

1 Tuesday Session, March 19, 2002, at 8:45 A.M.

2 (Proceedings in the absence of the jury:)

3 THE COURT: Congressman?

4 MR. TRAFICANT: Your Honor, I ask after the
5 Prosecution rests, that I will make a motion for dismissal,
6 but I ask that the tape of Richard Detore then be
7 admissible since both Al Lange and J.J. Cafaro are familiar
8 with the voices of the Defendant and Richard Detore. The
9 tape was brought in yesterday. It's been admitted as an
10 exhibit. The Government --

11 THE COURT: Excuse me. I'm not aware of any
12 tape that was admitted as an exhibit.

13 MR. TRAFICANT: No. It's been given to the
14 Prosecution. They've had it since discovery. They've had
15 times to evaluate it for reliability and test it for
16 forensic actuality.

17 THE COURT: Okay. So what is your motion
18 right now?

19 MR. TRAFICANT: My motion is when the Defense
20 begins --

21 THE COURT: Okay.

22 MR. TRAFICANT: If, in fact, you do not
23 dismiss this indictment on the strength of their failure to
24 prove through physical evidence their charges, that because
25 Mr. Cafaro and Mr. Lange both know and can identify the

1 voices of Richard Detore and Jim Traficant, that that tape,
2 submitted upon discovery and inside of the discovery
3 deadlines set by the court, be admitted and be allowed to
4 be played as a part of my defense.

5 THE COURT: Okay. Would you like to respond?

6 MR. MORFORD: Yes, your Honor. The problem
7 with that tape is not reliability. The problem with that
8 tape is trustworthiness.

9 If the two people on that tape are going to give that
10 evidence before this Court, they would have to take the
11 stand and be subject to cross-examination like any other
12 witness, and Congressman knows that, or he would have to
13 show, as the Court instructed him several days ago and as
14 he's known for months since we filed our trial brief, he
15 will have to show some valid accepted exception to the
16 hearsay rule that's been accepted by the courts that would
17 apply to any Defendant, and he knows that.

18 That tape is hearsay. If Congressman Traficant wants
19 to take the stand and testify and be subject to
20 cross-examination, he can, but he can't bring in these
21 tapes and just play them without subjecting the people to
22 the tape to cross-examination, unless it falls within an
23 acceptable exception to the hearsay rule.

24 MR. TRAFICANT: Now, your Honor, I'd like to
25 respond.

1 THE COURT: Congressman, Congressman, excuse
2 me. We've been over this more than once. You may put that
3 in writing so that you can preserve all of your ideas and
4 concerns about this. You've got plenty of time to do it,
5 and I ask you to do that rather than delaying the
6 presentation of --

7 MR. TRAFICANT: I'm not going to delay it --

8 THE COURT: Excuse me. -- rather than
9 delaying the presentation of evidence now.

10 MR. TRAFICANT: What I'd like to --

11 THE COURT: You can put it in writing.

12 MR. TRAFICANT: I will, but I'd look to
13 respond to what he said.

14 THE COURT: What you include in writing can
15 include any response you want. This is not a new thing
16 we've discussed in this case. Put it in writing so it can
17 be properly recorded, and everything you're concerned about
18 can be in front of the court.

19 MR. TRAFICANT: I will. But I want it on the
20 record right now before the Prosecution rests.

21 Mr. Morford keeps saying what Jim Traficant knows and
22 what Jim Traficant says. That should be stricken. I never
23 said what he says or what he knows.

24 Second of all, I've been notified that Mr. Detore, as
25 an indicted individual, will not testify due to the fact

Cafaro - Direct/Morford Continued

1 that there are other charges that he faces, not just
2 Traficant charges.

3 Now, I have a right to either take the stand or not.
4 And I want it on the record to be known that Mr. Detore
5 will not be available for trial, and I have the right to
6 either take or not take the stand. That you've made clear
7 to the jury all along.

8 Now, that quashes their argument, and I am going to
9 put in writing, but that tape should be admissible under
10 the exception to the hearsay rule since, in fact, that
11 party, who is now indicted, is not available for trial,
12 period.

13 THE COURT: Fine. Put it all in writing.
14 That's the normal way.

15 MR. TRAFICANT: Thank you. I'm ready to
16 proceed.

17 THE COURT: Thank you very much. Please
18 bring in the jury.

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

20 THE COURT: You're still under oath.

21 THE WITNESS: Yes, ma'am.

22 DIRECT EXAMINATION OF JOHN J. CAFARO CONTINUED

23 BY MR. TRAFICANT:

24 Q. Good morning, Mr. Cafaro.

25 A. Good morning, Mr. Morford.

Cafaro - Direct/Morford Continued

1 Q. When we left off yesterday, I was asking you
2 questions about the \$13,000 transaction, and I would just
3 like to clarify one last thing before we move on.

4 A. Yes, sir.

5 Q. How was it when you showed up at YSU on that Saturday
6 in November 1998, that you knew the amount, \$13,000, that
7 you needed to get in cash the day before on that Friday?

8 A. Previously in that week, the Congressman and I had
9 breakfast. And he brought around conversation to the fact
10 that the holidays were coming, and that he was short of
11 cash and wanted to know if, in fact, we could get the
12 purchase price of the boat to him, and I said how about
13 half. He said that would be fine. Half of -- I took it
14 kind of figuratively it was \$26,000 something. I made it
15 an even \$13,000.

16 Q. Now, moving your attention ahead then to January of
17 1999, could you take a look at what's marked in front of
18 you as Government's Exhibit 8-40 and 8-41, and you'll have
19 to take 8-40 out of the glassine because there's three
20 pages to that document.

21 A. Yes, sir.

22 Q. Now, are you familiar with these documents?

23 A. Yes, I am.

24 Q. And have you reviewed them prior to coming in to
25 testify here today?

Cafaro - Direct/Morford Continued

1 A. Yes, I have.

2 Q. And these are -- are these documents, Government's
3 Exhibits 8-40 and 8-41, documents that were maintained by
4 USAG in the ordinary course of your business?

5 A. Yes, they are.

6 MR. MORFORD: Your Honor, may I put Exhibit
7 8-40, Page 1, up on the screen?

8 THE COURT: Yes.

9 BY MR. MORFORD:

10 Q. Now, can you tell -- explain to the jury what this
11 is.

12 A. This is a fax memo from Paul Marccone to Richard
13 Detore.

14 Q. Okay. And again, who was Paul Marccone?

15 A. Paul Marccone is the Congressman's chief of staff in
16 Washington, D.C.

17 Q. Okay. And again, what is the date?

18 A. 1-21-99.

19 Q. So this is approximately two months after the \$13,000
20 payment?

21 A. That is correct.

22 Q. Could you go ahead and read the body of this memo,
23 please?

24 A. "Attached is a draft letter to FAA Administrator
25 Garvey urging the FAA to approve use of cold cathode

Cafaro - Direct/Morford Continued

1 landing lights at U.S. heliports.

2 "Could you review and let me know if it's what's
3 needed? According to J.J., FAA could approve tomorrow.

4 "My question is this: Is the wording in the letter
5 right -- is what you are seeing FAA approval of cold
6 cathode lights, and are other kinds of lights used at
7 heliports?

8 "Please advise ASAP. I am also working on Garvey
9 visit. Probably would be easier if we flew her out of
10 National to Manassas, then flew her back. Your thoughts?

11 "Call me, thanks."

12 Q. Now, can you explain to the jury what this issue was
13 about, your belief according to this memo that the FAA
14 could immediately approve the use of cold cathode landing
15 lights at U.S. heliports?

16 A. Well, basically, it's two-fold: What we were trying
17 to do at this particular point was to get a special
18 approval for both the cold cathode lights and the laser
19 guided landing system for use at heliports. Places like
20 where your emergency helicopters land have absolutely no
21 guidance at all at hospitals and things of that nature.

22 So we were trying to get a special permit to utilize
23 this type of system and these component parts. But we
24 still needed FAA approval for that.

25 Q. Okay. When Marcone says according to J. J., FAA

Cafaro - Direct/Morford Continued

1 could approve tomorrow, what does that refer to?

2 A. I believe he's talking about the cold cathode lights
3 only at that point because we were working along those
4 lines, and that's where we were at that point in time.

5 Q. What does that mean, could approve tomorrow? Does
6 that mean figuratively or literally?

7 A. No. I think that was figuratively, in the very near
8 future?

9 Q. In your view, was the heliport issue something the
10 FAA could possibly move quicker on than the overall
11 certification of airport landing lights?

12 A. That's where we were going, that's what we were
13 hoping. We were actually trying to develop a special
14 classification of certification.

15 Q. Okay. And who were you asking to help you get the
16 FAA to do that?

17 A. We were working with Congressman Traficant's office.

18 Q. Okay.

19 Now, it indicates that there -- he's asking you or
20 he's asking Detore to go ahead and review this draft letter
21 to the FAA administrator to see if that's the language you
22 want to go to this letter to Administrator Garvey?

23 A. That is correct.

24 Q. Was there a draft letter attached to this memo?

25 A. Yes, there was.

Cafaro - Direct/Morford Continued

1 Q. Turning to the third page of this exhibit, is this a
2 copy of the draft memo?

3 A. Yes, it is.

4 Q. And turning your attention to Exhibit 8-41, can you
5 tell us what this is and what the date of this is?

6 A. I'm sorry. I'm on the wrong thing here.

7 Q. It would be 8-41 would be the next exhibit?

8 A. This is a memo from Richard Detore back to Paul
9 Marccone.

10 Q. And it says regarding?

11 A. This is a fax -- draft letter to Garvey.

12 Q. And what is the date?

13 A. 1-22-99.

14 Q. Okay. And can you go ahead and read the body of this
15 memo?

16 A. "I believe what J.J. was referring to is the use of
17 both laser and cold cathode lights at heliports."

18 Q. Okay?

19 A. "The FAA with the information at hand along with
20 existing military certifications of the lasers and FAA
21 draft certification of the cold cathodes could go a long
22 way in completing the certification. In fact, the lasers
23 and cold cathodes are part of a FAA program. Rotocraft
24 precision terminal approach procedures starting February 5,
25 1999, and running for several months. Data from that

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1 program value dates their use and acceptance. I have
2 included here with the program briefing, which shows the
3 need for new lighting and talks of implementing new
4 technologies, lasers, cold cathodes, et cetera.

5 We would have no problem picking Ms. Garvey up at
6 National and returning her there upon completion of the
7 demo."

8 Q. And again, focusing on the funding of USAG, you
9 testified yesterday that initially, there was a \$5 million
10 cap that was to expire in June of '98, and then after that
11 expired, there was a \$2.5 million additional investment.
12 As we head into the time of these memos in late January
13 1999, what is the state of continued Cafaro willingness,
14 meaning Cafaro Company willingness to fund this investment?

15 A. My brother and I in January were evaluating,
16 reviewing the possibility of funding in another \$900,000.

17 Q. And how important was it to you to have Congressman
18 Traficant, a member of the aviation subcommittee, lobbying
19 the FAA for your technology at that time?

20 A. As I have said all along, it was critical to the
21 success of U.S. Aerospace that the Congressman continue his
22 support.

23 Q. I'd like to turn your attention now to what is marked
24 before you as Government's Exhibit 8-49. Do you see that?

25 A. Yes, sir.

Cafaro - Direct/Morford Continued

1 Q. And is this a document that was made and maintained
2 in the ordinary course of business at USAG?

3 A. Yes, it is.

4 Q. And what exactly is this document? Who created it,
5 and who was it sent to?

6 A. This is an interoffice memo, which would have gone to
7 me from either -- and this one here -- from Capri to me.

8 Q. So your daughter, Capri, as you said, was down in
9 Manassas at the headquarters, correct?

10 A. That's correct.

11 Q. And this would be a memo she's sending back to you in
12 Youngstown?

13 A. Yes.

14 Q. And what is the purpose of this memo?

15 A. It's basically a status memo on a number of different
16 issues.

17 Q. Okay.

18 I'd like you to turn, if you would, on 8-49 to Page 2
19 of this three-page memo where it says administrative
20 issues. Do you see that?

