



1 Monday Session, March 18, 2002, at 8:45 A.M.

2 (Proceedings in the absence of the jury:)

3 THE COURT: We have just one matter.

4 On Friday, there was a brief discussion initiated by  
5 the Government regarding the speech or debate clause and  
6 whether or not there had been a waiver, and, Mr. Morford,  
7 you argued that the Congressman had waived his speech or  
8 debate privilege as to the Coast Guard legislation, the  
9 MEANPALS legislation, and as to these hearings.

10 I assume that means the hearings that were related to  
11 those pieces of legislation.

12 And that there was Supreme Court precedent  
13 established that that would constitute a waiver. But I'm  
14 not aware of what case or cases you're referring to  
15 regarding a waiver of the speech or debate clause, and so I  
16 ask that you advise us as to what they are. You don't have  
17 to do it right this moment.

18 But we need to -- to know that, and certainly, you  
19 should not get into any areas that we have not gotten into  
20 so far in this case and that we have precluded your getting  
21 into regarding speech or debate unless or until the Court  
22 issues some sort of opinion regarding waiver.

23 MR. MORFORD: Your Honor, when we were  
24 addressing -- when I said Supreme Court, I misspoke. There  
25 are three Court of Appeals cases, Rostenkowski, McDade and

1 Meyers.

2 MR. SMITH: 635 second.

3 MR. MORFORD: Which goes to the issue of the  
4 fact that although the Government is precluded from putting  
5 in evidence as to the speech or debate regarding  
6 legislative acts of the Congressman, the Congressman is  
7 free to do so, but once he does so, he may be questioned  
8 about those.

9 THE COURT: Okay. Well I think the best  
10 thing to do -- because this is an important matter, as I  
11 said on Friday -- is for you, before we require the  
12 Congressman to really respond to it, to give us the law  
13 because I looked at the Supreme Court cases and didn't find  
14 anything that would support this. So you can respond once  
15 we've seen something in writing from them, Congressman.  
16 You don't need to now, but you can't go into anything.

17 MR. MORFORD: I understand that.

18 MR. TRAFICANT: I have an inquiry.

19 MR. MORFORD: If I can finish, it is our  
20 intention not to go -- not to offer any documents the Court  
21 has not already ruled are admissible without fully  
22 addressing it with the court, and we may not even get there  
23 because I don't know that it's necessary.

24 THE COURT: All right. I didn't want us to  
25 stumble into anything unnecessarily.

1 MR. MORFORD: I understand.

2 MR. TRAFICANT: I would like to now inquire  
3 of the court, there was much made over this. The MEANPALS,  
4 the Coast Guard authorization, and other items were brought  
5 forward in questioning by the Prosecution, showing that  
6 certain particular actions taken by the Congressman were,  
7 in fact, to benefit his constituents through certain  
8 legislative processes.

9 Now, I'm aware that the Court has ruled and asked the  
10 Magistrate to have, in fact, make a recommendation to the  
11 court on the speech and debate clause. And the speech and  
12 debate clause matter has, in fact, been ruled on by this  
13 Court.

14 THE COURT: Well --

15 MR. TRAFICANT: Having said that, if they  
16 offer a document, for example, Document X, that has a third  
17 and fourth paragraph redacted, in my opinion, that whole  
18 document should have been redacted, and they were allowed  
19 to do that. I want that placed on the record.

20 In my opinion, it's clearly a violation of the speech  
21 and debate clause, and no matter what happened with  
22 Rostenkowski, McDade, Jones, or Rambo, they have no rights  
23 nor do they have a right to question me now once the Judge  
24 has ruled on materials that the General Counsel of the  
25 House had recommended were to be protected under speech and

## Lange - Cross

1 debate clause. I understand the Court has the power.

2 I'm not questioning the Court's power one bit, but  
3 for them now to try to harness the Congressman on issues  
4 they opened up is a moot point and should be disregarded by  
5 the court.

6 THE COURT: Thank you, Congressman. Let's  
7 bring in the jury.

8 (Proceedings resumed in the presence of the jury:)

9 THE COURT: Sir, you're still under oath.

10 THE WITNESS: Yes, your Honor.

11 CROSS-EXAMINATION OF ALBERT LANGE (cont.)

12 BY MR. TRAFICANT:

13 Q. Good morning, Albert.

14 A. Good morning. How are you doing today?

15 Q. Did you stay in Cleveland?

16 A. Went home, spent time with my family, and came back  
17 last night. How about yourself?

18 Q. I ask the question.

19 A. I'm sorry. Excuse me.

20 Q. You answer.

21 A. I'll try.

22 Q. Now, at some particular point, U.S. Aerospace agreed  
23 to pay your legal fees?

24 A. That is correct.

25 Q. And what was that incident? Would you explain it?

Lange - Cross

1 A. The incident was that they -- the subpoenas were  
2 drawn to secure the records from U.S. Aerospace Group and  
3 the Cafaro Company. I'd taken over as chief operating  
4 officer, and they came into the office and secured all  
5 these records, and I talked to Geoff Mearns, who was  
6 representing the Cafaro family or company, whatever, and he  
7 decided that I should have a separate counsel, and that's  
8 when I picked up separate counsel.

9 Q. Were you the boss of U.S. Aerospace?

10 A. I was second in command at that time.

11 Q. To whom?

12 A. Capri Cafaro, who was then acting -- was then the  
13 president of the company.

14 Q. Why didn't the president of the company handle the  
15 matter?

16 A. She handled what areas she could handle, and I  
17 handled the other areas.

18 Q. Who, in fact, determined that you were the custodian  
19 of records?

20 A. I don't know which individual decided that I was the  
21 custodian of records.

22 Q. Is U.S. Aerospace a corporation, sir?

23 A. As far as I know, yes.

24 Q. Were you under one of the officers?

25 A. I was the chief operating officer of the company. I

Lange - Cross

1 don't -- I can't say that I was deemed a buy-in officer of  
2 the company or what have you.

3 Q. Under law, weren't you required to have meetings, at  
4 least annual meetings and records and minutes of those  
5 meetings?

6 A. That is correct.

7 Q. Was it ever determined who was to be the custodian of  
8 records at any meetings that were memorialized in the  
9 records?

10 A. I believe J.J. Cafaro was that man.

11 Q. Well, if J.J. Cafaro was the custodian of records,  
12 why were you handling the records?

13 A. These were records that were local to U.S. Aerospace  
14 Group in our office.

15 Q. Did you object to that when they said you would be  
16 the custodian of records?

17 A. No one ever came to me and said that I was the  
18 custodian of records. I was asked to take over as chief  
19 operating officer of the company, and if one of the duties  
20 as chief operating officer is to take care of the records,  
21 then, yeah, I took care of the records.

22 Q. Did you have a job description?

23 A. A formalized one? No, I did not.

24 Q. I didn't hear you.

25 A. I said as far as a formalized job description, no, I

Lange - Cross

1 did not.

2 Q. So what did they say? Go to work and throw out the  
3 ball, Al? What did you do?

4 A. I did what any normal human being would do. I took  
5 and cut down the expenditures going out of the office and  
6 focused on bringing forth a contract.

7 Q. And wasn't it a fact one of the main duties you had  
8 was to try and reduce expenses?

9 A. That is correct.

10 Q. Who was the highest paid employee at the time before  
11 you took over?

12 A. At U.S. Aerospace Group group? I believe it was  
13 Richard Detore.

14 Q. Was Mr. Detore fired?

15 A. Yes, he was.

16 Q. Did that reduce expenses significantly?

17 A. Not really.

18 Q. How much was he paid?

19 A. I have no idea. That's his business, not mine.

20 Q. Well, you were COO, and you don't have records and  
21 corporate board records to show who was paid what, is that  
22 your testimony?

23 A. No, I'm telling you that I did not know what the  
24 total compensation package for Richard Detore was.

25 Q. Well, did you know what his base salary was?

Lange - Cross

- 1 A. \$200,000 a year.
- 2 Q. Do you know if he had a bonus clause?
- 3 A. He said he had a bonus clause.
- 4 Q. Did you have a bonus clause?
- 5 A. Yes, I did.
- 6 Q. Now, when you were first hired, did you sign a  
7 contract agreement with the Cafaros?
- 8 A. No, I did not.
- 9 Q. Did you ever have any written agreement with the  
10 Cafaros?
- 11 A. The only kind of agreement that I had was a statement  
12 of base salary and bonus for performing my duties in a  
13 formalized fax.
- 14 Q. Did you retain a copy of that in your personnel  
15 records?
- 16 A. I don't believe so.
- 17 Q. You were the custodian of records, and you didn't  
18 keep personnel records?
- 19 A. I turned out to be custodian of records two and a  
20 half years after U.S. Aerospace Group came to be formed. I  
21 picked up the pieces of what was there, left in the  
22 company, and tried to make a go.
- 23 Q. When you tried to make it go, did you establish a  
24 policy of having a personnel file on your employees?
- 25 A. Yes.

Lange - Cross

1 Q. Did you retain those for the records?

2 A. They were personnel files, and everything else were  
3 gathered up when the subpoena was served, yes.

4 Q. And did you have a personnel file in it?

5 A. Yes, I did.

6 Q. And what was your bonus to be when you were COO?

7 A. Same as it was before I was COO. I was supposed to  
8 receive \$50,000 as a bonus.

9 Q. What was your salary as COO?

10 A. Same as it was before I turned -- became the COO,  
11 \$105,000.

12 Q. So there was no change in your pay, was there?

13 A. No, there wasn't.

14 Q. There was just a promotion in your duties and  
15 expansion of your duties?

16 A. That is correct.

17 Q. And you didn't ask for a raise?

18 A. It was agreed that if I could pull things around and  
19 get a contract in, then we would renegotiate my position  
20 and my financial position in the company.

21 Q. Now, does the company Latham and Watkins mean  
22 anything to you?

23 A. Latham and Watkins?

24 Q. Latham and Watkins.

25 A. Yes, it does.

Lange - Cross

- 1 Q. Explain who they are.
- 2 A. Latham and Watkins, I have representation, legal  
3 representation from Latham and Watkins.
- 4 Q. Who were they affiliated with?
- 5 A. I don't know.
- 6 Q. Did you sign an agreement with them?
- 7 A. What kind of agreement?
- 8 Q. To represent you or to handle --
- 9 A. Yeah, I signed a -- some type of agreement, yeah.
- 10 Q. Some type? What type of agreement?
- 11 A. That they would be retained as my counsel.
- 12 Q. Who was to pay for them?
- 13 A. U.S. Aerospace Group.
- 14 Q. Was there anybody present with you when you signed  
15 that agreement with Latham and Watkins?
- 16 A. Just my attorneys from Latham and Watkins.
- 17 Q. Who authorized you to sign that agreement?
- 18 A. J.J. Cafaro.
- 19 Q. Did you have anybody else you had to report to?
- 20 A. Capri Cafaro.
- 21 Q. What was the title of Capri Cafaro?
- 22 A. President of the company.
- 23 Q. Did anybody from the company witness that contract?
- 24 A. I don't remember if they did or didn't.
- 25 Q. Did you maintain a copy of that contract for your

Lange - Cross

1 records?

2 A. I may have it at home somewhere. I don't know.

3 Q. You mean you didn't turn it over to the FBI?

4 A. No, I did not.

5 Q. Didn't they ask for every and all records?

6 A. Pertaining to what?

7 Q. U.S. Aerospace?

8 A. This was after the subpoena was served and the  
9 records were pulled from U.S. Aerospace Group that I signed  
10 this agreement.

11 Q. Who's paying for your current attorneys?

12 A. U.S. Aerospace Group.

13 Q. The current -- the attorney you have now is being  
14 paid by U.S. Aerospace?

15 A. As far as I know. U.S. Aerospace Group or some  
16 entity that has come about since U.S. Aerospace Group, I  
17 don't know.

18 Q. You have an attorney, and you don't know who's paying  
19 your attorney?

20 A. I have an attorney that was originally being paid for  
21 by U.S. Aerospace funds, and at this point in time, I do  
22 not know who's paying for my attorney.

23 Q. Is Santa Claus paying for your attorney, Al, or are  
24 you paying for your attorney? Yes or no?

25 A. No.

Lange - Cross

- 1 Q. Are you paying?
- 2 A. No.
- 3 Q. So you're up there free of charge, right?
- 4 A. Yes.
- 5 Q. And you have immunity, right?
- 6 A. That is correct.
- 7 Q. Now, you said some entity. You don't even know who's
- 8 paying your attorney?
- 9 A. No. As long as my attorney shows up, I really don't
- 10 care.
- 11 Q. And you've had know conversations with the Cafaro
- 12 Company relative to your representation?
- 13 A. No, I have not.
- 14 Q. When was the last time you talked with J.J. Cafaro?
- 15 A. Somewhere around two years ago, I guess.
- 16 Q. Give me an idea, a month. 18 months ago, two months
- 17 ago?
- 18 A. Somewhere in that area.
- 19 Q. Say that --
- 20 A. 18 months ago, I would say.
- 21 Q. The middle of 2000. Would that be a fair
- 22 guesstimate?
- 23 A. I believe it was earlier -- no, it wasn't the middle
- 24 of 2000. It was earlier than that. Just right after --
- 25 Q. After what?

Lange - Cross

1 A. January, February time frame of 2000, maybe.

2 Q. Early 2000.

3 So now it's two years. When was the last paycheck  
4 you got from U.S. Aerospace?

5 A. October of 2000 -- was it 2000? Yeah, 2000.

6 Q. Now, the last paycheck you got from -- was October of  
7 2000, and you're telling me that U.S. Aerospace or some  
8 entity connected with U.S. Aerospace is paying your  
9 attorney?

10 A. That is correct.

11 Q. Who are you protecting, Al?

12 A. I'm not protecting anybody.

13 Q. Then why are they paying for your attorney fees?

14 A. I guess they feel obligated because I was a member of  
15 U.S. Aerospace Group when this whole thing erupted, and I  
16 don't know, I haven't asked them why they're paying for it.

17 Q. Did the Government ever tell you what crime you  
18 committed to deserve immunity? Are you okay? You want to  
19 take a drink of water? Go ahead.

20 A. No. I'm trying to decide whether or not I was ever  
21 informed of whether or not I was -- no, I don't believe  
22 the -- I don't believe the U.S. Attorney ever told me what  
23 charge -- what crimes I committed.

24 Q. Well, then, why did you need immunity?

25 A. Because my lawyer said that I would get immunity.

Lange - Cross

1 Q. So your lawyer made an agreement with the attorney --  
2 with the U.S. prosecutors, right?

3 A. I would say that's what they did.

4 Q. Did your attorney instruct you as to what the terms  
5 were?

6 A. I was told by my attorneys as long as I told the  
7 truth, that I would -- that that was what the U.S. Attorney  
8 wanted me to do.

9 Q. I'm sure of that.

10 Now --

11 THE COURT: Excuse me. You disregard  
12 comments from anybody who's asking questions. All right?

13 BY MR. TRAFICANT:

14 Q. Did you keep records of your payments to deGroot?  
15 Was his name deGroot? I'm trying to figure out --

16 A. Ernst deGroot, and, yes.

17 Q. Did he have a company?

18 A. No.

19 Q. Did he have men working for him?

20 A. There was a guy from time to time.

21 Q. Did you have a signed contract with him?

22 A. Yeah.

23 Q. Did you keep a copy of that contract?

24 A. Yes.

25 Q. Did you turn it over to the prosecutors?

## Lange - Cross

- 1 A. Yes.
- 2 Q. Who monitored his time?
- 3 A. Time was monitored by me --
- 4 Q. Did you work during the day or night?
- 5 A. I worked during the evening.
- 6 Q. On what?
- 7 A. The boat.
- 8 Q. When did Mr. DeGroot work on the boat?
- 9 A. Sometimes during the day; sometimes during the
- 10 evening.
- 11 Q. Who monitored when he worked during the day?
- 12 A. He was allowed to work on it on his own pace. When
- 13 he'd go down there, you can either see there's been work
- 14 accomplished or not work accomplished. If there hadn't
- 15 been work accomplished from the previous day, then put in
- 16 the hours that he worked, I would question that.
- 17 Q. Now, for the year 1999 -- when did you start this
- 18 so-called boat deal? What year?
- 19 A. 1998 July time frame, June, July time frame.
- 20 Q. Did he carry on into 1999?
- 21 A. Periodically. Some of the -- some of the major work
- 22 wasn't done in 1999. Basically, he was trying to catch up
- 23 to guys that -- on incidentals on the boat.
- 24 Q. Did you file a joint return with your wife, tax
- 25 return?

Lange - Cross

- 1 A. Yes, I did.
- 2 Q. Did you take the standard deduction out?
- 3 A. Yes.
- 4 Q. You did not itemize?
- 5 A. Well, I had itemization.
- 6 Q. Now, you made payments to Eastern Power Boat Club,  
7 didn't you?
- 8 A. Yes, I did.
- 9 Q. Did you make payments to deGroot?
- 10 A. Yes, I did.
- 11 Q. Did you make them by check?
- 12 A. Some of them.
- 13 Q. Did you itemize them on your tax return?
- 14 A. No, I did not.
- 15 Q. Why not?
- 16 A. It wasn't my money, so how can I take it as an  
17 itemized deduction.
- 18 Q. Who took it as a deduction?
- 19 A. I have no clue.
- 20 Q. Now, do you know if Mr. Cafaro has been indicted in  
21 this case?
- 22 A. Yes. I am aware that Mr. Cafaro had been indicted on  
23 this case.
- 24 Q. Do you know if Mr. Detore has been indicted in this  
25 case?

## Lange - Cross

- 1 A. I am not certain whether or not Mr. Detore has been  
2 indicted on this case.
- 3 Q. You pled to an information charge, was that it?
- 4 A. I didn't plead to any charge.
- 5 Q. Okay.
- 6 Do you know if Capri Cafaro was indicted in this  
7 case?
- 8 A. I have no idea.
- 9 Q. At the time you were working on the boat, did you  
10 place insurance on the boat?
- 11 A. No, I did not.
- 12 Q. Did U.S. Aerospace put insurance on the boat?
- 13 A. Not to my knowledge.
- 14 Q. Now, you had stated that the boat was a real  
15 disaster; is that correct?
- 16 A. No. I did not say the boat was a real disaster. I  
17 said the boat was in rough shape.
- 18 Q. And you did have a survey, right?
- 19 A. That is correct.
- 20 Q. And what, in fact, did the survey show?
- 21 A. It itemized areas that needed to be repaired.
- 22 Q. Did they give an estimated value what the boat's  
23 worth was before you started working on it, Al?
- 24 A. I don't remember if there was a value of the boat to  
25 the present day and present condition, but there was a

Lange - Cross

1 value placed on the boat for when the repairs would be  
2 completed.

3 MR. TRAFICANT: Page 4, Page 4, first  
4 paragraph.

5 MR. MORFORD: I have your notes on this one.  
6 Did you put notes on all of them?

7 MR. TRAFICANT: No. I don't believe I did.  
8 Would you like one without notes?

9 MR. MORFORD: It's up to you.

10 MR. TRAFICANT: You don't want my notes.  
11 Take that.

12 THE COURT: Would you put the Exhibit Number  
13 on the record?

14 MR. TRAFICANT: The Exhibit Number is  
15 defendant's Exhibit AL-101.

16 THE COURT: Thank you.

17 MR. TRAFICANT: Can I show this to the  
18 Defendant -- to the witness?

19 THE COURT: Are you going to show it -- is  
20 this the right page?

21 MR. MORFORD: You say Page 4. I don't know  
22 if you're including the fax cover sheet on the front.

23 MR. TRAFICANT: Page 4 listed in his -- where  
24 it calls for conclusions, which would be evidently Page 3,  
25 not counting the --

Lange - Cross

1 THE COURT: Okay. I see it. At the bottom,  
2 it says 3 and --

3 MR. TRAFICANT: Can I put this on the board,  
4 your Honor, on the screen?

5 THE COURT: We need to find out what it is.

6 MR. TRAFICANT: It's the second paragraph.  
7 Can I put it on the screen?

8 THE COURT: Okay. You would need to just ask  
9 him some questions about it so that we know what his  
10 connection with this is, if any.

11 MR. TRAFICANT: Okay.

12 BY MR. TRAFICANT:

13 Q. Did you, in fact, engage in a survey process on the  
14 boat?

15 A. Yes, I did.

16 Q. And do you know what company that was with, Mr.  
17 Lange?

18 A. The guy's name was Bruce Sannino. I don't know what  
19 company he was.

20 Q. Was he a friend of yours?

21 A. I never met him before the survey.

22 Q. Was he in on the boat deal?

23 A. No, he wasn't. He was there to be -- to give me an  
24 estimate of what the boat was going to be worth and what  
25 kind of repairs needed to go on the boat.

Lange - Cross

1 Q. Did you see the survey?

2 A. The physical copy of the survey or see it physically  
3 surveyed?

4 Q. Yes. Did you see him physically survey the boat?

5 A. Yes, I did.

6 Q. Did he at some point submit a survey on the boat?

7 A. That is correct.

8 Q. Would you look at this, and tell me if that is the  
9 survey that he performed.

10 A. This looks to be the survey that he performed.

11 MR. TRAFICANT: Can you put the machine on  
12 for me, fellows?

13 Q. Not counting the cover sheet, we'll hold off until we  
14 get some of this Japanese stuff off the air.

15 A. Okay.

16 Q. I don't know if it's warmed up yet. Is it ready,  
17 Matthew?

18 MR. KALL: Yes.

19 Q. Would you read Paragraph 2, starting with on the  
20 basis?

21 A. On which page?

22 Q. Page 3 of the document, right above your repairs and  
23 corrections, starting with conclusions at the top, would  
24 you read the second paragraph?

25 A. "The surveyor recommends that port risk only

Lange - Cross

1 insurance be granted until repairs" --

2 Q. No. I'm talking about Page 3 where it says  
3 conclusions, sir. Do you see conclusions?

4 A. That is correct.

5 Q. Okay.

6 Now, is the first paragraph starting with this  
7 classic wooden yacht --

8 A. Okay.

9 Q. Now, read the second paragraph.

10 A. Okay.

11 "On the basis of this survey, BUD Research material,  
12 my own experience, and other offerings by area brokers, I  
13 believe the fair market value of this vessel to be between  
14 \$30,000 and \$35,000 as is and between \$38,000 and \$42,000  
15 with repairs and corrections completed."

16 Q. It wasn't exactly a sinker, was it, Mr. Lange?

17 A. I never said it was exactly a sinker.

18 Q. It was a valuable boat, wasn't it?

19 A. It had a significant amount of work that needed to be  
20 done on the boat.

21 Q. Isn't it a fact that you told others that you were  
22 going to rent it to USAG and make a profit with it?

23 A. Yeah, that was all part of the story.

24 Q. Oh, it was a story?

25 Now, you said you took a skipper course; is that

Lange - Cross

- 1 correct?
- 2 A. I started a skipper's course.
- 3 Q. What was the name of the skipper's course?
- 4 A. Preliminary stuff from Virginia Marine Institute to
- 5 obtain a captain's license or obtain the knowledge to be
- 6 able to go take the captain's test.
- 7 Q. Now, a Virginia -- did you say Virginia?
- 8 A. Virginia Marine Institute.
- 9 Q. How long a course was that?
- 10 A. I don't know, nine weeks.
- 11 Q. Did you complete the course?
- 12 A. No, I did not.
- 13 Q. How many weeks did you attend?
- 14 A. Three or four weeks.
- 15 Q. Did you get a certificate?
- 16 A. No, I did not.
- 17 Q. Who paid for that?
- 18 A. J.J. Cafaro, out of part of the money that was put
- 19 here.
- 20 Q. Was it paid for by check?
- 21 A. Yes, it was.
- 22 Q. Did J.J. Cafaro instruct you to go ahead and take
- 23 that course?
- 24 A. No, he did not.
- 25 Q. Well, if you had no intention of using the boat, why

Lange - Cross

1 did you want to learn how to operate such a large boat?

2 A. At that time, I was told that U.S. Aerospace Group  
3 was going to wind up using that boat to do maritime  
4 testing. I wanted to take the course so that I could  
5 become more familiar with navigational aids, navigation of  
6 the boat, and things like that so that -- because I knew  
7 that I would wind up being the one driving the boat.

8 Q. Who told you they were going to use that boat for  
9 maritime activities?

10 A. Both J. J. Cafaro and Richard Detore.

11 Q. I thought you just testified that this boat was a  
12 scam from the beginning?

13 A. No. I -- it may have been a scam from the beginning,  
14 but I didn't realize it was a scam until we were starting  
15 down the road with it.

16 Q. I see. You're now starting to catch up with some of  
17 the facts. That's good.

18 MR. MORFORD: Again, I'm going to object to  
19 these editorial comments. He's been admonished many times,  
20 and he knows better.

21 THE COURT: Are you folks going to be able to  
22 put that aside? Okay. Would you, please, Congressman, not  
23 continue?

24 MR. TRAFICANT: I'll try.

25 THE COURT: No, trying -- we're.

Lange - Cross

1 MR. TRAFICANT: I will --

2 THE COURT: Sir, don't interrupt.

3 I think we've been in the trial now for weeks, and  
4 you're doing a very good job in many aspects of this, but  
5 don't try to do something that you very well know you're  
6 not permitted to do. It burdens the jury and the Court.  
7 Thank you.

8 MR. TRAFICANT: Thank you, your Honor.

9 BY MR. TRAFICANT:

10 Q. Were you ever recorded by the FBI at any of your  
11 interviews?

12 A. Not to my knowledge.

13 Q. Did you ever see a recorder?

14 A. Excuse me?

15 Q. Did you ever see a recording device?

16 A. Not that I'm aware of.

17 Q. Did you ever see a video device?

18 A. Not that I'm aware of.

19 Q. Now, you said you left in mid 2000, early 2000,  
20 right?

21 A. Excuse me?

22 Q. You said you left the company's employ in early 2000?

23 A. No.

24 Q. When did you leave the company's employ?

25 A. November of 2000.



Lange - Cross

1 Q. November of 2000.

2 When did you sign your proffer agreement with the  
3 Government?

4 A. I don't know, sometime around March or April or May  
5 of 2000.

6 Q. When were you first interviewed by the Government,  
7 best of your knowledge?

8 A. I don't know, I guess April, May, sometime in that  
9 area, March, April, May of 2000.

10 Q. Between May of 2000 and the proffer agreement that  
11 you made, did you ever attempt to contact me?

12 A. No. I was advised by my attorney once I was brought  
13 under counsel to cease and desist all contact.

14 Q. Were you and I -- did we leave on friendly terms or  
15 hostile terms?

16 A. I had hoped that we left on friendly terms.

17 Q. Had you called me, would we have met?

18 MR. MORFORD: Objection as to what would have  
19 happened. It's speculation.

20 THE COURT: Yes. Don't answer that.

21 Q. Did the FBI ask you to meet with me for the purpose  
22 of recording my voice?

23 A. No, sir.

24 Q. Did you ever make any tapes of your own when this  
25 scam was going on?

Lange - Cross

1 A. No, sir.

2 Q. Isn't it a fact you talked with me on the phone  
3 often?

4 A. We've had conversations, yes.

5 Q. Isn't it a fact we had meetings many times?

6 A. That is correct.

7 Q. Dinners?

8 A. That is correct.

9 Q. And isn't it a fact you drank Zinfandel?

10 A. That's correct, and you drank Merlot.

11 Q. I ask the questions.

12 A. Yes, sir. Sorry.

13 Q. Now, did you discuss daily with Mr. Detore when he  
14 was COO, your boss, you have discussions with him daily?

15 A. Yes.

16 Q. And did you, in fact, communicate with him on the  
17 phone often when you had personal things that you have to  
18 accomplish?

19 A. Yes. We've had conversations, yes, on the phone.

20 Q. And would you say you talked often?

21 A. Fairly often, yeah.

22 MR. TRAFICANT: Your Honor, I offer this man  
23 has knowledge of Mr. Detore's voice and my voice and now  
24 attempt to introduce DD-1, which is a tape.

25 MR. MORFORD: Objection. It's hearsay, and

Lange - Cross

1 we've covered that before, your Honor.

2 THE COURT: Many times.

3 MR. TRAFICANT: I ask for a side bar.

4 THE COURT: Guess what. At the noon break --  
5 or the morning break, we'll discuss this and anything else  
6 you need to discuss that relates to evidence that you think  
7 you may want to offer, which is regarding some kind of tape  
8 situation. We've talked about that.

