. Granger is a catalog house that sells tools, kind of
16 like -- trying to give you an example -- be like a Best Buy
17 or a Radio Shack, but we're dealing with heavy construction
18 tools.
19 Q. You said, though, it's a catalog shop, so --
20 A. Yes. They have some -- they have some offices
21 around. I'm not sure where they are, but we receive a nice
22 big 2000, 2500 page book. You can pick and choose what you
23 want, and it's basically they keep the overhead low by
24 keeping it centralized. It's like a catalog sales place.
25 Q. And if you want to -- you want to order a welder and

1 have it somewhere other than Manassas, if you wanted to
2 have it in another state, say Ohio, when you make the
3 catalog order, could you have it shipped it anywhere?
4 A. Anywhere in the United States or overseas.
5 Q. Where was this particular welder shipped to?
6 A. 9815 Go win Drive or 9875 Godwin Drive, Manassas,
7 Virginia.
8 Q. What was that?
9 A. The headquarters of U.S. Aerospace Group.
10 Q. What was done with the welder after it arrived at the
11 corporate headquarters of USAG?
12 A. It was inspected to make sure that all the parts were
13 there, loaded into the back of the company suburban, and
14 delivered to Jim Traficant.
15 Q. And who actually delivered it to Congressman
16 Traficant?
17 A. Myself and Richard Detore.
18 Q. Okay. And can you describe for us where you took it
19 to, if you still recall?
20 A. There were two different pieces of equipment
21 delivered at different times, and I'm --
22 Q. Let me stop you there. One is the welder, correct?
23 A. That is correct.
24 Q. What is the second piece of equipment that at some
25 point was delivered to Congressman Traficant?

1 A. It was a gas generator.
2 Q. Okay.
3 And how close in time did you deliver the welder and
4 then the generator to Congressman Traficant approximately?
5 A. I don't know, one month against each other, a month
6 apart, something like that, a month, maybe two months. I'm
7 not sure exactly.
8 Q. Okay.
9 What do you recall about the delivery of these items?
10 Do you recall where you delivered them?
11 A. Yes. One item was delivered into the parking lot of
12 the Rayburn Building.
13 Q. What is the Rayburn Building?
14 A. That's the offices that house the Congressmen.
15 Q. Is that next to the Congress?
16 A. Within quick walking distance. I believe there's a
17 tunnel -- I know there's a tunnel that connects from the
18 Rayburn Building that goes over to Congress.
19 Q. Okay. So you took one of these two items to where at
20 the Rayburn Building?
21 A. To the parking lot and loaded it in the back of Jim's
22 pickup truck.
23 Q. Can you describe that pickup truck?
24 A. The pickup truck was called a dually, and it's -- it
25 was white, and you loaded it in the back of the pickup

1 truck. It's got dual wheels in the back.
2 Q. Where was he at that time?
3 A. He was with us.
4 Q. How about the second item?
5 A. The second item was delivered -- was transferred into
6 his truck at a gas station out on Route 270 heading towards
7 Ohio in, I think, Maryland.
8 Q. As you drive from the area of Capitol Hill, if you
9 were going to drive towards Youngstown, Ohio, was 270 one
10 of the routes you would use?
11 A. Yeah, you would wind up getting on 270.
12 Q. Was it along that way that you met at a gas station?
13 A. Actually, we met at the Rayburn Building first and
14 followed him out to a gas station off of 270, to which we
15 transferred the equipment.
16 Q. Okay. As you sit here today, can you remember which
17 piece of equipment you delivered at which place?
18 A. No. I just delivered one to the Rayburn Building,
19 and the other piece of equipment we delivered to be put in
20 his truck at the gas station. I don't remember which piece
21 was placed in the trucks where. I'm sorry.
22 Q. Okay. If you could take a look at what's marked
23 Exhibit 8-46 in front of you, do you see that?
24 A. Yes, sir.
25 Q. And there's actually two pages there. Do you see

1 both pages? I think there's a front and a back. You may
2 not have to take it out.
3 A. It's for Blalock Cycle.
4 Q. Do you recognize this document?
5 A. Yes, I do.
6 Q. Is this a document that was received at the offices
7 of U.S. Aerospace Group?
8 A. Yes, it was.
9 MR. MORFORD: Your Honor, may I put this on
10 the overhead?
11 THE COURT: Yes.
12 Q. What exactly is this document and what is it
13 reflecting?
14 A. It's a sales invoice for the purchase of a gas
15 generator.
16 Q. Would this be the generator you described a moment
17 ago?
18 A. Yes, sir.
19 Q. What was the date the generator was purchased?
20 A. 5-18-99.
21 Q. Okay.
22 And tell us how this transaction came about. Why was
23 USAG purchasing a generator?
24 A. This particular generator came and was purchased
25 after a dinner with Richard Detore, myself, and Jim

1 Traficant at Taverna when he asked if he could borrow a
2 generator from us.
3 Q. Was this the same dinner he asked to borrow the
4 welder?
5 A. No. It was a different dinner.
6 Q. Okay. After you left the restaurant, what decision
7 was made regarding a generator?
8 A. We didn't have a generator on hand that would suit
9 his needs and his particular needs at the time so we went
10 out and purchased a generator.
11 Q. And what was the purchase price of this generator, do
12 you see that on there?
13 A. $2,714.91.
14 Q. And let me take you back to Exhibit 843. I think I
15 neglected to ask you, do you recall what the price was on
16 the welder?
17 A. The invoice states $2,415.39.
18 Q. Then was there any extra equipment that went with the
19 welder?
20 A. Yes, there was. I believe so.
21 Q. Do you see the second page, the second invoice?
22 A. Yeah, that says additional $491.74 worth of equipment
23 was purchased, support equipment.
24 Q. So approximately total between the welder and the
25 equipment, how much are we talking?

A. I forget what the first question -- about $2900.
Q. After you delivered the $2900 worth of welding equipment and the $2700 worth of generator to Congressman Traficant, would you ever see him again?
A. No, sir.
Q. Turning your attention to Exhibit 8-51 in front of you, do you see that?
A. Yes, I do.
Q. And do you recognize this document?
A. Yes, I do.
Q. And it references at the top a September 29, 1999, meeting. Is that correct?
A. Yes.
Q. Do you see your signature on that document?
A. I see my name, yes.
Q. And do you recall attending a meeting on September 29, 1999?
A. Yes, I do.
MR. MORFORD: Your Honor, may I put this on the overhead?
THE COURT: Yes.
BY MR. MORFORD:
Q. Can you describe for the jury the nature of this meeting?
A. This meeting was more or less a come to Jesus meeting

1 held in Jim Traficant's office, to talk to the primary
2 people in the FAA, to help move our certification forward.
3 Q. What do you mean when you say a come to Jesus
4 meeting?
5 A. It was to make sure everybody was on the same page in
6 music as far as who needed to do what so we could get the
7 certifications to take place.
8 Q. What was the problem or the issue that caused you all
9 to get together and Congressman Traficant's office for the
10 purpose of trying to get everybody together on the same
11 page?
12 A. Rick was not -- Rick Detore was not happy with the
13 progress that was being made towards certification and
14 basically wanted to pull some horsepower into the realm to
15 get the FAA to move faster on their areas of
16 responsibility.
17 Q. Were you trying to shake up the FAA?
18 A. Yeah. I would say that we were trying to show that
19 we had some political clout, and that we weren't going to
20 stand to be stonewalled.
21 Q. Did Congressman Traficant attend the meeting at any
22 point?
23 A. Congressman Traficant came in from his office. He
24 was still attending to some of his other office duties that
25 he had. He was in periodically, said his pieces, and then

1 was out again.
2 Q. When you said he said his pieces, would you describe
3 what you recall of what he said and how he said it and who
4 he said it to?
5 A. I basically -- I can't exactly remember what it was
6 that he said, but the -- the substance of the conversation
7 that Jim put forth was you need to start playing ball with
8 these people, meaning USAG.
9 Q. Who needed to play ball with USAG?
10 A. The Federal Aviation Administration in the way that
11 they needed to support us so that we could get the job
12 done.
13 Q. What was his tone?
14 A. Light at times, very stern at other times, basically
15 conversations that were very cyclic. He was very stern to
16 press his point, that this was of important interest to
17 him, and at the same time, he was very cordial in other
18 areas. So it wasn't like it was a let me beat you to death
19 meeting. It was more or less I have strong points to make.
20 I'll make this point strongly, and the rest of it should be
21 a nice, calm and cool, collective meeting.
22 Q. What was the point he needed to make strongly for the
23 FAA at this meeting?
24 A. They needed not to stonewall or procrastinate about
25 working with us to get the certification done.