21 A. Yes, I do.

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

24 THE COURT: Yes.

25 BY MR. MORFORD:

Cafaro - Direct/Morford Continued

1 Q. In particular, the second paragraph of administrative
2 issues, starts with the words "Al needs." Do you see that?

3 A. Yes, I do.

4 Q. Would you read that?

5 A. "Al needs \$8,000 or 8K to finish work on the boat so
6 we can do testing for the Coast Guard. We only have a
7 limited time left on our mandate, so this needs to be done
8 ASAP. He also needs the remaining 5K of his bonus" -- I
9 can't see the -- seeing I -- I think she missed -- I don't
10 know what she put there. "His bonus was 35K, and he only
11 received 30K. Taxes have been accounted for in this
12 issue."

13 Q. This indicates that Al Lange was to have been paid a
14 \$35,000 bonus; is that correct?

15 A. That is correct.

16 Q. And had you actually paid a portion of Al Lange's
17 bonus as of the time of this memo in June, 1999?

18 A. Yes. We paid \$30,000 of his \$35,000 bonus.

19 Q. And was that \$30,000 bonus that you paid to Al Lange
20 in any way tied or associated with the boat?

21 A. No.

22 Q. Now, this also indicates that separate from the bonus
23 that Al needs \$8,000 to finish work on the boat; is that
24 correct?

25 A. That is correct.

Cafaro - Direct/Morford Continued

1 Q. And it says so we can do testing for the Coast Guard;
2 is that correct?

3 A. That is correct.

4 Q. Turning your attention to Page 3 of this memorandum
5 is a paragraph labeled Government issues. Can you go ahead
6 and read the first full paragraph under Government issues,
7 please.

8 A. "I have decided that we as an organization have
9 become too confident in our current efforts in the House
10 aviation subcommittee."

11 Q. Let me stop you there. What was your understanding
12 of what that phrase too confident in our current efforts in
13 the House aviation subcommittee meant? Who did that refer
14 to?

15 A. My daughter believed we were too reliant on
16 Congressman Traficant.

17 Q. And what was the problem that USAG was beginning to
18 sense that they were becoming too confident in the efforts
19 of Congressman Traficant?

20 A. Well, I think the fact of the matter is that Capri
21 believed that there were others and there were a number of
22 issues and provinces and time frames that had not been met,
23 and she figured that it was important to start to broaden
24 our base.

25 Q. Had you received certification from the FAA as of

Cafaro - Direct/Morford Continued

1 this time, June 1999?

2 A. Had not.

3 Q. How long had you been receiving promises that you
4 would be getting FAA certification?

5 A. Three, two and a half years.

6 Q. As you were talking with the FAA, was there some
7 opposition to this technology within the FAA?

8 A. Yes.

9 Q. Had you received authorization from the Coast Guard
10 or certification from the Coast Guard at that time?

11 A. No, we had not.

12 Q. Okay. If you can continue reading where it starts I
13 feel it is necessary?

14 A. "I feel it is necessary to redirect our energies to
15 other members of the sub and full committee on
16 transportation in addition to the applicable appropriation
17 subcommittees. I have implemented a strategy to target the
18 most receptive members of the House and Senate in these
19 areas of interest. In addition, I have enlisted William
20 Gary to concentrate on Virginia Rep Wolf, NRCC Chair VA Rep
21 Davis and VA Senator Warner, all of whom are very prominent
22 on these committees development."

23 Q. There's mention of Virginia Representative Wolf and
24 Virginia Senator Davis and Warner?

25 A. Yes.

Cafaro - Direct/Morford Continued

1 Q. Where were the corporate headquarters of USAG at that
2 time?

3 A. Manassas, Virginia.

4 Q. Now, to what extent did you have friendships and
5 influence with other members of Congress at that time?

6 A. Quite a bit of longstanding friendships both in the
7 House and in the Senate and both Republicans and Democrats.

8 Q. And up until this time, in addition to dealing
9 through Congressman Traficant, had you been attempting to
10 get these other members of Congress that either you knew
11 personally or as Capri is indicating in this memorandum
12 involved to push the technology of USAG?

13 A. No.

14 Q. Why?

15 A. We -- I was relying on Congressman Traficant.

16 Q. Why?

17 A. He -- again, he started by offering and then actually
18 became a little perturbed when it was suggested that we get
19 additional help, saying that if we did so, we'd probably
20 screw it up.

21 Q. Were there ever times he complained about either you
22 or Capri attempting to contact other members of Congress on
23 behalf of this company?

24 A. Yes.

25 Q. To what degree did these memoranda that he was

Cafaro - Direct/Morford Continued

1 sending, having his office send to you, claiming that
2 progress was being made, affect your decision to continue
3 to allow him to serve as the point person for USAG?

4 A. Well, it appeared that he was making progress, and it
5 wasn't obviously as quick as one would always like. You
6 always like to see things move quicker, but it appeared
7 that he was making progress, so we stayed with the horse we
8 were on.

9 Q. And as you headed into June 1999, were you
10 reconsidering that decision?

11 A. Yes.

12 Q. Were you looking to go move away from Congressman
13 Traficant entirely?

14 A. No.

15 Q. Or -- explain to the jury what it was you were
16 thinking about doing at that point?

17 A. Literally broadening our base, going to some other
18 friends, making them aware of the technology, asking them
19 to intercede with the Department of Transportation and get
20 a more cohesive and broad-based approach to this.

21 Q. Did you talk about this idea with Rick Detore, the
22 COO of USAG?

23 A. Yes. He was intimately aware of this.

24 Q. And what was his position?

25 A. He was very unhappy with that -- the concept.

Cafaro - Direct/Morford Continued

1 Q. And what was his position that you should do, what --

2 A. His position was that, quote unquote, the chairman
3 will get angry, and we shouldn't do anything to anger the
4 chairman because he's got us this far.

5 Q. Were there other problems and concerns that you were
6 in and disagreements you were having with Rick Detore at
7 that time?

8 A. Yes.

9 Q. As you headed into 1999, was Capri's role in the
10 company changing at all?

11 A. It was getting a little more active.

12 Q. And what effect was that having on the dynamic with
13 Rick Detore?

14 A. I think that jealousy started to set in. He looked
15 at Capri as being very young, not knowing anything about
16 the business. She was only 21 years old, but she had
17 already graduated from Stanford and had her master's, and I
18 think he was a little concerned about what his position
19 would be.

20 Q. Now, did there come a time where you began to address
21 concerns about the spending habits of USAG?

22 A. Yes.

23 Q. And can you describe those to the jury?

24 A. Well, we were never making any budgets. We'd sit
25 down with Rick, and we -- we looked over the budget, and as

Cafaro - Direct/Morford Continued

1 you can see through the testimony, we were constantly
2 reevaluating, putting money in because every time we sat
3 down and made a decision to put X in and X will take us
4 through so long, we never made it that long. So there was
5 a total review as to where Rick was going and the
6 expenditures of the company.

7 Q. Was the company leasing its own jet, USAG?

8 A. It leased a turboprop.

9 Q. And approximately what was the cost of that?

10 A. I think it was about 20 something thousand a month.

11 Q. And how frequently was that being used?

12 A. Very infrequently.

13 Q. Could the company have just used the Cafaro Company
14 jet on those times when they were going to do a
15 demonstration?

16 A. For as little as we utilized the KingAir for the
17 purposes of demonstration, we could have used the Cafaro
18 Company plane, or we could have rented one for that day's
19 use.

20 Q. As you turn towards the end of the summer of 1999 and
21 early fall of 1999, were you personally experiencing
22 personal financial difficulties relating to USAG?

23 A. Well, at that time, we were now out of family funding
24 let's call it, and I'm literally funding the operation out
25 of my own pocket, and the burn rate of the company was

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1 higher than my personal income.

2 Q. When you say the burn rate of the company, what do
3 you mean by the burn rate?

4 A. How quickly they spent money.

5 Q. Okay. And approximately do you recall just an
6 approximate figure of what you were talking about per
7 month?

8 A. Well, probably \$185 to \$200,000 a month.

9 Q. Turning your attention to Government's Exhibit 8-66,
10 do you see that in front of you?

11 A. Yes, sir.

12 Q. And is this a memorandum that was made and maintained
13 in the ordinary course of business at USAG?

14 A. Yes, it is.

15 MR. MORFORD: May I put it on the overhead,
16 your Honor?

17 THE COURT: Yes.

18 BY MR. MORFORD:

19 Q. And who was this to? Who was it from? What is the
20 date?

21 A. It's from Richard Detore to me, dated August 2, 1999.

22 Q. And could you go ahead and read that memorandum,
23 please?

24 A. "J.J., to date I have not received expenses, and
25 everyone within the office is unwilling to expend any of

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1 their own funds in support of our flight test. I cannot
2 afford to pay everyone's hotel, meal, aircraft fuel on my
3 personal credit card. Al is very upset, and states that he
4 has not received his bonus and expenses due him. It is
5 very important that we get him paid so we can -- as we
6 cannot afford to lose him to another company.

7 "Additionally, the bonus payment you sent me still
8 has not arrived. At this point, you are in default on my
9 employment agreement and causing tremendous stress on my
10 family and me. I cannot afraid -- I cannot afraid to keep
11 the house" -- I think he meant I cannot afford -- "to keep
12 the house if I do not receive the bonuses as agreed. I
13 have always performed beyond the call of duty for you and
14 the company. If you have any problems with me as a friend,
15 please let me know. It is very disturbing when I hear that
16 my checks are being forwarded to me to only never receive
17 them.

18 "Please call me concerning this as soon as possible.

19 Regards, Rick Detore."

20 Q. As you reached this point, August and September of
21 1999, were you having to pick and choose which bills would
22 get paid for USAG?

23 A. Yes, I did.

24 Q. Turning your attention to Government's Exhibit 8-53,
25 do you see that before you?

Cafaro - Direct/Morford Continued

1 A. Yes, sir.

2 Q. And is this a memorandum made and maintained in the
3 ordinary course of business at USAG?

4 A. Yes.

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

7 THE COURT: Yes.

8 Q. Who was this memorandum from, and who was it to, and
9 what is the date?

10 A. This is from Rick to me, dated 11-05-99.

11 Q. Could you go ahead and read this memorandum?

12 A. "I've been trying to contact you as I'm very
13 concerned about the status of the company. We have checks
14 bouncing everywhere, and the employees are beyond
15 traumatized. We cannot expect them not to be very upset.
16 It gets very hard to handle the job at hand in advancing
17 our products to the market under these circumstances. To
18 date, my paycheck has been returned for lack of funds. I
19 still have not received my bonuses due.

20 "Additionally, the medical benefits have been
21 cancelled. Please contact me ASAP as to what is going on.

22 "Unfortunately, the Cafaro Company is in default on
23 my employment agreement, and I am requesting to be paid in
24 full immediately. I am at this point -- I am at the point
25 that I cannot continue to work without being paid. I also

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1 need to have all bonuses and expenses due paid in full. I
2 am hopeful we can work this out as we know the company has
3 tremendous potential. Richard Detore."

4 MR. TRAFICANT: What is the number on that?

5 MR. MORFORD: 8-53.

6 Q. Now, in the midst of USAG's extreme financial
7 difficulties in the fall of 1999, did you begin to have
8 conversations with Congressman Traficant's office about the
9 MEANPALS technology?

10 A. Well, I think it was actually prior to that that
11 there was conversations about the MEANPALS, but I think it
12 really took off around that point in time.

13 Q. During that point in time, again, without telling us
14 what, if anything, was actually done, what promises were
15 you receiving from Congressman Traficant's office regarding
16 what they believed they could do at the end of 1999 and
17 beginning of 2000 regarding MEANPALS?

18 A. That the military appropriations would fund a test
19 project.

20 Q. That's what they were promising?

21 A. Yes.

22 Q. Turning to Government's Exhibit 8-52, do you see that
23 in front of you?

24 A. Yes.

25 Q. And is this a document that was received and

Cafaro - Direct/Morford Continued

1 maintained in the ordinary course of business of USAG?