9 MR. MORFORD: I'm also going to object to  
10 doing this here today because we talked about this the  
11 other day, and he was instructed not to do that.

12 THE COURT: Right. Let's move on now. Just  
13 go to the next question.

14 MR. TRAFICANT: I object to their objection.

15 THE COURT: Fine.

16 MR. TRAFICANT: For the record.

17 THE COURT: Fine.

18 Q. Did you see J.J. ever hand me any money?

19 A. No, I did not.

20 Q. Did you see him hand me a check?

21 A. No, I did not.

22 Q. Did you ever check with anybody on my staff about the  
23 legal proprieties of you buying that boat?

24 A. No, I did not.

25 Q. You didn't ask anyone to inquire what the legal or

Lange - Cross

1 ethical status would be of your ownership or participation  
2 in that boat, Mr. Lange?

3 A. No, I did not.

4 Q. Well, at some point, you recognized that it was an  
5 illegal act, right?

6 A. That is correct.

7 Q. Did you have a duty to report that?

8 A. That is correct.

9 Q. Did you report it?

10 A. At a later date, I sure did.

11 Q. At a later date?

12 A. That is correct.

13 Q. Was that before or after the FBI came to you?

14 A. The FBI never came to me. I went to the FBI.

15 Q. Was the IRS present?

16 A. On the first go-around?

17 Q. On any go-around.

18 A. The IRS was present for one meeting.

19 Q. You recall the name of the agent?

20 A. No, I do not.

21 Q. Now, you said that this so-called contract agreement  
22 that you backdated was signed somewhere in the Capital?

23 A. It was signed off of the -- the gallery in a room up  
24 above the -- the gallery outside.

25 Q. Was it on the desk?

## Lange - Cross

- 1 A. Excuse me?
- 2 Q. Was it signed on the desk?
- 3 A. No, on a coffee table in one of the room offices off  
4 on the other side. I don't remember what the name of the  
5 room was.
- 6 Q. You know what time it was?
- 7 A. Late in the evening.
- 8 Q. And you brought no one with you to witness it?
- 9 A. No, I did not.
- 10 Q. And you only signed your own name, Mr. Lange?
- 11 A. That is correct.
- 12 Q. If that boat contract was to protect you, why didn't  
13 you have a witness?
- 14 A. Because you called me up and told me I needed to come  
15 over to the Capitol to take care of getting the paperwork  
16 together for the boat.
- 17 Q. It's your testimony I called you?
- 18 A. Yes. That's what prompted me to come over to the  
19 Capitol that evening, maybe not your -- personally it may  
20 have been one of your staff members to say that the  
21 Congressman wanted to see me.
- 22 Q. Did I have one of my -- one of my staff call you and  
23 say why don't you come over about a written agreement?
- 24 A. No.
- 25 Q. Why did you bring a written agreement?

Lange - Cross

1 A. Because J.J. had been on me before about getting the  
2 agreement over there so we could close the loop on the  
3 paperwork for the boat.

4 Q. Who was supposedly paying for the boat?

5 A. J.J. Cafaro.

6 Q. Why didn't you tell him to get the agreement?

7 A. Because he said to me that you and him had a meeting  
8 and decided it would look better if I had handwritten a  
9 note to -- handwritten note agreement.

10 MR. TRAFICANT: I object for the record only  
11 but will allow his answer to stand. But I make an  
12 objection for the record --

13 THE COURT: All right.

14 MR. TRAFICANT: -of this hearsay.

15 THE COURT: This is one of those you can't  
16 have it both ways situation.

17 MR. TRAFICANT: Yeah. I want to hear what he  
18 has to say really.

19 THE COURT: If you put it out there, then you  
20 put it out there.

21 MR. TRAFICANT: An objection for the record  
22 is an objection, your Honor.

23 THE COURT: Well, then, let's go forward  
24 without the answer.

25 MR. TRAFICANT: I will.

Lange - Cross

1 BY MR. TRAFICANT:

2 Q. Did you record this contract with the proper  
3 authorities in Virginia?

4 A. No, I did not.

5 Q. What county is Manassas located?

6 A. In the City of Manassas.

7 Q. What county is the City of Manassas in?

8 A. It's a stand-alone city. The surrounding county is  
9 Prince William County.

10 Q. Do they have a recorders' office?

11 A. I'm sure they do.

12 Q. Well, if you wanted today to make this thing look  
13 legal, why didn't you record it?

14 A. I'm not in the habit of writing contracts.

15 Q. If you really wanted to make it look good, why didn't  
16 you have it notarized?

17 A. Because that would mean the boat that was -- would  
18 have to show up in the same place together, and you're a  
19 busy man.

20 Q. Oh. Isn't it a fact that you destroyed that boat  
21 when you allowed it to sink in the Anacosta River?

22 A. No. The boat never left the cradle.

23 The boat was only submerged in the water for a period  
24 of time that would allow the water to come all the ways up  
25 to crest and come back down.

## Lange - Cross

1           As soon as the water -- during that period of time,  
2           there was pumps going to keep the water -- to try to keep  
3           up with the water coming in. So when the tide went out,  
4           the boat became dry again. The boat at that point in time  
5           was moved back up. I called in all the guys who had been  
6           working on the boat and immediately went to pumping out the  
7           engines and replacing it with diesel fuel.

8           Q.     Um-hum. Who notified you the boat sunk?

9           A.     I was there. I couldn't get the boat up because of  
10          the water that was already introduced into the boat.

11          Q.     What time of the day was it?

12          A.     9:30, 10:00 at night.

13          Q.     Were the workers still there?

14          A.     No.

15          Q.     Did you have to call workers to get the boat back up?

16          A.     No. At that point in time, I just put some pumps  
17          into it and kept monitoring it and stayed with the boat all  
18          evening.

19          Q.     Um-hum.

20                 How long did it stay on the far end of the ramp,

21          Mr. Lange?

22          A.     Five hours, six hours.

23          Q.     When did your workers show up?

24          A.     The next morning.

25          Q.     When was it finally completely removed from the

Lange - Cross

1 water, the next morning?

2 A. No, earlier in the evening. The tide comes in; the  
3 tide goes out. When the tide went out, we were below --  
4 the bow was on the cradle, and the waterline was well below  
5 the bottom of the boat.

6 Q. You testified yesterday that you had the boat on the  
7 cradle so that if the tide did come in, there could be no  
8 damage to the boat because the boat had shrunk from the  
9 wood drying and cracks separated the boards on the hull,  
10 was that correct, was that your testimony?

11 A. Could you repeat it? I'm not quite --

12 Q. Did you not testify yesterday that it dried out, the  
13 boards separated, and you had it in a spot where even if  
14 the tide came in, it couldn't be patched?

15 A. That is correct.

16 Q. Then how did it get into a position where it got  
17 damaged?

18 A. I told you, I went away to get dinner, they moved the  
19 boat back five or eight feet from where I originally said  
20 to put the boat. They were gone. At the time I came back,  
21 I didn't know that the tide was going to quite come up that  
22 far, and it did.

23 Q. What time did you go to eat?

24 A. I don't know, 5:30, 6:00.

25 Q. What time did you get there?

Lange - Cross

1 A. I don't remember. 3:00 in the afternoon. I don't  
2 know.

3 Q. Wasn't it a fact you were having problems with  
4 Mr. Detore about the fact that you were spending too much  
5 time on the boat?

6 A. No.

7 Q. Did you turn over the boat agreement to the FBI at  
8 that first meeting or their second meeting?

9 A. The first meeting.

10 Q. Do you know what, if any, company paid to repair the  
11 damage as a result of that boat sinking?

12 A. No.

13 Q. Did you pay out of your pocket?

14 A. Could you repeat the question, please?

15 Q. What company paid for the damage affected by that  
16 boat sinking?

17 A. There was no significant damage done on it. It was  
18 just pumped out, and if you want today call it pumping out  
19 the engines and pumping out the water inside of it, being  
20 paid for by U.S. Aerospace Group group, then, yeah, that's  
21 what --

22 Q. Who moved it back up the track if you were there by  
23 yourself?

24 A. It got moved back up the track in the morning when  
25 the guys from the yard, who owned the yard, came in so that

## Lange - Cross

1 they could pull -- run the equipment to pull the boat back  
2 up.

3 Q. So how long was the boat sitting in the high tide?

4 A. Like I told you before, two or three hours, because  
5 the tide comes in, travels about six to eight feet up,  
6 comes back out, and there you have it.

7 Q. Did you report that to me, Mr. Lange?

8 A. No, I did not.

9 Q. Why didn't you?

10 A. Because you weren't interested in having -- what was  
11 going on with your boat just as long as it was --

12 MR. TRAFICANT: I object.

13 Q. You don't know what my thinking is. Answer the  
14 question. Did you report it to me? Yes or no.

15 MR. MORFORD: Your Honor, I object.

16 THE COURT: He said no.

17 MR. MORFORD: He asks him open-ended wide  
18 questions, and when the witness tries to answer, cuts him  
19 off as though the witness has done something wrong. I  
20 object to it.

21 MR. TRAFICANT: I object to the objection.

22 THE COURT: Why don't you just go ahead, and  
23 ask your questions, and wait for his answer?

24 MR. TRAFICANT: I would like the gentleman to  
25 answer my questions.

Lange - Cross

1 THE COURT: He did.

2 MR. TRAFICANT: Directly.

3 THE WITNESS: He did.

4 MR. TRAFICANT: Now, I'm not quite clear  
5 because Mr. Morford jumped up on his feet.

6 THE COURT: Well, that's what he's supposed  
7 to do if he has an objection.

8 MR. TRAFICANT: I am sure.

9 BY MR. TRAFICANT;

10 Q. Did you call me and tell me that my boat had sunk?

11 A. No.

12 Q. Isn't it a fact that that was not my boat, and it was  
13 intended to be your boat, Al?

14 A. No.

15 Q. Then why didn't you call me?

16 MR. MORFORD: Your Honor, I object to the  
17 last question. He asked two questions. One was no. I  
18 don't know which part he's answering no to.

19 THE COURT: Just ask a question one at a  
20 time. Ask it again.

21 MR. TRAFICANT: I am.

22 THE COURT: Good.

23 MR. TRAFICANT: I thought he did answer.  
24 I'll ask it again.

25 BY MR. TRAFICANT:

Lange - Cross

- 1 Q. You didn't own the boat?
- 2 A. No, I did not.
- 3 Q. I owned the boat?
- 4 A. That is correct.
- 5 Q. And you didn't call me?
- 6 A. That is correct.
- 7 Q. Did you tell me you pickled the engines?
- 8 A. At a later date, when we were discussing it at dinner
- 9 one night.
- 10 Q. Isn't it a fact, Al, you never discussed any time of
- 11 that boat sinking, and the first I heard about it was
- 12 today?
- 13 A. No, sir. We had dinner one night and laughed about
- 14 the fact the boat sinking at Taverna.
- 15 Q. Laughed over a \$40,000 boat sinking over dinner, is
- 16 that your testimony?
- 17 A. Yes, sir. You asked me if there was any --
- 18 Q. I'll ask the questions, sir.
- 19 A. Yes, sir.
- 20 Q. Did you have a contract with the workers on the boat?
- 21 A. A formalized contract? I had a memorialized
- 22 statement of work or memorialized statement of work that
- 23 was signed by myself, Ernst deGroot and Bruce Sannino to
- 24 accomplish the tasks set forth from the survey.
- 25 Q. Now, did the surveyor oversee some of the work with

Lange - Cross

1       you?

2       A.     He spent little time on the job.

3       Q.     Isn't it a fact he estimated the cost of repairs to  
4       that boat would make it up into the \$42 to \$50,000 bracket?

5       A.     The repairs themselves?

6       Q.     Yes.

7       A.     No.

8                       MR. TRAFICANT: I'd like to refer to --

9       A.     You said the value of the boat would be \$40 to  
10       \$50,000 after the repairs were made. He did not say the  
11       repairs would cost \$40 to \$50,000.

12       Q.     That's what I asked you about the value.

13       A.     Well, I was confused then. I'm sorry.

14       Q.     I understand that.

15                    Now, did you ever write to Mr. Cafaro, or did you  
16       ever have Mr. Detore write to Mr. Cafaro relative to your  
17       salary and your bonus structure?

18       A.     Yes.

19       Q.     Who did the writing?

20       A.     Sometimes I did. I guess sometimes Rick did.

21       Q.     Were you to receive a bonus on your anniversary date?

22       A.     Yes.

23       Q.     How much?

24       A.     Which year?

25       Q.     End of the first year?

Lange - Cross

- 1 A. I was supposed to receive a \$35,000 bonus in October  
2 of that year.
- 3 Q. Did you get the \$35,000 bonus?
- 4 A. Not at that time.
- 5 Q. Was there ever a new pay in bonus established for  
6 you?
- 7 A. That is correct.
- 8 Q. Who at that time was the COO?
- 9 A. The chief operating officer of the company at that  
10 time was Richard Detore.
- 11 Q. And what was your pay raised to?
- 12 A. \$105,000 a year and a \$50,000 bonus.
- 13 Q. Was it a fact you were to be included in the  
14 company's profit sharing program?
- 15 A. That's what it said.
- 16 Q. What company?
- 17 A. U.S. Aerospace Group.
- 18 Q. What profit did they have?
- 19 A. None.
- 20 Q. And that was about the end of '98. Would you agree  
21 with that when that was memorialized in writing, roughly?
- 22 A. What do you mean by memorialized in writing? It was  
23 a fax that was sent, said I would get a pay raise to  
24 \$105,000 and a \$50,000 bonus. If that's --
- 25 Q. Memorialized, was it written down, is there a record

Lange - Cross

- 1 of it?
- 2 A. Yes.
- 3 Q. Where was it maintained, in what file?
- 4 A. I guess it was maintained in my personnel file.
- 5 Q. Wasn't it a fact that you wanted a bonus to buy that
- 6 boat, Al?
- 7 A. No.
- 8 Q. Then why did you say it in the beginning?
- 9 A. When did I say it? At the beginning when we first
- 10 started the go on this?
- 11 Q. Yes. Did you ever tell Richard Detore that you
- 12 wanted the bonus money, that you were going to buy the
- 13 Traficant boat?
- 14 A. No, this was the story that we developed so that it
- 15 would look like it was a legitimate deal.
- 16 Q. You and Richard developed?
- 17 A. No. J.J., Richard and -- developed it, I just
- 18 facilitated it.
- 19 Q. J.J. and Richard made the deal for the scam, right?
- 20 A. Yes.
- 21 Q. And you were just the mule that carried it out,
- 22 right?
- 23 A. That is correct.
- 24 Q. How close were you with Mr. Cafaro, J.J.?
- 25 A. When you say close, you mean our relationship?

Lange - Cross

- 1 Q. Yes. I would say your relationship.
- 2 A. Not very close. He was the owner of the company. It  
3 was like I do what he says.
- 4 Q. Who gave you your orders?
- 5 A. Richard Detore.
- 6 Q. And when Richard Detore left, you became COO, who  
7 gave you the orders?
- 8 A. My orders then started coming from J.J. Cafaro.
- 9 Q. Did they come from anybody else?
- 10 A. Probably Capri Cafaro, also.
- 11 Q. What was her title then?
- 12 A. President of the company.
- 13 Q. What was Mr. Cafaro's title?
- 14 A. I'm not certain.
- 15 Q. You know who the incorporators of the company were?
- 16 A. The incorporators of the company?
- 17 Q. Yes.
- 18 A. I guess the Cafaro family.
- 19 Q. Did you ever see, as the chief operating officer, see  
20 the corporation papers?
- 21 A. Yes, I saw them once.
- 22 Q. Who were the officers?
- 23 A. Richard Detore -- I don't know, there's a ton of  
24 them.
- 25 Q. You said for half the time approximately you worked

Lange - Cross

1       there your paycheck came from the Cafaro Company, didn't  
2       it?

3       A.     Yes.

4       Q.     And your insurance was part of their -- their group  
5       insurance, correct?

6       A.     That is correct.

7       Q.     And then at some point it changed to U.S. Aerospace,  
8       right?

9       A.     That is correct.

10      Q.     Was there something wrong with you being paid by the  
11      Cafaro Company?

12      A.     No.

13      Q.     Were you still under the group insurance plan?

14      A.     When we changed over and started doing work as a --  
15      as an individual company at U.S. Aerospace Group, we had  
16      our own insurance.

17      Q.     When you say you had your own insurance, who  
18      guaranteed that insurance policy?

19      A.     U.S. Aerospace Group, I guess.  What do you mean by  
20      guarantee it?

21      Q.     When you were chief operating officer, did you keep  
22      track of liabilities and assets, Mr. Lange?

23      A.     Yeah.

24      Q.     Did you have liabilities or assets?

25      A.     We had both, liabilities and assets.

Lange - Cross

1 Q. Which was heavier?

2 A. Liabilities.

3 Q. Did you have loans?

4 A. To the Cafaro Company, as far as I know, that's the  
5 only place we had loans at.

6 Q. So if the Cafaro Company was providing the loans to  
7 the company and you were originally getting the paycheck  
8 and insurance from the Cafaro Company, who was really your  
9 employer, Mr. Lange?

10 MR. MORFORD: Objection, your Honor, as to  
11 what any of this has to do with this present lawsuit.

12 THE COURT: You can answer.

13 THE WITNESS: Could you repeat the question,  
14 please?

15 MR. TRAFICANT: I think the Court Reporter  
16 can repeat it.

17 THE COURT: Well, I'm the one who decides  
18 whether the Court Reporter is going to read it. Can you  
19 just ask him the question?

20 Q. You're the COO. You know now that the loans that are  
21 coming into the company to keep it running are coming from  
22 the Cafaro Company. Your checks may be signed by U.S.  
23 Aerospace, but isn't it a fact that you were an employee of  
24 the Cafaro Company?

25 A. I was an employee of U.S. Aerospace Group, and the

Lange - Cross

- 1 Cafaro Company was financing our organization.
- 2 Q. Did any of your staff ever question who their real  
3 boss was?
- 4 A. No.
- 5 Q. Was your staff dissatisfied with late paychecks?
- 6 A. Most definitely.
- 7 Q. Bounced checks?
- 8 A. Most definitely.
- 9 Q. Unmet promises?
- 10 A. Yes.
- 11 Q. Lies?
- 12 A. Yes.
- 13 Q. From Mr. Cafaro?
- 14 A. Yes.
- 15 Q. Are you familiar with the Avanti car?
- 16 A. On a cursory point, yeah.
- 17 Q. You know what they looked like?
- 18 A. Yes, I do.
- 19 Q. You have any idea how they're made?
- 20 A. Fiberglass ball, just form it and go with it.
- 21 Q. Are you aware of the fact Mr. Cafaro sold the entire  
22 rights of the company for less than \$100,000?
- 23 A. I wasn't aware of that.
- 24 Q. Were you aware Avanti was a failed venture?
- 25 A. I am aware of that.

Lange - Cross

- 1 Q. Did you ever have discussions with Anthony Cafaro?
- 2 A. No. Excuse me. What type of discussions, any --
- 3 Q. Any type of discussions?
- 4 A. Other than a cursory hello or good-bye, none.
- 5 Q. Where were those cursory good-byes and hellos made?
- 6 A. Once at J. J.'s house in Youngstown and once during
- 7 his father's funeral, Tony's father's funeral.
- 8 Q. Did you ever see me at J.J.'s house?
- 9 A. No, sir.
- 10 Q. Now, no one in your family worked for Egg Harbor Boat
- 11 Company, was that your testimony?
- 12 A. Once or twice a day, my father was a day worker there
- 13 at the boat company, but, no, no real employment.
- 14 Q. Your father?
- 15 A. I said he may have been a day worker once or twice.
- 16 Q. Where was Egg Harbor Boat Company located?
- 17 A. Egg Harbor, New Jersey.
- 18 Q. Was Egg Harbor regarded as one of their better boats
- 19 built?
- 20 A. Yes, it was.
- 21 Q. Whose idea was it to use the boat for the maritime
- 22 business?
- 23 A. Richard Detore's.
- 24 Q. Why didn't he use Mr. Cafaro's boat?
- 25 A. Because it was 110-foot Trumpy. It was just

Lange - Cross

1 ridiculous to use that type of boat.

2 Q. Why didn't you use your boat? It was only 21 feet,  
3 right?

4 A. That's correct, deemed unsuitable because it didn't  
5 have a real cabin area for people to get into.

6 Q. Were you familiar with the fact the Coast Guard was  
7 looking at laser devices?

8 A. I am familiar with that.

9 Q. Did you and the company ever discuss the  
10 profitability of the potential business in the maritime  
11 activities?

12 A. Yes. I'm sure that there was discussions about that.

13 Q. Did you discuss every and all options of marketing?

14 A. Yes, we did.

15 Q. Did Mr. Cafaro and his family, to the best of your  
16 knowledge, make huge contributions, the boat, to the  
17 Democrat, Republican parties?

18 A. I was told that they were contributors, yes, both  
19 parties.

20 Q. Did you know if they had their pictures taken  
21 personally with every president?

22 MR. MORFORD: Objection, unless he has some  
23 kind of firsthand knowledge on any of these types of  
24 questions, your Honor.

25 THE COURT: Right.

Lange - Cross

1 THE WITNESS: Do I answer the question?

2 THE COURT: No, don't answer.

3 THE WITNESS: Oh.

4 Q. Did Mr. Cafaro ever talk about his relationships with  
5 politicians?

6 A. Oh, yes, on occasions.

7 Q. What politicians did he mention, Al?

8 MR. MORFORD: Objection. That's hearsay  
9 again.

10 THE COURT: You understand that. Just move  
11 on.

12 Q. Did you have knowledge of the politicians that  
13 Mr. Cafaro lobbied?

14 A. Not firsthand knowledge.

15 Q. When you become the COO, you then know what the plans  
16 were promulgated to develop a lobbying effort?

17 A. Not exactly. I don't know if there was some -- I  
18 don't know if there was a real plan for lobbying or not.

19 Q. Why did they come to me?

20 A. They were coming to you a long time before I ever  
21 knew you existed.

22 Q. Isn't it a fact the only money that was gotten for  
23 that company was gotten by Jim Traficant?

24 A. That is correct.

25 Q. And isn't it a fact that the company blew it?

Lange - Cross

1 A. The company had an opportunity to excel, and yes, it  
2 did not do it.

3 Q. Who presented that opportunity for the company?

4 A. Jim Traficant.

5 Q. Isn't it a fact you did not meet even the testing  
6 requirements that the respective organizations had asked  
7 you to meet, such as FAA? Was it Volpe, the Volpe Center?

8 A. I'm confused by your question.

9 Q. Did you have to, in fact, come up with so much money  
10 to have the test done for the Volpe -- at the Volpe Center?  
11 Was it the Volpe Center, or I have the wrong name?

12 A. You have the right name. Yes, we were going to have  
13 to pay for some of the Volpe Center support.

14 Q. And how much money was that?

15 A. That had never been completely determined. It ranged  
16 from \$100,000 to \$500,000 of what the estimates were for  
17 the cost of the FAA support for certification.

18 Q. Did there come a time when the company and the FAA  
19 sort of fell out?

20 A. Yes.

21 Q. When, in fact, did the FAA first test the laser  
22 system?

23 A. You mean test, you mean in a formalized test or come  
24 in for a static --

25 Q. Come in with a flight right now?

## Lange - Cross

- 1 A. I don't know.
- 2 Q. Was it during the day or night?
- 3 A. It was during the day.
- 4 Q. Now --
- 5 A. Or are you talking about when Jane Garvey came?
- 6 Q. No. I'm asking the questions, sir.
- 7 A. Okay.
- 8 Q. Isn't it a fact that the FAA came out and evaluated a
- 9 laser light project in daylight?
- 10 A. Yes, sir.
- 11 Q. Are you an engineer?
- 12 A. Yes, sir.
- 13 Q. Do you need the laser light in daytime?
- 14 A. No, sir, not unless you have obscuring weather
- 15 conditions during the day.
- 16 Q. Was it that type of experience during the day, Al?
- 17 A. No.
- 18 Q. Do you think it was a fair test?
- 19 A. No, sir.
- 20 Q. You think you got screwed?
- 21 A. Yes, sir.
- 22 Q. Did you tell me about it?
- 23 A. Yes, sir.
- 24 Q. Did I do something about it?
- 25 A. Yes, sir.



Lange - Cross

1 Q. What, if anything, did I do?

2 A. You had the meeting to come to the Jesus meeting in  
3 your office.

4 Q. And what, if anything, happened as a result of that?

5 A. We started moving down the line again.

6 Q. Who came out to, in fact, inspect and review your  
7 project?

8 A. On which occasion?

9 Q. Did -- did the administrator, the chief boss of the  
10 Federal Aviation Administration, come out?

11 A. Yes.

12 Q. Do you know if President Clinton asked her to come  
13 out?

14 A. No. I do not know President Clinton --

15 Q. You know who asked her to come out?

16 A. Jim Traficant.

17 Q. Did the chairman of the committee, subcommittee,  
18 responsible for that come out and also test flight?

19 A. That is correct.

20 Q. What time of the day did they come out?

21 A. At nighttime.

22 Q. What were the conditions when the Duncan chairman  
23 came out there with his son?

24 A. There was obscuring weather conditions. There was  
25 rainy periods of -- I don't remember what the visibility

Lange - Cross

- 1 was, but it was below normal.
- 2 Q. Was it a fair test?
- 3 A. Yes, it was.
- 4 Q. Did the plane land exactly where it was supposed to?
- 5 A. It landed on the runway.
- 6 Q. Was Jane Garvey impressed?
- 7 A. Are we still talking about Jimmy Duncan's flight or
- 8 Jane Garvey's flight?
- 9 Q. Was Jane Garvey impressed?
- 10 A. Yes.
- 11 Q. Was Jimmy Duncan really impressed?
- 12 A. Yes, as far as I know. That's what I heard.
- 13 Q. Wasn't it a fact there was a deal made up front that
- 14 if this company got started, they would relocate their
- 15 operation to Youngstown, Ohio?
- 16 A. That was the -- that was the intention from what I
- 17 gathered from J.J. Cafaro.
- 18 Q. And wasn't it a fact that even the headquarters was
- 19 to be eventually located in Youngstown, Ohio?
- 20 A. That's what had been said.
- 21 Q. Wasn't it a fact that they already selected Ross
- 22 Industrial Park?
- 23 A. That I'm not aware of.
- 24 Q. Did you tell the FBI that Paul Marcone got all over
- 25 you for not helping Richard Detore?

Lange - Cross

- 1 A. That is correct.
- 2 Q. Who was the first to talk to you about Richard Detore  
3 being fired?
- 4 A. Paul Marccone was first, and then I talked to you.
- 5 Q. And what, if anything, did I ask you to do?
- 6 MR. MORFORD: Objection, hearsay.
- 7 THE COURT: Sustained. Don't answer.
- 8 Q. As a result of the conversations we had, what, if  
9 anything, did you do?
- 10 A. In relation to what?
- 11 Q. In relation to Richard Detore?
- 12 A. I did nothing.
- 13 Q. Now, he was getting \$150,000 or \$200,000?
- 14 A. \$200,000.
- 15 Q. And his bonus was \$50,000?
- 16 A. I believe so.
- 17 Q. And you took the same job at \$105,000?
- 18 A. Yeah.
- 19 Q. Did you remove any other staff, Mr. Lange?
- 20 A. Prior to or --
- 21 Q. After Richard -- when you became COO, did you get rid  
22 of other staff?
- 23 A. Yes.
- 24 Q. How many?
- 25 A. I'm not quite certain how many people were in the

Lange - Cross

1 NAVCOM area at that time. I don't know, seven or eight. I  
2 stopped paying NAVCOM's bills and everything else.

3 Q. How could you build a product to satisfy a military  
4 appropriation with these seven or eight workers, Al?

5 A. It's called a subcontracting network. The trailer  
6 was subcontracted out and produced -- the lights were  
7 subcontracted out and produced. The only thing was  
8 produced on-site was the laser system.

9 Q. And you had the staff to produce the laser system?

10 A. That is correct.

11 Q. If your payroll was so low and you had \$1.3 million  
12 available for you, why didn't you go forward with the  
13 \$500,000 with the Volpe Center?

14 A. At the time that I took over U.S. Aerospace Group,  
15 the monthly burn rate was over \$270,000 a month. We were  
16 in a \$55,000 a month rental lease for the location. We had  
17 an airplane that needed to be returned because it was not  
18 being properly utilized. We had another subgroup with  
19 NAVCOM systems that were in there that was drawing money  
20 down in a tremendous fashion.