1 Q. As the chief engineer of USAG at the time, who was in
2 actuality stonewalling and holding up the process?
3 A. A lot of the problems were coming from USAG itself
4 due to the fact that we didn't have all our paperwork
5 together. We didn't do what -- we didn't have all our
6 ducks lined up for the certification effort to begin with.
7 Q. I'd like to turn your attention to what's been marked
8 Government's Exhibit 8-52. You see that in front of you?
9 A. Yes, I do.
10 Q. And do you recognize this document?
11 MR. TRAFICANT: 52?
12 MR. MORFORD: 8-52.
13 THE WITNESS: Yeah, I've seen this document
14 before.
15 Q. Okay. And is this a document that was a fax received
16 at USAG from Congressman Traficant?
17 A. It came out of Congressman Traficant's office. It
18 was sent by Paul Marcone.
19 MR. MORFORD: May I put this on the overhead,
20 your Honor?
21 THE COURT: Yes.
22 Q. What's the date of this fax?
23 A. 10-28-99.
24 Q. Who is it from, and who is it to?
25 A. It's to Richard Detore and from Paul Marcone.

1 Q. And could you read the one line there, please?
2 A. "Keep me posted on your contacts of the Army on
3 MANIPLIES".
4 Q. Can you tell us what is a MANIPLIES?
5 A. MANIPLIES is a acronym from a system we were
6 developing, mobile system. It's a Mobile Expeditionary
7 Accurate Night Vision Compatible Portable Airfield Landing
8 System is what it stands for.
9 Q. In fact, in reality, what is it in a nutshell?
10 A. It was a trailer set up with cold cathode lighting
11 and laser technology that had radio controlled output and
12 could be employed on a runway within 45 minutes so the
13 aircraft could start landing in a hostile environment.
14 Q. And who was the target customer for this product?
15 A. United States Army, Air Force, and any other foreign
16 national militaries.
17 Q. How would it be transported out on the battlefield?
18 A. The piece of equipment was designed to be flown on
19 the -- in the compartment of a Cesena 130 or swing loaded
20 underneath a Black Hawk helicopter.
21 Q. Now, without telling us whether or not Congressman
22 Traficant actually followed through on any promises
23 regarding MANIPLIES, just focusing on promises themselves,
24 what was Congressman Traficant promising USAG he would do
25 to help you market this MANIPLIES technology?

1 A. He was promising to work as best he could to develop
2 a budget line in an URD budget for the 2000 -- for the
3 budget for the Army specifically for MANIPLIES.
4 Q. And how much was he telling you or promising you that
5 he was going to try to get in terms of sales to the Army
6 and such promised legislation?
7 A. $4 million budget line item.
8 Q. What would that have done for USAG at that time to
9 have a $4 million line item purchase from the military?
10 A. First off, we wouldn't get the whole $4 million
11 because you have to put the support infrastructure together
12 with the Army to do the testing so, for example, possession
13 of that $4 million, proposed $4 million would have probably
14 been $2 million, would have gone to the support testing
15 needed by the Army, and we would have wound up with a
16 contract anywhere in the area of $1.3, $1.4, to $1.7
17 million for our first initial contract.
18 Q. And how much in sales had USAG had up to that point?
19 A. We had had one sale to a foreign concern.
20 Q. And how much was that for?
21 A. I believe total of $273,000, somewhere in that area.
22 Q. And at that time. This time around October '99 when
23 this stuff's being discussed, what was the financial
24 condition of USAG, particularly its ability and inability
25 to pay operating expenses?

1 A. It was becoming very questionable at that time. At
2 that time, the employees of the company had paychecks that
3 had been issued that had bounced. They had subsequently
4 been made good. Invoices were being sent out for payment
5 and not being paid so we were in a cash -- we were cash
6 strangled.
7 Q. Were there any leasing companies who were threatening
8 to repossess items if you recall?
9 A. I don't know if there was any leasing companies at
10 that particular point in time other than the aircraft
11 leasing company that was making any kind of threats to
12 repossess.
13 Q. How about the airplane company?
14 A. The aircraft company, we did get delinquent on more
15 than one occasion with the lease payments for that
16 aircraft.
17 Q. How important was this promise by the Congressman to
18 go to bat and try to get you this $4 million promised
19 legislative item?
20 A. It was very significant.
21 Q. I'd like to ask you some questions about some
22 automobiles. Are you aware of any involvement between any
23 officials at USAG and Congressman Traficant regarding a
24 jeep?
25 A. Yes.

1 Q. And can you describe for the jury, starting with a
2 time frame, the rough time frame period, what you recall
3 about dealings with Congressman Traficant, USAG, and a
4 jeep?
5 A. I don't remember the year, but it was late fall, and
6 we went to dinner one night at Taverna, and he made mention
7 he was going on a hunting trip and needed to borrow a
8 four-wheel drive vehicle. We subsequently lent him the
9 jeep.
10 Q. What was -- I'm sorry. What was the jeep?
11 A. It was a jeep.
12 Q. Whose jeep was it?
13 A. CJA 5 jeep. The jeep was titled to, I think, Janet
14 Cafaro. It was given to U.S. Aerospace Group to use as a
15 company vehicle to move -- move and support laser visual
16 technology systems for automobiles and stuff.
17 Q. Back and forth from Manassas Airport?
18 A. That's correct.
19 Q. Who was Janet Cafaro as you understand it?
20 A. J.J. Cafaro's wife.
21 Q. Did you lend the jeep to Congressman Traficant?
22 A. Yes. The jeep was lent to Congressman Traficant.
23 Q. And to your knowledge, did USAG ever get it back?
24 A. No.
25 Q. At the time the jeep was provided to Congressman

1 Traficant, was it provided for him to buy, or was it
2 provided for him to borrow?
3 A. I'm not sure.
4 Q. Well, based on the conversation you had --
5 A. I thought it was to borrow. Based on the
6 conversation at first, I thought it was just to borrow.
7 Q. At Taverna, how long did he indicate he wanted to
8 borrow it for?
9 A. For the duration of his hunting trip he was going to
10 go on.
11 Q. Did there come a time where you learned about an
12 Avanti automobile?
13 A. Yes.
14 Q. And how did you first learn of the Avanti automobile?
15 A. I had heard from J.J. Cafaro in the past that he had
16 taken and either sold or given Jim --
17 Q. Without getting into what you heard from J.J. Cafaro,
18 did there come a time you had any conversations with
19 Congressman Traficant about the Avanti?
20 A. Yes.
21 Q. Tell the jury about those conversations.
22 A. We were at dinner at Taverna one night. He asked if
23 we could get work done on an Avanti vehicle that he had and
24 needed an electrical window worked on, that had stains that
25 needed to have some touch up paint. The Congressman said

1 he was very busy and didn't have time to take care of the
2 issues himself, and if we could help him out by finding
3 someplace locally that would do the repairs.
4 Q. Was USAG in the business of doing car repairs?
5 A. No, we were not.
6 Q. Were you in the business of running around trying to
7 set up car repairs for people?
8 A. No, we were not.
9 Q. Did Congressman Traficant tell you why he was asking
10 you, the chief engineer of USAG and Rick Detore, the chief
11 operating officer of USAG, to run around and try to find
12 car repairs for his car?
13 A. Could you repeat the question, please.
14 Q. Yes. Did Congressman Traficant tell you why he was
15 asking you and Rick Detore to run around and try to find
16 someone to repair his car?
17 A. Yeah. He said we were mechanical guys and more
18 mechanical than what he had, and he just -- he was busy
19 with his work and needed somebody to take care of this for
20 him.
21 Q. And what was the response that you and Rick Detore
22 gave to him?
23 A. The response was sure, Jim, we'll do it.
24 Q. Was there any discussion of what kind of vehicle he
25 would use during the time that the Avanti was being

1 repaired?
2 A. Yes, there was.
3 Q. Tell the jury about that.
4 A. The vehicle discussed for him to use during this time
5 period when his car was -- the Avanti was being repaired
6 was he would like to have some type of a sporty vehicle to
7 drive around because he was going to take a trip south
8 where -- I don't remember exactly where it was.
9 Q. Let me stop you there.
10 How did that come up? Did he ask you?
11 A. Yes.
12 Q. And what do you recall him asking?
13 A. He didn't ask me personally. He asked Richard
14 Detore. I'm sorry.
15 Q. What did he ask Rick Detore in your presence?
16 A. "Can you give me a car? Can you rent me a car for a
17 month?"
18 Q. What kind of car did he say he wanted?
19 A. A nice sporty car. It was agreed upon that a
20 Corvette would be rented for him to take his trip with.
21 Q. Did there come a time where a Corvette was actually
22 rented for him?
23 A. Yes.
24 Q. Do you know who rented the Corvette?
25 A. Richard Detore put the cost of the Corvette on to his

1 personal credit card.
2 Q. And did there come a time when the Corvette was
3 delivered to Congressman Traficant?
4 A. Yes.
5 Q. Who delivered the Corvette to Congressman Traficant?
6 A. Richard Detore and myself.
7 Q. And where did you take the -- where did you pick up
8 the Corvette, and where did you take it? Describe how you
9 did it.
10 A. I -- the Corvette was delivered to U.S. Aerospace in
11 its parking lot. The car was gone over. A phone call to
12 coordinate with Mr. Traficant was made, seeing when he was
13 going to be there. I followed Richard Detore over while
14 Richard drove the Corvette, and I was in the Suburban. We
15 parked in the parking lot outside the Rayburn Building.
16 We went upstairs, got Jim Traficant. Jim came down
17 looked at the car, got in the car. They drove the car into
18 the parking lot, the Rayburn Building, and Rick came out
19 with the Avanti.
20 Q. What did the Avanti look like? What color was it?
21 A. It was an orangy red color with a brown or tan
22 convertible top.
23 Q. And why did you take the Avanti?
24 A. It was coming back to U.S. Aerospace Group so that
25 repairs could be done on it.