2 A. Yes.

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

5 THE COURT: Yes.

6 BY MR. MORFORD:

7 Q. And what is this document?

8 A. This is a fax from Congressman Traficant's office,
9 Mr. Paul Marcone, to Richard Detore, dated 10-28-99. "Keep
10 me posted on your contracts with the Army on MEANPALS,
11 Paul."

12 Q. Now, how important was the promise from the office of
13 Congressman Traficant that they would work to get you an
14 Army contract regarding MEANPALS in the fall of 1999 given
15 the financial strain you were under?

16 A. It was very important. It was the MEANPALS contract
17 is really what then convinced us to put another \$800,000
18 into the company.

19 Q. And did you put another \$800,000 into the company?

20 A. Yes.

21 Q. And how long did that \$800,000 last in terms of
22 additional funding for the company approximately?

23 A. About April of 2000.

24 Q. Now, as you headed into the end of 1999 and the
25 beginning of 2000, did there come a time where you became

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1 so dissatisfied with Rick Detore's performance that you
2 began discussing reorganization of USAG?

3 A. Yes.

4 Q. And who was involved in these particular discussions?

5 A. Capri, Al Lange, the inventors, Mr. Shemwell and
6 Mr. Vetter.

7 Q. When you say the inventors, the inventors of what?

8 A. Of the technology.

9 Q. Now, what were some of the issues that were causing
10 you to look at the structure and particularly look at
11 Mr. Detore?

12 A. Well, it was several issues. Number 1, he was never
13 able to maintain a budget. To this point now, we've put in
14 \$10 million, and I had nothing to show for it. One would
15 assume at that type of investment you should at least be
16 able to have a good understanding as to where you were, but
17 he was not able to stay focused. He was bouncing around
18 from one project to another project to another project.
19 And it was just a total lack of performance and the failure
20 to meet a corporate objective.

21 Q. What ultimately led to Rick Detore --

22 A. I fired him.

23 Q. And when and under what circumstances did you fire
24 Rick Detore?

25 A. I flew down -- I don't remember the date -- but I

Cafaro - Direct/Morford Continued

1 flew down to Manassas, talked to Al Lange, told him what I
2 was going to do. Al knew about it in advance. We called
3 Rick into the office, and I fired him.

4 Q. Was there any particular event that happened that
5 caused you to fire him that particular day as opposed to
6 some time later?

7 A. Al had called and told me that Rick had made some
8 scurrilous remarks about Capri, and I think that was
9 probably the straw that broke the camel's back.

10 Q. Were you intending to fire him anyway?

11 A. Yes.

12 Q. Were you intending to fire him that day anyway?

13 A. No. We were probably within a week or two of when we
14 were going to do it. I was trying to get Mr. Vetter and
15 Mr. Shemwell into Manassas. I was trying to lay some
16 ground work before I did it.

17 Q. After you fired Rick Detore, did he take any legal
18 action against you?

19 A. Yes, he did.

20 Q. What did he do?

21 A. He sued me on his employment contract.

22 Q. And is that -- is that lawsuit still pending?

23 A. Well, it was initially withdrawn, but only two weeks
24 ago he reinstated it, which was interesting.

25 Q. Withdrawn by whom?

Cafaro - Direct/Morford Continued

1 A. Withdrawn by him.

2 Q. Now, what, if any, conversations did you have with
3 Congressman Traficant regarding your decision to fire Rick
4 Detore?

5 A. Out of respect to the Congressman, I called. He was
6 not there, but I did tell Mr. Marcone that I had fired
7 Rick, and I did not believe that that would cause a
8 problem. But I thought I should at least give him the
9 courtesy of advising him on what I did.

10 Q. Why did you feel you needed to call Congressman
11 Traficant and tell him you were firing one of your
12 employees, Rick Detore?

13 A. Well, again, it was a close relation -- a somewhat
14 close relationship between the Congressman. They worked
15 very closely on this project together. And again, the
16 Congressman was championing this, and I wanted him to know
17 that I had made a change and what direction we were going
18 to go in the future.

19 Q. Did there come a time you talked to him directly
20 about your decision to fire Rick Detore?

21 A. Yes, there was.

22 Q. And what was his reaction?

23 A. He was not happy. As a matter of fact, he was
24 somewhat furious that I would do this and said basically,
25 that I was a -- using an Italian word, I was a cubadose,

Cafaro - Direct/Morford Continued

1 which means hardhead in Italian, and that, you know, just
2 because I was upset with Rick because of Capri, I'm willing
3 to lose everything I've invested in this, and the company
4 is going to go down the drain, and that Rick has great
5 credentials, and Rick has great acceptance on the Hill.
6 He's testified in public hearings. He does a great job,
7 and everything is at risk by you doing this. I told him my
8 decision was final.

9 Q. Did he ask you to take any action regarding Rick
10 Detore?

11 A. He asked me to rehire Rick.

12 Q. And what was your response?

13 A. I said no.

14 Q. When he asked you to rehire Rick Detore, did he
15 suggest any type of position you could work out with Rick
16 Detore?

17 A. Well, after I said no, Congressman then requested
18 that I work out something with Rick so that Rick would be a
19 consultant to the company, and I did say that I would do
20 that for a limited period of time, but it was never -- it
21 never came to pass.

22 Q. Now, how close in time were these conversations that
23 you were having with Congressman Traficant about your
24 firing of Rick Detore in relation to press reports that
25 were starting regarding the fact that the FBI was

Cafaro - Direct/Morford Continued

1 investigating the relationship between USAG and Congressman
2 Traficant?

3 A. They were running pretty close together.

4 Q. Now, did there come a time after the press began to
5 report the investigation into the relationship between
6 Congressman Traficant and USAG where you hired the services
7 of a criminal defense attorney?

8 A. Yes.

9 Q. And when was it that you hired that attorney,
10 approximately?

11 A. February of 2000, February or March, right around
12 that time frame.

13 Q. And why did you feel the need to hire a criminal
14 defense attorney?

15 A. Well, I think it became obvious that this particular
16 investigation was going to eventually get around to USAG,
17 and I wanted to be prepared when someone approached me.

18 Q. Who did you end up hiring? What was his name?

19 A. Geoff Mearns.

20 Q. He's an attorney. What firm was he with at the time?

21 A. He was with --

22 MR. TRAFICANT: Can the gentleman speak up?
23 I didn't hear the last name.

24 THE WITNESS: I didn't say. I'm trying to
25 remember the name of the law firm. It was Baker and

Cafaro - Direct/Morford Continued

1 Hostetler now.

2 Q. Are you familiar with the firm called Thompson Hine?

3 A. Yes. Thompson Hine is the lawyer. I'm sorry.

4 That's who he was with.

5 MR. TRAFICANT: Who was Geoff's last name?

6 THE WITNESS: Mearns.

7 BY MR. MORFORD:

8 Q. Now, the conversation you spoke of a moment ago where
9 Congressman Traficant asked you to consider rehiring Rick
10 Detore as an outside consultant or a general contractor,
11 however you described that, did that happen before or after
12 you retained criminal counsel to represent you in this
13 matter?

14 A. Almost right at the same time.

15 Q. Did you discuss that request of Congressman Traficant
16 with your counsel?

17 A. Yes, I did.

18 Q. Did you end up offering a position to Rick Detore as
19 requested by Congressman Traficant?

20 A. No. I actually told Jim -- or I actually told
21 Congressman Traficant that if you can get it done, I'll
22 work it out on my side.

23 Q. Did there come a time where you made a decision not
24 to do that?

25 A. Yes.

Cafaro - Direct/Morford Continued

1 Q. At whose advice did you decide not to do that?

2 A. Counsel's.

3 Q. Mr. Mearns'?

4 A. Yes.

5 Q. Now, you've described this straw purchase of
6 Congressman Traficant's boat through Al Lange as a favor
7 for favor, correct?

8 A. That's correct.

9 Q. Have there ever been other times in your life where
10 you have taken steps to try to conceal the full extent of
11 your role in providing things of value, campaign
12 contributions, or other things to other public officials?

13 A. No.

14 Q. Well, let me ask you this:

15 Have you ever had fund-raisers for public officials
16 at your house?

17 A. Yes.

18 Q. Were there ever times that you concealed the fact
19 that you were giving money to those public officials?

20 A. Yes.

21 Q. Can you describe to the Grand Jury -- or to the
22 jury -- I'm sorry -- what it is you've done in the past?

23 A. Well, we have a fund raiser at the home, and we would
24 set a contribution number to it, and I would pay for
25 contributions made on behalf of people. I would give them

Cafaro - Direct/Morford Continued

1 the money, family members, or employees, people of that
2 nature just so they can come.

3 Q. So actually, it would look like the guests you've
4 invited are making contributions?

5 A. Yes.

6 Q. But, in fact, you're really the one funding those
7 contributions; is that correct?

8 A. That is correct.

9 Q. Now, is that something information-wise that you
10 provided to your attorney and then provided to the
11 Government?

12 A. Yes.

13 Q. I'd like to ask you some questions about the 1996
14 campaign of a man named Phil Chance who was running for
15 Mahoning County sheriff. You recall that election?

16 A. Yes.

17 Q. To what extent, if any, did you attempt to secretly
18 provide funding to the campaign of Phil Chance?

19 A. I utilized another to make contributions in his name
20 to Phil's campaign.

21 Q. Okay. And what was that person's name?

22 A. John Richley.

23 Q. And did you give money to Mr. Richley to give to Phil
24 Chance?

25 A. Yes.

Cafaro - Direct/Morford Continued

1 Q. So that it would not appear that you were giving the
2 money to Phil Chance?

3 A. That's correct.

4 Q. Now, during the criminal trial of Phil Chance, were
5 you called as a defense witness by Phil Chance?

6 A. Yes.

7 Q. And during your cross-examination, were you asked
8 whether or not you had ever given any cash directly or
9 indirectly to Phil Chance or his campaign?

10 A. Yes.

11 Q. And what was your answer of that question?

12 A. No.

13 Q. So you denied that?

14 A. That's correct.

15 Q. And was that truthful?

16 A. No.

17 Q. Why did you deny funneling money into the Chance
18 campaign?

19 A. I think my pride got in the way. I mean, I -- it
20 was, you know, the reason I did it was because there was a
21 family dispute as to who we should be supporting, and I did
22 with my left hand what I couldn't do with my right hand.

23 Q. Explain that. When you say there was a family
24 dispute, what was the nature of the dispute?

25 A. My brother was on one side, and I was on the other of

Cafaro - Direct/Morford Continued

1 the same campaign, and I told Tony I would not support
2 Phil.

3 Q. Who was your brother supporting?

4 A. Neneth.

5 Q. And had you and your brother reached an agreement as
6 to what, if anything, the Cafaro family would do regarding
7 that election being one was supporting one candidate and
8 the other supporting the other?

9 A. There was a conversation and a blowup with Phil, and
10 Tony got angry and said I don't want you supporting Phil.
11 And I agreed I wouldn't, but I did anyway through John.
12 And I -- again, I think it was a little tough to get up and
13 admit that to -- in court knowing that I had broken a trust
14 that existed between my brother and I, and it was an
15 embarrassing situation, and I tried to minimize it.

16 Q. Now, in addition to denying that you had done that
17 yourself, did you also ask Phil Richley to conceal the fact
18 that you had given him the money that he had, in turn,
19 given to Phil Chance?

20 A. It's John, not Phil, but, yes.

21 Q. During the time of that trial, were you represented
22 by counsel?

23 A. No.

24 Q. After you hired your Defense counsel in this case,
25 did you acknowledge to him what you had done in that prior

Cafaro - Direct/Morford Continued

1 case?

2 A. Yes.

3 Q. And based on his advice, did you bring that matter to
4 the attention of the Government?

5 A. Yes, I did.

6 Q. And was that brought to the attention of the
7 Government under a proffer agreement in which we had told
8 you that we would not use against you your own words,
9 particularly on things that we could not prove?

10 A. Yes.

11 Q. Now, after you hired Mr. Mearns, did you request to
12 meet with the Government to discuss the matters involving
13 USAG?

14 A. Yes, I did.

15 Q. Now, to what extent were you aware at that time the
16 Cafaro Company and USAG were complying with Grand Jury
17 subpoenas in providing documents to the Government?