21 Q. Did you have lawsuits coming against the company?

22 A. I believe that there was one lawsuit coming against  
23 the company at that time.

24 Q. Did you have attorneys on staff?

25 A. On staff? We had -- we had maintained retainers for

Lange - Cross

1 attorneys, but on staff at U.S. Aerospace Group, no.

2 Q. Give me a ball park figure. What were your legal  
3 fees per year when you were COO?

4 A. I have no idea.

5 Q. Who would know?

6 A. I guess the Cafaros.

7 Q. Then, Al, you had a title, COO, but you didn't even  
8 know who the incorporators were, how much the attorneys  
9 were paid. Is that your testimony?

10 A. First off, on the incorporation, it was incorporated  
11 years before my -- or when I first got there. The business  
12 was operating on a daily business. It wasn't part of my  
13 daily operations to go back and review the points of  
14 incorporation to find out who it was. The bottom line is,  
15 I was trying to move the company forward.

16 Q. Did you take over a troubled company in danger of  
17 going bankrupt?

18 A. Yes, I did.

19 Q. Did you do research on your company?

20 A. In what fashion are you talking about?

21 Q. To learn everything you could about it?

22 A. I've been there since the day it was started.

23 Q. Were you an administrator now or an engineer?

24 A. I'm administrator and an engineer at that point.

25 Q. What were you as COO?

Lange - Cross

- 1 A. As administrator of the company plus doing the  
2 engineer.
- 3 Q. Do you have permission and authority to fire people?
- 4 A. Yes.
- 5 Q. Who gave you that permission?
- 6 A. Capri Cafaro.
- 7 Q. Was Capri Cafaro your boss?
- 8 A. Yes.
- 9 Q. She was president of the corporation, right?
- 10 A. That is correct.
- 11 Q. You were chief operating officer of the company,  
12 correct?
- 13 A. That's correct.
- 14 Q. Did you ever see anybody give me any money?
- 15 A. I saw Richard Detore one time attempt to give you  
16 money that you refused.
- 17 Q. Al, was Richard Detore, or was it Al Lange that gave  
18 me the money and said it was on the back seat?
- 19 A. It was Richard Detore.
- 20 Q. Now, wasn't it a fact that Mr. Cafaro fell out with  
21 Mr. Detore over supposedly comments made about his  
22 daughter?
- 23 A. That is correct.
- 24 Q. Wasn't it a fact it was over a newspaper article that  
25 questioned some of her activities?

Lange - Cross

1 A. I'm not sure. I never saw the newspaper article that  
2 you're referring to.

3 Q. Is it your statement that Mr. Detore personally went  
4 out of his way to demean Capri Cafaro and to hurt her  
5 reputation?

6 A. In front of the people that were working at U.S.  
7 Aerospace Group, yes.

8 Q. In what way?

9 A. In what way? He was daily walking up and down the  
10 halls, stopping at everybody's office to say -- to have new  
11 information to shed in the light of how J. J. Cafaro was or  
12 how he was being mistreated by the Cafaros or what Capri  
13 was doing or wasn't doing or has done in the past or what  
14 have you.

15 This was a common occurrence that went on for a month  
16 or month and a half.

17 Q. Did Capri have any engineer understanding of your  
18 project at all?

19 A. No.

20 Q. Did she make many of the presentations?

21 A. She made a few presentations.

22 Q. Isn't it a fact she made the presentation that Jane  
23 Garvey attended, the administrator of FAA?

24 A. That's correct. We went over this the other day.

25 That is correct. She started it. Then we finished it up.

Lange - Cross

1 Q. At whose suggestion?

2 A. At your suggestion.

3 MR. MORFORD: Okay. Your Honor, we did have  
4 cross-examination on this on Friday at length.

5 THE COURT: All right. Let's go to a new  
6 topic, sir.

7 BY MR. TRAFICANT:

8 Q. Now, after Detore left, isn't it a fact I said I  
9 would still help the company?

10 A. That is correct.

11 Q. Did you call for my help?

12 A. I believe I did. I believe we did call for your help  
13 to ask for another appropriations.

14 Q. How could, in fact, an appropriations be given if  
15 you, in fact, didn't use the first appropriation, Al?

16 A. Could you repeat the question?

17 Q. How could I have gotten any more help for you if you  
18 had blown the first shot you had, right to the point?

19 A. We didn't blow the first shot. We wound up with a  
20 contract with the first shot, and yours was the second shot  
21 going to the Air Force, which was another company inside  
22 the military base.

23 Q. What happened then to the \$1.3 million?

24 A. We started down the road and signed a contract and  
25 didn't have the money to finance the end product.

Lange - Cross

1 Q. Now that you had appropriations though, did anybody  
2 call the real boss, Anthony Cafaro, and say look, we've got  
3 money now. These aren't just words.

4 A. I am sure J.J. Cafaro did. I wasn't in the line of  
5 communications line with Anthony --

6 Q. Did you have conversations with Mr. Cafaro?

7 THE COURT: Don't interrupt the witness.  
8 Seriously. Don't interrupt the witness.

9 MR. TRAFICANT: Okay. Did you have  
10 conversations --

11 THE COURT: No. We'll go back to the other  
12 question because we never heard the end of it.

13 Q. Go ahead with the answer. I'm sorry?

14 A. You're going to have to repeat.

15 THE COURT: You were not in the line of is,  
16 what you were --

17 THE WITNESS: Oh, I wasn't in the direct line  
18 of communications with Anthony Cafaro

19 BY MR. TRAFICANT:

20 Q. Did you recommend to the company that they ask for  
21 additional loans on the strength of an appropriation?

22 A. No, I asked --

23 Q. Real dollars?

24 A. I asked for the loan on the strength of the fact that  
25 we had a signed contract.

Lange - Cross

- 1 Q. And what was needed to fulfill that signed contract?
- 2 A. \$500 to \$750,000.
- 3 Q. Did you recommend to anybody that you get an
- 4 additional loan now that there's money on the table, Al?
- 5 A. Yes.
- 6 Q. To whom?
- 7 A. J.J. Cafaro.
- 8 Q. Wasn't it a fact the money was cut off?
- 9 A. Yes.
- 10 Q. Did the Cafaro Company -- did J.J. Cafaro have an
- 11 understanding of fiberglass activity?
- 12 A. I do not know.
- 13 Q. Did he build the Avanti car?
- 14 A. He had the company that built the Avanti car.
- 15 Whether or not he built it himself, I don't know.
- 16 Q. What was the Avanti built out of?
- 17 A. Fiberglass.
- 18 Q. You have a fiberglass boat, don't you?
- 19 A. That is correct.
- 20 Q. Are you familiar with fiberglass?
- 21 A. Fairly.
- 22 Q. Did at any time you decide to hire another lobbyist?
- 23 A. There was a time that another lobbyist was brought
- 24 into U.S. Aerospace Group to talk about what they could do.
- 25 Q. Were they paid?

Lange - Cross

- 1 A. I have no idea.
- 2 Q. Who hired him?
- 3 A. I have -- I don't believe that they were hired. I  
4 don't know that they were hired.
- 5 Q. Were you COO when that happened?
- 6 A. No, no. It was way before.
- 7 Q. After you became the COO, did you recommend getting  
8 some other help on the Hill?
- 9 A. There had been talk about that, but we had -- we  
10 hadn't committed any funds to it.
- 11 Q. So Mr. Detore was the real culprit in the deal,  
12 right?
- 13 A. In which deal?
- 14 Q. The scam with the boat.
- 15 A. I would say it was both Richard Detore and J.J.  
16 Cafaro.
- 17 Q. Did you tell Mr. Cafaro that the Traficant boat had  
18 sunk?
- 19 A. No.
- 20 Q. Did you tell Mr. Detore?
- 21 A. Yeah.
- 22 Q. Why did you tell Mr. Detore and didn't tell the  
23 owner?
- 24 A. Because by that time, I realized J.J. really didn't  
25 care whether the boat was good, bad, or indifferent.

Lange - Cross

- 1 Q. Isn't it a fact you just testified you were my  
2 friend?
- 3 A. That is correct.
- 4 Q. Were you friends with me at the time?
- 5 A. That is correct.
- 6 Q. Even though we've had some heated interchanges, you  
7 considered us to be friendly?
- 8 A. I still consider that. I just wish I didn't have to  
9 be here today.
- 10 Q. But you didn't tell me, did you, Al?
- 11 A. No, I did not.
- 12 Q. Everybody got indicted but you and Capri, right?
- 13 A. I have no idea what Capri's status is.
- 14 Q. Now, we went to Taverna restaurant. The Government  
15 put up a number of meals. Is Washington a place where food  
16 is more expensive than it is in, for example, Manassas?
- 17 A. It's about the same price, \$1 or two difference.
- 18 Q. Would you say it's a little higher?
- 19 A. It's quite possible.
- 20 Q. How many people were usually at those meetings?
- 21 A. With us?
- 22 Q. Yeah.
- 23 A. Myself, you, and Rick.
- 24 Q. Were there times when the Cafaro daughters were  
25 there?

Lange - Cross

1 A. There's been more than one occasion that Cafaro's  
2 daughter showed up.

3 Q. Both daughters?

4 A. That's correct. I remember one occasion when that  
5 happened.

6 Q. Do you know what kind of wine Richard Detore drank?

7 A. Richard Detore doesn't drink wine.

8 Q. Do you know what the Cafaro girls drank?

9 A. No, I'm not -- I don't remember what they drank.

10 Q. Well, if the boat was appraised at \$32,000, rough  
11 condition you said it was in, what was wrong with \$26,000  
12 buying it? Why did you have to go through all this big  
13 scam?

14 A. I don't know. I didn't set up the scam. I worked  
15 off the direction of others.

16 Q. Albert, you're the top man, you're the COO, you're  
17 the boss, right?

18 A. When? That's correct.

19 Q. At that point?

20 A. At what point?

21 Q. At some point in that boat deal.

22 A. No. At some point in that boat deal, when all the  
23 decisions were being made of who, what, when, where, and  
24 why of the boat deal, I was working for Richard Detore, not  
25 as a COO of that company.

Lange - Cross

1 Q. But you were the chief engineer of U.S. Aerospace  
2 Group, right?

3 A. That is correct.

4 Q. And you took on the boat deal?

5 A. That is correct.

6 Q. Did you report to the dock often to fix that boat?

7 A. When we started that boat deal, I spent three days a  
8 week and a lot of weekends down there on that boat.

9 Q. Do you have a full accounting of what you paid Ernst  
10 deGroot?

11 A. These records should have been turned over to the  
12 U.S. Attorney.

13 Q. You said you paid them in cash. Did you turn those  
14 over?

15 A. Any time that I had a cash transaction I got a  
16 receipt.

17 Q. Did you get one from Ernst deGroot?

18 A. I just said I did.

19 Q. How did you know I owned the boat, Al?

20 A. Well, from the first time when you took me down there  
21 to show me your boat, that's when I assumed it was your  
22 boat.

23 Q. Did you ever ask for any documentation?

24 A. No.

25 Q. Did you ask for an agreement up front?

Lange - Cross

1 A. No.

2 Q. Is that why you backdated one?

3 A. That is correct.

4 Q. Did you know that backdating a document carries up to  
5 a ten-year sentence with a \$250,000 fine and three years of  
6 unsupervised release?

7 A. I was not aware of that.

8 Q. Did you talk to your attorney about that?

9 A. Nope; didn't have a one at that time.

10 THE COURT: You know what, that is -- that is  
11 a sort of statement in that question, which cannot be  
12 correct. This is certainly not a witness who knows how to  
13 answer that.

14 MR. TRAFICANT: I would like to take a break,  
15 your Honor. If you want me to keep going, I will.

16 THE COURT: It is time to take a break. I  
17 thought maybe you were -- how many more questions do you  
18 have now?

19 MR. TRAFICANT: I still have some questions  
20 of this witness.

21 THE COURT: Very well. We'll take our break  
22 now. Half an hour break. Thank you very much.

23 (Thereupon, a recess was taken.)

24 THE COURT: You're still under oath, sir.

25 THE WITNESS: Yes, ma'am

Lange - Cross

1 BY MR. TRAFICANT:

2 Q. Al, were you aware there was legislation passed to  
3 study the use of the laser system by the Coast Guard in  
4 Coast Guard legislation?

5 A. That is correct, yes.

6 Q. Did you have to meet certain requirements to, in  
7 fact, effect that study?

8 A. That is correct.

9 Q. Did you meet them?

10 A. No.

11 Q. Without a test and a study, could there be a first  
12 market product produced?

13 A. No.

14 Q. What's the difference between an appropriation, if  
15 you know, and an authorization?

16 A. From my understanding, an appropriation is money  
17 being set aside for a specific project; an authorization is  
18 the go-ahead to use that money for the appropriation as far  
19 as I know.

20 Q. You have some understanding?

21 A. Excuse me?

22 Q. You have some understanding?

23 It is a fact that the appropriation means that the  
24 money is available to be spent.

25 MR. MORFORD: Objection. It's only what this

Lange - Cross

1 witness knows.

2 THE COURT: Right.

3 Q. Do you have knowledge that an appropriation means  
4 that the money is set to be spent --

5 THE COURT: The objection is sustained.

6 Q. Did you tell the FBI that I wanted a welder?

7 A. Yes.

8 Q. You tell the FBI that I wanted a generator?

9 A. Yes.

10 Q. Did you actually know what happened to the generator  
11 and the welder?

12 A. I'd delivered it to the back of your vehicle.

13 Q. Is that the last time you saw it?

14 A. That is correct.

15 Q. Did you ever call and check on that product, on those  
16 products?

17 A. No.

18 Q. Those machines?

19 So it's your testimony that I got a generator as a  
20 gift?

21 A. It was my testimony we bought a generator, and that  
22 you used it.

23 Q. Was it a gift or not, Al?

24 A. It was never returned, as far as I know, the U.S.  
25 Aerospace Group. So I would assume that it's a gift.

Lange - Cross

- 1 Q. Were you the COO at the time?
- 2 A. No, sir, I was not.
- 3 Q. Were you aware of any arrangements relative to the
- 4 generator or the welder?
- 5 A. Not exclusive other than knowing that it was
- 6 delivered to the back of your truck.
- 7 Q. And did you help to do that?
- 8 A. Yes, sir, I did.
- 9 Q. And did I take it?
- 10 A. Yes, sir, you did.
- 11 Q. Is it your testimony that the cars were gifts?
- 12 A. Which cars?
- 13 Q. Any cars.
- 14 A. The only vehicle that I have intimate knowledge about
- 15 is the jeep that was given -- was lent to you to -- for a
- 16 hunting trip. Where that jeep is now, I do not know.
- 17 Q. Isn't it a fact that the company was only offered
- 18 \$1,500 as a trade in for that jeep? Yes or no.
- 19 A. I have no knowledge of that.
- 20 Q. Were you COO at the time?
- 21 A. No, I was not.
- 22 Q. Is it your testimony that I conspired with Rick
- 23 Detore to, in fact, obtain favors?
- 24 A. Repeat the question, please.
- 25 Q. Is it your testimony that I conspired knowingly and

Lange - Cross

1 willingly with Mr. Detore to obtain favors?

2 THE COURT: Don't answer the question. The  
3 objection is sustained.

4 Q. Now, I want to talk about the backdated contract.

5 Did you bring the contract already written up with  
6 you?

7 A. That is correct.

8 Q. Was it on a pad, or did you have it in an envelope?

9 A. I don't know if I had it in either. It was on a  
10 yellow piece of paper. Whether it was in an envelope or  
11 not, I don't remember.

12 Q. Do you know if it was signed on a pad?

13 A. It was signed on a coffee table.

14 Q. A hard surface?

15 A. It was the coffee table in that room. I don't  
16 remember if -- I'm sure it -- I guess it had a hard  
17 surface. I don't know if it was a padded coffee table or  
18 not.

19 Q. So you came prepared with the document to be signed;  
20 is that correct?

21 A. That is correct.

22 Q. And you fashioned the language in the document; is  
23 that correct?

24 A. That is correct.

25 Q. Did Mr. Cafaro and Mr. Detore help you fashion the

Lange - Cross

1 language in that contract?

2 A. No, they did not.

3 Q. Did they order you to do that?

4 A. I was told by J.J. Cafaro that I needed to put  
5 together --

6 MR. TRAFICANT: Objection as to hearsay.

7 MR. MORFORD: If we have the question read  
8 back, he asked for hearsay, your Honor.

9 MR. TRAFICANT: Your Honor, do you --

10 THE COURT: Do you wish -- you want to  
11 rephrase the question?

12 MR. TRAFICANT: If he had knowledge.

13 Q. Were you ordered by anybody?

14 MR. MORFORD: That's calling for hearsay,  
15 what someone else said.

16 THE COURT: Right.

17 Q. Did you tell the FBI that I wanted a welder to build  
18 a horse trailer?

19 A. Yes.

20 Q. Did you have knowledge that I owned two horse  
21 trailers?

22 A. No.

23 Q. Did you tell the FBI that I had two Avantis?

24 A. No.

25 Q. Did you actually know who paid for the Corvette

Lange - Cross

1 rental?

2 A. From my understanding, the Corvette rental at the end  
3 was put on your credit card.

4 Q. Now, about the Avanti, isn't it a fact they could not  
5 find parts for it?

6 A. That is correct.

7 Q. If it was a production car, would they not have been  
8 able to find parts for it?

9 MR. MORFORD: Objection to this witness'  
10 knowledge.

11 THE COURT: Do you know?

12 THE WITNESS: Repeat the question, please.

13 Q. If it was a production car, would they not have been  
14 able to find parts for it?

15 A. I would assume that you could.

16 MR. MORFORD: Objection as to what he  
17 assumes. It's speculation.

18 THE COURT: Overruled. Go forward.

19 MR. TRAFICANT: Thank you.

20 BY MR. TRAFICANT:

21 Q. Isn't it a fact you tried hard to get parts for that  
22 car?

23 A. We found an exotic car place that specialized in  
24 exotic cars like the Avanti would be. We set it there and  
25 I put it on their shoulders to find the parts and do

Lange - Cross

1           whatever they needed to do to repair the vehicle.

2           Q.     And what, if anything, did they tell you?

3           A.     They called us up, called me up about a week and a  
4           half later, said come pick it up. They weren't going to  
5           touch it.

6           Q.     Why was the rented Corvette charged on Detore's  
7           credit card?

8           A.     That's something you need to ask Mr. Detore.

9           Q.     Now, if this Corvette deal was supposed to have been  
10          a gift, why wasn't it paid in cash with my name on it?

11                   MR. MORFORD:  Objection.  He can only testify  
12          to the facts that he knows.

13                   THE COURT:  You can proceed.  I -- ask -- can  
14          you remember the way the question was put?  Shall I have it  
15          read back?

16          BY MR. TRAFICANT:

17          Q.     To the best of your knowledge, if this Corvette was  
18          to be paid by the company, why didn't you guys pay it in  
19          cash so there would be no paper trail?

20                   THE COURT:  You can answer.

21                   THE WITNESS:  I can answer that.  It's  
22          simple.  You can't rent a car without having a credit card.

23          Q.     Did you have my credit card?

24          A.     I didn't have your credit card.

25          Q.     Whose credit card did you have?

Lange - Cross

1 A. I had my own credit card, and Richard had his.

2 Q. What credit card was used?

3 A. Richard Detore's credit card.

4 Q. Was it necessary to have the use of a credit card to  
5 rent that car?

6 A. Yes, it was.

7 Q. Did you ever tell the FBI that the Avanti business  
8 went belly up and J.J. told -- sold two Avantis to Jim  
9 Traficant?

10 A. I don't recollect ever saying that.

11 MR. TRAFICANT: 302, 8-10-2000, transcribed  
12 8-21. I don't have a clean issue.

13 THE COURT: What page, sir?

14 MR. TRAFICANT: The last page, first  
15 paragraph. Mine is all marked up.

16 THE COURT: You can use this one.

17 THE WITNESS: Is it this one here, or is this  
18 a different document?

19 MR. TRAFICANT: No. I'll take that off your  
20 hands.

21 THE WITNESS: Thank you.

22 THE COURT: I'll switch this with you.

23 MR. TRAFICANT: Thank you, your Honor.

24 THE COURT: Okay. Don't read that out loud.  
25 Just read it to yourself.

Lange - Redirect/Morford

1 THE WITNESS: Okay.

2 Q. I want you to start on the bottom of Page 13. Read  
3 the last sentence and then the first remaining part of the  
4 paragraph on the next page. And then hand me the document  
5 back.

6 THE COURT: Here, Congressman, this is your  
7 copy.

8 MR. TRAFICANT: Thank you, your Honor.

9 Q. Does that refresh your memory, Al?

10 A. Yes, sir. Thank you.

11 Q. Now, did that say I was given the cars or I bought  
12 the cars?

13 A. It said it was bought.

14 MR. TRAFICANT: No further questions at this  
15 time.

16 THE COURT: Thank you, sir. You may inquire.

17 MR. MORFORD: Thank you, your Honor.

18 REDIRECT EXAMINATION OF ALBERT LANGE

19 BY MR. MORFORD:

20 Q. Mr. Lange, you were asked during cross-examination  
21 about the fact that USAG has paid for your attorney  
22 expenses in this case. Do you recall that?

23 A. Yes, sir.

24 Q. I'd like to show you a document.

25 MR. MORFORD: Congressman, this is a

Lange - Redirect/Morford

1 document. You have a copy of that?

2 MR. TRAFICANT: I may. You can put it on.  
3 I'd appreciate it.

4 MR. MORFORD: Your Honor, this is  
5 Government's Exhibit 8-71.

6 THE COURT: Thank you.

7 BY MR. MORFORD:

8 Q. Ask you to take a look at that document, and can you  
9 tell us what that is, sir?

10 A. It's in an agreement to Latham and Watkins for USAG  
11 to pick up my legal expenses.

12 Q. And what is the date of that document?

13 A. The date at the top of the document is 31 July 2000.  
14 The signature's 3 August 2000.

15 Q. Who actually signed the document?

16 A. Beth Wilkinson and Geoffrey Mearns.

17 MR. MORFORD: Your Honor, may I place this on  
18 the overhead?

19 THE COURT: Yes.

20 BY MR. MORFORD:

21 Q. Now, this is a letter; is that correct?

22 A. Yes, sir.

23 Q. And it's from your attorney, Beth Wilkinson of Latham  
24 and Watkins, to Geoffrey Mearns at Thompson Hine; is that  
25 correct?



Lange - Redirect/Morford

1 A. Yes, sir.

2 Q. It says down here regarding agreement for paying of  
3 Albert Lange's legal expenses, fees and expenses; is that  
4 correct?

5 A. Yes.

6 Q. And I'd like to ask you, if you will, to go ahead and  
7 read the body of this letter, please.

8 A. Where would you look me to start?

9 Q. Starting with this letter will confirm.

10 A. "This letter will confirm that Latham and Watkins has  
11 been retained by Albert Lange to represent him in  
12 connection with the Government's investigation of the  
13 alleged improprieties of Representative James A. Traficant.

14 "This letter will also confirm that U.S. Aerospace  
15 Group, LLC, (USAG), has agreed to pay the legal fees and  
16 expenses Mr. Lange incurs in connection with Latham and  
17 Watkins' representation in connection with this matter.  
18 USAG has agreed to pay Mr. Lange's legal fees and expenses  
19 because Mr. Lange is an employee of USAG, and the conduct  
20 under investigation occurred during the course of his  
21 employment.

22 "Statements detailing the legal fees and expenses  
23 incurred will be provided to Mr. Lange and USAG on a  
24 monthly basis. USAG will pay us directly for all fees and  
25 charges incurred by Mr. Lange. Payment of our statements

Lange - Redirect/Morford

1 is due promptly upon receipt.

2 "This agreement does not alter Latham and Watkins'  
3 obligation to zealously represent Mr. Lange to the  
4 exclusion of all other interests."

5 Q. Let me stop you there. I want to ask you about that  
6 where it states this agreement does not alter your  
7 attorney's obligations to zealously represent you to the  
8 exclusion of all other interests.

9 Do you recall during your cross-examination when  
10 Congressman Traficant asked you this question "Who are you  
11 protecting, Al? You recall that question?"

12 A. Yes, sir.

13 Q. Let me ask you follow-up questions to that question.

14 Under the representation of Latham and Watkins under  
15 this indictment, did you provide incriminating information  
16 against J.J. Cafaro to the FBI despite the fact that your  
17 attorney fees were being paid?

18 A. That is correct.

19 Q. And was J. J. Cafaro charged as a result of  
20 incriminating information that you provided to the FBI?

21 A. That is correct.

22 Q. And did J.J. Cafaro plead guilty, in part, as a  
23 result of the incriminating information that you provided  
24 to the FBI against him?

25 A. That is correct.

Lange - Redirect/Morford

1 MR. TRAFICANT: What's the last one, 71?

2 MR. MORFORD: This is a document.

3 MR. TRAFICANT: That's fine.

4 MR. MORFORD: Your Honor, I'd like permission  
5 to show this to the witness to refresh his memory on the  
6 date if that's okay.

7 THE COURT: Fine.

8 This is 8-72.

9 Q. Handing you what is marked Government's Exhibit 8-72,  
10 Congressman Traficant asked you a number of questions about  
11 a proffer letter, proffered agreement you reached with the  
12 Government, and asked you if that was reached in April of  
13 2000. I'd like you to take a look at that document, and  
14 tell me if that refreshes your recollection as to when you  
15 actually signed the proffer letter in the presence of your  
16 attorneys and the Government?

17 A. Says 1 August 2000.

18 Q. Okay. And how long was that after you formally  
19 retained the services of lawyers at Latham and Watkins?

20 A. The next day.

21 MR. TRAFICANT: Pardon?

22 THE WITNESS: The next day.

23 Q. Congressman Traficant asked you a number of questions  
24 regarding boat repairs that were funded by J.J. Cafaro and  
25 the value of the boat prior to the time that you began

Lange - Redirect/Morford

1 making those repairs. As I understand your testimony,  
2 there was approximately \$26,000 in repairs, slip fees, and  
3 other expenses paid by J.J. Cafaro to repair the boat; is  
4 that correct?

5 A. Somewhere in that area. I'm not sure of the exact  
6 amount.

7 Q. And was there also an agreement that on top of those  
8 repairs, that J.J. Cafaro would pay Congressman Traficant  
9 through you a certain amount of money for the purchase of  
10 that boat?

11 A. That is correct.

12 Q. And what was that amount of money?

13 A. The remaining balance of the mortgage that Jim  
14 Traficant had on his boat.

15 Q. Which was approximately how much?

16 A. \$26,000 and change.

17 Q. So we're talking somewhere around \$52,000 total that  
18 J.J. Cafaro was going to pay for this boat?

19 A. Somewhere in that area.

20 Q. Congressman Traficant showed you a survey and asked  
21 you if you understood that according to your survey or  
22 after all the work was completed and the repairs were made  
23 the boat would be worth somewhere between \$38,000 and  
24 \$42000; is that correct?

25 A. I don't remember the exact amount that's on the

Lange - Redirect/Morford

1 survey, whatever that is. I would say it's in the ballpark  
2 area.

3 Q. Let me ask you this:

4 After the \$26,000 or so of repairs and slip fees and  
5 other expenses had been expended, were the repairs at that  
6 point fully completed, or there were -- were there still  
7 repairs that needed to be done?

8 A. There were still repairs that needed to be done.

9 Q. When the Congressman asked you a number of questions  
10 about what he phrased as the quote boat scam." Do you  
11 recall those questions?

12 A. Yes, sir.

13 Q. Who was it at all times who was funding all of the  
14 boat repairs?

15 A. J.J. Cafaro.

16 Q. And who was ultimately going to have to fund the  
17 remaining payment to pay off the balance on the mortgage?

18 A. J.J. Cafaro.

19 Q. And who was it that wanted to conceal the fact that  
20 J.J. Cafaro was, in fact, a person coming up with the funds  
21 to pay for the repairs and to ultimately pay off the  
22 mortgage?

23 A. J.J. Cafaro, Richard Detore, and I believe Jim  
24 Traficant.

25 Q. Who was the person who initially said it can't be

Lange - Redirect/Morford

1 done this way, it has to be done in a way that doesn't show  
2 that J.J. Cafaro was involved?