Q. And who was tasked back at U.S. Aerospace Group with trying to set up the repairs?

A. Originally, Richard Detore said he was going to take care of it, but I -- it wound up falling in my lap.

Q. Did anyone assist you in trying to find a place to repair it?

A. Yeah. At the time, Rob Looney, who was working for me as a maintenance supervisor.

Q. And can you describe for the jury what, if anything, you and Mr. Rob Looney did to try to find a place to perform repairs on the Avanti for Congressman Traficant?

A. We called around to local area body shops to see if any of them would take the car in. We found one exotic body shop in Manassas Park that would take it.

They only worked on exotic cars. The Avanti's an exotic car. We dropped it off at the -- I forget the name of the place. It sat there for two and a half weeks; finally asked the guy what was he doing with the vehicle. He said he had opted -- it's too hard to find the parts for this vehicle, and he opted not to do the work.

We went back to the place, picked up the car and parked it out behind U.S. Aerospace Group until such time as we delivered it back to Jim.

Q. Did you ever have any repairs done?

A. No.

1 Q. And do you recall actually returning the Avanti back
2 to Congressman Traficant?
3 A. Yes.
4 Q. Can you describe that for the jury?
5 A. Basically, I followed Richard Detore back over to the
6 Rayburn Building area, parked the Avanti outside. Then I'm
7 not exactly sure because I was in the Suburban waiting for
8 him. And Rick came back out with the Corvette, and we
9 delivered it back over to the place where he rented it
10 from, Downtown D.C.
11 Q. Okay. When you returned to the Corvette, where did
12 you and Rick Detore go immediately after he turned the
13 Corvette back over to Millennium Rental Car?
14 A. We went back to the Rayburn Building so Richard
15 Detore could drop off Mr. Traficant's credit card.
16 Q. Why did Rick Detore have Congressman Traficant's
17 credit card?
18 A. He had Congressman Traficant's credit card because
19 Congressman Traficant gave him the credit card when he went
20 up to hand over the cars to the Avanti and get back the
21 keys to the Corvette because at that point in time the
22 rental car was still on Richard Detore's credit card.
23 Q. And to your knowledge, was this December 1999 --
24 would it have been when the Corvette was returned?
25 A. It seems like a reasonable time frame.

1 Q. To your knowledge, had Congressman Traficant been
2 advised by December of 1999 when the Corvette was returned
3 that he was under investigation by the FBI?
4 A. That I'm not sure of.
5 THE COURT: We need to --
6 MR. MORFORD: I was going to say, your Honor,
7 that completes an area. I have one small area to finish
8 tomorrow if you were to stop.
9 THE COURT: That's fine. We'll stop now.
10 It's a little after 4:30. We'll send you home and come
11 back here 9:00 in the morning. Remember all your
12 admonitions.
13 (Proceedings in the absence of the jury:)
14 THE COURT: Let's start with exhibits.
15 MR. MORFORD: You were going to have the jury
16 leave first.
17 THE COURT: I'm sorry. Of course. Okay.
18 (Pause.)
19 MR. SMITH: Your Honor, I thought what I
20 would do is start with the series 7 exhibits, which were
21 joint, and just read a list of those that I took notes on
22 to be joint. And then I'll do the ones in series 7 that
23 were not joint.
24 I'm then going to move to series 8 documents in the
25 same way. And then there are a few cleanup documents in

1 series 1, and there are a number of documents in Exhibit 6.
2 I think I got a total of about 90 exhibits here your Honor.
3 THE COURT: Okay. We'll go step by step.
4 MR. SMITH: In series 7, the items that the
5 Government offers, which we understand that the Congressman
6 has offered to be joint exhibits are 7-1, 7-3, 7-7, 7-8.
7 THE COURT: Okay. I'm going to -- I'm going
8 to have to respond on these, and I was just watching my
9 clerk. So if he and I are together and there's no dispute
10 with the Congressman, I will just admit these as we go
11 along.
12 MR. TRAFICANT: Your Honor, I will stipulate.
13 I would agree to all of their exhibits, every single one,
14 except the one I objected to and you overruled for the
15 purposes of speech and debate.
16 THE COURT: Okay.
17 MR. TRAFICANT: Save us all a lot of time.
18 THE COURT: We still have to go through the
19 exhibits.
20 MR. TRAFICANT: Go through them.
21 THE COURT: Okay. So I'll have you start,
22 and I'll just at the end of each one clear it on the
23 record.
24 MR. SMITH: Very good. 7-1.
25 THE COURT: That'll be admitted without

1 objection.

2 MR. SMITH: 7-3.

3 THE COURT: Admitted without objection.

4 MR. SMITH: 7-7.

5 THE COURT: Admitted without objection.

6 MR. SMITH: 7-8.

7 THE COURT: Admitted without objection.

8 MR. SMITH: 7-10.

9 THE COURT: Admitted without objection.

10 MR. SMITH: 7-12.

11 THE COURT: Admitted without objection.

12 MR. SMITH: 7-14.

13 THE COURT: Admitted without objection.

14 MR. SMITH: 7-15.

15 THE COURT: Admitted without objection.

16 MR. SMITH: 7-18.

17 THE COURT: Admitted without objection.

18 MR. SMITH: 7-19.

19 THE COURT: Admitted without objection.

20 MR. SMITH: 7-20.

21 THE COURT: Admitted without objection.

22 MR. SMITH: 7-21.

23 THE COURT: Admitted without objection.

24 MR. SMITH: 7-22.

25 THE COURT: Admitted without objection.

1 MR. SMITH: 7-24(1).
2 THE COURT: Admitted without objection.
3 MR. SMITH: 7-24(2).
4 THE COURT: Admitted without objection.
5 MR. SMITH: 7-25.
6 THE COURT: Admitted without objection.
7 MR. SMITH: 7-26.
8 THE COURT: Admitted without objection.
9 MR. SMITH: 7-28.
10 THE COURT: Admitted without objection.
11 MR. SMITH: 7-38(1).
12 THE COURT: Admitted without objection.
13 MR. SMITH: 7-38(2).
14 THE COURT: Admitted without objection.
15 MR. SMITH: 7-39(1).
16 THE COURT: Admitted without objection.
17 MR. SMITH: 7-39(2).
18 THE COURT: Admitted without objection.
19 MR. TRAFICANT: These are all joint exhibits.
20 THE COURT: Yes. However, 7-38 -- 38(1) and
21 (2) neither was identified as it turns out. The
22 Congressman did say he wants it to be a joint exhibit by
23 the witness on the stand.
24 MR. TRAFICANT: It was not identified.
25 THE COURT: Excuse me. The witness on the

1 stand was unable to make an identification, so it -- it has
2 not been authenticated or identified.
3 MR. SMITH: Okay. The reason I mention is
4 because the Congressman during my examination said he
5 wanted it joint. I don't care. If he doesn't want it,
6 it's either way.
7 THE COURT: So Congressman?
8 MR. TRAFICANT: If it's not identified, I
9 don't want to make it an exhibit.
10 THE COURT: Okay.
11 MR. TRAFICANT: They can bring it in.
12 THE COURT: Okay. So that means that Exhibit
13 38(1) and 38(2) shall not be admitted because they've not
14 been authenticated or identified.
15 MR. SMITH: That's fine.
16 We'll move on 7-39(1).
17 THE COURT: That'll be admitted.
18 MR. SMITH: 7-39(2).
19 THE COURT: That's admitted without
20 objection.
21 MR. SMITH: 7-39(3).
22 THE COURT: That's admitted without
23 objection.
24 MR. SMITH: 7-39(4).
25 THE COURT: That's admitted without

1 objection.
2 MR. SMITH: 7-39(5).
3 THE COURT: That'll be admitted without
4 objection.
5 MR. SMITH: 7-43.
6 THE COURT: That'll be admitted without
7 objection.
8 MR. SMITH: 7-44.
9 THE COURT: That'll be admitted without
10 objection.
11 MR. SMITH: 7-45.
12 THE COURT: That'll be admitted without
13 objection.
14 MR. SMITH: 7-51.
15 THE COURT: Admitted without objection.
16 MR. SMITH: 7-52.
17 THE COURT: Admitted without objection.
18 MR. SMITH: 7-53.
19 THE COURT: Admitted without objection.
20 MR. SMITH: 7-60.
21 THE COURT: Admitted without objection.
22 MR. SMITH: 7-62.
23 THE COURT: Admitted without objection.
24 MR. SMITH: 7-63.
25 THE COURT: Admitted without objection.