18 A. I believed that we were totally complying with the
19 subpoenas.

20 Q. To what extent were you aware that your daughter,
21 Capri Cafaro, was cooperating with the Government at that
22 time?

23 A. I know that she was totally cooperating with the
24 Government at that time.

25 Q. To what extent were you aware that Al Lange was

Cafaro - Direct/Morford Continued

1 cooperating with the U.S. Attorney's Office at that time?

2 A. I was aware that Al Lange was totally cooperating.

3 Q. Now, the first time you sat down with the Government
4 to provide information, what was your understanding of the
5 terms of our agreement at that time?

6 A. I had immunity, and if -- as long as I was completely
7 truthful, that immunity would continue.

8 Q. And were you completely truthful in your initial
9 proffer session with the Government?

10 A. No.

11 Q. In particular, what information did you withhold from
12 the Government in that initial meeting?

13 A. I withheld the information on the \$13,000.

14 Q. And as a result of the fact that you withheld that
15 information, what happened to you?

16 A. I ended up pleading guilty to the conspiracy charge.

17 Q. And what conspiracy charge did you end up pleading
18 guilty to?

19 A. The entire boat scheme.

20 Q. Conspiracy to pay gratuities?

21 MR. TRAFICANT: Objection. Putting words in
22 his mouth.

23 THE COURT: All right. You need to --

24 MR. TRAFICANT: Objection. He is leading the
25 witness.

Cafaro - Direct/Morford Continued

1 THE COURT: I sustained your objection,
2 Congressman.

3 MR. TRAFICANT: Thank you.

4 THE COURT: Okay. You have to disregard
5 that.

6 Q. Mr. Cafaro --

7 THE COURT: And the question?

8 Q. Mr. Cafaro, did there come a time where you reached a
9 plea agreement with the Government?

10 A. Yes.

11 Q. Now, based on the offense with which you were charged
12 and based on your conversations with Mr. Mearns, what was
13 your understanding of the sentence you were looking at if
14 you had proceeded to trial on that charge?

15 A. If I would have gone to trial, it would have been the
16 sentence, had I been convicted, would have been 18 to 24
17 months.

18 Q. Okay. Now --

19 A. That's the Guidelines, not the statutory time.

20 Q. Did your lawyer explain the difference to you between
21 what's called the statutory maximum and the actual
22 Guidelines that actually determine your sentence?

23 A. Yes, he did.

24 Q. Okay. Now, what was your understanding of the likely
25 sentence you would be facing if you pled guilty but did not

Cafaro - Direct/Morford Continued

1 cooperate and testify in this matter?

2 A. If I would have pleaded guilty and did not cooperate,
3 I was looking at 12 to 18 months.

4 Q. And what is your understanding, as to your plea
5 agreement, and what you expect to receive as a result -- or
6 hope to receive as a result of your testimony here today?

7 A. Well, counselor, I don't expect anything. But I'm
8 hopeful that with a downward departure, we're looking at 0
9 to 6, but in reality, we're looking at 0 to 18 if the Court
10 does not accept a downward departure.

11 Q. Now, I'd like to ask you some questions about a
12 transaction you had with Congressman Traficant involving
13 some automobiles. Did there come a time when you sold some
14 cars to Congressman Traficant?

15 A. Yes.

16 Q. And what cars did this transaction involve?

17 A. It involved a four-door Avanti, an Avanti convertible
18 and a Jeep.

19 Q. Okay. Let's start with the four-door Avanti. What
20 color was that Avanti?

21 A. Dark.

22 Q. Okay. Did -- did there come a time where you had
23 provided Congressman Traficant with possession of that
24 Avanti?

25 A. Yes.

Cafaro - Direct/Morford Continued

1 Q. And can you describe to the jury how and when that
2 came about?

3 A. That was actually when Avanti was in production in
4 the late '80s, and we wanted to get some of the cars driven.
5 We wanted them on the road. The Congressman is a strong
6 supporter of buy American. We thought the Congressman
7 would be an excellent person to be out driving the
8 automobile in Washington, D.C.

9 We asked him if he would like to drive the one car,
10 drive the car around in his district. He said yes, he
11 would. We then shortly thereafter -- the laws changed when
12 it comes to passing restraints. The company closed, and
13 Jim or Congressman Traficant called and wanted to know what
14 to do with the car, and I basically said what are you doing
15 with it now? He said it's in storage. I said just leave
16 it there. So that's where the car has been.

17 Q. Let me back up.

18 When you allowed him to use this car, were you
19 charging him anything for the use of the car?

20 A. No.

21 Q. In your mind, was there anything improper or
22 inappropriate about that situation where you were letting
23 him use that car?

24 A. No.

25 Q. Was that in any way being done for or because of his

Cafaro - Direct/Morford Continued

- 1 official influence?
- 2 A. No.
- 3 Q. Were there other people who Avanti also lent cars to
4 at the same time?
- 5 A. Yes.
- 6 Q. Who were some of those people?
- 7 A. Al Jerky of the Beach Boys, Ed McMahon that had that
8 show -- I forget the name of it -- there were a lot of
9 Hollywood people that had the car. We had the car on
10 90210, so we were doing things like that to get the car out
11 and seen.
- 12 Q. With respect to these other cars that you lent out
13 under similar circumstances, did you get those cars back?
- 14 A. Actually, some of the people actually ended up buying
15 them.
- 16 Q. Actually paid you money for them?
- 17 A. Yes.
- 18 Q. Were -- what about the rest of the people?
- 19 A. We got them back, those that didn't buy them.
- 20 Q. Who was the only person that you didn't get the car
21 back from?
- 22 A. The Congressman.
- 23 Q. Now, who was that -- was there any title to that car?
- 24 A. No.
- 25 Q. And why is that?

Cafaro - Direct/Morford Continued

1 A. Because it was a manufacturers car that had never
2 been titled.

3 Q. And when did Avanti actually go out of business?

4 A. 1990.

5 Q. And after you had that conversation with Congressman
6 Traficant and instructed him he could just keep the car in
7 storage for a time, did you have any further conversation
8 with him about that car for a period of years?

9 A. Not for a period of years, and then the Congressman
10 would -- he would meet someplace and say he wanted to say I
11 wanted to buy the Avanti. I said we'll get around to doing
12 it.

13 Q. Were there problems and difficulties, from your
14 standpoint, in trying to sell the Avanti and transfer title
15 that many years after the company had gone out of business?

16 A. Yeah. It was a pain to try to do. Because the fact
17 the car had never been titled and to go back and -- you
18 don't have the manufacturing facility any longer. It's
19 just very, very time consuming to do.

20 Q. Now, was that particular Avanti car, was that a
21 production model or prototype?

22 A. It was a production model.

23 Q. What's the difference between a production model and
24 a prototype?

25 A. Production model is a car you would buy if you wanted

Cafaro - Direct/Morford Continued

1 to buy a car. A prototype is a car that we put together as
2 a manufacturer to get out in abundance before you put it
3 into manufacturing.

4 Q. Is there a substantial difference in terms of value
5 between a production model and a prototype?

6 A. Yeah. A prototype basically has no value.

7 Q. Approximate ball park, what was an Avanti four-door
8 production model like the one that you had given to
9 Congressman Traficant, what would that be worth, what would
10 it have sold for?

11 A. \$40,000.

12 Q. And are those Avantis any kind of a collector's item?

13 A. There are those who collect Avantis, yes.

14 Q. Did you know where that particular Avanti is now?

15 A. I believe it's in the possession of the Congressman.

16 Q. Okay. Were there any other cars that you had
17 involvement with Congressman Traficant?

18 A. It was a Jeep he borrowed.

19 Q. Could you describe for the jury the nature of the
20 Jeep and how that came up?

21 A. The -- I got a call from Rick, who said the
22 Congressman's car broke down, something of that nature. He
23 needed to borrow a Jeep -- the Jeep he had out at the
24 office, and I said fine.

25 Q. Did the Jeep have a great amount of value?

Cafaro - Direct/Morford Continued

1 A. No.

2 Q. And --

3 A. It was my daughter's Jeep that she had driven through
4 college and high school years, and it was pretty well beat
5 up.

6 Q. As you lent that Jeep to the Congressman, did you
7 view that as any kind of favor for a favor or anything like
8 that, or was this more of an innocent thing in your mind?

9 A. No. I -- I'm from Youngstown. The Congressman's
10 from Youngstown. He needed to borrow a car. There was one
11 sitting there. You would do that for anybody, counselor.

12 Q. How long did you understand he was going to borrow
13 the Jeep for?

14 A. I understood it was to be a short period of time.
15 His car had some kind of problem, and he needed to borrow a
16 car.

17 Q. Did he ever return the Jeep?

18 A. No.

19 Q. Okay. Now, was there a third car?

20 A. Yes.

21 Q. Can you describe for the jury how the -- what the
22 third car was and how that situation arose?

23 A. Well, the third car was an Avanti prototype. The
24 Congressman had indicated he loves cars. He loves the
25 Avanti. He would love to have an Avanti convertible.

Cafaro - Direct/Morford Continued

1 Did I have any he could buy. I said, Congressman,
2 the only one I have that I would sell is the original
3 prototype, but it's not worth diddly-squat -- it's not
4 worth anything. Sorry.

5 Q. What was the status of the Avanti assets that you
6 still had leftover from when the company had gone out of
7 business?

8 A. They were in the process -- actually sold them for
9 zero in order to get them moved out of the facility they
10 were in.

11 Q. Okay. What was the facility where they were in?

12 A. The facility called Ross Industrial Park.

13 Q. Where was that located?

14 A. On Albert Street in Youngstown, Ohio.

15 Q. When you shutdown Avanti production, what happened to
16 the Avanti factory?

17 A. It just sat there with all the equipment.

18 Q. And did there come a time where that became a problem
19 between you and your brother?

20 A. I wouldn't call it a problem. There came a time
21 around this time where he wanted to -- the Ross Industrial
22 Park is a piece of real estate owned by the Cafaro family.

23 He wanted to get it cleaned out so we could lease the
24 space and show the space, and again, it was somewhat of a
25 sore subject to me. So we got rid of it as quick as we

Cafaro - Direct/Morford Continued

1 could and didn't try to make any money on it.

2 Q. You're saying your brother wanted to lease Ross
3 Industrial Park to who, some third party?

4 A. Yeah, to anybody, right.

5 Q. Now, during the time that you were having whatever
6 assets were left of the Avanti company removed from Ross
7 Industrial Park, did you have conversations with
8 Congressman Traficant about the Avanti car?

9 A. Yes.

10 Q. And again, describe basically the conversation. What
11 was he asking for, and what were you agreeing to?

12 A. He wanted to buy an Avanti convertible, and I was
13 telling him the only one I had that I would sell -- I had
14 two, but the only one I would sell was the prototype, but
15 it wasn't a good car at all.

16 I mean, it's the car you put together to make sure
17 the pieces fit. It was built on a used chassis. It
18 isn't -- it wasn't built to drive. It wasn't built to be
19 utilized in that manner.

20 Q. And did there come a time where you delivered any
21 Avanti convertible to the Congressman?

22 A. Yeah, yes.

23 Q. And was there any kind of a mixup when Avanti was
24 delivered?

25 A. Yes. I sent one of the men that works at my home --

Cafaro - Direct/Morford Continued

- 1 I told him to take the prototype to the Congressman.
2 Unfortunately, he couldn't -- he took the car that started,
3 which wasn't the prototype, it was actually the last
4 production model made.
- 5 Q. Okay. Now, this -- so what car was actually given to
6 the Congressman?
- 7 A. The good car.
- 8 Q. Production model?
- 9 A. Yes.
- 10 Q. And what would the production model two-door
11 convertible have sold for originally?
- 12 A. About \$54,000.
- 13 Q. Now, at the time that Congressman Traficant was
14 asking to purchase the Avanti, were there discussions about
15 the Jeep?
- 16 A. Yes.
- 17 Q. And how did the discussions about the Jeep arise?
- 18 A. He said he wanted to buy the Jeep.
- 19 Q. Did you care what, if any, price you would receive
20 for what you thought was the Avanti prototype and the Jeep?
- 21 A. No.
- 22 Q. Who set the price?
- 23 A. The Congressman. I said -- he kept on asking me how
24 much do you want for it? How much do you want for it? And
25 I told him, I said Congressman, these things have no value.