3 A. I was told that that was Jim Traficant --

4 MR. TRAFICANT: Objection as to hearsay.

5 MR. MORFORD: It would be a statement in  
6 furtherance of the conspiracy. That's how we would offer  
7 it.

8 THE COURT: Fine. You can proceed.

9 BY MR. MORFORD:

10 Q. I'm sorry. Go ahead --

11 THE COURT: No, you can't. No, you can't.

12 We'll have to take it up at noon. Thank you.

13 MR. MORFORD: Thank you.

14 Q. Why were you used as a strong man in this transaction  
15 to have the money funneled through to make it appear you  
16 were, in fact, the person buying the boat?

17 A. So it would look like a prominent businessman in Jim  
18 Traficant's district was doing direct business with him.  
19 They were afraid of -- I was told it was because the  
20 lawyers may construe something differently than what it  
21 was.

22 Q. In the end, when all was said and done, who ended up  
23 with the boat?

24 A. Jim Traficant still has the boat as far as I know.

25 Q. One last area I want to follow-up on:

Lange - Recross

1           Congressman Traficant asked you some questions about  
2           USAG losing the opportunity to pursue the \$1.3 million  
3           contract with the Army. You recall those questions?

4           A.     Yes.

5           Q.     To what extent, if any, did the FBI's investigation  
6           into allegations that USAG had given illegal gratuities to  
7           Congressman Traficant affect the ability of USAG to go  
8           forward on that \$1.3 million contract?

9           A.     I don't know what the motivation was behind them --  
10          them no longer sending funds.

11          Q.     What was the timing of the \$1.3 million contract in  
12          comparison with the ongoing investigation by the FBI?

13          A.     I believe the contract was signed in early May of  
14          2000, somewhere in that time frame. So the investigation  
15          had already been ongoing when the contract was signed.

16                   MR. MORFORD: Just one moment, your Honor.

17                   Nothing further.

18                   THE COURT: Thank you. Congressman

19                   RECCROSS-EXAMINATION OF ALBERT LANGE

20                   BY MR. TRAFICANT:

21          Q.     Al, let's start with where we left off. You said you  
22          heard about an investigation going on before, but you still  
23          got the \$1.3 million in appropriation, didn't you?

24          A.     That's correct.

25          Q.     So the investigation and allegations did what to the

## Lange - Recross

1 appropriation?

2 A. Harmed it in no way.

3 Q. The money was there, wasn't it?

4 A. That is correct.

5 Q. Now, you say J.T. got the boat. Did the appraisal  
6 that you hired say it was worth \$32,000 as is? You want to  
7 see it again?

8 A. Whatever the survey says is what it is, somewhere in  
9 that area.

10 Q. Now, would it have been illegal for me to accept  
11 \$26,000 from you?

12 MR. MORFORD: Objection.

13 THE COURT: Sustained.

14 Q. Okay. Let me ask you this.

15 Who determined how much the expenses were going to be  
16 on the boat?

17 A. They were determined from the cost estimates that I  
18 gathered from the guys that were going to work on the boat  
19 plus the guy that did the survey.

20 Q. Well, when they told you it was going to be -- did  
21 they tell you it was going to be \$26,000?

22 A. No, sir.

23 Q. What did they tell you it was going to be?

24 A. Somewhere in the area of 11 to \$12,000 to repair the  
25 boat.

## Lange - Recross

1 Q. So now, if, in fact, what the surveyor said after he  
2 looked at it, he thought it was an \$11,000 job, now it  
3 turned out to be a \$26,000 job -- isn't it a fact that the  
4 boat had sunk?

5 A. No. The fact was is that the surveyor and the people  
6 that were working on the boat put the low quote, figuring  
7 that once it got committed to the boat, no matter how much  
8 cost overruns would be, they would complete the boat and  
9 gain extra funds.

10 Q. So then Jim Traficant didn't rip you off; the people  
11 working on the boat milked the money that they could get  
12 out of the boat; is that your testimony?

13 A. To some extent, possibly, yes. There was cost  
14 overruns that any boat that ever gets repaired, there's  
15 always cost overruns.

16 Q. Did you ever have your boat repaired?

17 A. Yes.

18 Q. Did you get a contract signed on it?

19 A. Standard issue that comes along with any place that  
20 maps out what the cost of repairs are going to be.

21 Q. Did you say to Mr. DeGroot, look, what's it going to  
22 cost, and can we come to an agreement on cost, or shall I  
23 get some bids? Did you ever say that to Mr. DeGroot?

24 A. We came to an agreement. They signed the statements,  
25 stating that these costs for these repairs, the reasonable

## Lange - Recross

- 1 repairs, would be made under this amount of money.
- 2 Q. What amount of money?
- 3 A. \$11,000 some odd dollars.
- 4 Q. How much was owed on the boat?
- 5 A. I assumed \$26,000 in change from the certified check  
6 that J.J. presented.
- 7 Q. Now, Al, did you ask Mr. DeGroot to sign a contract  
8 for \$11,000?
- 9 A. Yes.
- 10 Q. And what, if anything, happened?
- 11 A. We started in cost overruns before the boat ever got  
12 pushed back into the water.
- 13 Q. Why then didn't you stop it?
- 14 A. It wasn't my job to stop it. J.J. said we're doing  
15 you a favor, and I was to continue on.
- 16 Q. That's hearsay, but we'll let it in.  
17 J.J. was really only helped on Capitol Hill by Jim  
18 Traficant, wasn't he?
- 19 A. In regards to U.S. Aerospace?
- 20 Q. Yes.
- 21 A. As far as I know, yes.
- 22 Q. Did he know the Kennedys?
- 23 A. He says he does.
- 24 Q. Did he know the Corsellis?
- 25 A. He says he knew.

## Lange - Recross

1 Q. Did he know Gephart?

2 A. He says he does.

3 Q. Did he entertain them in his house?

4 A. I don't know. He may have. I've only been to J.J.'s  
5 house --

6 Q. Why did they come to me, Al?

7 A. Because you're in his district. I don't know.

8 Q. Do you know if he was a friend of Vice-President Al  
9 Gore and President Clinton?

10 A. He says that he was.

11 Q. Did he contribute hundreds and hundreds of thousands  
12 of dollars to both parties?

13 THE COURT: Unless he has personal knowledge  
14 about this, he can't answer.

15 Q. Do you have knowledge?

16 A. Only what I was told by J.J., that he was a big  
17 contributor.

18 Q. Wasn't he a member of that special club that was  
19 invited in with the president?

20 MR. MORFORD: Objection. This witness would  
21 not know except for hearsay.

22 MR. TRAFICANT: To your knowledge.

23 THE COURT: Well, I think there may be  
24 another witness you can ask the question of who would have  
25 knowledge, but this witness, you haven't established he has

## Lange - Recross

1 knowledge of whether or not he was a --

2 Q. So the appraiser said this boat could be worth up to  
3 \$48,000 when completed?

4 A. That's correct.

5 Q. It had a \$26,000 mortgage, right?

6 A. That is correct.

7 Q. And you and deGroot come to an agreement. You said  
8 look, the surveyor in the group said \$11,000. What is  
9 \$26,000 and \$11?

10 A. \$37 and change.

11 Q. Was there value for the dollars, Albert?

12 A. There was -- yes, there was perceived value for the  
13 dollar on the boat.

14 Q. Was it Jim Traficant's fault for the overruns, or was  
15 it your fault?

16 A. I would say it was my fault for the overruns.

17 Q. Did you report overruns to me and complain to me?

18 A. No, sir, I did not.

19 Q. Isn't it a fact you abandoned that boat?

20 A. The fact being was that J.J. Cafaro didn't pay me and  
21 after paying --

22 Q. I didn't ask you that.

23 Did you abandon the boat? Yes or no.

24 A. I -- I no longer took a part in the boat.

25 Q. And did you know that every item on that boat, other

## Lange - Recross

1 than the generator, was stolen, Albert?

2 A. No, sir, I do not know that.

3 Q. And did you tell me you abandoned the boat, Al?

4 A. No, I did not.

5 Q. So you didn't tell me about the pickled engines; you  
6 didn't tell me about the cracks in the boat; you didn't  
7 tell me about the damage to it; you didn't tell me that you  
8 abandoned it, and you didn't tell me there were overruns,  
9 did you?

10 MR. MORFORD: There's got to be ten questions  
11 in there, your Honor.

12 THE COURT: That's all right. He can answer  
13 it.

14 Q. Let's ask them one at a time.

15 THE COURT: No.

16 Q. Answer them all.

17 A. I told J. J. Cafaro about that and, it was J. J.  
18 Cafaro's responsibility since the deal was really between  
19 you and J.J. Cafaro, and all I was was a mule to do the  
20 work.

21 So I called J. J. Cafaro, and if J.J. Cafaro never  
22 informed you, then that's -- that's something you need to  
23 take up with J.J. Cafaro.

24 Q. Were you a friend of J.J.?

25 A. I had a working relationship with J.J. Cafaro.

## Lange - Recross

- 1 Q. Do you consider him a friend?
- 2 A. No, I do not.
- 3 Q. Did you consider me a friend?
- 4 A. Yes, sir, I did.
- 5 Q. And you didn't give me a courtesy call and say Jim, I  
6 left your boat down here. Maybe you'd better go down and  
7 secure it. Is that your testimony?
- 8 A. I told J.J. Cafaro, and I assumed J.J. Cafaro would  
9 call you.
- 10 Q. What was the words you used, assumed?
- 11 A. Assumed.
- 12 Q. And if you break that down to small parts --
- 13 A. I know what it means.
- 14 Q. As long as you've known me, have I ever threatened  
15 anybody?
- 16 A. Not to my knowledge.
- 17 Q. Anybody fear me in Washington, D.C., Albert?
- 18 A. Fear you?
- 19 Q. Yeah.
- 20 A. I would say that you were a man that could get things  
21 done, yes. I would say that you had some political clout.
- 22 Q. But did I do it through fear and intimidation,  
23 Albert?
- 24 A. I don't believe so.
- 25 Q. Wasn't it a fact that the company could get nowhere

## Lange - Recross

1 with anybody else, and they came to me?

2 A. That could be a true statement.

3 Q. Was J. J. Cafaro my constituent?

4 A. Yes, he was.

5 Q. Was Capri Cafaro my constituent?

6 A. Yes, she was.

7 Q. Did they move the company to Youngstown?

8 A. At some point in time, that's what they said they  
9 would do.

10 Q. Were they going to move headquarters and all?

11 A. That's what they said.

12 Q. Now, I'd like to put 8-71 back up on the board here.  
13 Can I use your document? You have such clean forms.

14 MR. MORFORD: Yes.

15 MR. TRAFICANT: Give me the proffer, whatever  
16 that is, 8-72, maybe. Thank you, Matthew.

17 Q. July 31, 2000, were you in the employ of U.S.  
18 Aerospace?

19 A. Yes, sir.

20 Q. Okay.

21 MR. TRAFICANT: Give me 8-72.

22 MR. KALL: The witness has it.

23 Q. So you have this attorney by U.S. Aerospace on one  
24 day, which was the end of July, right?

25 A. Yes. We had met beforehand, but the -- the complete

## Lange - Recross

1 financial, who was going to pay what didn't work out until  
2 then.

3 Q. So you met one day, and then the next day your  
4 attorney made a deal with the Government. Is a proffer a  
5 deal?

6 A. Sure.

7 Q. Okay. Now, are you an employee of U.S. Aerospace  
8 now?

9 A. No, I am not.

10 Q. Are you an employee of the Cafaro Company now?

11 A. No, I am not.

12 Q. In God's name, tell me why she's being paid by them?

13 A. You need to ask J.J. Cafaro that.

14 Q. Do you know what J. J. Cafaro's prison sentence is?

15 A. I have no idea.

16 Q. Do you know that he wears a wrist bracelet and goes  
17 to lunch every afternoon --

18 MR. MORFORD: Objection. He just said he has  
19 no idea.

20 THE COURT: The jury knows that this is not  
21 the testimony when it comes from there. Okay.  
22 Congressman, remember that. Okay? So they don't have to  
23 sit through all this.

24 MR. TRAFICANT: I'm just getting a little  
25 worked up at times.

Lange - Recross

1 THE COURT: Okay. Take a breath.

2 MR. TRAFICANT: I'm fine.

3 THE COURT: Thank you.

4 Q. Albert, as COO -- and you no longer had an employee,  
5 and you fired an employee, would you pay the legal  
6 expenses?

7 MR. MORFORD: Objection, speculation.

8 THE COURT: Sustained.

9 Q. Did you ever talk to Mr. Cafaro about paying the  
10 legal expenses? You're under oath, Al.

11 A. I'm trying to remember if I had that conversation of  
12 him paying -- asking for him to pay my legal expenses or  
13 not. I don't believe that I did.

14 Q. Mr. Cafaro just says, Al, you know, he did a great  
15 job bankrupting my company. So I'm going pay for your  
16 legal expenses even though I'm going to plead guilty to a  
17 crime, is that your testimony?

18 A. Well, first, I didn't bankrupt the company. And  
19 second, I was an employee at the time when it all came  
20 about. I was under -- I was -- I had my attorney well  
21 before I left that corporation. I was not fired from that  
22 corporation. I walked out the door.

23 Q. You left it, didn't you?

24 A. That is correct.

25 Q. You abandoned them, didn't you?

## Lange - Recross

- 1 A. Well, it's kind of hard, Jim, when you're not getting  
2 paid to stay working in a facility. I did it for two  
3 months. I just didn't think I could maintain paying my  
4 bills with no paycheck.
- 5 Q. Albert, no one has accused you of bankrupting the  
6 company, but you are having your legal expenses paid by the  
7 Cafaros. Are you not?
- 8 A. That's already been established more than once.
- 9 Q. Someone had to make a deal. Who made the deal,  
10 Albert?
- 11 A. I do not know who made the deal.
- 12 Q. Do you have an attorney?
- 13 A. I have an attorney.
- 14 Q. Did your attorney meet with the Prosecutors?
- 15 A. My attorney met with the prosecutors.
- 16 Q. Which prosecutors did he meet with?
- 17 A. Mr. Morford.
- 18 Q. Mr. Who?
- 19 A. Mr. -- excuse me, Morford, excuse me.
- 20 Q. So Mr. Morford and your attorney sat down and made a  
21 plea agreement, a proffer on you, right?
- 22 A. That is correct.
- 23 Q. And you accepted it, right?
- 24 A. That is correct.
- 25 Q. And are you telling me that your attorney didn't know

## Lange - Recross

1 who was paying him?

2 A. My attorney knew who was paying him.

3 Q. Now, in this proffer agreement that you made, what  
4 penalties are you subject to?

5 A. I was told as long as I tell the truth about the  
6 subject matter that I know about, that I would -- that no  
7 action would be taken against me.

8 Q. No action at all?

9 A. As far as I'm concerned, no.

10 Q. And you backdated documents?

11 A. At your request.

12 Q. And you furthered the conspiracy?

13 A. At the request of Jim Traficant -- at the request of  
14 J. J. And Richard Detore, yeah.

15 Q. Do you have any knowledge as to what Mr. Cafaro's  
16 charged with?

17 A. I believe it's a bribery charge.

18 Q. Isn't it a fact it carries misdemeanor time?

19 MR. MORFORD: Objection.

20 THE COURT: Sustained.

21 Q. Are the Cafaros a very powerful family, Albert?

22 A. They appear to be.

23 Q. Is Anthony Cafaro one of the more powerful men you  
24 have ever met in business?

25 A. I've only said hello to him on two occasions. So I

## Lange - Recross

1 don't know how his business dealings are truly. I can only  
2 assume that, yes, he's a powerful man.

3 Q. Was his brother J.J.?

4 A. Was his brother J.J. what?

5 Q. Was J.J. his brother?

6 A. J.J. is his brother as far as I know.

7 Q. Do you think it would be wise for me to hire your  
8 attorney and have Mr. Cafaro pay my expenses?

9 MR. MORFORD: Objection.

10 THE COURT: Sustained.

11 Q. Back to the document--

12 THE COURT: Which document, Congressman?

13 MR. TRAFICANT: The so-called contract.

14 THE WITNESS: Okay.

15 Q. Was it on a hard flat surface?

16 MR. MORFORD: Objection. Asked and answered.

17 THE COURT: He's answered it more than once.

18 Q. Isn't it a fact when you abandoned that boat, I had a  
19 boat that was worth less than what it was worth than when  
20 you started with it?

21 A. No.

22 Q. Did you survey it?

23 A. After the repairs?

24 Q. Yes.

25 A. No.

## Lange - Recross

1 Q. Then how do you know it, Albert?

2 A. Well, because the transmural had been completely  
3 replaced. The shaft log on the left side of the boat had  
4 been replaced. The bow sections no longer leaked. The  
5 back section of the boat where the fly bridge was had  
6 already had been replaced, and the boat was being put back  
7 into condition.

8 Q. Was those major expensive repairs?

9 A. The shaft log, most people told me we should burn the  
10 boat down rather than put six feet worth of shaft log into  
11 the boat.

12 Q. Why did the surveyor say the -- figured it would cost  
13 \$11,000? You hired him.

14 A. The shaft log became apparent that it was more  
15 damaged than what it appeared after opening up some of the  
16 areas in the boat.

17 Q. Did you tell me that you hired a surveyor that didn't  
18 go in with drilling and boring instruments to test the  
19 tenacity, the strength, the tension and torque of the  
20 respective ribs and items that held the hull and the boat  
21 together?

22 A. Why would you want to bore out one of your ribs  
23 that's going to degrade the structural integrity of that  
24 piece? You do a physical and a probe, and he did a  
25 physical and a probe. He was a surveyor. He has a license

## Lange - Recross

1 as a surveyor, and I assumed that he was the man that  
2 needed to be looking at the boat.

3 Q. Probe, what does probe mean?

4 A. Means get down, look around. You also said drill and  
5 pull plugs out of the boat.

6 Q. Okay. You said probe. Is probe look, or is probe  
7 to, in fact, test by inserting?

8 A. I don't know.

9 Q. You're an engineer. You're telling me you don't know  
10 the difference between a probe and a look?

11 A. Probing around means looking around and touching and  
12 feeling to see what's there.

13 Q. How much did you pay for that survey, Al?

14 A. \$600.

15 Q. Was it certified?

16 A. I think there's -- an attestation page on the survey.

17 Q. Was he a part of the boat scam?

18 A. No, he wasn't part of a boat scam.

19 Q. Did he do an honest survey?

20 A. I assumed at the time, yes, he did an honest survey .

21 Q. Did you ever report to me what his survey was?

22 A. Yes.

23 Q. Did I ever see this survey before the Government sent  
24 it to me? Yes or no.

25 A. Yes, you did. I brought it to you at Taverna. We

## Lange - Recross

1 looked it over, and you said this should be kept as part of  
2 the boat's paperwork to show in the future.

3 Q. And was there somebody there to witness that?

4 A. Richard Detore was there that evening, also.

5 Q. And he heard you say that?

6 A. Sure.

7 Q. And he saw you show the document to me?

8 A. That is correct.

9 Q. Did Rick Detore approve the survey?

10 A. No.

11 Q. Isn't it a fact you approved the survey, Al?

12 A. That's correct. The headache of your boat was turned  
13 over to me immediately after the deal was struck.

14 Q. Let me ask you this: Is a \$36 to \$40,000 boat called  
15 a headache?

16 A. It is when it's in the condition that your boat was.

17 Q. And how did they survey it at \$36 to \$40 some  
18 thousand dollars?

19 A. I don't know. That's why I brought a surveyor in.  
20 He's an expert in the particular industry.

21 Q. Isn't it a fact that was a fly bridge aft character  
22 motor boat, classic boat?

23 A. Sure with a transom that was falling out of it and a  
24 shaft log that was rotting.

25 Q. Wasn't it, in fact, a 1971?

## Lange - Recross

- 1 A. I'm not sure of the date on this. Is it '70 or '71?
- 2 Q. Isn't it a fact after 25 years a boat is called a  
3 classic?
- 4 A. I don't know that it's a called a classic after --
- 5 Q. Are there not companies that specialize in buying  
6 boats and restoring them to their original form and  
7 reselling them on the marketplace?
- 8 A. Sure.
- 9 Q. And do they not bring in at times very big money?
- 10 A. I would assume that they would. Why else would they  
11 be in the business of doing that?
- 12 Q. How many times did you meet with your attorney and  
13 the Government?
- 14 A. Two to three times. I'm not sure of the amount.
- 15 Q. Was there any -- is there anybody else at the tables  
16 at any of those meetings?
- 17 A. Yes, the two gentlemen sitting over there on the --  
18 to your right, Mr. Morford and the other gentleman.
- 19 Q. Mr. Smith, counsel? Would you look at the witness?  
20 Was Mr. Smith present?
- 21 A. I can't remember if he was or wasn't.
- 22 Q. Was a member of the IRS there?
- 23 A. At one time, there was, /a member of the IRS there.
- 24 Q. You know if he was from the Youngstown area?
- 25 A. I have no clue.

## Lange - Recross

1 Q. Where was the meeting?

2 A. Across the street at Bank One.

3 Q. You had no meetings with the FBI in Virginia?

4 A. Not in Virginia, no, I did not.

5 Q. Did you have any outside of Cleveland?

6 A. That is correct.

7 Q. Where?

8 A. At the law offices at Latham and Watkins in  
9 Washington, D.C.

10 Q. And how far is Manassas, Virginia, from Washington,  
11 D.C., Albert?

12 A. I don't know, 30 something miles.

13 Q. Who attended that meeting?

14 A. My attorneys, Mr. Morford. I believe this gentleman  
15 here was also at that meeting, and I believe there was one  
16 or two FBI agents.

17 Q. Do you know where those FBI agents were from, Albert?

18 A. Ohio is all I know.

19 THE COURT: It's noon, Congressman.

20 MR. TRAFICANT: Your Honor, I have completed  
21 my cross-examination of this witness.

22 THE COURT: Very well. Thank you very much.  
23 We'll reconvene at 1:30, ladies and gentlemen. Remember  
24 your admonitions. Enjoy your lunch, and we'll see you at  
25 1:30.



DiRenzo - Direct/Kall

1 (Thereupon, a luncheon recess was had.)

2 Monday Session, March 18, 2002, at 1:30 P.M.

3 (Proceedings in the absence of the jury:)

4 MR. MORFORD: I just want to let the Court  
5 know we have no further questions of Al Lange and have  
6 permission to release him.

7 THE COURT: Very well. You have a witness?

8 MR. MORFORD: Yes. He's going to get the  
9 witness.

10 THE COURT: All right. We can go ahead with  
11 the jury.

12 (Proceedings resumed in the presence of the jury:)

13 PATRICIA DiRENZO,  
14 of lawful age, a witness called by the Government,  
15 being first duly sworn, was examined  
16 and testified as follows:

17 DIRECT EXAMINATION OF PATRICIA DiRENZO

18 BY MR. KALL:

19 Q. Would you please state your name, and spell your last  
20 name?

21 A. Patricia DiRenzo, D-I- capital R-E-N-Z-O.

22 Q. I'm going ask you to take the mike out of the stand  
23 and hold it close to your mouth so we can hear you. Thank  
24 you.

25 Where are you employed?

DiRenzo - Direct/Kall

- 1 A. At the Cafaro Company.
- 2 Q. For how long have you been employed there?
- 3 A. 32 years this May.
- 4 Q. Do you have a title?
- 5 A. I'm the cash management supervisor.
- 6 Q. For how long have you been the cash management  
7 supervisor?
- 8 A. About 15 years.
- 9 Q. What are your duties?
- 10 A. I look at the bank statement on a day-to-day basis so  
11 we know what money has been deposited and what money has  
12 been withdrawn from the account so we know what's left for  
13 investing purposes.
- 14 Q. Are you assigned to assist in any particular Cafaro  
15 Company executive?
- 16 A. I also write personal checks for Mr. J. J. Cafaro.
- 17 Q. How long have you done that?
- 18 A. Probably since the late 70's.
- 19 Q. Do you also assist him in paying his bills?
- 20 A. Yes, I do.
- 21 Q. How do you do that? Tell us your duty in his doing  
22 that.
- 23 A. I receive all the bills that come in from the outside  
24 through the mail system, from his secretary, and she brings  
25 them down to me, and then I keep them on a month to month

DiRenzo - Direct/Kall

1 basis. I process them and write the checks and take them  
2 to Mr. Cafaro for signature.

3 Q. Who fills out the checks?

4 A. I write the checks; Mr. Cafaro signs them.

5 Q. Do you keep records of those?

6 A. Yes, I do.

7 Q. Do you keep those as a normal part of your duties  
8 with Cafaro Company?

9 A. Yes.

10 Q. Do you know what bank Mr. Cafaro uses for his  
11 checking?

12 A. It's Mahoning National Bank back in the '90s; late  
13 90's now called Star Bank.

14 Q. Where do you receive his personal bills from?

15 A. They're brought down to me by Mr. Cafaro's secretary,  
16 Ginni Heinselman.

17 Q. You have access to his checkbook?

18 A. That's stored in my office in a locked cabinet.

19 Q. Do you also receive his cancelled checks once they've  
20 been processed by the bank?

21 A. Yes, I do. I do the bank statement.

22 Q. What happens to those after you're finished?

23 A. I keep them, also.

24 Q. Are you familiar with a company known as U.S.  
25 Aerospace Group?

DiRenzo - Direct/Kall

- 1 A. Yes, I am.
- 2 Q. What kind of company was it?
- 3 A. They were marketing laser guiding systems for  
4 airports, international and domestic.
- 5 Q. Were you ever involved in USAG?
- 6 A. Only at the end, 1999, when Mr. Cafaro was paying all  
7 the bills personally.
- 8 Q. What was your involvement during that time period?
- 9 A. I wrote the checks.
- 10 Q. From what account did you write these checks?
- 11 A. His personal and also an account he had me open in  
12 the name U.S. Aerospace Group payroll.
- 13 Q. Prior to the time where you assisted in processing  
14 these documents, do you know how USAG's finances were  
15 processed?
- 16 A. My involvement with the company would tell Mr. Cafaro  
17 how much he was being given for the month on bills. My job  
18 was to set -- to make sure the money was set aside for the  
19 company so that the money was available when they needed  
20 it.
- 21 Q. Were you able -- during the time period that you were  
22 assisting in paying USAG's bills out of Mr. Cafaro's  
23 account, were you able to pay all the bills?
- 24 A. No, I wasn't.
- 25 Q. Why not?

DiRenzo - Direct/Kall

1 A. Well, he had a certain amount of money budgeted per  
2 month, and it was to go for his personal bills, and he was  
3 choosing to pay the U.S. Aerospace Group bills instead of  
4 his personal bills.

5 Q. How did you decide which USAG bills to pay at that  
6 time?

7 A. He gave me a list, and he would put a check mark how  
8 much he wanted paid, or if he wanted it paid, or he didn't  
9 want it paid, and that's what I went off of.

10 Q. Did the fact that you were using J.J. Cafaro's  
11 personal account to pay USAG bills affect Mr. Cafaro's  
12 personal finances?

13 A. Yes, it did.

14 Q. How?

15 A. I was unable to pay most of the bills. Only ones  
16 paid were probably the utility bills.

17 Q. If you look down in front of you -- and I have placed  
18 a number of exhibits there -- if you could take a look at  
19 the first one, do you see 8-11?

20 A. Yes, I do.

21 Q. Do you recall the transaction which resulted in this  
22 check being issued?

23 A. Yes, I do.

24 Q. What is Exhibit 8-11?

25 A. It's Mr. Cafaro's personal check drawn on Mahoning

DiRenzo - Direct/Kall

1 National Bank, and it's dated 7-28-98 payable to Bank One  
2 for \$26,948.18.

3 MR. KALL: May I place this on the overhead,  
4 your Honor?

5 THE COURT: Yes.

6 Q. There's some other pages associated with Exhibit  
7 8-11.

8 A. There's also the check stubs.

9 Q. How did this transaction for the \$26,948 check, how  
10 did this come about?

11 A. First thing in the morning, Mr. Cafaro called me and  
12 told me to get one of his personal checks payable to  
13 NationsBank for the same amount, \$26,948.18. I wrote it  
14 out of his checkbook, but since the checkbook is in my  
15 possession, I thought I should point out to him that there  
16 wasn't any funds in the account to cover it since we  
17 already issued checks for the month.