1 MR. SMITH: 7-72.
2 THE COURT: Admitted without objection.
3 MR. SMITH: 7-73.
4 THE COURT: Admitted without objection.
5 MR. SMITH: 7-74.
6 THE COURT: Admitted without objection.
7 MR. SMITH: 7-75.
8 THE COURT: Admitted without objection.
9 MR. SMITH: Your Honor, I would next move to
10 series 7 items the Congressman did not ask to be joint and
11 would offer those.
12 THE COURT: Okay. Let me just indicate for
13 the record that everything that we've just admitted between
14 7-1 and 7-75, all of those that we've just put on the
15 record are joint exhibits.
16 MR. TRAFICANT: Yes.
17 THE COURT: Congressman?
18 MR. TRAFICANT: I did -- that did not include
19 the one I objected to; is that correct?
20 THE COURT: Yes, that hasn't come up yet.
21 We have now a series that they propose to read, which
22 you did not ask to be joint, and what I ask is that given
23 your statement a few minutes ago, that the two of you spend
24 a moment and see whether or not you also --
25 MR. TRAFICANT: If you can show me which one

was the one I objected to, Bernard, I'll just stipulate and give you the rest.

MR. SMITH: The one he objected to today was in series 8. We're not there.

THE COURT: It isn't in this.

MR. TRAFICANT: I agree to all series 7. Go ahead.

THE COURT: You want all those to be joint or not?

MR. TRAFICANT: Joint exhibits.

THE COURT: All right. Fine. So all of the next ones we're about to do in 7 will also be joint exhibits.

MR. SMITH: All right. 7-4.

THE COURT: Admitted without objection.

MR. SMITH: 7-5.

THE COURT: Admitted without objection.

MR. SMITH: 7-9.

THE COURT: Admitted without objection.

MR. SMITH: 7-11.

THE COURT: Admitted without objection.

MR. SMITH: 7-23.

THE COURT: Admitted without objection.

MR. SMITH: And 7-55.

THE COURT: Admitted without objection.

1 MR. SMITH: I was next going to move to
2 series 8. I need to look at my notes to find the one that
3 was objected to for speech and debate grounds.
4 MR. TRAFICANT: Those will all be joint
5 exhibits, your Honor?
6 THE COURT: All of the 7 series we went over
7 that they offered are joint exhibits, except the two
8 which --
9 MR. TRAFICANT: Were not authenticated.
10 THE COURT: Authenticated, right.
11 MR. TRAFICANT: Thank you.
12 THE COURT: 8-29 is the exhibit that an
13 objection was posed to.
14 MR. TRAFICANT: And I will continue to oppose
15 that objection.
16 THE COURT: Okay. Very well.
17 MR. SMITH: This is not what we're going to
18 ask because most were done today, but I'll start. With
19 respect to items in series 8 that we understand to be joint
20 exhibits that at the Congressman's request, I have 8-10.
21 THE COURT: That'll be admitted without
22 objection.
23 MR. TRAFICANT: I will stipulate to
24 anything -- all of them except the one I objected to, if he
25 can just read them off, they can be joint exhibits.

1 THE COURT: Okay. Is that what you want?
2 MR. TRAFICANT: In the 8 series, yes, ma'am.
3 THE COURT: You want them to be joint?
4 MR. TRAFICANT: Yes, your Honor.
5 THE COURT: All right. So we'll read these
6 all off as joint exhibits.
7 MR. SMITH: All right. 8-10.
8 THE COURT: Joint exhibit admitted without
9 objection.
10 MR. SMITH: 8-21.
11 THE COURT: Joint admitted without objection.
12 MR. SMITH: 8-22.
13 THE COURT: Joint admitted without objection.
14 MR. SMITH: 8-26.
15 THE COURT: Joint admitted without objection.
16 MR. SMITH: 8-27.
17 THE COURT: Joint admitted without objection.
18 MR. SMITH: 8-65.
19 THE COURT: Joint admitted without objection.
20 MR. SMITH: 8-59.
21 THE COURT: Joint admitted without objection.
22 MR. SMITH: Defendant's DD-2.
23 MR. TRAFICANT: I ask that that be brought
24 in.
25 THE COURT: Right.

1 MR. TRAFICANT: It's Defense Exhibit, and I
2 will offer it.
3 THE COURT: Well --
4 MR. SMITH: Agreed.
5 THE COURT: You can, and they would like it
6 to be a joint exhibit so we have --
7 MR. TRAFICANT: Fine. But I want to offer
8 it, and they can make it a joint exhibit.
9 THE COURT: Okay. The Congressman is
10 offering --
11 MR. TRAFICANT: DD-2.
12 THE COURT: DD-2, and that will come in and
13 be admitted as a joint exhibit.
14 MR. TRAFICANT: Joint exhibit.
15 MR. SMITH: All right.
16 Continuing on, your Honor, Exhibit 8-12(1).
17 THE COURT: That'll be admitted as a joint
18 exhibit.
19 MR. SMITH: 8-18.
20 THE COURT: Joint exhibit no objection.
21 MR. SMITH: 8-19.
22 THE COURT: Joint exhibit no objection.
23 MR. SMITH: 8-36(1).
24 THE COURT: Joint exhibit no objection.
25 MR. SMITH: 8-36(2).

1 THE COURT: Joint exhibit no objection.
2 MR. SMITH: 8-36(3).
3 THE COURT: Joint exhibit no objection.
4 MR. SMITH: 8-38.
5 THE COURT: Joint exhibit no objection.
6 MR. SMITH: 8-69 with all ten of its sub
7 exhibits, 8-69(1) through (10) exclusive.
8 THE COURT: 8-69(1) through (10) is going to
9 be admitted as a joint exhibit, and there's no objection.
10 MR. SMITH: Exhibit 8-20.
11 THE COURT: -- that'll be admitted joint.
12 MR. SMITH: All right. 8-28.
13 THE COURT: That'll be admitted joint.
14 MR. SMITH: 8-33.
15 THE COURT: That'll be admitted joint.
16 MR. SMITH: 8-35.
17 THE COURT: That's admitted joint.
18 MR. SMITH: 8-23.
19 THE COURT: That'll be admitted joint
20 exhibit.
21 MR. SMITH: 8-24.
22 THE COURT: Admitted joint exhibit.
23 MR. SMITH: 8-63.
24 THE COURT: Admitted joint exhibit.
25 MR. SMITH: 8-17.

1 THE COURT: Admitted joint exhibit.
2 MR. SMITH: 8-39.
3 THE COURT: Admitted joint exhibit.
4 MR. SMITH: 8-44.
5 THE COURT: Admitted joint exhibit.
6 MR. SMITH: 8-43.
7 THE COURT: Admitted joint exhibit.
8 MR. SMITH: 8-46.
9 THE COURT: Admitted joint exhibit.
10 MR. SMITH: Although there is an objection,
11 we understand the Government offers 8-29, which is the one
12 the Congressman objected to.
13 THE COURT: All right. The objection is
14 overruled, and so that'll be admitted over objection.
15 MR. SMITH: Your Honor, there are a few
16 cleanup documents in series 1 that were -- I apologize not
17 catching with these days ago, but I need to offer them
18 because I missed them.
19 Exhibit 1-20 is a document that was authenticated by
20 Lisa DiLoreto as being the handwriting of Henry DiBlasio.
21 It's a note from Henry DiBlasio to Marcone concerning the
22 lease, 11 Overhill; is that right? Matt?
23 MR. KALL: Um-hum.
24 MR. TRAFICANT: I ask it be a joint exhibit.
25 THE COURT: Let me find it here. Okay. That

1 will be admitted as a joint exhibit without objection.
2 MR. SMITH: Sorry. Exhibit 1-40, which also
3 was authenticated by Lisa DiLoreto as being handwriting of
4 Henry DiBlasio I believe on an envelope.
5 THE COURT: That's been admitted as a joint
6 exhibit already.
7 MR. SMITH: I'm sorry.
8 THE COURT: That's okay.
9 MR. SMITH: I guess I'd better correct myself
10 on Exhibits 1-41, 1-42. Are we in the same boat there?
11 THE COURT: Yeah. They were both previously
12 admitted as joint exhibits, Congressman.
13 MR. SMITH: Next, your Honor, series 6.
14 Exhibits -- and these are all self-authenticating items,
15 the next several that I'm going to do. They are deeds in
16 the general allegations, Paragraphs 3 and 4 of the
17 indictment in the superseding indictment as well.
18 The indictment alleges both with respect to the farm
19 and with respect to the Congressman's residence, the chain
20 of actual title by deed, and there has been one deed that's
21 already been admitted because the witness identified it,
22 6-11, but to complete that chain of title on both pieces of
23 property from when they were initially purchased, we offer
24 seven exhibits, which start at 6-4 --
25 MR. TRAFICANT: Question.