Cafaro - Direct/Morford Continued

1 I don't care.

2 And finally, he -- the number was \$7,000 came out,
3 and I said that's fine. I don't have a problem with that.

4 Q. Now, after you -- after he had the Jeep and after he
5 had the Avanti two-door convertible, did he immediately pay
6 you?

7 A. Yes.

8 Q. And turning your attention, if you will, to what is
9 marked 8-55, do you see that in front of you?

10 MR. TRAFICANT: What number?

11 MR. MORFORD: 8-55.

12 Q. Do you see that, sir?

13 A. Yes.

14 Q. Do you recognize that check?

15 A. Yes. This is the Congressman Traficant's check for
16 the \$7,000 made out to my wife because the Jeep was in my
17 wife's name.

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

20 THE COURT: Yes.

21 BY MR. MORFORD:

22 Q. Now, with respect to this check, what is the date on
23 this check?

24 A. This is a bad copy, December 22nd, '99.

25 Q. And how close in time to Congressman Traficant

Cafaro - Direct/Morford Continued

1 presenting you with this check for \$7,000 was it that you
2 and Congressman Traficant finally reached agreement that
3 you would sell these cars that he had to him for \$7,000?

4 A. Within a week.

5 Q. Who was pushing the issue of finalizing and
6 memorializing this sale in December of 1999?

7 A. The Congressman wanted to get it done.

8 Q. Did you care about getting it done?

9 A. No.

10 Q. How urgent was he in his efforts to push you to get
11 this transaction done?

12 A. Urgent enough that he gave me a --

13 MR. TRAFICANT: Objection for the record
14 only.

15 THE COURT: I couldn't -- I couldn't hear the
16 rest.

17 MR. TRAFICANT: Objection for the record
18 only.

19 THE COURT: You can go ahead and respond.
20 You'll have to respond again. He was talking across. We
21 didn't get it for the jury here.

22 THE WITNESS: Can you restate the question?

23 Q. Yes.

24 How urgent was Congressman Traficant in his attempts
25 to get you to memorialize and finalize a sale of the --

Cafaro - Direct/Morford Continued

1 MR. TRAFICANT: Objection for the record
2 only.

3 THE COURT: Did you get both of those things?
4 I'm sorry. Would you please not talk on top of other
5 people so we can have an accurate record? Thank you.
6 Start again.

7 BY MR. MORFORD:

8 Q. Okay.

9 How urgent was Congressman Traficant in his attempts
10 in December of 1999 to get you to finalize memorialize this
11 transaction, the sale of these cars?

12 THE COURT: Let him speak.

13 MR. TRAFICANT: Objection. He is speculating
14 as to what my particular feelings were. The witness would
15 have no knowledge of what my feelings were.

16 THE COURT: You may answer the question.

17 THE WITNESS: Thank you.

18 He was quite urgent in that several calls were made
19 by his staff that this had to get done, and we were -- I
20 felt it was -- the issue was being pushed.

21 Q. Did Congressman Traficant explain to you why there
22 was this urgency in December of 1999 to finalize and
23 memorialize the sale of these cars?

24 A. No.

25 Q. Was there a written contractual agreement written up

Cafaro - Direct/Morford Continued

1 between you and the Congressman for the sale of these cars?

2 A. No.

3 Q. Did he bring a written agreement to you to this
4 meeting?

5 A. No.

6 Q. Did he bring any witnesses to this meeting?

7 A. No.

8 Q. Did he do anything except provide you with a check
9 for \$7,000?

10 A. No.

11 Q. What, if anything, did you do to determine whether
12 \$7,000 was a fair price for these automobiles?

13 A. Nothing.

14 Q. Did you care about the price?

15 A. No.

16 Q. Who set the price?

17 A. I accepted the Congressman's offer.

18 Q. Now, did there come a time in December of 1999 when
19 you began to hear that the FBI was investigating
20 Congressman Traficant?

21 A. I believe it started to come out in the media that
22 the FBI was investigating the Congressman.

23 Q. Just in terms of your own knowledge and
24 understanding, prior to the time that it came out in the
25 media, were you starting to hear rumors and things from the

Cafaro - Direct/Morford Continued

1 community?

2 A. You could -- you would hear things in the community,
3 but I've learned over the years that you learn to sort of
4 disregard that.

5 Q. Let me ask you this: In the days following
6 Congressman Traficant's presentation to you of this check
7 for \$7,000, did there come a time where you wrote a letter
8 back to him about the automobiles?

9 A. Yes.

10 Q. What was your purpose in writing a letter and
11 particularly writing a letter in the way that you wrote the
12 letter?

13 A. I think the letter was written basically to
14 memorialize the fact he was getting the Avanti prototype,
15 and it was basically a cover-your-rear-end letter.

16 Q. Why did you feel the need to write as you describe it
17 a cover-your-rear-end letter?

18 A. In the event of questions coming as to the propriety
19 of what was going on.

20 Q. Showing you Exhibit 8-58, which is a letter from the
21 Cafaro Company, dated December 27th, 1999, do you recognize
22 this letter?

23 A. Yes.

24 Q. And is this the letter that you wrote?

25 A. It's a letter I dictated, signed, but was never sent.

Cafaro - Direct/Morford Continued

1 Q. Okay.

2 What was your purpose in preparing this letter,
3 signing it, keeping it but never sending it to the
4 Congressman?

5 A. Well, the Congressman again was pressing for the
6 titles, and I was going to have the bill of sale prepared
7 for the prototype, but I never got it done. So it was
8 never sent.

9 Q. Okay.

10 MR. MORFORD: Can I put this on the overhead,
11 your Honor?

12 THE COURT: Yes.

13 BY MR. MORFORD:

14 Q. Now, sir --

15 MR. TRAFICANT: 8-58?

16 MR. MORFORD: Yes, it is.

17 Q. Sir, could you go ahead and read the body of this
18 letter? I may stop you along the way to ask you follow-up
19 questions?

20 A. "Enclosed please find the title for the Jeep, which
21 you have purchased from me. It is understood that this
22 auto is being sold to you as is. As I have told you, the
23 engine needs oil, and there are several mechanical
24 difficulties with this auto. This letter will confirm that
25 I have advised you of these problems, and you are still

Cafaro - Direct/Morford Continued

1 willing to purchase this car in its as is condition."

2 Q. Let me stop you there.

3 Why were you writing this description of this car
4 into a letter that you were not intending to send to the
5 Congressman initially?

6 A. Well, I actually did send this letter.

7 Q. Okay.

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

9 THE WITNESS: I never got around to sending
10 this letter.

11 Q. Okay.

12 Were you exaggerating at all the condition of the
13 Jeep?

14 A. I don't think so. The Jeep was not in good shape.

15 Q. Okay.

16 Continue.

17 A. "Also enclosed please find a bill of sale for the
18 Avanti prototype. Once again, this is being sold to you as
19 is. Let me reiterate what I told you. This car was, in
20 fact, a prototype."

21 Q. Let me stop you there. As it turns out, was this
22 car, in fact, a prototype?

23 A. No.

24 Q. Did you --

25 A. But I didn't know that until months later.

Cafaro - Direct/Morford Continued

1 Q. Did you know it at the time you wrote this letter?

2 A. No.

3 Q. Could you continue reading?

4 A. "Once again, this is being sold to you as is. Let
5 me reiterate what I told you. This car was, in fact, a
6 prototype. It does not run. I have no idea where you can
7 find replacement parts for it. This letter will further
8 confirm that I have disclosed these issues to you, and you
9 have nonetheless elected to move forward with its
10 purchase."

11 Q. Let me ask you this. If the prototype did not run,
12 how were you going to have someone drive it over and
13 deliver it to Congressman Traficant?

14 A. I -- I think it would run run, but -- or they would
15 tow it over, one or the other, and I didn't pay much
16 attention to it when I told him to deliver it to the
17 Congressman. That's what I told them to do.

18 Q. Had you intended in any way to pay for or have USAG
19 pay for or arrange repairs to this Avanti that's being
20 addressed in this letter?

21 A. No.

22 Q. Now, in this letter, it mentions a Jeep, and it
23 mentions an Avanti prototype. What about the other Avanti,
24 the dark four-door, what was being done with respect to
25 that Avanti?

Cafaro - Direct/Morford Continued

1 A. I needed information from the Congressman in order to
2 do the bill of sale. I didn't even know what serial number
3 he had. So I needed to get back to him to get additional
4 information in order to get a bill of sale done on that
5 one. I did -- I had the number -- I had the Jeep title in
6 my possession. I had the -- actually, I had to get the
7 Jeep title.

8 It was in Maryland, but I ended up getting it in our
9 possession, and I knew the serial number of the prototype.
10 So those were not difficult, but I had to get additional
11 information off the old four-door because I just couldn't
12 do that without the information from the Congressman.

13 Q. And he had not provided that information to you yet?

14 A. No. I hadn't even asked him for it. I hadn't given
15 it that much thought.

16 Q. Do you recall a time in late February of 2000 when
17 newspaper reporters began questioning you about rumors that
18 you had provided cars to Congressman Traficant?

19 A. Yes.

20 Q. And what were the reporters asking you, and what were
21 they suggesting to you that they had heard and then
22 questioning you about with respect to these cars?

23 A. They were saying that the Government was looking into
24 the relationship between the Congressman and I and how that
25 relationship and how these cars played into that

Cafaro - Direct/Morford Continued

1 relationship.

2 Q. Was there a particular article which quoted one of
3 your former Avanti employees as contradicting things that
4 you had said in response to questions from reporters in an
5 earlier article?

6 A. Yes.

7 Q. And what was the issue there?

8 A. Well, the issue was the prototype, and the former
9 employee would say the prototype was a good car. It was
10 not built on a used chassis, and he was off base on that
11 particular issue.

12 Q. In those articles in late February, were the
13 reporters questioning your statement about the true value
14 of these cars?

15 A. Yes.

16 Q. After the articles came out, did there come a time
17 where you received something else from the Congressman?

18 A. Yes.

19 Q. Turning your attention to Government's Exhibit 8-60,
20 do you see that?

21 A. Yes.

22 Q. And how did you first come into possession of this
23 document?

24 A. It was delivered to my office.

25 Q. And by whom was it delivered?

Cafaro - Direct/Morford Continued

1 A. Someone at the Congressman's office.

2 Q. And prior to the time that this document was
3 delivered to you, had you had conversations with
4 Congressman Traficant about the newspaper reports
5 questioning the value of the cars?

6 A. Not exactly that way, but the Congressman told me he
7 was concerned that he'd feel better if he gave me \$3,000
8 more. And I said don't bother. I don't want it.

9 Q. You said he'd given you \$7,000 for the cars, right?

10 A. Correct.

11 Q. Now he's telling you he wanted to give you \$3,000
12 more?

13 A. Yes.

14 Q. In all your years of dealing with Congressman
15 Traficant, had you ever known him to want to pay more for
16 something?

17 A. No.

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

20 THE COURT: Yes.

21 BY MR. MORFORD:

22 Q. What is the date of this check?

23 A. February 29th --

24 Q. What's the amount?

25 A. \$3,000.

Cafaro - Direct/Morford Continued

- 1 Q. And did you ever ask Congressman Traficant for more
2 money for these vehicles?
- 3 A. No.
- 4 Q. Did he explain to you why he felt the need to pay you
5 \$3,000 more than the original deal was for the automobile?
- 6 A. He said he'd feel better.
- 7 Q. Now, turning your attention back to the boat deal,
8 did Congressman Traficant ever reimburse you for any of the
9 funds that you paid toward the repair work done to his
10 boat?
- 11 A. No.
- 12 Q. Did he ever give you back any of the \$13,000 cash
13 that you gave him towards the one-half payment purchase
14 price of the boat?
- 15 A. No.
- 16 Q. In the end, who ended up with the boat?
- 17 A. I assumed the Congressman has the boat.
- 18 Q. Why did you give Congressman Traficant, in essence,
19 \$20,000 worth of free repairs on his boat and \$13,000 in
20 cash towards the boat?
- 21 A. We were buying his boat.
- 22 Q. And why were you buying Congressman Traficant's boat?
- 23 A. As a favor for the fact that he was doing us favors.
- 24 Q. And at whose request ultimately were you doing that?
- 25 A. At the request of Rick Detore and ultimately the

Cafaro - Direct/Morford Continued

1 Congressman.

2 Q. And why were you trying so hard to make it look as
3 though Al Lange was the one paying for the repairs and
4 purchasing the boat when, in fact, it was you doing it all
5 along?