18 Q. Where did the amount come from, \$26,948.18?

19 A. Mr. Cafaro gave the amount to me and told me to issue  
20 the check.

21 MR. TRAFICANT: I didn't hear that.

22 THE WITNESS: Mr. Cafaro gave me the amount  
23 and told me to issue the check to NationsBank.

24 Q. What was your understanding as to why a check was  
25 going to be issued to NationsBank?

DiRenzo - Direct/Kall

1 A. He told me it was in payment of a loan for  
2 Mr. Traficant.

3 Q. Did you write a check to NationsBank for that amount?

4 A. Yes, it's on a previous page.

5 Q. What happened to that check?

6 A. I took it up to Mr. Cafaro and told him there weren't  
7 funds to cover it. And that probably was going to bounce  
8 or be NSF. So he instructed me to call the bank, find out  
9 how much money was still in his checking account, which  
10 would mean that some of the checks that we issued prior  
11 hadn't cleared the account. I did so. The funds were  
12 there. So Mr. Cafaro decided to guarantee that this would  
13 be a good check, that I issue a bank official check, and  
14 make sure that I put on the remitter, Jim Traficant.

15 Q. What was the purpose of Government's Exhibit 8-11,  
16 this check 3306?

17 A. To pay for a loan for Mr. Traficant so that I could  
18 get a bank official check from Bank One.

19 Q. What was the advantage of having an official bank  
20 check as opposed to paying it with a personal check?

21 A. That's guaranteed it's going clear.

22 Q. What did you do once you prepared this check number  
23 3306?

24 A. Well, I wasn't sure if I could put Mr. Traficant as  
25 the remitter since I was sending up J.J. Cafaro check. So

DiRenzo - Direct/Kall

1 I called the bank and asked for a bank rep and asked if  
2 there was any problem with me putting Jim Traficant's name  
3 down on the official check as the remitter. She said she  
4 would check, and she'd call me back. She called me back  
5 and said that I could do that as long as I made a notation  
6 when I sent the check up for the official check.

7 Q. Then what happened to this check?

8 A. It came back. I had to run it up to the bank and get  
9 the check and brought it back. I took it up and gave it to  
10 Mr. Cafaro.

11 Q. You obtained a bank check back?

12 A. Yes.

13 Q. If you could turn to Exhibit 8-12(1), is that the  
14 check you received back?

15 A. Yes, it is.

16 MR. KALL: May I place this on the overhead,  
17 your Honor?

18 THE COURT: Yes

19 BY MR. KALL:

20 Q. And this is -- this pink copy, was this all there was  
21 to it, or was there more?

22 A. There was more. This is the actual copy that I kept  
23 in the office. The original I believe was kind of like a  
24 whitish gray.

25 Q. And you received this in return for the personal

DiRenzo - Direct/Kall

- 1 check we just saw earlier, Exhibit 8-11?
- 2 A. Yes.
- 3 Q. What's the date of this bank check on Exhibit
- 4 8-12(1)?
- 5 A. July 28, 1998.
- 6 Q. Who was it payable to?
- 7 A. NationsBank.
- 8 Q. What is the amount of that?
- 9 A. \$26,948.18.
- 10 Q. And who was listed as the purchaser on that check?
- 11 A. J. Traficant.
- 12 Q. Was J. Traficant the actual purchaser of that check?
- 13 A. No, he wasn't.
- 14 Q. Who was?
- 15 A. J.J. Cafaro.
- 16 Q. What did you do when you got this check back?
- 17 A. I gave it to Mr. Cafaro.
- 18 Q. Did you ever see that check again?
- 19 A. Yes, I did.
- 20 Q. What were the circumstances?
- 21 A. Two weeks later Mr. Cafaro's secretary, Ginni, walked
- 22 it down to me and told me that they didn't need it, to void
- 23 it.
- 24 Q. What did you do as a result?
- 25 A. I never voided an official check. The first time we

DiRenzo - Direct/Kall

1 ever issued an official check, it never came back. Sooner  
2 or later it was cashed. So I had to call the bank again  
3 and ask the rep how do you void an official check, and she  
4 told me don't mark on it like we would our own personal  
5 checks, write void on it or tear the signature; just to  
6 return to the bank, and they would issue the check back to  
7 Mr. Cafaro.

8 Q. Are you aware of that ever actually happening?

9 A. Yes, it did.

10 Q. If you could look at Exhibit 8-12(2), do you  
11 recognize that?

12 A. Yes, I do.

13 Q. What is it?

14 A. It's the bank official check, issued back to  
15 Mr. Cafaro.

16 Q. What was the purpose of this check?

17 A. To void the previous official check that I issued.

18 MR. KALL: May I place this on the overhead,  
19 your Honor?

20 THE COURT: Yes.

21 BY MR. KALL:

22 Q. Who is this check payable to?

23 A. John J. Cafaro.

24 Q. What is the amount?

25 A. \$26,948.18.

DiRenzo - Direct/Kall

1 Q. And the date on this?

2 A. August 14, 1998.

3 Q. What was this check for?

4 A. It's returning the money back into the account from  
5 the previous bank official check I had issued.

6 Q. And do you know if this check on Exhibit 8-12(2) was  
7 ever redeposited?

8 A. Yes, it was, to Mr. Cafaro's personal account.

9 Q. If you'd look at the next exhibit, Government's  
10 Exhibit 8-12(3), what is that?

11 A. Mr. Cafaro's personal deposit slip for that amount,  
12 \$26,948.18.

13 MR. KALL: May I place this on the overhead,  
14 your Honor?

15 THE COURT: Yes.

16 Q. Were you told why this check was given back to you to  
17 be redeposited?

18 A. No, I wasn't.

19 Q. If you will look down in front of you, you recognize  
20 Exhibit 8-19?

21 A. Yes.

22 Q. What is it?

23 A. It's Mr. Cafaro's personal check payable to cash for  
24 \$3,500 dated August 13, 1998.

25 Q. Was this maintained in the ordinary course of your

DiRenzo - Direct/Kall

1 employment?

2 A. I didn't do this one.

3 Q. Was this maintained as part of Mr. Cafaro's records,  
4 though?

5 A. Yes.

6 MR. KALL: May I place this on the overhead,  
7 your Honor?

8 THE COURT: Yes.

9 BY MR. KALL:

10 Q. You said you didn't do this one, correct?

11 A. Right.

12 Q. How do you know that?

13 A. It's not my writing, and I don't type Mr. Cafaro's  
14 checks normally.

15 MR. TRAFICANT: I didn't hear that. I didn't  
16 hear that response.

17 THE WITNESS: It was -- it's not in my  
18 writing, and I don't usually type Mr. Cafaro's checks.

19 Q. Which portion is not in your writing?

20 A. The check or the stub, Check Number 3352.

21 Q. Is that what I'm pointing to on the overhead right  
22 now?

23 A. Yes.

24 Q. Do you recognize that handwriting?

25 A. Yes, I do.

DiRenzo - Direct/Kall

- 1 Q. Whose is it?
- 2 A. Mr. Cafaro's secretary, Ginni.
- 3 Q. And did she have authorization to write checks for
- 4 Mr. Cafaro if you weren't there?
- 5 A. Yes, she did.
- 6 Q. Is there a way she normally did it compared to the
- 7 way you did it?
- 8 A. Sometimes she'd probably -- would type them. She is
- 9 -- she's a secretary. I am not.
- 10 Q. What's the date on this check?
- 11 A. August 13, 1998.
- 12 Q. And for how much?
- 13 A. \$3,500.
- 14 Q. Made out to whom?
- 15 A. Cash.
- 16 Q. Do you recognize the signature?
- 17 A. Yes, it's Mr. Cafaro's.
- 18 Q. Is there any way to tell whether or not this check
- 19 cleared?
- 20 A. Yes. When the checks come back from the bank, I
- 21 usually put a check mark by the check number to signal that
- 22 it's actually cleared our account and that it was a good
- 23 check.
- 24 Q. Is that your check mark right there?
- 25 A. Yes, it is.

DiRenzo - Direct/Kall

1 Q. Take a look at the back of the check. Do you  
2 recognize the endorsement on that?

3 A. I recognize the name. I am not familiar with the  
4 signature, but I know who it is.

5 Q. Whose name?

6 A. Albert Lange, Junior.

7 Q. And do you know why a check made out to cash for  
8 \$3,500 on August 13 of '98 was given to Al Lange?

9 A. No, I don't.

10 Q. If you'd look at the final page of Exhibit 8-19, do  
11 you recognize that?

12 A. Airborne.

13 Q. Yes.

14 A. Yes. It is an Airborne receipt showing the check was  
15 sent out by Mr. Cafaro to U.S. Aerospace, attention: Mr.  
16 Lange.

17 MR. KALL: May I place this on the overhead,  
18 your Honor?

19 THE COURT: Yes.

20 Q. What's the date on this?

21 A. August 13, 1998.

22 Q. Do you recognize the handwriting the top portion of  
23 it?

24 A. Yes, I do. It's also Mr. Cafaro, Ginni, his  
25 secretary.

DiRenzo - Direct/Kall

1 Q. And what does it state there?

2 A. "Al, as we discussed, Ginni, August 13, 1998, USAG  
3 faxed to Al Lange" and the phone number 703-365-2635.

4 Q. Turning to Exhibit 8-20, do you recognize that?

5 A. Yes, I do.

6 Q. What is it?

7 A. It's Mr. Cafaro's personal check, payable to Al  
8 Lange, dated August 27, 1998, for \$3,800.

9 MR. KALL: May I place this on the overhead,  
10 your Honor?

11 THE COURT: Yes.

12 Q. There's also a check register listing there?

13 A. Yes, there is.

14 Q. An is that check reflected on it?

15 A. Yes.

16 Q. Is there any way to tell if this check cleared?

17 A. My red check mark is over the check number, so it  
18 cleared the account.

19 Q. And turning to the back of this check, you see the  
20 endorsement?

21 A. Yes, I do. It's Albert Lange, Junior.

22 Q. And do you know why a \$3,800 check was issued to  
23 Albert Lange on August 27, 1998, from Mr. Cafaro's personal  
24 account?

25 A. No, I don't.

DiRenzo - Direct/Kall

1 Q. Turning next to Exhibit 8-28, do you recognize that?

2 A. Yes, I do.

3 Q. Is this something that was made in the course of your  
4 employment?

5 A. Yes.

6 MR. KALL: May I place this on the overhead,  
7 your Honor?

8 THE COURT: Yes.

9 Q. And what is it?

10 A. It's Mr. Cafaro's personal account, dated September  
11 28, 1998, for cash of \$6,000.

12 Q. And whose signature is that at the bottom?

13 A. Albert Lange.

14 Q. Excuse me. At the bottom of the check?

15 A. Oh. Mr. Cafaro's personal signature.

16 Q. Is there a way you can tell if this check cleared the  
17 account?

18 A. Yes. It has a check mark over the check number.

19 Q. On part of the register there?

20 A. Yes.

21 Q. And turning this check over, do you recognize that  
22 endorsement?

23 A. It's Albert Lange.

24 Q. Do you know why a check was issued to cash on  
25 September 28, 1998, and was endorsed by Mr. Lange?

DiRenzo - Direct/Kall

1 A. No, I don't.

2 Q. Next, I'd like to ask you about two separate checks.  
3 They would be on Government's Exhibit 8-31 and 8-32. Just  
4 take a look at those for a minute, please.

5 A. Okay.

6 Q. Do you recall the circumstances under which these two  
7 documents were issued.

8 A. Yes, I do.

9 Q. What instructions were you given?

10 A. Mr. Cafaro told me to issue a check payable to cash  
11 for \$13,000. And I did that. It's actually on the stub  
12 above the checks that we're talking about, and it's listed  
13 as voided.

14 We went to cash the check. Mr. Cafaro would ask that  
15 we get big bills, and when we went to the bank, we were  
16 unable to get large bills, and they told us that there  
17 weren't any available. So I had the runner bring it back,  
18 and I voided it; placed a call to Mr. Cafaro, who was tied  
19 up and unavailable, but he said that I could issue the  
20 checks the way I needed to, payable to cash, and I was  
21 going to use two banks instead of the one I had gone to.  
22 Mr. Cafaro has two accounts, one at National City and one  
23 at Bank One, and that's how I divided the checks.

24 Q. Okay. So you were asking for \$13,000 in cash?

25 A. Yes.

DiRenzo - Direct/Kall

1 Q. When was that?

2 A. November 13th, 1998.

3 MR. KALL: May I place 8-31 on the overhead,  
4 your Honor?

5 THE COURT: Yes.

6 Q. Looking at the check register for check 3510. What  
7 was that?

8 A. That's the check that I issued to cash for \$13,000,  
9 and I had to void it.

10 Q. What were the circumstances as to why this check was  
11 voided?

12 A. There weren't large bills at the bank. They were  
13 unable to cash it and in the denomination that Mr. Cafaro  
14 had requested.

15 Q. What denomination did he request?

16 A. Hundreds.

17 Q. The bank didn't have \$13,000 in hundred bills?

18 A. No, they did not.

19 Q. As a result, what did you do?

20 A. I found out how much each bank had, and Bank One,  
21 which was our bank, had \$5,000 in hundreds, and I issued  
22 one check for \$5,000 payable to cash, and the remaining I  
23 issued for the other to cash, \$8,000.

24 Q. And is that \$8,000 check what we see on part of  
25 Government's Exhibit 8-31?

DiRenzo - Direct/Kall

- 1 A. Yes, it is.
- 2 Q. What's the date on that?
- 3 A. November 13th, 1998.
- 4 Q. Whose signature is that at the bottom?
- 5 A. That's mine.
- 6 Q. Not Mr. Cafaro's?
- 7 A. No, it's not.
- 8 Q. Can you explain why it's your signature and not his?
- 9 A. When we called to ask him that we could bring up two
- 10 checks to replace the \$13,000, that we had originally
- 11 issued, he was tied up, and he instructed me to go ahead
- 12 sign my checks.
- 13 Q. Is that something he occasionally authorized you to
- 14 do?
- 15 A. Not that often, but occasionally.
- 16 Q. If you'd turn this check over, can you tell at what
- 17 bank this check cleared?
- 18 A. The first one was cleared at National City Bank.
- 19 Q. And cash was obtained for that check?
- 20 A. Yes, there was.
- 21 Q. If you'll look at Exhibit 8-32, is that the other
- 22 half of this transaction?
- 23 A. Yes, it was.
- 24 MR. KALL: May I place this on the overhead,
- 25 your Honor?

DiRenzo - Direct/Kall

1 THE COURT: Yes.

2 BY MR. KALL:

3 Q. And who was that check made out to?

4 A. It's also payable to cash for \$5,000.

5 Q. Dated the same date, November 13th?

6 A. Yes, it is.

7 Q. Whose signature is on the bottom of that one?

8 A. That's also mine.

9 Q. The same circumstances as you described before?

10 A. Yes.

11 Q. Turning that check over, can you tell where that  
12 check was cleared?

13 A. That one was cashed at Bank One.

14 Q. What did you do once you issued these checks?

15 A. I paged our runner, and I informed him that he had to  
16 go to the two different banks to secure the cash that  
17 Mr. Cafaro had instructed me to get for him.

18 Q. Who was the runner?

19 A. James Franklin.

20 Q. Did he bring you anything in return?

21 A. Yes, he did, two envelopes, one with \$8,000, the  
22 other with \$5,000.

23 Q. In cash?

24 A. In cash.

25 Q. Was Mr. Franklin a messenger just for J. J. Cafaro,

DiRenzo - Direct/Kall

1 or did he handle transactions for other people within the  
2 company?

3 A. No, he handled for the whole company.

4 Q. Was it unusual for him to handle transactions for  
5 more than one Cafaro Company executive in a day?

6 A. Yes.

7 Q. It was unusual for him to --

8 A. No. He handled it on a lot of occasions.

9 Q. Including cash transactions?

10 A. Yes.

11 Q. Was it unusual for him to obtain cash for J.J. Cafaro  
12 or other employees?

13 A. No. It wasn't unusual.

14 Q. Was there any system set up to keep the cash for one  
15 person separate from the cash for another person?

16 A. I put it -- everybody's check in a separate Cafaro  
17 envelope, and I wrote on the outside that the cash was for  
18 J.J. Cafaro or one of the other principals. So I had  
19 separate envelopes for each check with their name on the  
20 outside.

21 Q. If you'd turn next to Exhibit 8-33 and also look at  
22 8-35.

23 Do you recall the circumstances surrounding these  
24 exhibits?

25 A. Yes, I do.

DiRenzo - Direct/Kall

1 Q. Can you please tell the jury the background on this  
2 transaction?

3 A. Mr. Cafaro sent down an interoffice memorandum that  
4 he had received from U.S. Aerospace Group from Richard  
5 Detore, and they were instructing Mr. Cafaro that they  
6 needed a check drawn on his account for the \$8,000 to  
7 complete the boat repairs.

8 Q. Did that raise any concerns in your mind?

9 A. Yes, it did. I --

10 Q. Why?

11 A. When they said boat repairs, I kind of got concerned  
12 that it was Mr. Cafaro's personal boat. He had a yacht  
13 sort of in a deplorable condition, and we put a lot of  
14 money into doing repairs, and I thought maybe he had  
15 transferred his personal boat over to U.S. Aerospace.

16 Q. At the time of this transaction, did you have any  
17 knowledge that U.S. Aerospace Group had purchased a boat?

18 A. No, I didn't.

19 MR. KALL: Your Honor, may I place 8-33 on  
20 the overhead?

21 THE COURT: Certainly.

22 Q. Is this the memo you were referring to earlier?

23 A. Yes.

24 Q. Could you read it, please?

25 A. Interoffice memorandum to John J. Cafaro for Richard

DiRenzo - Direct/Kall

1 Detore, dated 11-23-98.

2 "J.J., we need to get a check for \$8,000 to complete  
3 the boat repairs. Please call if you have any questions."

4 Okay. J.J.C., and then my writing, paid, 12-24-1998, check  
5 3588.

6 Q. This handwriting, okay, J.J.C., whose handwriting is  
7 that?

8 A. Mr. Cafaro.

9 Q. To the right of that, paid 12-24-98, that's yours?

10 A. That's mine.

11 Q. Did you immediately pay this when you received it?

12 A. I spoke to my supervisor, Dominic Rosselli, and I  
13 questioned the fact that did U.S. Aerospace have a boat to  
14 see if I could --

15 Q. What, if anything, was done?

16 A. Mr. Rosselli placed a call -- I believe it was to  
17 Mr. Cafaro -- and he asked him if there was a boat that  
18 U.S. Aerospace Group had, and when he hung up, he told me  
19 that yes, they had a boat, and they were using it to test  
20 the laser guidance system for the Marines for boats and  
21 stuff.

22 Q. And was a check issued for the \$8,000?

23 A. Yes, it was.

24 Q. Is that what's depicted on Exhibit 8-35?

25 A. Yes.

DiRenzo - Direct/Kall

1 MR. KALL: May I place this on the overhead,  
2 your Honor?

3 THE COURT: Yes.

4 Q. Who was that check made out to?

5 A. Richard Detore.

6 Q. For how much?

7 A. \$8,000.

8 Q. And dated when?

9 A. December 24, 1998.

10 Q. And whose signature is on the bottom?

11 A. Mr. Cafaro's.

12 Q. Can you tell based on the check register whether or  
13 not this check cleared?

14 A. Yes, it did. It has my red check mark on it.

15 Q. And what else did you write in the check register  
16 there?

17 A. I wrote the notation in case they were checking to  
18 see what it was issued for, boat, U.S. Aerospace.

19 Q. Turning to the back of that, who was this check  
20 endorsed by?

21 A. Endorsed by Richard Detore, payable to Al Lange.

22 Q. As part of your duties handling J.J. Cafaro's  
23 expenses, did you handle his personal credit card bills?

24 A. Yes, I did.

25 Q. How did you obtain those?

DiRenzo - Direct/Kall

1 A. They were sent down to make -- to me from  
2 Mr. Cafaro's secretary.

3 Q. What did you do with them when you received them?

4 A. We made copies, and we sent them upstairs to  
5 Mr. Cafaro to mark which items were personal and which  
6 could be charged to any of our jobs in the office.

7 Q. If you'll look at Exhibit 8-47, do you recognize  
8 that?

9 A. Yes, I do.

10 Q. And what is it?

11 A. It's Mr. Cafaro's VISA card statement from Bank One.

12 MR. KALL: May I place this on the overhead,  
13 your Honor?

14 THE COURT: Yes.

15 BY MR. KALL:

16 Q. What month and year is this from?

17 A. June 15th, 1999, statement date.

18 Q. You said it was from a Bank One VISA; is that  
19 correct?

20 A. Yes.

21 Q. Were there any circumstances that surrounded  
22 Mr. Cafaro obtaining this credit card?

23 A. He was issued an American Express Business Card from  
24 our company, but they -- the American Express called and  
25 thought that Mr. Cafaro was using a business corporate card



DiRenzo - Direct/Kall

1 for personal use, and that they had warned that it wasn't  
2 set up that way. It was a business card, and that they  
3 could tell there were numerous items being charged in  
4 clothing and jewelry, and they knew that the ship to was  
5 always his home, so they felt that it was being used not  
6 for purposes intended, and so they asked that he curtail  
7 personal spending.

8 Q. And what happened to the MX card?

9 A. They took it off Mr. Cafaro and had Bank One issue a  
10 VISA card in its replacement.

11 Q. At the time of this transaction in June of 1999, was  
12 that during the time when Mr. Cafaro was paying the USAG  
13 expenses personally?

14 A. Yes, it was.

15 Q. Did anything unusual happen after receiving this June  
16 15th, 1999, credit card bill?

17 A. I hadn't been paying any of them, and so the balance  
18 was starting to accumulate. And since there was a limit on  
19 this VISA card of \$10,000, it was almost maxed when  
20 Mrs. Cafaro placed a call to J.J.'s secretary and wanted to  
21 know what was going on that she had tried to make a  
22 purchase on it, and she was denied.

23 Q. As a result of that, what did you do?

24 A. She instructed me to make copies of the bills that I  
25 hadn't paid, to bring them up to Mr. Cafaro so he could see

DiRenzo - Direct/Kall

1 what was going on.

2 Q. What happened when you talked to Mr. Cafaro?

3 A. He thought that some of the charges that were on  
4 there pertained to the company U.S. Aerospace Group, and he  
5 asked that I return down to my department, which is the  
6 accounting finance department, and ask if he could have  
7 reimbursement for the charges that were pertaining --

8 Q. Was there anyone on this bill in particular he  
9 believed was chargeable to USAG?

10 A. Probably the top one, Blalock Cycle Sales, because  
11 it's in Warrenton, Virginia, which is the location of U.S.  
12 Aerospace Group, Virginia.

13 Q. And that was for \$2,714.91?

14 A. Yes.

15 Q. What did you do when you returned back downstairs?

16 A. I went to my supervisor, Dominic Rosselli, and  
17 explained that Mr. Cafaro wanted reimbursement for the  
18 charges that he felt pertained to U.S. Aerospace Group. He  
19 instructed me to come with him, and we would go to William  
20 A. Cafaro and ask him what, you know, we had to do to get  
21 this done.

22 And Mr. Cafaro instructed us that he wouldn't do any  
23 reimbursement to Mr. Cafaro unless the proper paperwork was  
24 supplied, which is all the charge slips that pertain to  
25 each of the items on the credit card slips.

DiRenzo - Direct/Kall

1 Q. And to your knowledge, was this \$2,700 charge ever  
2 reimbursed by the Cafaro Company?

3 A. No, it wasn't.

4 Q. Why not?

5 A. We placed a call to Tracy Sloan at U.S. Aerospace  
6 Group, and we instructed her that the only way Mr. Cafaro  
7 was going to get reimbursed for any of the charges  
8 pertaining to U.S. Aerospace was for them to send us the  
9 copies of all the charge slips, and it never happened.

10 Q. So you never received a backup documentation from  
11 USAG?

12 A. No, we didn't.

13 Q. You mentioned earlier that they took Mr. Cafaro's  
14 credit card. Who is the they you're referring to?

15 A. His brother, Anthony Cafaro, Senior.

16 Q. And you mentioned another name earlier, William  
17 Cafaro. Who was he?

18 A. He's Anthony Cafaro's, Senior's son.

19 Q. And what was his role in the company?

20 A. He's a vice-president.

21 Q. And there had also been previous mention in this  
22 trial of a different William Cafaro. Was that a common  
23 family name?

24 A. Yes, it is.

25 Q. Who are the two different William Cafaros?

DiRenzo - Direct/Kall

1 A. William M. Cafaro is the founder of our company.

2 Q. And that would be Anthony and J.J.'s father?

3 A. Yes.

4 Q. And he's deceased?

5 A. Yes, he is.

6 Q. And it would be his grandson that you were referring  
7 to earlier?

8 A. Yes.

9 Q. If you could turn now to Exhibit 8-55, do you  
10 recognize that?

11 A. Yes, I do.

12 Q. What is it?

13 A. It's a cashier's check from James A. Traficant,  
14 issued to Janet Cafaro, who was Mr. Cafaro's wife, for  
15 \$7,000, dated December 22nd, 1999.

16 MR. KALL: May I place this on the overhead,  
17 your Honor?

18 THE COURT: Yes.

19 MR. KALL: It's sort of a grainy copy.

20 Q. But it was dated when?

21 A. December 22nd, 1999.

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

24 THE COURT: Fine.

25 Q. And what is the amount on that?

DiRenzo - Direct/Kall

1 A. \$7,000.

2 Q. And it's from whom?

3 A. James A. Traficant, Junior.

4 Q. Did you ever see this when you worked at Cafaro  
5 Company?

6 A. Yes, I did.

7 Q. Who gave it to you?

8 A. Mr. Cafaro came into my office and handed me a check  
9 and wanted me to get it cashed immediately at the bank.

10 Q. What did you do with it?

11 A. I paged our runner again, and I instructed him that  
12 he had to go to the bank and cash this for Mr. Cafaro.

13 Q. Were you told what this check was for?

14 A. Yes. When he came in, he told me that Mr. Traficant  
15 had bought two of his cars, two of Mr. Cafaro's personal  
16 cars. A -- his oldest jeep, which is that's all he  
17 identified it as, his oldest jeep, and he also sold him a  
18 prototype Avanti; asked me to get the title for the oldest  
19 jeep.

20 And he knew there wasn't a title for the prototype  
21 Avanti, so he asked me to secure a bill of sale.

22 Q. You said he; you're referring to J.J.?

23 A. Mr. Cafaro, um-hum.

24 Q. Did you attempt to obtain the title and the bill of  
25 sale?

DiRenzo - Direct/Kall

1 A. I attempted to get the title for the Jeep from our  
2 accounting department. All the titles were stored in a  
3 folder there, and there were no titles for any of the Jeeps  
4 there. He had three of them at the time. And a bill of  
5 sale, I wasn't sure how to do that. So I went to my  
6 supervisor again, and he told me that I probably should  
7 talk to somebody up in the legal department and try to have  
8 a bill of sale issued at that time.

9 Q. Were you ever able to get any of those projects  
10 completed?

11 A. We were able to get the copies of the Jeep titles  
12 they helped me to obtain information from Maryland, and  
13 that's where the Jeeps from all three were purchased, from  
14 Maryland, and they -- eventually, all three titles were  
15 received in our office, and I never got the bill of sale.

16 Q. What did you do when you got the titles?

17 A. I mentioned to Mr. Cafaro that I had them, and he  
18 said hold up on everything, and we still have them.

19 Q. Do you know whatever happened to those titles?

20 A. No, I don't.

21 Q. And you were never able to obtain the bill of sale  
22 for the Avanti?

23 A. No. I asked one of the lawyers if he was going to be  
24 able to get me a bill of sale for an Avanti prototype that  
25 Mr. Cafaro was selling to James A. Traficant. I kind of

DiRenzo - Cross

1 thought that he didn't really want me to continue talking  
2 to him about that.