1 MR. SMITH: Yes, sir.
2 MR. TRAFICANT: Were they authenticated by
3 witnesses?
4 MR. SMITH: No. They're self-authenticating
5 documents, your Honor.
6 THE COURT: Right. They don't need the same
7 kind of treatment because they're deeds.
8 But if you'd like to look at them, I have them here.
9 MR. TRAFICANT: Yeah. I'd like to look at
10 them.
11 MR. SMITH: I've got the originals right
12 here, your Honor.
13 THE COURT: Okay.
14 MR. SMITH: They all bear the certification,
15 the corporate custodian.
16 MR. TRAFICANT: Are these all the documents
17 that you've had and gotten relative to that property from
18 its inception and purpose or just these documents?
19 MR. MORFORD: Just these documents.
20 MR. TRAFICANT: I have no objection.
21 THE COURT: Okay.
22 MR. TRAFICANT: In fact, I ask to make them
23 joint exhibits.
24 THE COURT: Okay. Joint exhibits.
25 MR. SMITH: Well, it's going to be 6-4, 6-5,

1 6-6, 6-7, 6-8, 6-9, and 6-10. Those are all property
2 deeds.
3 THE COURT: Okay. So they will come in now
4 as joint Exhibits admitted with no objection. It's 6-4,
5 6-5, 6-6, 6-7, 6-8, 6-9, and 6-10.
6 MR. SMITH: Lastly, your Honor, are the
7 series of ethics and Government act forms that were
8 authenticated by Jackie Bobby and Grace Kavulic, which now
9 become relevant now that the Bucheit and Bucci parts of the
10 case, in particular, have been completed.
11 Specifically, I'll read off the numbers and explain
12 why they're relevant.
13 Exhibit 6-21, 6-22, 6-23, 6-24, 6-25, 6-26, 6-27, and
14 6-28.
15 MR. TRAFICANT: Can you give a brief synopsis
16 of what they were?
17 MR. SMITH: Yes. Ethics and Government act
18 forms filed between and including the years of -- let me
19 get the years --
20 MR. TRAFICANT: Are they public record
21 matters?
22 MR. SMITH: We believe them to be public
23 record matters, starting in 1990 and going all the way
24 through 1997. Here I'll show you.
25 THE COURT: These are our -- the Congressman

1 and I have to file these financial disclosure forms.
2 That's what they are. I file them; you file them.
3 MR. TRAFICANT: You do?
4 THE COURT: Yeah, we all have to file them.
5 Anyway, there they are, Congressman.
6 MR. TRAFICANT: They're public -- anything
7 public record I'll admit to as joint exhibit so we don't
8 waste time.
9 MR. SMITH: Very good. We offer all of them
10 between 6-21 through 6-28 inclusive, the financial
11 disclosure forms.
12 THE COURT: They were identified by Bobby up
13 through 27.
14 MR. SMITH: Right, and Kavulic did 28.
15 MR. TRAFICANT: However, if they're caught
16 lying --
17 THE COURT: But it's --
18 MR. TRAFICANT: I want the record to reflect
19 that if they are, in fact, manipulating it through some
20 misrepresentation --
21 MR. SMITH: If who's caught lying?
22 MR. MORFORD: They're his forms.
23 THE COURT: These are your forms, sir.
24 MR. TRAFICANT: I know.
25 MR. SMITH: They were authenticated by

1 witnesses, your Honor.
2 THE COURT: You don't have to make them
3 joint.
4 MR. TRAFICANT: I want them to be joint
5 exhibits.
6 THE COURT: Okay. Then they will be
7 admitted, and they're joint exhibits. And that's they're
8 numbered 6-21, 6-22, 6-23, 6-24, 6-25, 6-27 and 6-28.
9 MR. SMITH: I didn't hear 6-26.
10 THE COURT: You listen very well. I forgot
11 it. 6-26.
12 MR. TRAFICANT: What is 6-26?
13 THE COURT: Same thing. I just left it out
14 when I tried to read them sequentially. It's a financial
15 disclosure form.
16 MR. SMITH: For the year 1995.
17 THE COURT: Yeah.
18 MR. SMITH: Your Honor, that concludes the
19 offering of exhibits for today.
20 THE COURT: Okay. Have you any more to
21 offer?
22 MR. TRAFICANT: I offered DD-2.
23 THE COURT: Okay. Very well. Yes.
24 MR. MORFORD: Your Honor, there are a few
25 matters that I think we need to address with the Court

1 because of the part of the proceedings we're in now.
2 We're to the point where we only have a couple more
3 witnesses left, and we believe we could rest as early as
4 Monday or Tuesday, and because of that, there's a couple
5 issues I'd like to address now if I could, so we don't have
6 to address them in front of the jury, have them waiting,
7 and waste their time.
8 THE COURT: Okay.
9 MR. TRAFICANT: Your Honor, I would like to
10 address them at the end of their Prosecution unless they
11 remain salient to any of the witnesses they have currently
12 coming.
13 THE COURT: Yeah.
14 MR. MORFORD: I'd like to address that
15 because my fear is if we wait until then to address it, we
16 may have a down period where the jury's doing nothing
17 because we didn't address it.
18 THE COURT: Right. I don't know what it is,
19 guys. I mean, you both may know, but I don't know what
20 we're talking about here.
21 MR. TRAFICANT: Tell me, I already have
22 witnesses subpoenaed. I'm ready to go.
23 THE COURT: Well, we've got until 6:00 here
24 that we did -- we're leaving at 6:00, but I know you have
25 to work until 6:00 if we have something to work on. So

let's do it today. Tomorrow we let the jury go home at 12:00.

MR. MORFORD: Your Honor, the first one is I understand from court docket entries regarding subpoenas that a number of subpoenas for records have been subpoenaed. I'm not sure whether the Congressman has yet received those documents, but under reciprocal discovery, he needs to provide those to us as soon as they're received.

I asked him about this this morning, and I did not get a straight answer, and if he is obtaining documents that he intends to use as evidence, we have a right under discovery to obtain those. We have given him complete discovery throughout this case, and I would like any documents he has now that he has not given us that he intends to use immediately.

THE COURT: Well, I think he understands reciprocal discovery, but we don't know whether he's got any.

MR. MORFORD: That's what I want to find out.

THE COURT: Okay.

MR. TRAFICANT: Pursuant to witness testimony, there has been service made relative to subpoenas and not all of the information has been received on the subpoenas that I have obtained, and there still are

1 outstanding parts of those subpoenas that I have not gotten
2 so that I cannot put together that whole document.
3 Now, as soon as I receive all and any of the matters
4 relevant to those subpoenas, I will turn them over
5 expeditiously to counsel.
6 THE COURT: So you're -- so you're not
7 waiting to get every subpoena returned before you give an
8 answer?
9 MR. TRAFICANT: No.
10 THE COURT: You're just waiting to get all
11 relating to one subpoena?
12 MR. TRAFICANT: No. I have several subpoenas
13 for records. One fellow I can't reach yet at this point
14 still. Another one I've only gotten partial response and
15 not all of it. And I am not going to be turning over
16 partial response of anything until I have my complete
17 subpoena served and all of the information within it served
18 so that I can, in fact, then put it together and coordinate
19 it. It's not withholding it. It just doesn't fit.
20 I didn't get all the parts and pieces yet to, in
21 fact, for me to analyze it.
22 MR. MORFORD: That's not the rule, your
23 Honor. If there's evidence that he has received and has in
24 his possession that he intends to use, he needs to give it
25 to us immediately.

1 THE COURT: Well, I think he's saying there's
2 nothing he intends to use yet. Is that --
3 MR. TRAFICANT: No.
4 THE COURT: Because you have to look at
5 everything to decide.
6 MR. TRAFICANT: I have to look at the rest of
7 it to see what, if any, I will use.
8 THE COURT: Okay. Why don't we do this with
9 this issue because I don't think there's confusion about
10 reciprocal discovery. That's really clear. I think it
11 just may be when the discovery has to be made. And the
12 discovery, Congressman, has to be made when you -- when you
13 get them.
14 Now, what you should do tonight is to organize
15 yourself around what it is you have. But, then you do have
16 to make discovery. You can't just wait --
17 MR. TRAFICANT: Your Honor, let's say that I
18 have subpoenaed A, B, C and D.
19 THE COURT: Okay.
20 MR. TRAFICANT: And I have got A and C
21 without B and D. I don't know if I'm going use it.
22 THE COURT: They still get the discovery of
23 that.
24 MR. TRAFICANT: Well, I still have
25 outstanding my subpoenas; aren't completely served yet.