6 A. Because I was told that's the way the Congressman
7 wanted done.

8 MR. MORFORD: May I have a moment, your
9 Honor?

10 I have nothing further.

11 THE COURT: We'll take our morning break,
12 half an hour. So we'll be back here at five of 11:00.

13 (Thereupon, a recess was taken.)

14 (Proceedings in the absence of the jury:)

15 THE COURT: Mr. Morford?

16 MR. MORFORD: Yes, your Honor. I notice that
17 Congressman Traficant is doing some drawings on the notes
18 that he took when Dave Sugar was on the witness stand, and
19 I don't know what his intention is to use that with this
20 witness. I would ask that not be done because we'll be
21 mixing the testimony that he wrote down with Dave Sugar
22 with this witness, and he's the one that's asked that the
23 witnesses be segregated and we not be mixing up the
24 testimony of one with another.

25 MR. TRAFICANT: I am not going to co-mingle

1 the testimony of either. I was just going to ask if he
2 understood what his charge was, and the witness is here in
3 the presence of this conversation, which the Prosecutor
4 always seems to arrange so that the witness can be prepared
5 for examination. And I object to that as well.

6 THE COURT: Congressman, if you're going to
7 use that board for some purpose in this inquiry, you need
8 to use a sheet that doesn't come from another part of the
9 case.

10 So just -- are you going to use this to keep notes
11 like you did before?

12 MR. TRAFICANT: Yes, I am.

13 THE COURT: Okay. Then it doesn't need to be
14 in the form that it's in, either. It doesn't need to be so
15 big. It's hard for it to just be notes when you're writing
16 it.

17 MR. TRAFICANT: I'll remove this sheet.

18 THE COURT: Yeah, okay. Why don't you just
19 keep notes on your legal pad at your desk instead of
20 keeping notes on a large --

21 MR. TRAFICANT: I may want to ask questions
22 that I may want his answers, response to put on this
23 document for a reason.

24 THE COURT: Fine and I --

25 MR. TRAFICANT: And I believe as a

Cafaro - Cross

1 cross-examiner, I have the rights to use this as they have
2 the right to use the screen.

3 THE COURT: Yes. But you don't have a clear
4 sheet yet. So take it back to a clear sheet, and we'll see
5 whether or not what you want to put up can be used in some
6 way with the jury.

7 MR. TRAFICANT: What is the Prosecutor
8 worried about? Why don't he state his concerns?

9 THE COURT: Congressman.

10 MR. TRAFICANT: I'm ready to go forward with
11 the jury.

12 THE COURT: Why don't we go forward with the
13 witness on the stand. Okay?

14 MR. TRAFICANT: I agree.

15 THE COURT: Thank you.

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

17 THE COURT: Mr. Cafaro, you're still under
18 oath.

19 THE WITNESS: Yes, ma'am.

20 CROSS-EXAMINATION OF JOHN J. CAFARO

21 BY MR. TRAFICANT:

22 Q. How are you, J. J.?

23 A. Good, Congressman.

24 Q. Did you always call me Congressman?

25 A. No, not always.

Cafaro - Cross

- 1 Q. What did you call me?
- 2 A. Usually Jim.
- 3 Q. You didn't call me chairman?
- 4 A. Occasionally.
- 5 Q. Did you ever work on my farm, J.J.?
- 6 A. No, Congressman, I did not.
- 7 Q. Did you ever own horses?
- 8 A. Yes.
- 9 Q. Do you own horses now?
- 10 A. No, I do not.
- 11 Q. When did you own horses?
- 12 A. The family owned horses probably until the time I was
- 13 about 17 years old.
- 14 Q. Where did you keep those horses?
- 15 A. On Warner Road, my father's home.
- 16 Q. How long have you known me?
- 17 A. Since the early '80s, since Richley was married, '77,
- 18 somewhere.
- 19 Q. What was Phil Richley's association with the Cafaro
- 20 Company?
- 21 A. Well, at the time, he was mayor of Youngstown and
- 22 also a vice-president of the Cafaro Company before and
- 23 after being mayor of Youngstown --
- 24 Q. Did he hold any state office?
- 25 A. He was the Ohio Director of Highways, and he was also

Cafaro - Cross

1 then the first director of transportation for the State of
2 Ohio.

3 Q. The very first?

4 A. Yes.

5 Q. Now, you have what you know as an agreement with the
6 Government; is that correct?

7 A. Yes.

8 Q. And it's subject to an information charge, not an
9 indictment; is that correct?

10 A. That is correct.

11 Q. And you said that you are now subject to 0 to 18
12 months incarceration?

13 A. That is correct.

14 Q. But you're hoping to get a downward reduction to --
15 is this more appropriate, Z-E-R-O to six months, is that
16 what you're hoping for?

17 A. That's what I'm -- that is the hope, yes,
18 Congressman.

19 Q. Why would you have such hope?

20 A. The plea agreement indicates that if my testimony is
21 truthful and complete, the Prosecution will recommend a
22 downward departure to my Judge.

23 Q. Did they promise you that?

24 A. It is a commitment that if what I do here today is
25 truthful and complete, that they will, in fact, recommend a

Cafaro - Cross

1 downward departure.

2 Q. So do you then use the word commitment as a word that
3 might require promise, is that your testimony?

4 A. My testimony is the Government has committed to
5 requesting a downward departure in the event my testimony
6 is truthful and complete.

7 Q. And if your testimony isn't truthful and complete,
8 what are they going to do to you?

9 A. If it is not truthful and complete, I'm looking at 18
10 to 24 months.

11 Q. Then it could be 18 to 24 months?

12 A. 18 -- that's what I said, 18 to 24 months.

13 Q. Well, let me put that back up there.

14 So in other words, if you -- let's just use the term
15 lie, it would be how many months?

16 A. You would be back in the 18 to 24-month range, which
17 is the Guidelines.

18 Q. Are you familiar with Federal Guidelines, Mr. Cafaro?

19 A. Only to the extent that the Guidelines, as they
20 relate directly to me and in my particular instance, has
21 been explained to me. Past that, I don't understand
22 anything.

23 Q. Was your attorney present?

24 A. Yes.

25 Q. Is the same attorney you mentioned earlier, Mr.

Cafaro - Cross

1 Mearns?

2 A. Yes.

3 Q. Were you ever interviewed by the IRS?

4 A. I believe that in one of the proffer sessions an IRS
5 agent may have been there.

6 Q. Is this man seated here that I'm pointing to, would
7 you please look at the witness, is he one of those agents
8 that interviewed you?

9 A. No.

10 Q. Thank you. We're going to start probably from the
11 back since it'll be freshest in your memory.

12 A. Okay.

13 Q. Do you have any physical evidence of handing me any
14 money?

15 A. Well, Congressman, physical evidence, I have none in
16 my possession. Obviously, what we did, we did so that the
17 only two people that would know about it were you and I.
18 So I kept no physical evidence of what you and I did
19 because we didn't want anyone to know.

20 Q. Well, isn't it a fact that you had a secretary that
21 would make withdrawals for you?

22 A. I had a staff member that made withdrawals for me.

23 Q. Now, isn't it a fact that she would withdraw up to
24 \$20,000 in cash perhaps every month for you or more?

25 A. At times, yes.

Cafaro - Cross

- 1 Q. Now, when we talk about the last thing they talked
2 about was the cars, was the Jeep worthless?
- 3 A. In my opinion, yes.
- 4 Q. Did you know if the Avantis run?
- 5 A. No.
- 6 Q. Do you know until today if the Avantis run?
- 7 A. No.
- 8 Q. Did you ever see the Avantis?
- 9 A. No.
- 10 Q. Were you not, in fact, told that I had a black
11 Avanti, and did you not, in fact, say, keep it in storage;
12 you didn't have room for it?
- 13 A. Yes, I did.
- 14 Q. Do you remember those words?
- 15 A. Yes. I testified to that already, Congressman.
- 16 Q. Now, were you and Al Lange friends?
- 17 A. Yes.
- 18 Q. You consider him your friend?
- 19 A. Pardon?
- 20 Q. You consider him your friend?
- 21 A. He was an employee, a co-worker, and a friend.
- 22 Q. Is he still your friend?
- 23 A. Yes.
- 24 Q. Is that a mutual friendship?
- 25 A. Hopefully.

Cafaro - Cross

1 Q. Would you be surprised to know that Al Lange
2 yesterday testified that he was not -- didn't consider you
3 a friend?

4 MR. MORFORD: Objection as to what Al Lange
5 testified to.

6 THE WITNESS: I don't know. I have not
7 spoken to Al since this whole issue began, and I can
8 understand if he has hard feelings.

9 THE COURT: The jury was present during all
10 that testimony, and they can remember what he testified to.
11 Thank you.

12 MR. TRAFICANT: Thank you, your Honor.

13 THE COURT: You're welcome.

14 MR. TRAFICANT: And I apologize for not
15 stopping the witness while the objector had objected.

16 THE COURT: Well, that really isn't your
17 role. Just go ahead and ask the question.

18 MR. TRAFICANT: Thank you.

19 BY MR. TRAFICANT:

20 Q. Now, did you realize that Al Lange had to mortgage
21 his home and lose his wife almost to finance these
22 problems?

23 A. I don't know what you're referring to, Congressman.

24 Q. I'm referring to Al Lange being dragged into a RICO
25 trial.

Cafaro - Cross

- 1 A. Again, Congressman, I don't know what you're talking
2 about.
- 3 Q. Where did Al Lange get the money to defend himself?
- 4 A. I paid for Al Lange's legal fees.
- 5 Q. Out of your personal account?
- 6 A. Ultimately, yes.
- 7 Q. Was the Cafaro -- was it the Cafaro Company's
8 account?
- 9 A. Well, probably came out of the Cafaro Company
10 account, which would be charged to my personal account.
- 11 Q. So isn't it a fact you don't know if either of those
12 cars ran?
- 13 A. Well, I guess the --
- 14 Q. I am not asking you what you guess, what you know.
- 15 A. That's correct. I do not know.
- 16 Q. And you do not know if they run today, do you?
- 17 A. No, I do not.
- 18 Q. Did you ever inquire about the cars?
- 19 A. No, I did not.
- 20 Q. Did you ever make an issue about the cars?
- 21 A. No, I did not.
- 22 Q. Who made an issue about the car?
- 23 A. You did.
- 24 Q. Do you know if I made the issues about the car after
25 I was indicted?

Cafaro - Cross

1 A. No. You made an issue of it over time, and it became
2 very pressing at the end of '99.

3 Q. Now, it is your testimony that Jim Traficant and
4 Richard Detore conspired to, in fact, manipulate the
5 company into favors for favors; is that your testimony?

6 A. I'm not going to characterize my testimony,
7 Congressman. My testimony is what my testimony is.

8 Q. Well, did we conspire other than -- did you conspire
9 with me to do these things?

10 MR. MORFORD: Objection. Calls for a legal
11 conclusion.

12 THE COURT: This is part of the jury's work
13 in this case.

14 Q. Mr. Cafaro --

15 A. Yes.

16 Q. -- did you and I arrange these boat schemes?

17 A. No.

18 Q. Who did you allege maintained and arranged these boat
19 schemes?

20 A. From my side of this, it was Rick Detore.

21 Q. Now, the Government kept asking you about promises,
22 didn't they?

23 A. Yes.

24 Q. And you said I made promises?

25 A. That was the terminology used.

Cafaro - Cross

1 Q. Who were those memos from?

2 A. Well, they were from Paul Marccone and from Rick
3 Detore.

4 Q. Isn't it a fact that you received a \$4 million
5 appropriation grant directly towards MEANPALS?

6 A. Yes. -- no, there was an appropriation for the
7 technology. We then had to bid and get it as I understood
8 it.

9 Q. Was MEANPALS mentioned in the legislation,
10 Mr. Cafaro?

11 A. Yes, it was.

12 Q. Did anybody else make MEANPALS?

13 A. No. MEANPALS was a trade name of a product
14 manufactured by U.S. Aerospace.

15 Q. Now, isn't it a fact that part of that money was to
16 go for the Government's military apparatus to study,
17 evaluate, and investigate, and to ultimately determine if
18 they would have what is known as a first-issue project
19 demonstration model?