3 Q. The three titles that you did obtain, what types of  
4 car were they for?

5 A. Three Jeeps, two of the same year, one a little  
6 newer.

7 MR. KALL: If I could have a moment, your  
8 Honor. Nothing further right now, your Honor.

9 THE COURT: Thank you. Congressman

10 CROSS-EXAMINATION OF PATRICIA DIRENZO

11 BY MR. TRAFICANT:

12 Q. Good afternoon, Patricia. How are you?

13 A. Good. And you, Congressman?

14 Q. How did you get tied up in all this?

15 A. Pardon me?

16 Q. How did you get tied up in all this?

17 A. I worked there.

18 Q. You were there for a long time, weren't you?

19 A. Yes, I did.

20 Q. Is Mr. Cafaro a good businessman?

21 A. Yes, yes.

22 Q. He had his strengths?

23 A. He had what?

24 Q. Did he have his strengths?

25 A. Yes, he did.

DiRenzo - Cross

- 1 Q. Did he have his weaknesses?
- 2 A. Um-hum. I'm not familiar with any.
- 3 Q. Did he handle a lot of cash?
- 4 A. Yes.
- 5 Q. Did you handle his checks when he made contribution  
6 for -- to political figures?
- 7 A. Yes, I did.
- 8 Q. Could you name some of the political figures he made  
9 checks to?
- 10 A. Over the years, there were a lot. I'm not sure I  
11 could sit here and name them all.
- 12 Q. Senator Kennedy?
- 13 A. I'm not sure.
- 14 Q. Did he make large campaign contributions to the  
15 Republican and Democrat National Parties?
- 16 A. Yes, I believe so.
- 17 Q. Did you ever see the size of those checks?
- 18 A. Yes. I wrote them.
- 19 Q. And what were some of the size of those checks?
- 20 A. I think there was one for \$200,000.
- 21 Q. And what party was that to?
- 22 A. I'm not real sure right now.
- 23 Q. You know if there was a time that I investigated the  
24 Cafaro Company as sheriff?
- 25 A. No, I don't.

DiRenzo - Cross

- 1 Q. So now you said there was a \$26,000 check that you  
2 had written, but you didn't have the funds in the bank; is  
3 that correct?
- 4 A. Yes.
- 5 Q. And you had to go, in fact, obtain an official check,  
6 which would be a guaranteed check; is that correct?
- 7 A. Yes.
- 8 Q. And who ordered you to do that?
- 9 A. Mr. Cafaro.
- 10 Q. And ultimately what happened to that check?
- 11 A. It was returned and voided.
- 12 Q. What, if anything, did Mr. Cafaro tell you about that  
13 check?
- 14 A. He didn't.
- 15 Q. Did you have occasion to talk to Mr. Cafaro about his  
16 business?
- 17 A. No.
- 18 Q. Did you just go ahead and write checks when he told  
19 to you write a check?
- 20 A. Yes.
- 21 Q. Who was his boss?
- 22 A. Mr. Cafaro is the boss.
- 23 Q. J.J.?
- 24 A. Yeah, himself.
- 25 Q. Who is the boss of the Cafaro Company today as you're

DiRenzo - Cross

- 1 seated on the stand?
- 2 A. Anthony Cafaro, Senior.
- 3 Q. Now, you said they had a credit card account, and  
4 that thing got a little bit whacky. Is that right?
- 5 A. Yes.
- 6 Q. Jewelry, furs, clothing, things like that?
- 7 A. Yes.
- 8 Q. Expensive items?
- 9 A. Yes.
- 10 Q. Um-hum. Did you ever work on my farm?
- 11 A. No.
- 12 Q. Now, at some point, you went to Mr. Rosselli; is that  
13 correct?
- 14 A. Yes, in regards to?
- 15 Q. In regards to what?
- 16 A. The boat.
- 17 Q. And why did you go to Mr. Rosselli?
- 18 A. He's my supervisor.
- 19 Q. Why didn't you go to J.J.?
- 20 A. Mr. Rosselli was in my department, and I just went to  
21 him as opposed to going out and bothering Mr. Cafaro.
- 22 Q. To the best of your knowledge, what was  
23 Mr. Rosselli's title?
- 24 A. He's our treasurer, CFO.
- 25 Q. Of the entire company?

DiRenzo - Cross

1 A. Yes.

2 Q. Of the entire umbrella organization?

3 A. Yes.

4 Q. You know what his annual pay is?

5 A. No, I don't.

6 Q. Would you say he would be one of the higher paid  
7 workers at the Cafaro Company?

8 A. I don't know.

9 Q. Do they maintain records in your department of  
10 payroll?

11 A. No, they don't.

12 Q. Now, when J.J. assumed complete control and  
13 responsibility of U.S. Aerospace Group, did you have -- and  
14 did you receive more information about that company?

15 A. No, I didn't.

16 Q. Well, how did you process the checks?

17 A. I waited for instructions from Mr. Cafaro, which  
18 usually came down on a memo, and he asked me to write  
19 checks for the following.

20 Q. On what accounts did you write checks?

21 A. Mostly out of his personal account, but I also had a  
22 U.S. Aerospace Group payroll account.

23 Q. What insurance policy were the employees of U.S.  
24 Aerospace covered under?

25 MR. KALL: Objection, relevance.

DiRenzo - Cross

1 THE COURT: You may answer if you know.

2 THE WITNESS: I'm not real sure. I didn't  
3 handle payroll.

4 Q. What insurance policy did you have?

5 A. I have with the Cafaro Management Company.

6 Q. Are there different insurance coverages in the  
7 company?

8 A. No, there isn't.

9 Q. Is there one policy?

10 A. Yes.

11 Q. Now, are you familiar with any partnerships in real  
12 estate that the Cafaros have?

13 A. Yes.

14 Q. Do you know if those employees are covered under the  
15 Cafaro group insurance policy?

16 A. Yes, they are.

17 Q. Now, if those partnerships were covered under the  
18 Cafaro insurance policy, would it be a fact the United  
19 States, U.S. Aerospace Group policy would also be under the  
20 umbrella of that corporation -- of that company?

21 A. They could be, but I'm not familiar with it.

22 Q. Who's spending all the money on that credit card?

23 A. The VISA card? I believe it was U.S. Aerospace  
24 Group. I saw a lot of the charges pertaining to Virginia.

25 Q. Well, was U.S. Aerospace buying jewelry?

DiRenzo - Cross

- 1 A. No. That was the American Express card.
- 2 Q. At the time that these expenses were being made, did
- 3 Mr. Cafaro, J.J. Cafaro, still own this wooden boat?
- 4 A. I'm not real sure. I believe so.
- 5 Q. Was it unusual for you to pick up \$15, \$20,000 worth
- 6 of cash or have the runners go pick up \$15 or \$20,000 cash
- 7 for Mr. Cafaro?
- 8 A. That's a little larger than what he might usually ask
- 9 for, yes.
- 10 Q. What would he usually ask for?
- 11 A. Probably under \$10,000.
- 12 Q. How often would he do that?
- 13 A. Quite often.
- 14 Q. Is quite often --
- 15 A. Maybe once a week or more. I had his checkbook. All
- 16 the deposits went into the checking account. His paychecks
- 17 were direct deposited into his wife's account. The only
- 18 way he had money was to issue checks payable to cash to
- 19 have spending money.
- 20 Q. Wasn't it a fact that he was placed on a limited
- 21 salary by Anthony Cafaro, the boss?
- 22 A. Yes.
- 23 Q. And what was that salary?
- 24 A. He received \$60,000 a month plus his paycheck.
- 25 Q. And what was his paycheck?

DiRenzo - Cross

1 A. I'm not real sure of the figure. It's direct  
2 deposit, and I don't handle payroll.

3 Q. So he's getting \$720,000 a year, and you don't know  
4 what his paycheck is, right?

5 A. No. It's -- it's private, and we have direct deposit  
6 for the officials.

7 Q. Well, then?

8 A. Within the company.

9 Q. What is the \$60,000 a month for?

10 A. His bills.

11 Q. And you say Mr. Cafaro's checks were bouncing?

12 A. Yes.

13 Q. And would \$20,000 over a period of two years cause  
14 his checks to bounce?

15 A. Pertaining to the boat, the \$26,000?

16 Q. Yes.

17 A. I mean, he was paying other bills for U.S. Aerospace  
18 Group. The funds were pretty limited, trying to make do  
19 with both the business and his personal.

20 Q. What kind of payments was he making for U.S.  
21 Aerospace Group?

22 A. Various payments as to all the different electronic  
23 items that they needed, office supplies. He kept the  
24 office going, travel.

25 Q. Give me an example of what their monthly activity

DiRenzo - Cross

- 1 was. You handled their accounts.
- 2 A. Payroll was costing probably about \$20,000, and --
- 3 Q. A month?
- 4 A. Every other week, they --
- 5 Q. Every two weeks?
- 6 A. Yeah.
- 7 Q. So you'd say about a half million dollars a year in
- 8 payroll?
- 9 A. Yes.
- 10 Q. Did you also make the deposits for USAG?
- 11 A. Into Mr. Cafaro's U.S. Aerospace payroll account,
- 12 yes.
- 13 Q. How many deposits did you make into his account?
- 14 A. Not a lot.
- 15 Q. Give me an idea on a yearly basis?
- 16 A. We only had it for probably a half a year.
- 17 Q. And how many total deposits did you make in that six
- 18 months?
- 19 A. I'm not sure.
- 20 Q. Would it be less than \$100,000?
- 21 A. Probably.
- 22 Q. Less than \$50,000?
- 23 A. No, more.
- 24 Q. So you had \$50,000 to \$100,000 coming in and half a
- 25 million going out. How was Mr. Cafaro operating USAG?

DiRenzo - Cross

- 1 A. He was having a lot of difficulties.
- 2 Q. Did he make loans?
- 3 A. He had borrowed money off the company.
- 4 Q. Did you write the checks to service that debt?
- 5 A. No, I didn't.
- 6 Q. What account did that come from?
- 7 A. Cafaro Laser.
- 8 Q. Wasn't Cafaro Laser basically a subsidiary or  
9 associate or some type of umbrella group of USAG?
- 10 A. Yes.
- 11 Q. Well, they're only bringing in \$150,000. They're  
12 spending half a million on a payroll loan. We didn't talk  
13 about supplies, any rent, any utilities, any costs, any  
14 production, any travel, have we?
- 15 A. No. They weren't doing very well.
- 16 Q. Did you find it unusual to have an official  
17 guaranteed check returned to you?
- 18 A. Yes, I did.
- 19 Q. Was that negotiable in any bank in the United States  
20 or any of its territories overseas?
- 21 A. It was payable to NationsBank.
- 22 Q. And you just couldn't void that like another check,  
23 could you?
- 24 A. No.
- 25 Q. You had to, for the first time in 32 years, go

DiRenzo - Cross

1 through a process to learn how to rescind and cancel a  
2 check; is that correct?

3 A. Yes.

4 Q. Did Mr. Cafaro come back to you and ask you if there  
5 was any other way that you could commingle funds from  
6 different accounts and credit cards and come up with  
7 \$26,000 plus dollars?

8 A. No, he didn't.

9 Q. Now, when you knew that U.S. Aerospace Group was  
10 having all these difficulties, did you talk with him about  
11 receipts and the items that you talked about with  
12 Mr. Rosselli?

13 A. No.

14 Q. Did you take it to the attention of Mr. Rosselli?

15 A. Could you repeat it?

16 Q. Did you take to Mr. Rosselli your concerns about this  
17 tremendous expense with very little income concerning USAG?

18 A. Yes.

19 Q. And what, if anything, did Mr. Rosselli say?

20 MR. KALL: Objection, hearsay.

21 THE COURT: Sustained. Don't answer that.

22 Q. Did you have any knowledge of any action being taken  
23 in reference to your conversation with Mr. Rosselli?

24 A. No, I didn't.

25 Q. You mean the treasurer did not come back and explain

DiRenzo - Cross

- 1 to you what was happening?
- 2 A. No.
- 3 Q. Was that a common practice with the Cafaro Company?
- 4 A. This was Mr. Cafaro's personal account.
- 5 Q. Isn't it a fact that the Cafaro Company has one boss
- 6 that could fire everybody?
- 7 A. Yes.
- 8 Q. Who is that?
- 9 A. Anthony M. Cafaro, Senior.
- 10 Q. Who, in fact, did USAG make their loans from?
- 11 A. I believe Mr. J.J. Cafaro.
- 12 Q. Did J.J. lend \$10 million to USAG?
- 13 A. He borrowed the funds probably from his partnership
- 14 interests.
- 15 Q. From whom?
- 16 A. From the Cafaro Management Company.
- 17 Q. Who is the Cafaro Management Company?
- 18 A. Anthony M. Cafaro, Senior.
- 19 Q. Are there a listing of officials with the Cafaro
- 20 Corporation?
- 21 A. Yes.
- 22 Q. Would you please describe to me what -- who and what
- 23 the titles are?
- 24 A. It's not in my possession. It's in Dominic
- 25 Rosselli's office, and I have never been given it.

DiRenzo - Cross

- 1 Q. You know -- well, you know who the boss is, don't  
2 you?
- 3 A. Anthony M. Cafaro, Senior.
- 4 Q. Who's second in command?
- 5 A. William A. Cafaro.
- 6 Q. And that is the son of Anthony Cafaro?
- 7 A. Yes. And John J. Cafaro.
- 8 Q. And John J. Is at the same level as young Anthony?
- 9 A. Mr. Cafaro is one of the youngest of the company.
- 10 Q. J.J.?
- 11 A. J.J., yes.
- 12 Q. And how about Flora?
- 13 A. She's the other owner.
- 14 Q. Did J.J. Cafaro deal with a lot of cash?
- 15 A. Yes, he did.
- 16 Q. Would you -- how much cash would you say he would  
17 average a month?
- 18 A. Probably \$15, \$20,000. That's just a guess.
- 19 Q. Did Anthony Cafaro utilize a lot of cash?
- 20 A. I don't do anything for Anthony Cafaro, Senior.
- 21 Q. Isn't this, in fact, a private family-owned company?
- 22 A. Yes, it is.
- 23 Q. Do they have any stockholder meetings?
- 24 A. I am not aware of it.
- 25 Q. Now, you said there were checks cashed by Mr. Lange.

DiRenzo - Cross

- 1 Who did Mr. Lange work for?
- 2 A. U.S. Aerospace Group.
- 3 Q. Did you ever ask what his position was?
- 4 A. No, I didn't.
- 5 Q. There was checks cashed by Mr. Detore. Did you ever
- 6 ask what his position was?
- 7 A. No, I didn't.
- 8 Q. So if he just put a check over it, that meant what?
- 9 A. Pardon me?
- 10 Q. If you put a check mark over it, what does it mean?
- 11 A. The check cleared the account.
- 12 Q. That's all you had to do, make sure there was enough
- 13 money to clear?
- 14 A. Yes.
- 15 Q. And if J.J. said send it, you sent it?
- 16 A. I never sent any of the checks. The checks were sent
- 17 from Mr. Cafaro's office.
- 18 Q. And his secretary, Ginni, would send the checks?
- 19 A. I'm not familiar with it. I'm not sure who sent it.
- 20 Q. You would draft the checks?
- 21 A. Yes.
- 22 Q. You would be the custodian of the records of the
- 23 statements, deposits, and withdrawals?
- 24 A. Yes.
- 25 Q. Would you do the rough accounting of it and turn it

DiRenzo - Cross

- 1 over to Mr. Rosselli?
- 2 A. Yes.
- 3 Q. Would you confer with Mr. Rosselli on the respective  
4 accounts of USAG and the personal matters of J.J. Cafaro?
- 5 A. No.
- 6 Q. You never conferred with him on USAG?
- 7 A. No.
- 8 Q. Did Mr. Rosselli ever ask you for documents and  
9 receipts?
- 10 A. No.
- 11 Q. Now, did it come to your attention there's jewelry  
12 and luxury items being purchased? Was that for a boat?
- 13 A. No. I believe they were for Mr. Cafaro's wife and  
14 daughters.
- 15 Q. Did they have an expense account per month?
- 16 A. Not with the company.
- 17 Q. Did they have one with J.J.?
- 18 A. I'm not familiar with it.
- 19 Q. So to get this \$13,000 now, you need cash. You had  
20 to go to two different banks?
- 21 A. Yes.
- 22 Q. He wanted \$100 bills?
- 23 A. Yes.
- 24 Q. And they just didn't have \$13,000 in \$100 bills?
- 25 A. No.

DiRenzo - Cross

1 Q. Was there ever a time any of the banks became  
2 concerned about J.J. Cafaro's banking activities?

3 A. Not that they were mentioned to me.

4 Q. You mentioned you had a problem with American  
5 Express?

6 A. Yes.

7 Q. Did you speak to Mr. Rosselli about the American  
8 Express problem?

9 A. No.

10 Q. Did you speak to Mr. Cafaro?

11 A. No. I was not the one to speak to Mr. Cafaro.

12 Mr. Cafaro's brother, Anthony M. Cafaro, Senior --

13 Q. Did you, in fact, talk to Mr. Cafaro, Senior,  
14 Anthony, Senior?

15 A. I sat in on the meeting.

16 Q. There was a meeting called. Who was all at the  
17 meeting?

18 A. Mr. Cafaro, myself, and J.J. Cafaro.

19 Q. And what was the result of that meeting?

20 A. That Mr. Cafaro would no longer have an American  
21 Express card. He'd be given a lump sum of \$60,000 towards  
22 his monthly expenditures and his paycheck, and that we  
23 would issue a Bank One VISA card for his travel expenses  
24 since he didn't have any other credit cards.

25 Q. Wasn't it a fact that the Cafaro Company would have

DiRenzo - Cross

1 nothing to do with that VISA account, and that was strictly  
2 the responsibility of J.J. Cafaro?

3 A. Yes, it was.

4 Q. And isn't it a fact that Anthony Cafaro says the  
5 American Express card is over, it's finished, J.J.?

6 A. Yes.

7 Q. Isn't it a fact that he directed out of that \$60,000  
8 that \$20,000 must go to the family, the wives and the  
9 children?

10 A. \$20,000 was on a month to month basis, going into his  
11 wife's account.

12 Q. Isn't that what I asked you earlier?

13 A. Yes.

14 Q. You recall now?

15 A. No, I don't.

16 Q. Well, you said you didn't recall earlier, but you  
17 recall now?

18 A. The \$20,000?

19 Q. Yes.

20 A. I was not understanding what you were asking.

21 Q. I apologize.

22 Now, did there come a notice \$8,000 to finish the  
23 boat, right?

24 A. Yes. I don't think the word finished was in there.  
25 It just said boat repairs.

DiRenzo - Cross

1 Q. Um-hum. Did you ever itemize boat repairs?

2 A. No, I didn't, only when I knew.

3 Q. There's been a lot of checks written about boats,  
4 Mr. Lange, mostly Mr. Detore. How did you, in fact, know  
5 all of them were going to one boat and not going maybe to  
6 two boats?

7 A. I didn't know they were going to any boats other than  
8 the one for Richard Detore. None of Al Lange's were  
9 identified as boat repairs to me.

10 Q. What were Al Lange identified to you as?

11 A. They weren't. I was just instructed to write checks  
12 to Mr. Lange.

13 Q. Do you know if they had bonus contracts?

14 A. No, I don't.

15 Q. Was it a common practice for Mr. Cafaro, J.J.  
16 Cafaro, to write cash checks to employees?

17 A. No, it's not.

18 Q. Did he ever do it with anyone else?

19 A. Not that I can remember.

20 Q. Now, when he got the \$26,000 back, what, in fact, did  
21 he instruct you to do with it?

22 A. His secretary instructed me to void the check.

23 Q. And when you voided the check, what happened to the  
24 money?

25 A. I put it back into Mr. Cafaro's personal checking

DiRenzo - Cross

1 account.

2 Q. Did Mr. Cafaro take any of that money out of there in  
3 the near future?

4 A. As cash or to pay his bills?

5 Q. At the time of this so-called \$13,000, did Mr. Cafaro  
6 have discussions with you relative to what those funds  
7 would be used for?

8 A. No, he didn't.

9 Q. How often was Mr. Cafaro in Youngstown, J.J.?

10 A. Quite often, not everyday, but in the office a lot.

11 Q. During the week?

12 A. Yes.

13 Q. Where did he usually spend his weekends?

14 A. I believe he has two homes, one in Maryland and one  
15 in Hubbard, and he split, I believe, his time between the  
16 two.

17 Q. Would you say 50 percent of the time?

18 A. Maybe back then when he had the business.

19 Q. Maybe more Maryland when he had the business?

20 A. Yeah, maybe more.

21 Q. Now, you said at some particular point J.J. was  
22 questioning you about cars, Jeeps?

23 A. Um-hum, yes.

24 Q. Titles?

25 A. Yes.



DiRenzo - Cross

1 Q. Had he ever asked you about titles before?

2 A. No.

3 Q. Did you know he had three Jeeps?

4 A. Yes, I did.

5 Q. How did you know?

6 A. The titles were kept in the accounting office in a  
7 folder that we kept all the titles for the condition and  
8 personal vehicles.

9 Q. I thought that you said that you received them from  
10 Maryland?

11 A. That was because they were not in the file where they  
12 were supposed to be. They had been removed, I believe, by  
13 Mrs. Cafaro to secure Maryland license plates, and they  
14 were never returned and ultimately lost.

15 Q. Do you know if the Jeep that's in question in the  
16 Traficant case was the oldest of the Jeeps?

17 A. That was the instructions Mr. Cafaro had told me that  
18 it was his oldest Jeep.

19 Q. Did he ever tell you that he sold it as is?

20 A. Yes.

21 Q. Did he tell you he sold the Avantis as is?

22 A. I believe there was a letter issued, and I saw the  
23 letter, and it said that both vehicles were sold as is and  
24 needed repair.

25 Q. And in that letter, did Mr. Cafaro absolve himself of

DiRenzo - Cross

- 1 liability?
- 2 A. I don't believe he said those words.
- 3 Q. But when you use the term as is, doesn't that mean
- 4 you buy at your risk?
- 5 A. Yes.
- 6 Q. I warn you about the cars?
- 7 A. Yes.
- 8 Q. Is that the way you interpreted it?
- 9 A. Yes.
- 10 Q. Now, at some point, you got a \$7,000 check from Jim
- 11 Traficant?
- 12 A. Yes.
- 13 Q. What, if anything, did you immediately do?
- 14 A. I paged our runner, and I sent him to the bank to
- 15 cash the check as Mr. Cafaro instructed.
- 16 Q. Did you first check with Mr. Cafaro about the check?
- 17 A. He gave it to me and instructed me to cash it.
- 18 Q. And what -- he asked you to cash it?
- 19 A. Yes.
- 20 Q. To bring him cash?
- 21 A. Yes.
- 22 Q. Now, when Mr. Cafaro would get checks, would he often
- 23 do that?
- 24 A. No.
- 25 Q. Did you find that unusual?

DiRenzo - Cross

1 A. He said it was Christmas, and he had some shopping  
2 for Christmas to do, and he wanted to cash that check.

3 Q. And that was the \$7,000 check.

4 Did you later come to receive a -- who was that  
5 \$7,000 check made out to?

6 A. Janet Cafaro.

7 Q. Did Janet Cafaro have it endorsed before you signed  
8 it and gave it to you?

9 A. I only saw the check after it was endorsed. And  
10 Mr. Cafaro handed it to me, it was already signed.

11 Q. By whom?

12 A. Janet Cafaro, I assume.

13 Q. Did he also sign it?

14 A. No, he didn't.

15 Q. But he asked you for the cash?

16 A. Yes.

17 Q. Was that unusual?

18 A. That he asked for the cash instead of depositing it?  
19 At that time, yes.

20 Q. In fact, it was made out to his wife. His wife  
21 endorsed it. He said cash my wife's check, and give me the  
22 money?

23 A. Yes.

24 Q. Did you notify his wife?

25 A. No, I did not.

DiRenzo - Cross

- 1 Q. Did she ever call you about it?
- 2 A. No, she didn't.
- 3 Q. Now, when J.J. got the VISA, did he run up big bills
- 4 on that?
- 5 A. No, he didn't.
- 6 Q. Wasn't it, in fact, shortly thereafter the company
- 7 ended up folding?
- 8 A. U.S. Aerospace Group?
- 9 Q. Yes.
- 10 A. Yes.
- 11 Q. Did you know they had access to \$1.3 million worth of
- 12 funding?
- 13 A. No, I didn't.
- 14 Q. Were you a part of Treasurer Rosselli's team, would
- 15 you say?
- 16 A. Yes, yes.
- 17 Q. Would you hold monthly meetings?
- 18 A. No.
- 19 Q. Would you hold quarterly meetings?
- 20 A. No.
- 21 Q. Would you ever meet?
- 22 A. In regards to U.S. Aerospace Group? No.
- 23 Q. Was U.S. Aerospace Group one of the umbrella
- 24 companies of the Cafaro Company?
- 25 A. No.

DiRenzo - Cross

1 Q. Wasn't it a fact in the beginning the Cafaro Company  
2 paid their checks?

3 A. They were loaning the money to the -- but I don't  
4 think they were part of our group.

5 Q. Could Mr. Anthony Cafaro, Senior, have called the  
6 loan on his brother J.J.?

7 A. He could.

8 Q. Did he?

9 A. No.

10 Q. Was \$10 million a killer to their company?

11 A. I am not familiar with all the finances. It was a  
12 lot of money.

13 Q. Isn't it a fact you're one of the accountants there,  
14 and they're the eleventh largest company, privately owned  
15 in America?

16 A. I'm not an accountant.

17 Q. Are you a bookkeeper?

18 A. No, I'm not.

19 Q. What are you?

20 A. I work in the cash management department, and that's  
21 watching the funds on a day-to-day basis, money coming in,  
22 money going out, excess funds at the end of the day for  
23 investing purposes.

24 Q. So you're more or less trained on the job to a  
25 degree?

DiRenzo - Cross

- 1 A. Yes.
- 2 Q. Did you have some official training, too?
- 3 A. One year of college at YSU.
- 4 Q. Now, after William M. Cafaro, the founder, passed  
5 away, did the company structure seem to change?
- 6 A. Somewhat.
- 7 Q. In what way?
- 8 A. I believe Anthony M. Cafaro, Senior, took an active  
9 role as the head, even though I think he -- when Mr. Cafaro  
10 was there, Anthony M. Cafaro, Senior, was pretty much  
11 running the company towards the end.
- 12 Q. Isn't it a fact that William M. Cafaro, the founder,  
13 had been preparing Anthony, his oldest son, to be the COO  
14 of that company?
- 15 A. Yes, he was.
- 16 Q. Was there any question ever about it?
- 17 A. No.
- 18 Q. Was there a time when J.J. Cafaro was actually  
19 separated from the company?
- 20 A. Yes, he was.
- 21 Q. Did he and his father have a fight?
- 22 A. Yes.
- 23 Q. Did he strike his father?
- 24 A. I am not familiar with it.
- 25 Q. Was he thrown out?

DiRenzo - Cross

- 1 A. Yes.
- 2 Q. Did you say the Cafaros were very active in politics?
- 3 A. J.J. Cafaro I believe is. William was when he was  
4 alive.
- 5 Q. And you don't think Anthony is?
- 6 A. Not as much as J.J. and William M. Cafaro were.
- 7 Q. Now, when you got all these three titles, did you  
8 send any titles out to anybody?
- 9 A. No, I didn't.
- 10 Q. Were you instructed to do so?
- 11 A. I went to Mr. Cafaro and told him we were able to get  
12 the three titles from Maryland, and did he still need me to  
13 get him one of the titles, and he said not at this time.
- 14 Q. Was it before or after he got the \$7,000 check from  
15 me?
- 16 A. It was after.
- 17 Q. And he still didn't send the titles out?
- 18 A. No, he didn't.
- 19 Q. Did there come a time another \$3,000 check came from  
20 Jim Traficant?
- 21 A. I'm unfamiliar with that check.
- 22 Q. Isn't it a fact Mr. Cafaro sold cars, parts,  
23 trailers, look, stock, and barrel in USAG and Avanti for  
24 under \$100,000?
- 25 A. Which company are you asking?

DiRenzo - Cross

- 1 Q. Avanti?
- 2 A. Avanti? He sold parts down in the whole business.
- 3 Q. The whole look, stock, and barrel?
- 4 A. Yes.
- 5 Q. Cars and all, didn't he?
- 6 A. I'm not familiar what was actually sold.
- 7 Q. Were the rights sold?
- 8 A. I'm unfamiliar about that, too.
- 9 Q. Do you have any understanding of the Avanti business?
- 10 A. No, I don't.
- 11 Q. Was it J.J.'s business?
- 12 A. Yes.
- 13 Q. Did you handle J. J.'s accounts?
- 14 A. Not -- he wasn't in the office at that time. That
- 15 was when he was in his own company.
- 16 Q. He was not even allowed on the property, was he?
- 17 A. I believe he was back and forth, but not as -- not as
- 18 owner or an employee.
- 19 Q. Did you ever send me a copy of any titles?
- 20 A. No, I didn't.
- 21 Q. You have knowledge of anyone having sent me a copy of
- 22 any titles?
- 23 A. No.
- 24 Q. From the receipts that you received from USAG, could
- 25 you be absolutely sure that they were always performed on

DiRenzo - Cross

1 what was known as the Traficant boat?