1 They're not --
2 THE COURT: You'd better get on with that
3 because they're about to finish their case here I
4 understand.
5 MR. TRAFICANT: No. I understand what
6 they're saying. But they have given to me -- today they
7 gave me a document before they started that read $13,000 in
8 total monies on a boat, and then I saw $26,000.
9 MR. MORFORD: That was a document he was
10 given four weeks ago. Your Honor, what we did is give him
11 everything we had, whether we knew we were going to use it
12 or not with the idea that if we weren't going to use it,
13 then he would still have it.
14 And all I'm asking is that as he obtains documents,
15 which he might use, that he provide them to us upon
16 receipt.
17 THE COURT: Well. That's his obligation. I
18 think he will, but he doesn't have them right here with him
19 now.
20 MR. TRAFICANT: I don't have them, and I have
21 not had full cooperation in some areas, and I have to
22 personally go and visit with some people to, in fact,
23 effect my attainment.
24 THE COURT: It's only when you do get
25 something, then that's when you need to turn it over.

1 MR. TRAFICANT: I will be organizing and some
2 of those things being delivered, and when I do, I'll be
3 glad to let them come and -- is it my requirement to make
4 copies for them?
5 THE COURT: You have to provide them. If you
6 want to give them the originals, you can give him the
7 originals. You have to provide something -- work it out.
8 You need to work that out on the other side. They've been
9 giving you discovery for a long time. Now it's your turn
10 to give them discovery.
11 MR. TRAFICANT: I've given them all kinds of
12 discovery.
13 THE COURT: Well, great. That's great, but
14 we also have a lawsuit to try and a jury here. We're ready
15 to get it tried. We don't want to delay.
16 MR. TRAFICANT: I'm not delaying, your Honor,
17 but my subpoenas that are out there --
18 THE COURT: Okay.
19 MR. TRAFICANT: I have witnesses ready to go,
20 but they're not subject to the subpoenas where the types of
21 things that Mr. Morford is referring to are now available
22 to me. When they become available, I'll give them to him.
23 MR. MORFORD: Here's my request: It's very
24 simple, and I am only bringing it to the court's attention
25 because I tried to work it out earlier today and could not.

1 THE COURT: Okay.
2 MR. MORFORD: It is any document that he now
3 has in his possession, that he bring it here tomorrow
4 morning and either give us a copy or the original so our
5 agents can copy it. If he has it in his possession, that
6 we have it in the morning, and anything that he has in his
7 possession tomorrow morning or prior to tomorrow morning --
8 if he doesn't have it now, that we don't get it. And I am
9 going to move that it not be put into evidence because he's
10 not provided it to us when he should.
11 THE COURT: Yeah. You do have to provide it
12 to them. So you can show them originals tomorrow and make
13 a copy over the break if you need to.
14 MR. TRAFICANT: I cannot make copies of it.
15 I will have to attend with them and give them the
16 originals. They'll have to make the copies of them. I
17 will not be able to provide that service for them.
18 THE COURT: Well, well --
19 MR. TRAFICANT: I assure you of that.
20 THE COURT: You may be able to do it over the
21 lunch break then, but you've got to make copies for them.
22 You can't just not make copies because you don't want to
23 make copies.
24 MR. TRAFICANT: I know, your Honor. You also
25 need a copy, don't you?

1 THE COURT: If you are going to use it, I do.
2 But I don't know if you're going to use it in trial. I
3 don't need things unless you use them at trial.
4 MR. TRAFICANT: I'm telling you I'm just
5 receiving these because they've been late coming, and I
6 don't know what, if anything, I am going to use.
7 THE COURT: Well, tomorrow --
8 MR. TRAFICANT: I think what I plan to use, I
9 won't be able to have them here, but I will bring them here
10 to have them copied. I'm sure as hell not going to let
11 them take them out of here without me escorting them to
12 have them copied. I will not be able to have them copied
13 tomorrow.
14 MR. MORFORD: You can go with our agents at
15 lunch time, and they will copy them in our office during
16 lunch.
17 MR. TRAFICANT: Well --
18 THE COURT: That's a good -- that's a good
19 offer. I will -- I'd take him up on it. I don't know how
20 many papers you have, but that's a good offer.
21 MR. MORFORD: Or have one of your assistants
22 go with our agents.
23 THE COURT: You understand discovery, and I'm
24 confident you do. So let's just get it done tomorrow. If
25 you want to wait until -- you can use the lunch hour, 12:00

1 to 1:30 to get your obligations completed with that, and
2 then you may get a response to a subpoena next Monday.
3 Then that document comes over. It's when you get it that
4 they have a right to see it, whether you're going use it or
5 not. They have a right to see it. That's the discovery
6 part of this. You just are having to do it at the end,
7 whereas they did theirs earlier, but that's because they go
8 first in the trial.
9 MR. MORFORD: Next, your Honor, again,
10 because we're getting near the end of the case, I just want
11 to advise the Court that based on some of the issues that
12 came up during testimony, we may have a couple supplemental
13 jury instructions that we'll file with the court.
14 THE COURT: Good.
15 MR. MORFORD: And second thing, I know that
16 the Court had asked that Congressman Traficant and the
17 Government come up with some kind of language for joint
18 exhibit. He was going to prepare something in writing and
19 give it to us. We don't have that yet, but we need to get
20 that done because we're getting to that point in the case.
21 THE COURT: Okay.
22 MR. TRAFICANT: Well, I'm hoping you're not
23 implying I am not cooperating with you because --
24 THE COURT: No. You know it's not -- I'm not
25 sure we need anything fancy on this. It's just that --

1 MR. TRAFICANT: Yeah.
2 THE COURT: You asked that we define for the
3 jury what is a joint exhibit.
4 MR. TRAFICANT: That means that both sides --
5 THE COURT: Are offering it.
6 MR. TRAFICANT: Are offering it, right,
7 that's it.
8 THE COURT: I'm not sure --
9 MR. TRAFICANT: I don't think it's rocket
10 science. I think it should say --
11 THE COURT: Just write it down. You want the
12 instruction. I mean -- and I have never given the jury the
13 instruction before. So if you want --
14 MR. TRAFICANT: Contrary. This is the first
15 time in the case I've seen where you've instructed a jury
16 twice.
17 THE COURT: Oh, I instruct them all through.
18 MR. TRAFICANT: Good.
19 MR. MORFORD: I'm saying if he has an
20 instruction he wants, if he writes it up, gives it to us so
21 we'll be able to look at it.
22 MR. TRAFICANT: I would like to mutually work
23 it out with you guys. You have experience.
24 MR. MORFORD: You have to let us know what
25 you want because I've never seen one, either a joint

1 exhibit instruction. I have no idea.
2 MR. TRAFICANT: With your legal background,
3 you want me to instruct you?
4 MR. MORFORD: I want to know what it is.
5 MR. TRAFICANT: What I wanted to say, I think
6 we can work it out now, that a joint exhibit means that
7 both parties are offering it in their own behalf. They
8 offer it as a defense exhibit, and they offer it as a
9 Government exhibit.
10 THE COURT: Okay. You like that one,
11 gentlemen?
12 MR. MORFORD: That's fine.
13 THE COURT: Look at this. It's amazing.
14 MR. TRAFICANT: Wasn't that easy?
15 THE COURT: Very easy. Okay. We'll give
16 that instruction to the jury.
17 MR. MORFORD: The third area --
18 THE COURT: But I also should remind you,
19 Congressman, that at some point, if you have any additional
20 jury instructions to give the Court, you need to get them
21 to me because we start working on jury instructions early
22 in the case so that as soon as everything's finished and
23 you do your closing argument, we can send the jury home.
24 MR. TRAFICANT: When is the deadline?
25 THE COURT: Oh, it's past I think, but you

1 can augment as we go along because of what happens in the
2 case.
3 MR. TRAFICANT: I see. Thank you.
4 THE COURT: So if there's anything you want
5 that you think is important as a jury instruction --
6 MR. TRAFICANT: I would ask that.
7 THE COURT: Propose it.
8 MR. TRAFICANT: To look through the notes and
9 find what would be exculpatory for me to help beat them.
10 THE COURT: Last time you wanted me just to
11 be fair and impartial. What else.
12 (Laughter.)
13 MR. MORFORD: We're going to file a request
14 for special verdict form on the RICO count, and we'll file
15 that tomorrow as well.
16 THE COURT: That'll be good. I hope you
17 attach some samples.
18 MR. MORFORD: Yes. The next area, your
19 Honor, has to do with tapes.
20 THE COURT: Okay.
21 MR. MORFORD: And Congressman Traficant has
22 made some statements recently that he has a number of tapes
23 that he anticipates offering into evidence, and I only
24 bring it up now because I don't want to get to a point on
25 Monday or Tuesday where we rest, we then address the issue