20 A. Congressman, we are getting far too technical for me.
21 It was made -- it was money made available to test it for
22 the military. All the other stuff --

23 Q. Of the \$4 million, how much did you get?

24 A. None.

25 Q. Wasn't \$1.3 million set aside for the company to, in

Cafaro - Cross

1 fact, produce the first model?

2 A. Yes.

3 Q. Well, then you do know.

4 A. No. You asked how much did I get. The answer was
5 none.

6 Q. Now, you recall \$1.3 million?

7 A. The first -- the first contract would have been for
8 \$1.3 million, that's correct.

9 Q. Were there some requirements attached to the \$1.3
10 million?

11 A. I assume so, Congressman. I don't remember what they
12 are.

13 Q. Were you the boss of the company, J.J.?

14 A. Yes.

15 Q. Did they report to you?

16 A. Yes.

17 Q. Could they do anything without you?

18 A. No.

19 Q. And they wouldn't have told you why and what they had
20 to do with \$1.3 million, is that your testimony?

21 A. No. I'm sure at the time we knew what we had to do
22 to get the \$1.3 million.

23 Q. Well, why would the Government give you \$1.3 million
24 of a \$4 million appropriation to, in fact, test your
25 specific product?

Cafaro - Cross

- 1 A. Because that's what the legislation required them to
2 do.
- 3 Q. And didn't that legislation also require the company
4 to do certain things?
- 5 A. I would imagine, Congressman, but I haven't looked at
6 it.
- 7 Q. Now, you said your company was belly up, had no
8 income coming in, right?
- 9 A. That's correct.
- 10 Q. And you made loan after loan after loan from your
11 brother, right?
- 12 A. Not from my brother. \$2 and a half million was loans
13 I made to the company. There was \$900,000 that was joint
14 loan of my brother and myself we loaned to the company.
15 And another \$5 million or thereabouts were family funds.
- 16 Q. When your father was alive had any of these funds
17 been granted?
- 18 A. I think at the very beginning, yes.
- 19 Q. Did your father approve the first loan?
- 20 A. Congressman, I don't remember.
- 21 Q. You maintain minutes of the meetings?
- 22 A. Of what?
- 23 Q. The Cafaro Company.
- 24 A. Yes. It complies with state regulations.
- 25 Q. Isn't it a corporation?

Cafaro - Cross

- 1 A. The Cafaro Company?
- 2 Q. Yes.
- 3 A. Yes, it's a corporation.
- 4 Q. And how many states does is it incorporated?
- 5 A. I do not know. I think just Ohio.
- 6 Q. How many shopping malls you own?
- 7 A. 14 or 15.
- 8 Q. How many states are they involved in?
- 9 A. We own shopping centers probably in 14 or 15
- 10 different states. I have to sit and go through them. I've
- 11 never looked at it that way.
- 12 Q. Did you know if the red Avanti convertible was
- 13 sitting outside Manassas for a long period of time?
- 14 A. I found that out much later, yes.
- 15 Q. Did you find out and come to learn of knowledge why
- 16 it was sitting outside?
- 17 A. I understand it needed fixing.
- 18 Q. Did you not come to learn that they could not find
- 19 parts for it?
- 20 A. That didn't come as a surprise to me. There's a lot
- 21 of the Avanti parts were unique to Avanti.
- 22 Q. Wasn't Avanti built on a Capri Chevrolet classic
- 23 frame?
- 24 A. Chassis, yes.
- 25 Q. And you added a plastic fiberglass body; is that

Cafaro - Cross

1 correct?

2 A. Well, it was a little more intense than that. But
3 that's basically correct.

4 Q. Now, can you, in fact, buy fiberglass cars through a
5 mail order dealer and purchase their kit and put it on your
6 own chassis?

7 A. I have no idea.

8 Q. Did I help you with Avanti?

9 A. No.

10 Q. Did you once have a union problem, Mr. Cafaro?

11 A. Yes.

12 Q. Were we friends at the time?

13 A. No.

14 Q. What, if anything, happened?

15 A. You made a public statement that the union should
16 back off and let Avanti get on their feet.

17 Q. Were you and I bitter enemies at the time?

18 A. Yes.

19 Q. Was the issue over jobs?

20 A. Yes.

21 Q. Why were we bitter enemies, Mr. Cafaro?

22 A. I supported your opposition when you first ran. You
23 ran a commercial that I took offense to, and we had -- I
24 had a personal problem with you.

25 Q. Did you sue me over that commercial?

Cafaro - Cross

- 1 A. No.
- 2 Q. Was that an illegal commercial?
- 3 A. I don't believe so.
- 4 Q. Did you confer with attorneys about suing me?
- 5 A. No.
- 6 Q. You never had a meeting at the Cafaro Company with
7 executives to discuss whether or not my commercial was
8 actionable, and, in fact, the company considered suing me,
9 is that your testimony?
- 10 A. To the best of my recollection, if such a meeting
11 took place, I wasn't in it.
- 12 Q. Now, was I elected sheriff?
- 13 A. We're talking about your race for Congress?
- 14 Q. No. I'm talking about the sheriff, when we fell out.
15 You said I ran ads that demeaned the company when I ran for
16 sheriff?
- 17 A. No. When you ran for Congress.
- 18 Q. Well, let's go back to the sheriff for this.
- 19 A. Okay.
- 20 Q. Were there not ads in the sheriff's race?
- 21 A. I don't know. I didn't follow the sheriff's race.
- 22 Q. When did you change from being a Democrat to a
23 Republican?
- 24 A. After you won election as a Democrat for the United
25 States Congress.

Cafaro - Cross

- 1 Q. That's how bitter it was, right?
- 2 A. It wasn't pretty.
- 3 Q. Now, you owned how many homes?
- 4 A. Two.
- 5 Q. Where are they located?
- 6 A. One's in Liberty Township, Ohio. The other is in
- 7 Chevy Chase, Maryland.
- 8 Q. Was I in either of those homes?
- 9 A. No.
- 10 Q. Did you have big parties in those homes?
- 11 A. Yes.
- 12 Q. Did you have politicians in those homes?
- 13 A. Yes.
- 14 Q. Was I ever in them?
- 15 A. No.
- 16 Q. Did you have Dick Gephart there?
- 17 A. Yes.
- 18 Q. Did you have the Kennedys there?
- 19 A. Yes.
- 20 Q. Ted?
- 21 A. Yes.
- 22 Q. Son Patrick?
- 23 A. Yes.
- 24 Q. Joe?
- 25 A. Yes.

Cafaro - Cross

- 1 Q. Did you have the vice-president ever there?
- 2 A. Yes.
- 3 Q. What vice-president did you have there?
- 4 A. I've had Vice-President Gore, and I've had
- 5 vice-president -- boy, my memory's getting bad -- Quayle.
- 6 Q. And who was -- what party did Quayle belong to?
- 7 A. He was a Republican.
- 8 Q. What party did Gore belong to?
- 9 A. Democrat.
- 10 Q. Now --
- 11 A. Both vice-presidents.
- 12 Q. I didn't hear you.
- 13 A. I said Vice-president Mondale. You asked which
- 14 vice-presidents.
- 15 Q. Okay. Now Mondale was vice-president for whom?
- 16 A. Carter.
- 17 Q. Is that the election in which they lost?
- 18 A. Well, they lost an election, yes.
- 19 Q. Did they not win an election?
- 20 A. They won an election, yes, but I don't know.
- 21 Q. You remember if it was before or after?
- 22 A. What was before or after?
- 23 Q. Your meeting with Mondale in your house?
- 24 A. I think it was after. It was after he lost. It was
- 25 actually when he was running for president.

Cafaro - Cross

- 1 Q. Now, Mondale was a candidate for president?
- 2 A. Right.
- 3 Q. And where did you meet with him, in Manassas or in
4 Youngstown?
- 5 A. Youngstown.
- 6 Q. And he came to Youngstown and visited you at your
7 house?
- 8 A. That's correct.
- 9 Q. Did you not, in fact, give large sums of monies to
10 both parties?
- 11 A. Yes, I did.
- 12 Q. Now, the Prosecutor asked you about the race for
13 sheriff between Sheriff Chance and Sheriff Neneth; is that
14 correct?
- 15 A. Yes, he did.
- 16 Q. And he said you and your brother had differences,
17 didn't you?
- 18 A. That's what I said.
- 19 Q. And who did you support?
- 20 A. Chance.
- 21 Q. And who did he support?
- 22 A. Neneth.
- 23 Q. Are you and Anthony brothers?
- 24 A. Yes.
- 25 Q. Politically, it made no difference who won. One of

Cafaro - Cross

1 the Cafaros had had it in with the sheriff, is that a
2 reasonable political statement?

3 A. No, because of -- well, it ended up -- I guess that's
4 right. Phil did win so, yes, the answer is yes.

5 Q. But the point was it was a newly elected sheriff.
6 Did he get money and help from a Cafaro family member?

7 A. He got help from me.

8 Q. Are you a Cafaro family member?

9 A. Yes.

10 Q. Fine. That's my question.

11 Now, at some point, you came to trial with Sheriff
12 Chance, didn't you?

13 A. Yes.

14 Q. And isn't it a fact you testified you perjured
15 yourself at that trial?

16 A. No.

17 Q. Are you saying you never perjured yourself at the
18 Chance trial?

19 A. I testified that I lied in the Chance trial.

20 Q. When you lie under oath, Mr. Cafaro, as a businessman
21 that runs the 11th largest private-owned company in
22 America, do you know what lying means or not? Yes or no.

23 A. I know what lying means, and I admitted to lying.

24 Q. Under oath?

25 A. Under oath.

Cafaro - Cross

1 Q. And did the prosecutors tell you what that word was?

2 A. No.

3 Q. Did your attorney tell you what that word was?

4 A. I've never been told that I have committed perjury.
5 As I understand it, it requires more than just lying under
6 oath.

7 Q. Well, if you lie under oath today, what would it be,
8 just lying under oath?

9 A. Congressman, you're asking more for a legal
10 conclusion, and I'm not capable of drawing that conclusion.

11 Q. Were you coached by the Prosecutor to say that?

12 A. No, I was not.

13 Q. Let's get on.

14 Some point, you got an attorney in the matter because
15 you got scared, right?

16 A. That's correct.

17 Q. What were you afraid of?

18 A. What you and I did.

19 Q. What did we do?

20 A. We did how -- how I was buying the boat.

21 Q. Well, did Rick Detore and I conspire to the boat
22 purchase, or did you and I conspire for the boat purchase?

23 A. Congressman, I am responsible for what my employees
24 did. So even though the conversations may have been with
25 you and Richard Detore, I ultimately funded it, and I was

Cafaro - Cross

- 1 responsible for it.
- 2 Q. Did you know the value of the Traficant boat,
3 Mr. Cafaro?
- 4 A. No.
- 5 Q. And did you know if your staff ever had a
6 professional survey performed on the Traficant boat?
- 7 A. Do I know that now?
- 8 Q. Yes.
- 9 A. Yes, I do know that a survey was done.
- 10 Q. And what did that survey say?
- 11 A. Congressman, I don't know, but I think it said it was
12 worth 30 odd thousand dollars as is.
- 13 Q. What does as is mean, J.J.?
- 14 A. It means as is, before any repairs are done to the
15 boat.
- 16 Q. Now, did it say what it would be worth after repairs
17 were done?
- 18 A. I don't remember, Congressman.
- 19 Q. Okay.
- 20 Did you at some point say there's \$26,000 delivered
21 to me?
- 22 A. No.
- 23 Q. You didn't write a check for \$26,000 to purchase the
24 boat?
- 25 A. Yes, I did.