2 A. I never received any receipts, and I was unfamiliar  
3 that it was Traficant's boat.

4 Q. Let me ask you this: Is there somebody in there, in  
5 this massive company, that just sends money out and doesn't  
6 memorialize receipt or some document to, in fact, specify  
7 what exactly that expenditure was for?

8 A. Mr. Cafaro sent me memos. I had no backup, no  
9 paperwork, only Mr. Cafaro's approval and instructions to  
10 issue checks. I believe the paperwork that pertained to  
11 the checks that I issued were stored at U.S. Aerospace  
12 Group.

13 Q. But he did that with all his other activities too,  
14 didn't he, send you memos?

15 A. Yes. And when he needed things, I would give him a  
16 memo.

17 Q. Were you at any time ever instructed by the boss,  
18 Anthony Cafaro, Senior, to report to him about USAG  
19 activities?

20 A. No.

21 Q. Was there a time when Anthony, Junior, the son of the  
22 boss, was assigned to monitor and watch the activities of  
23 USAG?

24 A. I'm unaware of that if he was.

25 Q. You know how much money was spent on clothing and

DiRenzo - Cross

1 jewelry and furs and dresses and clothing?

2 A. No, I don't.

3 Q. Did Janet Cafaro complain that she had \$20,000 in  
4 expense account, and her account would be exhausted at  
5 times?

6 A. No, she didn't.

7 Q. Who did Mr. Rosselli report to?

8 A. Anthony Cafaro, Senior.

9 Q. Now, when J.J. finally come back and the family got  
10 together, was it like it used to be with the same  
11 delineation of boat power and ownership?

12 A. I don't think so.

13 Q. Who was the odd man out?

14 A. J.J. Cafaro.

15 Q. Was J.J. an engineer?

16 A. No, he was not.

17 Q. To the best of your knowledge, what is his  
18 educational background?

19 A. I am not familiar with that.

20 Q. Was he the only Cafaro to deviate from the real  
21 estate business?

22 A. Yes, I believe so.

23 Q. Did there come a time when the stadium was built in  
24 Niles, Ohio, for a baseball team?

25 A. Yes.

DiRenzo - Cross

- 1 Q. Is Mr. William M. Cafaro still alive?
- 2 A. He was alive at that time when they were promoting  
3 the baseball stadium.
- 4 Q. Did he not instruct his sons to build that stadium?
- 5 A. Yes, he did.
- 6 Q. Do you know if there's been a great success for the  
7 Valley?
- 8 A. Yes, it has.
- 9 Q. Would you know if the Congressman personally talked  
10 to William Cafaro about building it?
- 11 A. No, I don't.
- 12 Q. Do you still handle J.J.'s accounts?
- 13 A. Yes, I do.
- 14 Q. Has he made any significant political contribution  
15 that you can remember to me?
- 16 A. No.
- 17 Q. Do you know if one time he made a commitment to pay  
18 and did not pay?
- 19 A. Yes.
- 20 Q. Did he ever pay?
- 21 A. No, he didn't.
- 22 Q. How much does he owe?
- 23 A. It was \$1,000 for a golf outing.
- 24 Q. Was his name plastered all over?
- 25 A. At the outing?

Cafaro - Direct/Morford

1 Q. Yes.

2 A. I wasn't there. I have no way of knowing.

3 Q. I want the thousand dollars. I thank you, and if  
4 they redirect, I will be back. Nice talking to you.

5 THE COURT: We're going to take the afternoon  
6 break. Half an hour. 3:20 we'll be back, not quite half  
7 an hour.

8 (Thereupon, a recess was taken.)

9 JOHN J. CAFARO

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

11 being first duly sworn, was examined

12 and testified as follows:

13 DIRECT EXAMINATION OF JOHN J. CAFARO

14 BY MR. MORFORD:

15 Q. Good afternoon.

16 A. Good afternoon.

17 Q. Would you please state your name, and spell your last  
18 name for the Court Reporter?

19 A. John J. Cafaro, C-A-F-A-R-O.

20 Q. Mr. Cafaro, two things: Number 1 is the Judge just  
21 said it's kind of hard to hear in this room, and that  
22 microphone comes out of the stand if you want to hold it.

23 A. Is that better?

24 Q. That's great. And I was going to tell you before you  
25 do that, if you want water, you might want to pour that now

## Cafaro - Direct/Morford

1 before you get going with the microphone.

2 Mr. Cafaro, are you familiar with a company called  
3 the Cafaro Company?

4 A. Yes, I am.

5 Q. And can you tell us, is that your family business?

6 A. Yes, it is.

7 Q. And what is the primary business of the Cafaro  
8 Company?

9 A. The primary business of the Cafaro Company is that  
10 we're regional shopping center developers.

11 Q. And are you one of the principals of that company?

12 A. Yes, I am.

13 Q. Are you also familiar with a company called USAG?

14 A. Yes, I am.

15 Q. And what was USAG?

16 A. USAG stood for U.S. Aerospace Group, and it was a  
17 company that I owned that was formed in order to utilize  
18 laser technology for airplane landing systems.

19 Q. And who owned the rights to that airplane landing  
20 technology?

21 A. The rights were owned by Cafaro Laser.

22 Q. And who helped Cafaro Laser to obtain the rights to  
23 those patents and that technology?

24 A. I did.

25 Q. Now, initially how was USAG or Cafaro Laser, the

## Cafaro - Direct/Morford

1 Cafaro end of this technology, funded?

2 A. Originally, it was funded through various Cafaro  
3 family entities.

4 Q. And who was -- whose idea was it to get the Cafaro  
5 Company financial wherewithal behind this technology and  
6 take a shot at this investment?

7 A. I did.

8 Q. What did you see as the profit making potential of  
9 this investment as you first brought it to your family and  
10 got them to make a commitment?

11 A. Assuming that certification was obtainable, the  
12 profitability of the company of that nature could have been  
13 in the hundreds of millions of dollars.

14 Q. That was your view?

15 A. Yes.

16 Q. Now, who was your primary customer base for it  
17 technology?

18 A. The United States Government.

19 Q. And what part of the Government? Who did you  
20 envision you would be selling this technology to as your  
21 primary customer?

22 A. We would be selling to airports, and because it was  
23 airports, you would be selling to the Federal Aviation  
24 Administration.

25 Q. Okay. Now, in addition to the airport aspect of this

Cafaro - Direct/Morford

1       technology, was there also some military options that were  
2       open to you with this technology?

3       A.     Yes, there were.

4       Q.     And can you describe those for the jury?

5       A.     Well, this laser technology could have been used for  
6       remote air fields equipped for deployment, and provide  
7       guidance for helicopters, things of that nature, where  
8       based upon today, they do not have any guidance at all.

9       Q.     Was there any restriction placed on the degree to  
10      which you could market this technology to the military?

11      A.     None.

12      Q.     Did the inventors have any contracts with the  
13      military prior to the time you got involved?

14      A.     Yes. They had the Navy.

15      Q.     Was that open to you?

16      A.     No.

17      Q.     So there were some?

18      A.     Yes. I'm sorry, yes.

19      Q.     Apart from the Navy, were the other branches of the  
20      military open to you?

21      A.     Yes, they were.

22      Q.     Now, was there also some form of nautical  
23      applications as a possibility for this technology?

24      A.     Yes, to again provide guidance in channels and things  
25      of that nature.

Cafaro - Direct/Morford

1 Q. Out of all the different applications you discussed,  
2 what did you see as the primary money making application of  
3 this technology as you understood it?

4 A. The FAA, the civilian side of it.

5 Q. And what was the major hurdle that you faced before  
6 you could begin marketing this technology to the FAA and to  
7 the airports around this country?

8 A. You needed to have certification from the FAA.

9 Q. And how significant was that to this venture?

10 A. It was this venture. Without certification, the  
11 company would never have grown to any major proportion  
12 whatsoever.

13 Q. By way of analogy, would this be similar to what you  
14 get with a drug company needing to get FDA or some kind of  
15 Government certification?

16 A. Exactly, exactly.

17 Q. Before they could put a product on the market?

18 A. Yes. You cannot sell in the general aviation area  
19 without FAA certification, period.

20 Q. No matter how good the technology?

21 A. No matter how good the technology is.

22 Q. Who were the key employees at USAG?

23 A. Myself, Richard Detore, and Al Lange.

24 Q. Okay. And let's start with you. What was your role,  
25 and what were your duties at USAG?

Cafaro - Direct/Morford

1 A. Well, I was primarily responsible for funding. I was  
2 also responsible for the end product so to speak, success  
3 or failure. Rick Detore was responsible for the day-to-day  
4 operations of the company, and Al Lange was the chief  
5 engineer initially.

6 Q. Okay. Now, you have a daughter named Capri?

7 A. Yes, I do.

8 Q. And was there a time early on when you sent her down  
9 to the company?

10 A. Yes. Capri went down, we gave her the title of -- I  
11 think it was vice-president Government relations. She was  
12 basically there as my eyes and ears.

13 Q. Explain what you mean there as your eyes and ears?

14 A. My office was in Youngstown, Ohio. U.S. Aerospace  
15 Group was in Manassas, Virginia, and I wasn't able to be at  
16 that particular location very often. And Capri was there  
17 basically to make sure that when issues got raised they  
18 caught my attention.

19 Q. As far as the actual title that you gave her, was  
20 that a real title or more of a figurehead title?

21 A. It was a figurehead title. USAG is an LLC, and  
22 legally, there aren't even positions as president,  
23 vice-president in LLC. It's like a partnership so there  
24 really aren't titles in a limited liability company.

25 Q. Now, at the time that you asked Capri to play the

Cafaro - Direct/Morford

1 role of being your eyes and ears at the company, was she  
2 doing anything else in the Washington, D.C. area at that  
3 time?

4 A. She was attending grad school at Georgetown  
5 University.

6 Q. Now, did there ever come a time you talked with  
7 Congressman Traficant about the USAG laser landing  
8 technology?

9 A. Yes, I did.

10 Q. And without telling us whether or not he actually did  
11 anything that he promised to do for you, just focusing on  
12 the promise, what did Congressman Traficant promise to do  
13 for you regarding this technology?

14 A. To assist with the FAA and get the -- and help with  
15 the certification.

16 Q. And again, focusing on promises and not getting into  
17 what, if anything, he did, just what he was promising to  
18 do, did he make any promises regarding the influence he  
19 would have on the aviation subcommittee of the House of  
20 Representatives in terms of obtaining line item funding for  
21 this technology?

22 A. Well, the Congressman indicated that he was on the  
23 transportation subcommittee, and that he would be in a  
24 position to assist in the funding from a Government  
25 standpoint in this particular venture.

Cafaro - Direct/Morford

1 Q. You're familiar with something called AIP funding or  
2 AIP funds?

3 A. Yes.

4 Q. And what are those, as you understand it?

5 A. Airport recruitment funds, and those are the funds  
6 available to an airport by the federal government for  
7 improvements at that -- at an airport.

8 Q. And are there any restrictions to the airport as to  
9 how they use that pool of funds that's set aside for the  
10 airport to do improvements?

11 A. It's my understanding that the characteristic of  
12 that -- of those expenditures have to be approved by the  
13 Congress. They have to be eligible for AIP funding.

14 Q. Again, without telling us, what, if anything, he  
15 actually did, what was Congressman Traficant promising to  
16 do for you and USAG regarding eligibility for AIP funding?

17 A. He would see to it that the laser system would be AIP  
18 eligible.

19 Q. What, if any, promises was the Congressman making  
20 with regard to Army -- the potential for Army contracts for  
21 USAG?

22 A. He said he had great relationships with the military  
23 armed forces subcommittee, and that it was possible to get  
24 funding for this type of equipment through that particular  
25 subcommittee.

Cafaro - Direct/Morford

1 Q. And what, if anything, was he telling you or  
2 promising you he could do to help with the nautical  
3 application of this technology?

4 A. That he could arrange, since the Coast Guard has  
5 control of the water, to have the Coast Guard review and  
6 work with us to get approved by the Coast Guard for  
7 nautical use.

8 Q. What, if anything, did he tell you about the  
9 significance of his position on the aviation subcommittee  
10 of the House of Representatives based on what you were  
11 trying to do with USAG?

12 A. He said it was a perfect fit. This is where he was  
13 on the committee, and that this was the committee that  
14 oversaw this type of technology, and that he was willing to  
15 use his office and his good graces to do everything he can  
16 to make this particular technology a reality.

17 Q. Now, did you have other contacts on Capitol Hill that  
18 you could have gone to at that time?

19 A. Yes.

20 Q. And did you discuss that with Congressman Traficant?

21 A. Yes.

22 Q. And what did he tell you?

23 A. He said that he was in a position to do this, and if  
24 I brought somebody else in it, I'd probably screw it up.

25 Q. What did he instruct you to do?

Cafaro - Direct/Morford

1 A. Leave it in his hands.

2 Q. Did you do that initially?

3 A. Yes.

4 Q. Now, did there come a time where Congressman  
5 Traficant began meeting with officials from USAG for the  
6 purpose of trying to assist USAG?

7 A. Yes, he did.

8 Q. And who was the principal point of contact between  
9 USAG and Congressman Traficant?

10 A. Richard Detore.

11 Q. And how would you describe the relationship between  
12 Congressman Traficant and Richard Detore as it developed?

13 A. Extremely close.

14 Q. Now, did they know each other at the outset as you  
15 began working with Congressman Traficant to promote the  
16 technologies of USAG?

17 A. No.

18 Q. I have an exhibit in front every you with a clip.  
19 You'll find it on the furthest to your right. Do you see  
20 that there? That is a -- that's a group of 22 documents,  
21 expense reports, collectively labeled 8-62(2). And prior  
22 to coming in to testify today, have you had an opportunity  
23 to review those documents?

24 A. Yes, I have.

25 Q. And just generically can you explain to the jury what

Cafaro - Direct/Morford

1 those documents are, what those forms are?

2 A. These are Rick Detore's expense forms for dinners at  
3 various restaurants with Congressman Traficant.

4 Q. Now, you say expense forms. Whose form was that,  
5 what company?

6 A. USAG.

7 Q. And was there a business procedure that Rick Detore  
8 had to follow when he was claiming that expenditures that  
9 he had made were business-related expenditures that should  
10 be paid by USAG as business expenses?

11 A. Yes. He had to fill out an expense reimbursement  
12 form. He'd have to sign it. Then it would go to Pri --  
13 she would question him to see what he said the dinner was  
14 about and go to her, ultimately, would go to me. I would  
15 finally approve it and would get paid.

16 Q. Are those forms in front of you that are collectively  
17 marked Exhibit 62(2) actual expense reports that were  
18 submitted by Rick Detore and approved under the process you  
19 just described?

20 A. Yes, they are. They're in the normal course of  
21 business. These are the reports that we have, yes.

22 Q. Now, when a number of those forms -- there's a  
23 restaurant called Taverna for which Rick Detore claimed  
24 meals. Are you familiar with that restaurant?

25 A. Yes, I am.

Cafaro - Direct/Morford

1 Q. And what was the nature of the expenses that Rick  
2 Detore was claiming for Taverna as you understood it?

3 A. They were dinners and/or lunches with Congressman  
4 Traficant.

5 Q. I'd like to turn your attention now away from that  
6 group of documents to the next set of documents in front of  
7 you. We'll start with the top document marked Government's  
8 Exhibit 8-4. Do you see that?

9 A. Yes, sir.

10 MR. MORFORD: Your Honor, this is already  
11 admitted into evidence. May I put it on the screen?

12 THE COURT: Yes.

13 BY MR. MORFORD:

14 Q. Explain to the jury what this is and how you first  
15 came to possess it.

16 A. This is a news release from Congressman Traficant's  
17 office that was sent to USAG and then sent to me by  
18 Mr. Paul Marccone.

19 Q. Do you recognize any of the writing at the top up  
20 there. There's some handwriting?

21 A. No, I don't. It says send to J.J. Cafaro, but I  
22 don't know whose handwriting that is.

23 Q. Could you go ahead and read for us the first  
24 paragraph of this April 14, 1998, news release?

25 A. "Washington, D.C., U.S. Representative James A.

Cafaro - Direct/Morford

1       Traficant, Junior, Democrat, Ohio, wants the Federal  
2       Aviation Administration to make the installation of  
3       Enhanced Vision Technology at U.S. airports part of the  
4       Clinton Administration's aviation safety agenda announced  
5       earlier today. If the FAA is truly interested in  
6       dramatically improving aviation safety, it will make  
7       Enhanced Vision Technologies a key part of its agenda.  
8       Noted Traficant in the letter sent this afternoon to FAA  
9       Administrator Jane Garvey. Traficant is a senior member of  
10      the U.S. Transportation and Infrastructure Subcommittee on  
11      Aviation."

12      Q.     Let me ask you this: Is this press release talking  
13      about this thing called installation of Enhanced Vision  
14      Technologies at U.S. airports as part of the Clinton  
15      Administration's aviation safety agenda, whose technology  
16      was Congressman Traficant promoting in this press release?

17      A.     USAG.

18      Q.     And that would be your technology?

19      A.     That is correct.

20      Q.     If you could take a look at the third page -- and you  
21      might have to pull it out of the glassine there.

22             Do you see a handwritten note on the third page of  
23      that document?

24      A.     Yes.

25      Q.     And could you read that?

Cafaro - Direct/Morford

1 A. 4-17-98, Jay, Jim wanted you to have a copy, Grace.

2 Q. Do you know who Grace is?

3 A. Grace Yavorsky, and that's the Congressman's aide in  
4 Youngstown.

5 Q. How regular an occurrence was it during the time that  
6 you were dealing with Congressman Traficant that he would  
7 send things like this to your attention to let you know  
8 what he was doing to try to push the ball forward on this  
9 technology?

10 A. I would get information either from the Congressman's  
11 office, from Mr. Paul Marcone, or from Rick Detore at my  
12 office, but it was quite often.

13 Q. Next document I'd like you to turn your attention to  
14 Government's Exhibit 8-9, you'll have to pull that out of  
15 the glassine too, if you would, can you go ahead and just  
16 tell the jury generically what this document is?

17 A. This is a memo from Rick Detore to me, referring to  
18 Rick having dinner with, quote, the chairman, which is his  
19 terminology for Congressman Traficant.

20 Q. Before you go any further, was this a document that  
21 was made and maintained in the ordinary course of USAG's  
22 business?

23 A. Yes, it was.

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



Cafaro - Direct/Morford

1 THE COURT: Yes.

2 BY MR. MORFORD:

3 Q. What is the date of this memorandum?

4 A. 6-17-98.

5 Q. And could you go ahead and read the body of this,  
6 please?

7 A. "J.J., I will be having dinner with the chairman  
8 tonight to talk about the" --

9 Q. Let me stop you there for a moment. You started to  
10 explain the chairman. Whose nickname was the chairman as  
11 you understood it?

12 A. Rick Detore called the Congressman the chairman  
13 because the Congressman called everybody the chairman.

14 Q. So what was your understanding of who Rick Detore was  
15 going to be having dinner with that night?

16 A. He was having dinner with Congressman Traficant.

17 Q. I'm sorry. If you can continue then reading.

18 A. Okay.

19 "Tonight to talk about the final markup on the bill  
20 scheduled for tomorrow. He is very happy with the letter  
21 from Garvey in regards to the statement that the lasers are  
22 in commercial certification, and that she states that they  
23 are working as funding permits. With this statement, he  
24 can target funding for the program rather than wait for as  
25 funding permits."

Cafaro - Direct/Morford

1 Q. Let me stop you there. And again, just talking about  
2 what you were being promised by the office of Congressman  
3 Traficant, what was your understanding of what it meant  
4 when it said with this statement of Jane Garvey he can  
5 target funding for the program rather than waiting for,  
6 quote, as funding permits?

7 A. Actually, line item funding to the Department of --  
8 to the FAA so that they can more quickly pursue the  
9 certification of lasers.

10 Q. Okay. If you then read the second paragraph, please?

11 A. "In regard to the high efficiency xenon metal halide  
12 bulb, which is only a slightly more up to date incandescent.  
13 It is clear she is still very lost when it comes to new  
14 technology. Jim is going to ask her to attend a joint  
15 briefing with him at our Manassas location. Regards, D."

16 Q. How significant to you as the owner of USAG was the  
17 prospect of being able to get Jane Garvey, the head of the  
18 FAA, out to your little company to get a face-to-face,  
19 one-on-one presentation and demonstration of your  
20 technology?

21 A. It was significant for a number of reasons; one to be  
22 in a position where you can actually show this to the  
23 administrator. Obviously, if you believe in your own  
24 technology, having the ability to sell it to the person  
25 ultimately is going to make the decision to buy or not is

Cafaro - Direct/Morford

1 immense. Any time you get in front of the person that  
2 makes those decisions, be in front of a decision maker,  
3 it's extremely important.

4 In this particular instance, it was even more  
5 important because if you look at the date coming into this  
6 period in '98, there's also very similar -- this is June --  
7 yeah, to the time when we were making decisions to continue  
8 funding of USAG.

9 Q. Okay. Let me ask you some questions about that.

10 Were there any restrictions or guidelines placed on  
11 you and your ability to access Cafaro Company funds for  
12 this technology that were in place at the time the  
13 Congressman Traficant was sending this information your  
14 way?

15 A. Yes.

16 Q. Explain that to the jury if you could?

17 A. When we decided to get involved in this company, my  
18 brother and I had set a \$5 million investment limit. We  
19 had, by this time, reached that \$5 million number and were  
20 making a decision to see if we were going to fund it at a  
21 higher level.

22 Q. Is it fair to say that you and your brother didn't  
23 necessarily look at this whole investment the same way?

24 A. I guess you could say that.

25 Q. Who was more in favor of continued investment, and

Cafaro - Direct/Morford

1 who was less in favor of having it continue?

2 A. I was more in favor. My brother was less in favor.

3 Q. Were there times you had to do a sell job on your  
4 brother?

5 A. Yes.

6 Q. What types of things would you show him when you were  
7 trying to convince him that he should continue to have the  
8 Cafaro Company make more funds available to this  
9 technology?

10 A. Things like we just read.

11 Q. Things from the Congressman?

12 A. Absolutely. I mean, being able to tell my brother  
13 that -- if you notice, it says -- okay. In regards to  
14 lasers are in commercial certification. I mean, that  
15 was -- that's a major step. Unfortunately, I don't think  
16 it was true, but that was a major step.

17 Q. Turning your attention to the next exhibit, which is  
18 Government's Exhibit 8-10, do you see that in front of you?

19 A. Yes, sir.

20 MR. MORFORD: Your Honor, this is also a  
21 document in evidence. Can I place it on the overhead?

22 THE COURT: Okay.

23 BY MR. MORFORD:

24 Q. Do you recall this memorandum?

25 A. Yes, I do.

Cafaro - Direct/Morford

1 Q. And what was the date of this memorandum?

2 A. June 18th, 1998.

3 Q. And who did you send this memorandum to?

4 A. I sent this to my brother, to Mark Beck, and to Chip  
5 Rosselli.

6 Q. Who was Mark Beck, and who was Chip Rosselli?

7 A. Mark Beck is our tax counsel, and Rosselli is our  
8 chief financial officer.

9 Q. Can you read the sentences that are on this  
10 memorandum or memorandum?

11 A. "The key to the attached news release sets the stage  
12 for next year's legislation for mandating its use. This is  
13 an extremely big step."

14 Q. And again, what's the significance of this date, June  
15 18th, 1998, as you're advising your brother and tax counsel  
16 for Cafaro Company and the treasurer of Cafaro Company,  
17 that the key to the attached news release is it sets the  
18 stage for next year's legislation mandating its use?

19 A. Basically what it does is sets the stage for one  
20 year's worth of funding.

21 Q. That's what you're being promised by the information  
22 you're being provided by the Congressman?

23 A. Correct.

24 Q. To what extent were you under pressure at the time  
25 you provided this press release to your brother to obtain

Cafaro - Direct/Morford

1 prompt certification from the FAA?

2 A. We were under the guise that we had spent the  
3 \$5 million but -- the limit we had set, and we had to  
4 decide if we were going to move forward, and once we moved  
5 forward, time was of the essence obviously.

6 Q. Okay. And again, if you could pull this out of the  
7 glassine and take a look at the last page of the press  
8 release that was attached, I want to ask you to read that  
9 last paragraph, starts Traficant said?

10 A. "Traficant said he will work next year to pass  
11 legislation requiring U.S. airports to install Enhanced  
12 Vision Technologies to replace or enhance conventional  
13 landing light systems over a ten-year period."

14 Q. And what were you trying to achieve on June 18th,  
15 1998, by sending this press release for where Congressman  
16 Traficant is saying he will work next year to pass  
17 legislation requiring U.S. airports to install technologies  
18 over the next ten-year period?

19 A. Here again, I was using it as a tool but also for  
20 information purposes. Obviously, if, in fact, one would be  
21 in a position where over a ten-year period all the existing  
22 lighting systems at every airport in the country would be  
23 replaced with this Enhanced Vision Technology, it is  
24 obvious to see, because it's for every runway, it's obvious  
25 to see how big a potential this has. So you have to weigh

Cafaro - Direct/Morford

1 that potential against an additional year's funding, and  
2 that's really what we were doing.

3 Q. How important was it to you personally to try to make  
4 this thing a success?

5 A. Very much.

6 Q. Had you had difficulty in the past in a venture that  
7 you had taken on and invested Cafaro family funds in?

8 A. Well, actually, it was personal funds, but it was  
9 Avanti.

10 Q. And based on what had happened with Avanti, how  
11 important was it for you to have this be a success?

12 A. Very much so.

13 Q. Now, at the same time, April, May, June of 1998, when  
14 you're obtaining these promises from Congressman Traficant,  
15 and you have these press releases from Congressman  
16 Traficant and forwarding them on to your brother, was  
17 Congressman Traficant asking you to do anything for him?

18 A. Yes. That's when the issue of buying his boat came  
19 up.

20 Q. Okay. Can you describe to the jury how that first  
21 came up?

22 A. Well, one of the other issues, one of the other  
23 promises was marine use and marine testing. And so Rick  
24 Detore called and told me that the Congressman had arranged  
25 for the Coast Guard to start doing some marine testing, and

Cafaro - Direct/Morford

1 we needed a boat. And I said fine. I said I have 100-foot  
2 boat down in Annapolis.

3 Q. Let me stop you if I can before you get into that.  
4 Let me back up and ask: Had you ever had any discussions  
5 with Congressman Traficant about his boat prior to the  
6 conversation you're about to talk about?

7 A. Yes. On many occasions, the Congressman asked if we  
8 had any equipment left at Avanti to do fibreglassing, if I  
9 knew anybody that could help him fix his boat, and I gave  
10 him the name of Dingles.

11 Q. You're saying there came a time. Did he tell you why  
12 his boat needed fibreglassing or needed to be fixed?

13 A. He said it was a wooden boat, and that it was  
14 leaking, and he needed some repair work done on it.

15 Q. So when he --

16 A. He wanted to know if I knew carpenters or if I knew  
17 ways -- people who could help him get the boat fixed.

18 Q. Did you yourself have a wooden boat at that time?

19 A. Yes, I did.

20 Q. And what had been your experience with your own  
21 wooden boat?

22 A. One never wants to own a wooden boat.

23 Q. And why is that?

24 A. Because they are a money pit.

25 Q. And was that your experience with your wooden boat?

Cafaro - Direct/Morford

1 A. Yes. My -- in the winter, you can't get out, and in  
2 the summer, you get it fixed. I mean they are not good  
3 investments.

4 Q. Had you had to have major repairs done on your own  
5 wooden boat prior to the time you began talking to  
6 Congressman Traficant?

7 A. Every --

8 Q. About the need for him to have repairs done on his  
9 wooden boat?

10 A. Every year.

11 Q. Where had you had the repairs done on your boat?

12 A. I think the name of it was Dingles Shipyard or  
13 something of that nature.

14 Q. You said at one point you suggested to Congressman  
15 Traficant that he can take his boat to Dingles; is that  
16 correct?

17 A. Yes.

18 Q. What was his response?

19 A. No, no, no. I need someone who can help me work on  
20 the boat. So it was obvious he wasn't looking for a  
21 company, you know, to do the work.