1 of tapes, and if, in fact, the tapes are not admissible
2 evidence, we object and the Court understands they're not,
3 suddenly Congressman Traficant is expected to go play
4 several hours of tapes and maybe doesn't have witnesses
5 ready. There are nine tapes that he has given us. Two of
6 those tapes are tape recordings he made with Henry
7 DiBlasio. Two of those are tape recordings he made with
8 Rick Detore. Two of those are tape recordings he made with
9 Pete Bucheit. One is with some person named Kerchum; one
10 with someone named Robin Best. One with Harry Maganarro.
11 From Congressman Traficant's statements about these
12 tapes, it's clear that he believes that these tapes would
13 be admissible. I am not aware of any rule of evidence that
14 would allow him to admit the tapes unless the witness,
15 who's on the tape, is here to testify to it, and even then
16 the tape itself wouldn't come in. It would be the witness'
17 testimony.
18 So I'm only raising this because I think it's an
19 issue that's going to have to be addressed, or we may have
20 some delays for the jury.
21 MR. TRAFICANT: I'd like to cite U.S. versus
22 Traficant 1983. And I'd like to state that if a tape can
23 impeach the testimony of a witness, that it is eligible to
24 be used, or if a witness who would then at some particular
25 point change their testimony, which may come about through

1 whatever means, and if the tape can be used to impeach, it
2 is admissible. One party of a tape must consent to the
3 tape. One of the tape has been consented to; some of them
4 have not.
5 The bottom line is they deal with issues in this
6 case. One of them deals with an issue that the fellow has
7 taken the Fifth Amendment. He's unavailable.
8 THE COURT: You can respond.
9 MR. MORFORD: Your Honor, it's not enough to
10 say he's unavailable. There is a section of the hearsay
11 rules, 804, I believe, that talks about the rules when a
12 witness is unavailable, but the mere fact a witness is
13 unavailable --
14 THE COURT: We've been through that already
15 in this case. You remember that?
16 MR. TRAFICANT: That's already been proven.
17 THE COURT: But not as to your witness.
18 MR. MORFORD: But, your Honor, here's what I
19 would suggest is, that if the Congressman takes a look at
20 Rule 804 it's the hearsay exceptions for an unavailable
21 declarative assistant, and there are very specific and
22 limited circumstances in which the tape recording of an
23 unavailable witness can be put into evidence.
24 THE COURT: Right. If we -- we have to go
25 through an area outside of the jury and so forth, we

1 have --
2 MR. TRAFICANT: I'd like to respond.
3 THE COURT: Okay.
4 MR. TRAFICANT: Isn't it best, any and all
5 best evidence when a witness, for example, takes the Fifth
6 Amendment? Now, the Government gives them proffers.
7 Now, if I have an individual that's taken the Fifth
8 Amendment in this case, and I have tapes on that
9 individual, there should be no question pursuant to
10 precedence set in U.S. versus Traficant in Cleveland, Ohio,
11 Northern District of Ohio.
12 THE COURT: Unfortunately, I'm not governed
13 by what another district judge did, but I don't know what
14 that judge did, and I'll be glad to go back and read the
15 orders if you bring them to me.
16 MR. TRAFICANT: You have the case.
17 THE COURT: I don't know what you're
18 referring to.
19 MR. MORFORD: I can address it. What that
20 court did is it put in tapes of conversations Congressman
21 Traficant had with mobsters on the theory that his own
22 statements were admissions by a party opponent, and the
23 other people's statements were put in to put those
24 statements in context. It had nothing to do with the tapes
25 we're talking about, and all I'm suggesting to the court is

1 that Congressman Traficant should file something with the
2 Court to indicate what tapes he intends to offer and the
3 legal theory under which he believes it's admissible so we
4 don't get to Monday or Tuesday, rest, and suddenly have
5 this issue with the jury sitting in the box.
6 MR. TRAFICANT: Well, let me respond, your
7 Honor.
8 I'll take a look at 804, and I understand the great
9 concern that the Prosecution is showing.
10 Now --
11 THE COURT: Well, it isn't.
12 MR. TRAFICANT: I have a question before I go
13 forward on the tapes.
14 THE COURT: Okay. But if there is a problem,
15 you're just relying on the tapes they're describing and
16 somehow you think you can just bring in something and play
17 them for the jury. These are audio tapes?
18 MR. TRAFICANT: I am not thinking I can bring
19 them and play them for the jury. I understand they have to
20 be admitted, and you will have to make a decision on them,
21 and they have yet to rest their case. They've now brought
22 the issue. They're aware of nine tapes at least. Did you
23 say nine or ten?
24 MR. MORFORD: There's nine that you've given
25 us, and I don't see any theory of admissibility on any of

1 them, which is the only reason I'm addressing it with the
2 court.
3 MR. TRAFICANT: Well, naturally I would like
4 to keep everything out. You have to rule. That will be
5 your decision, and I will offer an appropriate answer to
6 that. But I am asking the Court this.
7 If an individual is taking the Fifth Amendment and
8 that individual is taking the Fifth Amendment, if the
9 Government has clearly demonstrated that he's not available
10 and will not be available, then any and all evidence and
11 best evidence shall be admissible.
12 MR. MORFORD: No.
13 THE COURT: Okay. That I don't know of any
14 rule like that. I don't know any circumstance that we have
15 that is like that. So --
16 MR. TRAFICANT: If I have a person taking the
17 Fifth Amendment and if he's not -- doesn't make himself or
18 herself available for testimony, and I have tapes on that
19 individual --
20 THE COURT: Well, then we have --
21 MR. TRAFICANT: -- why can't I use it?
22 THE COURT: Who are you talking about?
23 MR. TRAFICANT: DiBlasio.
24 MR. MORFORD: The problem is, your Honor, he
25 has to be subject to cross-examination, or --

1 THE COURT: Yeah.
2 MR. MORFORD: -- there has to be a limited
3 situation covered under Rule 804 and a long series of case
4 law that's developed that applies to all people, that there
5 are circumstantial guarantees of trustworthiness and
6 indicia of reliability.
7 THE COURT: We've been over that. I think
8 we've even written on it.
9 MR. MORFORD: Yes. And there are Supreme
10 Court cases.
11 THE COURT: And constitutional issues. And
12 so it's not straight forward, and I think, Congressman,
13 that it would be really important for you and also so that
14 we don't delay this trial that you take this opportunity to
15 consider what it is you're going to need to do in order to
16 have admissible evidence given, what it is that you've
17 supplied, which I have never looked at, to the other side.
18 Figure that out because you don't want to be left
19 assuming that you're going to be able to rely on something
20 if you can. You can bring witnesses in, that's what people
21 normally do.
22 MR. TRAFICANT: I've never assumed anything
23 in this case. What I'm saying --
24 THE COURT: Okay.
25 MR. TRAFICANT: If a witness is unavailable

1 and I have that witness on tape, are you saying that I
2 can't use a tape?
3 MR. MORFORD: That's what the Supreme Court
4 has said, your Honor.
5 THE COURT: Yeah. I don't make up the rules,
6 really, I just enforce them. I am a trial judge. I am not
7 the somebody who makes the law here.
8 But the law is available for you to explore. This is
9 one of the things about litigating your own case, even
10 though you do wonderfully well in lot of aspects of it,
11 where it's important that if you -- you take the time you
12 have now, Friday, Saturday, Sunday and I guess Monday, they
13 think they may still be going into this, look at the
14 issues, look at the rules, and figure out how you can get
15 the evidence you want to put in front of this jury in.
16 The thing that we don't want to have happen is that
17 we shutdown a trial while you go and figure it out because
18 you get rulings that are adverse to you, and I think I can
19 predict that the rulings would probably be adverse right
20 now from what I know right now. I can't imagine how --
21 MR. TRAFICANT: You're making a prediction
22 already?
23 THE COURT: Well, from what we've talked
24 about here today, I think you'd better go back to your
25 books.

1 MR. TRAFICANT: Let's talk about what we
2 talked about today.
3 Did I make available tapes to the Prosecutor?
4 THE COURT: Apparently.
5 MR. MORFORD: That's irrelevant. That
6 doesn't cover the issue. You need to look at the Supreme
7 Court cases that deal with unavailable --
8 MR. TRAFICANT: Hear me, I'm speaking. I
9 thought I was speaking.
10 THE COURT: Okay. Speak.
11 MR. TRAFICANT: I will address the Court, but
12 I am telling you this: If I have a witness who's
13 unavailable and has taken the Fifth Amendment and that tape
14 is exculpatory for the Defendant, and you keep it out on
15 the record, I believe -- I don't care what the Supreme
16 Court has ruled, you have not allowed the Defendant to
17 provide the best possible evidence in his or her defense.
18 Now, having said that, one of those tapes was
19 consensual.
20 THE COURT: Okay. Well, I think -- I think
21 this is an area that has a lot of pins and needles in it,
22 and you ought to do your very best to get on top of this
23 and make sure that you have -- that you are bringing in
24 witnesses and evidence that is going to allow you to put
25 before the jury what you want to put there.