22 Q. And what was your understanding of what he was  
23 seeking to have you actually do at that time?

24 A. He was looking for me to help him out and find  
25 someone to help him repair his boat.

Cafaro - Direct/Morford

1 Q. Do you recall back at the time when Al Lange was  
2 first interviewed?

3 A. Yes.

4 Q. Did there ever come a time at that time when you had  
5 any discussions with Al Lange about repairing the  
6 Congressman's boat?

7 A. Yes.

8 Q. Can you describe those to the jury?

9 A. Well, during the interview process, again, Richard  
10 Detore said, well, Al knows a lot about boats so you know  
11 he can help the Congressman out of this -- out of his  
12 problem. And when Al came in, I said, "Al, I understand  
13 you know a lot about boats. Can you help the Congressman,  
14 you know, there's a way we can help him? Obviously, he's  
15 being friendly to us, and I would like to try to help him."

16 Q. Now, going back to what you started to then describe  
17 to the jury, did there come a time where it shifted from  
18 you helping to repair the boat to you actually purchasing  
19 the boat?

20 A. Yes. Again, the issue of marine testing came up, and  
21 Rick told me that we needed a boat to do testing with the  
22 Coast Guard, and I said fine. I have my boat down in  
23 Manassas, which is only, you know, 30 miles from here. And  
24 he said, no, no, no. That boat's far too big.

25 And I said, well, we can use Al's boat because we --

Cafaro - Direct/Morford

1 I know he had a boat because I paid to move it to Virginia.  
2 He said no, that's way too small, he said, but I think  
3 Congressman Traficant's boat is just right. And the  
4 Congressman again was helping me. I did not feel it an  
5 imposition to try to return the to help him.

6 Q. Let me ask you some questions about the potential for  
7 using USAG and nautical applications. Was there, in fact,  
8 a viable potential use of this laser landing technology and  
9 nautical applications?

10 A. Yes.

11 Q. Could you describe for the jury just briefly what  
12 that was?

13 A. Well, what this technology is is the use of lasers to  
14 set a path of travel. In other words, for an airplane, it  
15 helps set the glide slope and the center line when you're  
16 landing. In marine use, especially in bad weather, it can  
17 light a channel so that things like the Exxon Valdez would  
18 know where the channels are, would not run aground by  
19 simply looking out the window at the variation of colors of  
20 light.

21 Q. Now in April, May, and June of 1998, how actively and  
22 aggressively was USAG pursuing this nautical technology  
23 when Rick Detore first told you that Congressman Traficant  
24 wanted to help you with contacts with the Coast Guard?

25 A. We really weren't. It was a potential use that was

Cafaro - Direct/Morford

1 not an area that we were diligently pursuing.

2 Q. How large or small was your company at that point?

3 A. We had three people.

4 Q. Did you feel there was a need to have a very narrow  
5 focus at that point?

6 A. Absolutely.

7 Q. And what was your primary focus at that point?

8 A. The primary focus was certification by the FAA.

9 Q. Now, was Rick Detore raised the issue of the need to  
10 get a boat to demonstrate the nautical technology and he  
11 suggested Congressman Traficant's boat, did he tell you why  
12 he felt you should buy Congressman Traficant's boat instead  
13 of some other boat?

14 A. He told me what I knew. The Congressman was helping  
15 us. He was in a jam. He couldn't sell this boat because  
16 of its condition of lack of repair. And this was a way to  
17 get him out of the jam he was in.

18 Q. Now, apart from this idea of doing a favor for a  
19 favor and based on your personal experience of actually  
20 owning a wooden boat yourself, did it make any sense for  
21 USAG to acquire Congressman Traficant's boat?

22 A. It made no sense to acquire any boat.

23 Q. Okay. But even if there was a need to get a boat,  
24 did it make any sense to buy a wooden boat?

25 A. No, it did not.

Cafaro - Direct/Morford

1 Q. Why?

2 A. Because the maintenance on a wooden boat is  
3 hellatious. I mean, it costs more to maintain a wooden  
4 boat than it does to own it, to buy it. It's just  
5 extremely maintenance intensive, and it's just a very, very  
6 expensive proposition.

7 Q. Apart from any wooden boat, how about Congressman  
8 Traficant's boat given the condition you already knew it  
9 was in?

10 A. Well, here again, if one were to go out and buy a  
11 boat, one would not go out and buy a boat that needed  
12 \$30,000 worth of repairs. If you're going to buy a boat  
13 strictly for business purposes, you're going to go out --  
14 first of all, you're going to find the type of boat you  
15 need. Then you're going bid that to make sure you're  
16 getting the lowest and best price, and none of that was  
17 done in this instance.

18 Q. Why?

19 A. Because it was the Congressman's boat.

20 Q. Who actually arranged the details of the boat  
21 transaction with Congressman Traficant? Who had the  
22 majority -- have a majority of conversations with him about  
23 this transaction?

24 A. It was my understanding -- my information came to me  
25 through Rick, so I -- I assumed Rick.

Cafaro - Direct/Morford

1 Q. Meaning Rick Detore?

2 A. Yes.

3 Q. Now, what did Rick Detore tell you it would cost you  
4 to acquire the boat from Congressman Traficant?

5 A. The number was \$26,800 some odd dollars.

6 Q. What was your understanding how that number was  
7 arrived at?

8 A. That was the mortgage pay off number that he had on  
9 the boat.

10 Q. Okay. And did that include the cost of repairs that  
11 needed to be done to the boat before it could be used?

12 A. No, it did not.

13 Q. Turning your attention to Exhibit 8-12(1), which  
14 should be there in front of you, it's a pink carbon copy of  
15 a cashier's check. Do you see that?

16 A. Yes.

17 MR. MORFORD: I'm going put this on the  
18 screen, your Honor. I believe it's already been shown.

19 THE COURT: Yes.

20 Q. Do you recognize this document, sir?

21 A. Yes, I do.

22 Q. And very briefly, can you describe to the jury what  
23 it is and why it was obtained?

24 A. This is a cashier's check that I had my company go  
25 out and get for \$26,948.18, which was the -- I understood

Cafaro - Direct/Morford

1 the pay off of Jim Traficant's mortgage at NationsBank for  
2 his boat.

3 Q. And for what reason and purpose did you have this  
4 Bank One cashier's check purchased in the amount of  
5 \$26,948.18 on July 28th, 1998?

6 A. In order to buy Jim Traficant's boat. And this is  
7 the way Rick told me he wanted it done.

8 Q. Next, I'd like you to look at briefly Exhibit 8-11.  
9 You see that? It's a check?

10 A. Yes.

11 Q. Is that the check you used to purchase the cashier's  
12 check you just described?

13 A. Yes, this is -- the check out of my personal account  
14 in the exact amount of money as the cashier's check.

15 Q. And who actually purchased this -- whose money  
16 actually purchased this check?

17 A. My personal money.

18 Q. And to the extent that the cashier's check says  
19 purchaser J. Traficant, is that true?

20 A. No.

21 Q. At whose direction did you have the cashier's check  
22 printed up to falsely list J. Traficant as the purchaser?

23 A. Rick told me that's the way it was to be done. We  
24 had to make Jim the purchaser.

25 Q. What did you do with the cashier's check after it was

Cafaro - Direct/Morford

1 purchased?

2 A. I sent it on to Rick.

3 Q. You sent it out or gave it to him? Could you  
4 describe to the jury how you recall that happening?

5 A. I believe I went down and gave the check to Rick, and  
6 then a few days later Rick returned the check and said that  
7 we can't do it this way.

8 Q. What did you do with the check after you were told  
9 that, quote, we can't do it this way?

10 A. I redeposited it and had the cashier's check unwound  
11 effectively and reissued from Bank One to me.

12 Q. And why did you do that?

13 A. Well, because the money was sort of in limbo, it was  
14 just a way to get the money back into my personal account.

15 Q. You started with a cashier's check in the amount of  
16 \$26,948 plus change?

17 A. Yes.

18 Q. And you were intending to give it to who for what  
19 purpose?

20 A. I gave it to Rick to give to the Congressman in order  
21 to buy Jim Traficant's boat.

22 Q. And why did you end up having to deposit it back into  
23 your own account?

24 A. Because Rick told me the Congressman said we can't do  
25 it this way.

Cafaro - Direct/Morford

1 Q. Did he explain to you why the Congressman didn't feel  
2 he could do it, quote, this way?

3 A. He said the Congressman said he didn't want nosy  
4 reporters looking at what he was doing and because of the  
5 fact that I'm very high profile in Youngstown. He's  
6 obviously very high profile in Youngstown. If this were to  
7 get out, it would cause a whole lot of questions, and in  
8 order to avoid any questions, he would prefer we do it  
9 another way.

10 Q. Okay.

11 And did you end up coming up with another way that  
12 you could use your money to purchase the boat without  
13 having it appear that you were purchasing the boat?

14 A. Yeah. Rick told me that the option was to let  
15 Al Lange buy the boat, and he had a long explanation as to  
16 why they sensed this was a boat built -- and you're going  
17 to have to forgive me -- built at Egg Harbor or something  
18 of that nature. Al's dad worked at this particular place,  
19 so Al would love to own a boat like this, and utilizing Al  
20 to do this would make a lot of sense.

21 Q. Based on your contact with Al Lange regarding this  
22 transaction, did Al Lange seem to want to do this  
23 transaction?

24 A. Al was accommodating. It wasn't Al's idea. I think  
25 Al wished it would have gone away. It became a nightmare

Cafaro - Direct/Morford

1 for Al, but Al did it because he was asked to.

2 Q. Was Al Lange really buying this boat?

3 A. No, I did.

4 Q. Whose funds at all time were used to make repairs,  
5 pay slip fees, and pay any portion of the purchase price of  
6 this boat to Congressman Traficant?

7 A. Me.

8 Q. Turning your attention, if will, to what is before  
9 you marked Government's Exhibit 8-15, do you recognize this  
10 document?

11 A. Yes, I do.

12 Q. And can you tell us, is this a document that was made  
13 and maintained in the ordinary course of business affairs  
14 at USAG?

15 A. Yes, it is.

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

18 THE COURT: Yes.

19 BY MR. MORFORD:

20 Q. Can you describe for us, starting with the cover  
21 sheet, what this is?

22 A. Well, it is a memo from Paul Marccone, who was the  
23 Congressman's chief of staff in Washington, to Rick Detore  
24 where he is forwarding again another press -- another press  
25 release.

Cafaro - Direct/Morford

1 Q. Okay. And in terms of time sequence, starting with  
2 the presentation of the \$26,000 -- \$26,948 check initially  
3 to Congressman Traficant and then the plan to have Al Lange  
4 actually purchase the boat, where does this memo fall?

5 A. Right in the middle.

6 Q. Could you go ahead and read the first sentence of  
7 this, please?

8 A. "Let's hope we can get a bill sent to the president  
9 this year with this language. I'll keep you posted."

10 Q. And if you could turn, there's a news release  
11 attached to this; is that correct?

12 A. Yes.

13 Q. If you could turn to the second page of that news  
14 release and again read the last line of the news release  
15 where it says Traficant said today?

16 A. "Traficant said today that he will work next year to  
17 pass legislation requiring U.S. airports to install  
18 Enhanced Vision Technologies to replace or enhance  
19 conventional landing light systems over a ten-year period.

20 Q. And turning back to the first page, what was the date  
21 of this press release?

22 A. August 4th.

23 Q. In addition to the fact that this came in the middle  
24 of the discussion of how to do the boat deal, where did it  
25 fall regarding the internal discussions at the Cafaro

Cafaro - Direct/Morford

1 Company as to whether the Cafaro Company should continue to  
2 put any more money into this venture?

3 A. It was right smack in the middle of it. And these  
4 were discussions that were held between my brother and  
5 myself and others in the company, but there were also  
6 discussions Rick Detore was very well aware of.

7 Q. Describe what you mean by that to the jury?

8 A. Rick was a partner in USAG, and Cafaro had an  
9 obligation to fund up to \$5 million. Once we reached that  
10 number, we had no further obligation to fund. Rick  
11 understood that, and Rick understood the need of additional  
12 funds. And he knew where we were against our budget  
13 because he was primarily responsible for making the budget.

14 Q. Would you explain to Rick Detore that you needed to  
15 show progress to your brother and the other officials at  
16 Cafaro Company to continue to maintain funding?

17 A. On a daily basis.

18 Q. And was it this context he was providing you with  
19 these press releases?

20 A. In retrospect, yes, but at the time, I never put -- I  
21 never put the two together. I mean, I -- I would get these  
22 in the normal course of business and just seemed like awful  
23 good timing to me at the time.

24 Q. Can you take a look at what's marked Government's  
25 Exhibit 8-18 in front of you?

Cafaro - Direct/Morford

1 A. Yes, sir.

2 Q. And this has been put into evidence. I'm going put  
3 it on the screen and ask you if you could describe from  
4 your perspective what you know about this document. What  
5 is the document?

6 A. This is a memo from Al Lange to me.

7 Q. What's the date?

8 A. 8-13 had been 98.

9 Q. Could you go ahead and read the body of the memo,  
10 please?

11 A. "I just wanted to send you a reminder to bring  
12 \$3,500 in cash with you today when you come to U.S.  
13 Aerospace. This money will be used for the operations that  
14 you and Rick discussed at your meeting yesterday.

15 "Have a safe trip. I will update you when you get  
16 to the office. Sincerely, Al Lange."

17 Q. What was the, quote, operation, unquote, that you and  
18 Rick Detore had discussed the day prior to this memo?

19 A. This is the -- this would be the repair of the  
20 Congressman's boat. This \$3,500 check was the first check,  
21 which I believe probably came out of my account to Al Lange  
22 to start the boat repair.

23 Q. But when he refers to the operation you talked about,  
24 what is the operation?

25 A. Fixing the boat, buying and fixing the boat actually,

Cafaro - Direct/Morford

1 the whole thing.

2 Q. Buying and fixing whose boat?

3 A. Congressman Traficant's boat.

4 Q. And who were you going to make it look like was  
5 actually buying and fixing the boat?

6 A. Al Lange.

7 Q. Again who was actually buying and fixing the boat?

8 A. Me. Well, I was paying for it.

9 Q. Turning your attention to Exhibit 8-19 in front of  
10 you --

11 A. Yes, sir.

12 Q. -- that's already been put in evidence, a check for  
13 \$3,500, dated August 13, 1998. Do you recognize that?

14 A. Yes, sir.

15 Q. And what was that check for?

16 A. This is the \$3,500 check which was the subject of the  
17 memo that I just read, that I took and delivered to Al  
18 Lange.

19 Q. For what purpose?

20 A. To start repairs on Congressman Traficant's boat.

21 Q. Okay. And turning to Exhibit 8-20, which has also  
22 been put into evidence?

23 A. Yes, sir.

24 Q. It's a check dated 8-27-98 from J.J. Cafaro's  
25 personal account to Al Lange?

Cafaro - Direct/Morford

1 A. Yes.

2 Q. In the amount of \$3,800, correct?

3 A. That is correct.

4 Q. And what was the purpose of that check. What was  
5 that check for?

6 A. This was to continue work on the Congressman's boat.

7 Q. Turning to Government's Exhibit 8-22 in front of you  
8 -- and if you could pull that out -- in particular, turn to  
9 the second page of that document. This is also in  
10 evidence. I'm going put it up on the screen.

11 You see there's a \$3,000 Cafaro Company check dated  
12 September 10, 1998?

13 A. Yes.

14 Q. What was the purpose of this check? What was this  
15 check used for?

16 A. Again, this was boat repairs.

17 Q. Turning your attention to Government's Exhibit 8-28  
18 before you, which is also in evidence, it's a check dated  
19 9-28-98 payable to cash in the amount of \$6,000. Are you  
20 familiar with that check?

21 A. Yes, I am.

22 Q. And what was the purpose of that check?

23 A. This was also boat repairs.

24 Q. Turning to what is marked Government's Exhibit 8-29  
25 in front of you, do you see that exhibit?

Cafaro - Direct/Morford

1 A. Yes, I do.

2 Q. And can you tell us: Is this a document that was  
3 maintained in the ordinary course of business for U.S.  
4 Aerospace Group?

5 A. Yes, it is.

6 MR. MORFORD: Your Honor, may I put this on  
7 the screen?

8 THE COURT: Yes.

9 Q. Can you tell us what this front page of this document  
10 is?

11 A. Well, again, this is a fax sheet from Paul Marcone of  
12 Congressman Traficant's office to Richard Detore, and it  
13 says "please make sure J.J. sees this. Thanks."

14 Q. And flipping over, can you describe the document that  
15 was attached to this particular fax to make sure that J.J.  
16 Cafaro sees this?

17 A. Again, this is a letter from the Congressman to Jane  
18 Garvey, the Administrator of the Federal Aviation  
19 Administration and where he again is urging quick response  
20 to the Enhanced Vision and for her to come out to our  
21 offices in Manassas.

22 Q. Could you just go ahead and read the body of this  
23 letter that Congressman Traficant's office sent to you on  
24 November 4, 1998, with the notation please make sure J.J.  
25 sees this?

Cafaro - Direct/Morford

1           A.        "As you know, for the past year, I have been  
2           advocating the expanded use of Enhanced Vision Technologies  
3           at airport runways and helipads. Enhanced vision  
4           Technologies should be an integral part of the Federal  
5           Aviation Administration's ongoing efforts to improve  
6           aviation safety.

7                    "I am encouraged by the fact that the FAA is moving  
8           forward with the certification of some of the more  
9           promising Enhanced Vision Technologies, expressly cold  
10          cathode lighting. I urge you to continue moving the  
11          certification process forward."

12          Q.        Can I ask you something before you go on? Where this  
13          letter is talking about Enhanced Vision Technologies and,  
14          in particular, cold cathode lighting, what, if any,  
15          significance did those terms have to you personally?

16          A.        Well, the Enhance Vision Technology again refers to  
17          the USAG laser system. The cold cathode lighting is a  
18          runway light that USAG had the marketing rights to, that we  
19          used specifically in our military application, but we were  
20          also trying to use it in civilian aviation.

21          Q.        Okay. If you could continue reading, please?

22          A.        "Knowing your strong interest in aviation safety  
23          initiatives, I would like to invite you to join me for a  
24          nighttime demonstration of Enhanced Vision Technologies. I  
25          am writing and willing to accommodate your schedule. The



Cafaro - Direct/Morford

1 demonstration will take place at Manassas airport in  
2 Northern Virginia. I know you will find a demonstration of  
3 this technology to be both fascinating and informative.

4 "I certainly hope you will find the time in your  
5 busy schedule to join me for a demonstration. Should you  
6 or your staff have any questions or need additional  
7 information, please call my chief of staff, Paul Marcone.  
8 Thank you for your time and consideration. I look forward  
9 to your response. Respectfully."

10 Q. Now, at the time of this letter, November of 1998,  
11 how much pressure was on USAG in terms of obtaining  
12 continued funding from Cafaro Company sources?

13 A. At that time, we were still working on long-term  
14 funding.

15 Q. Okay. You said you had started out with a \$5 million  
16 cap that is to end when?

17 A. To end when it ran out, and it ended in about June or  
18 July of '98.

19 Q. What happened after the \$5 million ran out in June or  
20 July of '98?

21 A. We put in another two and a half.

22 Q. Another two and a half million?

23 A. Yes.

24 Q. And when as far as this period of time, November of  
25 1998, what was the status of that two and a half million?

Cafaro - Direct/Morford

- 1 How much of it was left?
- 2 A. Not much.
- 3 Q. So what was going to have to happen next when the two  
4 and a half million ran out?
- 5 A. We'd have to get additional funding again.
- 6 Q. And where was this process at the point when you got  
7 this letter in November of 1998?
- 8 A. We were just beginning again to discuss what we were  
9 going to do and how we were going to do it.
- 10 Q. And was Rick Detore part of these discussions?
- 11 A. No. He was not part of the discussions, but he was  
12 on -- he was in the loop, the discussions were between my  
13 brother and I.
- 14 Q. I understand that, but what do you mean he was in the  
15 loop? Were you discussing it with him?
- 16 A. That is correct.
- 17 Q. Would you take a look at an exhibit in front of you,  
18 8-70. It's a press release?
- 19 A. Yes, sir.
- 20 Q. Are you familiar with that document?
- 21 A. Yes, I am.
- 22 Q. And can you tell us whose press release is this?
- 23 A. Congressman Traficant's.
- 24 Q. And what's the date of the press release?
- 25 A. November 10.

Cafaro - Direct/Morford

1 Q. Which year?

2 A. Of 1998.

3 Q. And what is this press release announcing?

4 A. This press release is announcing a committee that the  
5 Congressman had been putting together to espouse a tax of  
6 an economical development tax within either two or three  
7 counties so that the Valley, Mahoning Valley, had dollars  
8 available to pull itself up out of its own doldrums and go  
9 out and seek business and have money available to do it.

10 Q. And who formed this committee as you understood it?

11 A. The Congressman.

12 Q. And what, if any, role did you have on the committee?

13 A. I was a member of the committee.

14 Q. And who invited you and asked you to be a member of  
15 this committee?

16 A. The Congressman.

17 Q. Now, did the committee have a meeting that was  
18 announced in this press release. Was there a meeting that  
19 was coming?

20 A. On November 14 at 9:00 A.M., second floor of the  
21 Phelps Building, Youngstown University campus.

22 Q. Okay. Turning your attention to Exhibit 8-30, do you  
23 see that?

24 A. Yes.

25 Q. And can you tell us just generically what is this

Cafaro - Direct/Morford

1 document?

2 A. This is a page out of my date book.

3 Q. Like a daytimer?

4 A. Yes.

5 Q. Whose handwriting appears on this?

6 A. My secretary's.

7 Q. And is this a record that was made and maintained in  
8 the ordinary course of business at the Cafaro Company?

9 A. Yes, it is.

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

12 THE COURT: Yes.

13 BY MR. MORFORD:

14 Q. Turning your attention to Saturday, November 14,  
15 1998, an entry there about a meeting?

16 A. Yes.

17 Q. And what is that entry?

18 A. 9:00 A.M. YSU, Lincoln and Phelps, Urban Studies  
19 Building.

20 Q. Did, in fact, you attend a meeting at 9:00 A.M. on  
21 Saturday November 14 at YSU Lincoln and Phelps Building?

22 A. Yes, I did.

23 Q. Did you see Congressman Traficant on that date?

24 A. Yes, I did.

25 Q. Where you had an opportunity to talk one-on-one with

Cafaro - Direct/Morford

1 Congressman Traficant?

2 A. Yes. When the meeting was over, I told the  
3 Congressman we had to take a ride.

4 Q. And what was your purpose in telling the Congressman  
5 that you had to take a ride?

6 A. Prior that week, the Congressman and I had gotten  
7 together, and he had asked if -- if I could -- we could get  
8 the funding of the boat purchase price done, and I asked  
9 well, I'll get Al half, which would be right around  
10 \$13,000, and he said no, which meant to me, he wanted it  
11 between the two of us.

12 Q. Let me stop you there. You're rubbing your fingers  
13 together, and the Court reporter can't pick that up?

14 A. Okay. But that's the only way I know how to explain  
15 it.

16 Q. He didn't say anything to you?

17 A. No. He said -- I said, I'll get the money to Al, and  
18 he said no -- and I understood what that meant.

19 Q. Were the repairs yet completed on the boat?

20 A. No, they were not.

21 Q. Had you -- aside from funding the repairs to the  
22 boat, had you given him any money up to that point toward  
23 the purchase price of the boat?

24 A. No, I had not.

25 Q. And how then does this come up, and what context?

Cafaro - Direct/Morford

1 Who's asking who to do what initially?

2 A. Jim -- Jim was saying the holidays were coming up.  
3 He needed some money for the holidays, the IRS was  
4 attaching his wages, and he was having real difficulties,  
5 and can I arrange to get some of the boat purchase paid,  
6 and I said half.

7 Q. Okay. So how much money were you telling him you  
8 would give him?

9 A. \$13,000.

10 Q. And in what form did you understand that he wanted  
11 that \$13,000?

12 A. He wanted that in cash.

13 Q. Now, did you do anything just prior to this November  
14 14, 1998, meeting with the Congressman in order to obtain  
15 money that he had asked you for?

16 A. Yes.

17 Q. Turning your attention to Government's Exhibit 8-31  
18 and 8-32, do you see those in front of you?

19 A. Yes.

20 MR. MORFORD: Your Honor, may I put these on  
21 the board?

22 THE COURT: Yes.

23 BY MR. MORFORD:

24 Q. Turning your attention to, first, Government's  
25 Exhibit 8-32, this is a check for cash, dated November

Cafaro - Direct/Morford

1 13th, 1998, in the amount of \$5,000 and Government's  
2 Exhibit 8-31, which is a check for cash in the amount of  
3 \$8,000 on a -- on November 13th, 1998.

4 Can you explain to the jury what these two checks are  
5 and what you used the cash from these checks for?

6 A. Those are the two checks that Patty got for me that  
7 equaled \$13,000. The reason there's two checks is that I  
8 don't think you can cash one check for \$13,000. So she did  
9 it in two separate checks and sent the runner out, got them  
10 cashed, delivered the cash back to me, and in turn, that  
11 was the subject of why the Congressman and I had to spend  
12 some time by ourselves.

13 Q. Okay.

14 Why did you have your secretary get you \$13,000 cash  
15 November 13th, 1998?

16 A. So I could give it to Jim, Congressman Traficant.

17 Q. Turning your attention back to the very next day on  
18 November 14, 1998, describe for the jury what happened with  
19 regard to that cash?

20 A. After the large meeting took place, I told -- I told  
21 the Congressman that it was necessary that he and I spend  
22 some time together. We got in my car. I lifted the arm  
23 rest. Inside the arm rest was an envelope. I said that's  
24 for you. He put the envelope in his pocket. I said that's  
25 between the two of us.

Cafaro - Direct/Morford

1 I drove -- literally drove around one block. That's  
2 how long it took to do that. We got back to where we  
3 started. The Congressman got out, and I went home.

4 Q. And what was your understanding of the purpose for  
5 which you were giving him this \$13,000 cash. What did it  
6 represent?

7 A. \$13,000 was towards the purchase of the boat. It was  
8 one-half of the purchase price of the boat.

9 Q. Now, turning your attention to about ten days later,  
10 Government's Exhibit 8-33, which has been admitted as a  
11 joint exhibit. Do you recognize this document?

12 A. Yes, I do.

13 Q. And can you go ahead and describe what the document  
14 is, and then just read the document?

15 A. Are we on 8-33, counselor?

16 Q. Yes, we are.

17 A. Okay.

18 This is a memo from Richard Detore to me, saying that  
19 we needed an additional \$8,000 to complete the boat  
20 repairs.

21 Q. Okay. And one last exhibit I'm going to ask you  
22 about before I pause, Government's Exhibit 8-35, which has  
23 been admitted as a joint exhibit, is a check dated December  
24 24, 1998, to Richard Detore in the amount of \$8,000. Are  
25 you familiar with that check?

Cafaro - Direct/Morford

1 A. Yes, I am.

2 Q. And what was the purpose of this check?

3 A. This was a check in response to Rick's request for  
4 the \$8,000.

5 Q. And what was your understanding of how this check was  
6 used? What it was used for?

7 A. It was used for boat repairs to Congressman  
8 Traficant's boat.

9 MR. MORFORD: Your Honor, at this point, I've  
10 ended an area, and this would be a good place to stop given  
11 the time.

12 THE COURT: Yes, it would. We'll send the  
13 jury home for the day. It's 4:30. See you at 9:00 in the  
14 morning. Remember all your admonitions. Remember not to  
15 watch anything on television, on the computer, or read  
16 anything, listen to anything, let anyone talk to you or go  
17 out and investigate it. Okay?

18 Otherwise, enjoy yourselves.

19 (Proceedings adjourned.)

20

21

22

23

24

25

Cafaro - Direct/Morford

1 CROSS-EXAMINATION OF ALBERT LANGE..... 3778

2 REDIRECT EXAMINATION OF ALBERT LANGE..... 3847

3 RECROSS-EXAMINATION OF ALBERT LANGE..... 3855

4 DIRECT EXAMINATION OF PATRICIA DiRENZO..... 3874

5 CROSS-EXAMINATION OF PATRICIA DiRENZO..... 3905

6 DIRECT EXAMINATION OF JOHN J. CAFARO..... 3935

C E R T I F I C A T E

8 I certify that the foregoing is a correct

9 transcript from the record of proceedings in the

10 above-entitled matter.

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

---

Shirle M. Perkins, RDR, CRR  
 U.S. District Court - Room 539  
 201 Superior Avenue  
 Cleveland, Ohio 44114-1201  
 (216) 241-5622