1 I can't try your case, and I can't advise you on how
2 to try your case, but today, this afternoon, I think you
3 have fair warning that you're going to have to be very
4 thorough.
5 MR. TRAFICANT: Fine.
6 THE COURT: When you figure it out, because,
7 Congressman, the Rules of Evidence apply to everybody, and
8 they apply in this case. And they apply whether you are on
9 one side or the other side.
10 MR. TRAFICANT: I know they do, but what I'm
11 telling you is they're bringing up this issue now when they
12 could have brought the issue up as early as July.
13 THE COURT: They don't have any obligation to
14 bring it up.
15 MR. MORFORD: That's your job.
16 THE COURT: They don't have any obligation to
17 bring it up. So let's--
18 MR. MORFORD: That's your job.
19 THE COURT: They don't have any obligation to
20 bring it up. So let's --
21 MR. TRAFICANT: I am not on the Defense yet.
22 THE COURT: No. But where we are in the
23 case, is that as I understand it, they have -- the witness
24 is on the stand now, and they have a couple of more
25 witnesses, and then they expect that they'll be wanting to

1 rest, which means by our calendar, that will probably be
2 Monday or Tuesday. It'll be time for you to put on your
3 case. Now, you have some days here, and they're days in
4 which you can probably get this resolved. You can figure
5 out what you want to do.
6 MR. TRAFICANT: The Government told me they
7 were going to move through three people today, and they
8 took the whole day on direct with one witness.
9 THE COURT: Well, it's hard to tell in
10 trials, it's really hard. Any time anyone asks me how long
11 something is, I'll say I don't know because I really don't
12 know. But we do know that tomorrow at noon the jury goes
13 home so we've only got a half day tomorrow for them. We
14 may just stay, and then we've got some time on Monday, and
15 you might rest Monday. You might rest?
16 MR. MORFORD: Depending on how it goes, your
17 Honor.
18 THE COURT: Okay. And then there you are.
19 Their case is done, and so --
20 MR. TRAFICANT: I'll present appropriate --
21 I'll present appropriate response for you.
22 THE COURT: Okay.
23 MR. TRAFICANT: And let me just say this,
24 though.
25 I would hope that I would not take your earlier

1 comments to be predisposed on the basis of limited argument
2 presented by the --
3 THE COURT: No, I just --
4 MR. TRAFICANT: -- already made a decision.
5 THE COURT: No. I just have to see what you
6 actually present, and then we all have to deal with what
7 the law is. Okay?
8 MR. TRAFICANT: Thank you.
9 THE COURT: Yes.
10 MR. MORFORD: Another issue, your Honor, is
11 right after J.J. Cafaro testifies, we have an IRS agent,
12 Bruce Hess, who will testify, and he will summarize
13 evidence, including the testimony of J.J. Cafaro, as to
14 whether or not certain items are taxable or not for
15 purposes of the false tax return.
16 Under the Court's prior ruling, he is not sitting in
17 on that, on the testimony of the witnesses, on --
18 THE COURT: Right.
19 MR. MORFORD: Who he'll base his testimony,
20 but he's been reading transcripts.
21 If he has to read the transcript of J.J. Cafaro, we
22 may have downtime while we wait to get the daily copy to
23 get to him.
24 MR. TRAFICANT: I object to this.
25 MR. MORFORD: Let me finish, please. You

1 asked not to be interrupted. I'll ask the same.
2 THE COURT: It's getting late in the day.
3 MR. TRAFICANT: You can object when you're
4 speaking, you know.
5 MR. MORFORD: Are you finished?
6 MR. TRAFICANT: I object to what you're
7 doing.
8 THE COURT: Yeah, very well.
9 MR. MORFORD: I'd like to finish telling the
10 Court --
11 MR. TRAFICANT: Go right ahead.
12 MR. MORFORD: -- all I'm telling the Court is
13 that if, when Mr. Cafaro is finished, we have to wait for a
14 transcript and wait for the witness to read the transcript,
15 there may be downtime for the jury, and I'm asking if the
16 Court wants to have Mr. Hess sit in for J.J. Cafaro's
17 testimony so we will not have a delay, and that he'll be
18 our last witness, Mr. Helps.
19 THE COURT: No. We have a -- that issue came
20 up. We have a separation of witnesses that was asked for
21 by the Congressman, and when he objected to them sitting
22 here, I upheld what he said, and no, they can't come in.
23 MR. TRAFICANT: Your Honor, for the sake of
24 expedience, I will allow this summary agent to attend if he
25 sits at the Government's table and does not sit in the

1 audience that may be surrounded by someone.
2 MR. MORFORD: I don't have a problem with
3 that.
4 MR. TRAFICANT: He has to sit at the table.
5 THE COURT: Okay.
6 MR. MORFORD: That's fine.
7 THE COURT: That's fine.
8 MR. TRAFICANT: That's fine with me.
9 THE COURT: Okay.
10 MR. MORFORD: Just for the sake of the jury,
11 I don't want to hold them up, your Honor.
12 THE COURT: All right.
13 MR. MORFORD: Finally, the two motions that
14 the Congressman has filed on witness intimidation,
15 particularly dealing with one on Mr. Speranza, the other
16 one on alleged witness intimidation by Mr. Pikunas, I'd
17 like to ask the Court if we can deal with those now and get
18 those addressed one way or the other and not leave the
19 agents who have been accused of these accusations just sort
20 of hanging out there to dry.
21 MR. TRAFICANT: Your Honor, I'd like to
22 respond. I ask that we delay that until tomorrow. I had a
23 phone call this afternoon that one of my process servers
24 happened to notice he was followed. Photographs were
25 taken. He then followed the person, stopped him at a red

1 light. The fellow pulled out a badge, identified himself
2 as an FBI agent and told him back off, buddy. Now, I'm
3 waiting for an affidavit, and I would like to have all
4 three of those handled at the same time.
5 I would expect to have that affidavit tomorrow, and
6 if I do not, I think we can handle the case tomorrow.
7 THE COURT: Here's what I'd like to suggest.
8 Everything that he talked about this morning -- no,
9 yesterday morning, I said he had to do in writing, and so
10 do you, okay? Everything in writing, folks. This is an
11 unusual kind of -- part of this case or not part of this
12 case. I can't tell you, so I'd like everyone to put things
13 in writing, and that way we have everybody's idea written
14 down, not just talked about.
15 MR. TRAFICANT: Yes. Mine are written in the
16 form of motions.
17 THE COURT: Yeah, I have them right here.
18 MR. TRAFICANT: And I hope you can read them.
19 I apologize, but now I want the other affidavit because I
20 want to first of all verify it.
21 THE COURT: Okay.
22 MR. TRAFICANT: And I want the opportunity to
23 submit it, and then if you want, you can call the agents,
24 and you can do whatever you want with it.
25 THE COURT: Well, I don't know whether I'm

1 even involved in this. So when you have it written down,
2 get it filed, and I'll consider it.
3 MR. TRAFICANT: I'll try to have it tomorrow.
4 THE COURT: Fine. When they get their
5 response in, I'll consider their response.
6 MR. TRAFICANT: Thank you, your Honor.
7 THE COURT: You're welcome. Okay? Thank
8 you.
9 MR. TRAFICANT: Now, your Honor, one last
10 thing. Do you assume that we will be out of here near noon
11 tomorrow?
12 THE COURT: Not us, but the jury goes at
13 noon. I assume we'll be out here.
14 MR. TRAFICANT: You have any targeted time?
15 THE COURT: Well, 6:00. That's what we've
16 said from the beginning. We have to be prepared to work
17 until 6:00. We don't always have to. In fact, rarely
18 we've had to, but we have to be ready to.
19 (Proceedings adjourned.)
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1 CROSS-EXAMINATION OF DOMINIC ROSSELLI..... 3419
2 DIRECT EXAMINATION OF TRACY SLOAN..... 3452
3 CROSS-EXAMINATION OF TRACY SLOAN..... 3461
4 REDIRECT EXAMINATION OF TRACY SLOAN..... 3484
5 RECROSS-EXAMINATION OF TRACY SLOAN..... 3488
6 DIRECT EXAMINATION OF MATTHEW HALL..... 3492
7 CROSS-EXAMINATION OF MATTHEW HALL..... 3499
8 DIRECT EXAMINATION OF ALBERT LANGE, JUNIOR..... 3513

9 C E R T I F I C A T E

10 I certify that the foregoing is a correct
11 transcript from the record of proceedings in the
12 above-entitled matter.
13
14
15
16 _____
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