Cafaro - Cross

1 Q. And who delivered it to me?

2 A. Richard Detore.

3 Q. Isn't it a fact that you brought in a \$26,000 check
4 in a book and opened the book up to the page, Mr. Cafaro?
5 Yes or no.

6 A. No.

7 Q. So you said Richard Detore delivered the check?

8 A. That's my recollection, yes.

9 Q. Um-hum.

10 Now, if these were production vehicles, why couldn't
11 you find the serial numbers on the cars?

12 A. Because there were no Avanti records left.

13 Q. You mean that you had a company incorporated under
14 Ohio law, weren't you required to maintain records for so
15 many years?

16 A. Yes.

17 Q. Doesn't the Ohio Bureau of Motor Vehicles require
18 registrations and VIN numbers?

19 A. Yeah.

20 Q. On production models?

21 A. Yes. But I think we're beyond the time we got around
22 to doing this, Congressman, 11 years past the manufacturing
23 date, and you weren't required to keep records for 11
24 years.

25 Q. Well, you said to the Prosecutor you couldn't find

Cafaro - Cross

1 any. Does that mean that you had thrown the records away?

2 You want to change your testimony now, or do you want to
3 say you just couldn't find them?

4 A. No, Congressman. What I said was I needed the VIN
5 number from the four-door. That's why the letter I had
6 written only referred to two of the three cars.

7 Q. Now, you wouldn't have had to maintain those records,
8 would you, Mr. Cafaro, after 11 years?

9 A. I don't believe so.

10 Q. But when you produce that car, wasn't it a law in the
11 State of Ohio that you had to submit the VIN number on the
12 manufactured car that you produced?

13 A. Absolutely.

14 Q. Did you submit it to the state?

15 A. Absolutely.

16 Q. Did you find out or did the Prosecutor bring -- show
17 you evidence that those were production cars?

18 A. No.

19 Q. What prosecutors did you work with?

20 A. Mr. Morford.

21 Q. Could you identify him to the jury?

22 A. The gentleman right there.

23 Q. Did he ever ask you about the Ohio Bureau of Motor
24 Vehicles?

25 A. No.

Cafaro - Cross

1 Q. Ever ask you about VIN numbers?

2 A. No.

3 Q. Did he ever ask you about manufacturing requirements
4 in the State of Ohio?

5 A. No.

6 Q. To the best of your knowledge, is he an attorney?

7 A. I think so.

8 Q. Is he a good one?

9 A. Congressman, I'm not -- capable of answering that
10 question. I would assume he's a very competent Prosecutor.
11 That's why he's here representing the Government.

12 Q. Did he coach you on your testimony?

13 A. No.

14 Q. Did he tell you what he was going to ask you?

15 A. No.

16 Q. Did he meet with your attorney?

17 A. Yes.

18 Q. When was the last time he met with your attorney?

19 A. Last week.

20 Q. Did he inform your attorney that an IRS agent is
21 going to sit through your interview?

22 A. Are you going back in time now, Congressman?

23 Q. No. This interview today, were you informed that an
24 IRS agent was going to sit through your interview?

25 THE COURT: Are you talking about the

Cafaro - Cross

1 testimony in court today?

2 MR. TRAFICANT: Yes.

3 THE COURT: Congressman, you agreed that the
4 IRS agent could be here.

5 MR. TRAFICANT: But I didn't ask him that,
6 your Honor, no offense. I asked him if his attorney
7 instructed him if an IRS agent would be in the courtroom.

8 MR. MORFORD: Objection as to the relevance
9 that that could add to this trial.

10 THE COURT: Okay.

11 Well, he can answer, but it's not --

12 THE WITNESS: No, this.

13 THE COURT: This is not an interview. It's a
14 confusing question to put to the jury as an interview.
15 This is a court hearing.

16 Now, that we know what he's talking about, you can
17 answer the question.

18 Did your lawyer tell you that there was going to be
19 someone --

20 THE WITNESS: No. But I knew the gentleman
21 would be here, although my counsel didn't tell me because
22 we were sitting together in the witness room yesterday. So
23 I knew he would be here.

24 Q. Who would be here?

25 A. The gentleman right over there, that you were

Cafaro - Cross

1 referring to.

2 Q. This gentleman here?

3 A. Right there, yes.

4 Q. Did he give you his name?

5 A. Bruce.

6 Q. Did he ask you any questions about your case?

7 A. No.

8 Q. What IRS --

9 A. If I got that wrong, I apologize.

10 Q. What IRS agents questioned you about this case then?

11 A. I don't know the -- when I was with Mr. Morford, I
12 believe that there was an IRS agent at one of the meetings.
13 I don't know the gentleman's name. Mr. Morford always
14 conducted the interviews.

15 Q. Now, are you aware of the fact that Mr. Al Lange said
16 yesterday that you were a liar?

17 MR. MORFORD: Objection to what Al Lange said
18 yesterday, your Honor.

19 THE COURT: The objection is sustained.

20 MR. TRAFICANT: I want a side bar.

21 THE COURT: Okay. At the next break, we'll
22 deal with this. Just go on to another question.

23 MR. TRAFICANT: You said the jury had heard
24 the first one.

25 THE COURT: The jury has heard the testimony.

Cafaro - Cross

1 They've been here everyday, and they're listening, and the
2 jury is here now to hear evidence from the stand. They can
3 listen to evidence. We'll take up legal issues at the
4 break.

5 Q. Did Mr. Detore refer to you as a liar?

6 A. Not that I know of.

7 Q. Isn't it a fact during the Chance trial that
8 Prosecutor Morford called you a liar on the stand?

9 A. I don't remember his cross-examination of me, but
10 that may be true.

11 Q. Isn't it a fact he accused you in a voice louder than
12 mine that can be heard in the hallway, that you are lying
13 about the Chance contribution? Yes or no.

14 A. Congressman, I just answered you. I said I don't
15 remember his cross-examination of me. However, what you're
16 saying very well could be true.

17 Q. Was that a RICO trial?

18 A. I have no idea.

19 Q. Did you have immunity in that trial?

20 A. No.

21 Q. Did you have immunity now?

22 A. No.

23 Q. Are you under oath now?

24 A. Yes.

25 Q. Were you under oath then?

Cafaro - Cross

1 A. Yes.

2 Q. Is there a difference?

3 A. Between what?

4 Q. Being -- having immunity or not having immunity?

5 A. Congressman, I don't know what you're asking.

6 Q. Well --

7 THE COURT: He's testified he doesn't have
8 immunity and didn't have immunity. So there's a
9 difference.

10 Q. Do you have a competent attorney, Mr. Cafaro?

11 A. Yes.

12 Q. Who advised you to take immunity?

13 MR. MORFORD: Your Honor, he just said he
14 didn't --

15 THE WITNESS: I don't have immunity.

16 THE COURT: He doesn't have immunity,
17 Congressman.

18 MR. TRAFICANT: Fine. Then we've established
19 that, didn't we?

20 BY MR. TRAFICANT:

21 Q. Isn't it a fact you did not need immunity because you
22 already made a plea agreement between your attorney and the
23 Government?

24 A. Congressman, again, I don't know what the question is
25 you're asking me.

Cafaro - Cross

1 Q. Well, the --

2 A. I did not have immunity. I have pleaded guilty, and
3 if I do something while on the stand that is inaccurate, I
4 can lose the plea agreement. I don't understand what
5 immunity has to do with that. I don't have it.

6 Q. Good.

7 Now, when USAG first started, who were the workers
8 paid by?

9 A. When USAG first started?

10 Q. No. When you started and you bought the laser
11 technology and you began to hire employees, namely,
12 Mr. Richard Detore and began your company, who sent them
13 their paychecks?

14 A. Cafaro and Laser via the Cafaro Company payroll
15 accountant.

16 Q. Did you give that information to the Government?

17 A. If they asked for it, they got it.

18 Q. They would have Cafaro Laser?

19 A. If they asked for it, they would have got it.

20 Q. Didn't they ask for any and all documents when they
21 subpoenaed you?

22 A. Yeah, that's what I said. If they asked for it, they
23 got it. I believe that we have fully complied with every
24 subpoena and provided every piece of paper that the
25 Government has requested of us. And I've not been told

Cafaro - Cross

1 differently by them or by my attorneys.

2 Q. So it's fair to say you don't know what the
3 Government did with the stuff you gave them, right?

4 A. I would have no idea what the Government did with
5 what I gave them.

6 Q. Now, you referred to me at one point in your
7 statement as a champion. What is a champion, Mr. Cafaro?

8 A. Congressman, you're going to have to refresh my
9 memory of my statement to whom and with --

10 Q. The Prosecutor asked you a question about me. Isn't
11 it a fact you testified that I was sort of like a champion,
12 and you were going to ride the horse?

13 A. Congressman, I guess the Court Reporter can read it
14 back, but I don't have a problem characterizing you as a
15 champion of the technology for us.

16 Q. Okay. Fine.

17 Let's move on. You knew Gephart?

18 A. Yes.

19 Q. You knew Mondale?

20 A. Yes.

21 Q. You knew Quayle?

22 A. Yes.

23 Q. Did you have pictures taken with Ronald Reagan?

24 A. Yes.

25 Q. Pictures taken with President Bush?

Cafaro - Cross

- 1 A. Yes.
- 2 Q. Pictures with Clinton?
- 3 A. Yes.
- 4 Q. Were they in the oval office?
- 5 A. Yes, some.
- 6 Q. Were you invited in personally?
- 7 A. Yes.
- 8 Q. Were you one of the biggest and were you, in fact, by
- 9 both parties, distinguished as one of the biggest
- 10 contributors to the parties?
- 11 A. Yes.
- 12 Q. Did you know Torricelli?
- 13 A. Yes.
- 14 Q. Did you know Warner?
- 15 A. Yes.
- 16 Q. Did you get funds sent to Warner?
- 17 A. Not directly. I think I gave -- I don't know, I
- 18 don't remember.
- 19 Q. You already testified you gave a lot of money to
- 20 different people, right?
- 21 A. I testified that there were times when I would have
- 22 people to my home, that I would give them money for the
- 23 contribution.
- 24 Q. Aren't there limits on federal contributions, there
- 25 are laws dealing with federal contributions, Mr. Cafaro?

Cafaro - Cross

- 1 A. Yes.
- 2 Q. Are you familiar with them?
- 3 A. Yes.
- 4 Q. What's the maximum you can give to a federal
5 candidate?
- 6 A. \$1,000.
- 7 Q. Now, if you wanted to give that candidate \$10,000,
8 you can give him \$10,000 by saying I give a thousand, my
9 wife gives a thousand, John Richley gives a thousand, Craig
10 Morford gives a thousand, Joe Blow gives a thousand, can't
11 you do it that way?
- 12 A. No.
- 13 Q. Did you ever do it that way?
- 14 A. Yes.
- 15 Q. Wasn't it a fact that Senator Warner was the Senate
16 representative of where your home office was located?
- 17 A. Well, he was the senator from Virginia, and Manassas
18 is in Virginia. So I guess he's the senator from Virginia.
- 19 Q. J. J., I don't mean -- I don't mean to be rude, but
20 this isn't rocket science. Answer the question.
- 21 A. Well --
- 22 Q. Is he not the senator from the your home office in
23 Virginia?
- 24 A. Yes, he is the senator from Virginia.
- 25 Q. Fine. Answer it.

Cafaro - Cross

- 1 Why didn't you go to Senator Warner?
- 2 A. Because I was with you, Congressman.
- 3 Q. Why would you stay with somebody who did nothing?
- 4 A. It appeared you were making progress.
- 5 Q. Was a \$4 million appropriation directed to your
- 6 account a progress?
- 7 A. Absolutely.
- 8 Q. You know the difference between authorizing and
- 9 appropriating?
- 10 A. Yes.
- 11 Q. What is it?
- 12 A. Authorizing, as I understand it, is the first step,
- 13 and then the appropriation solidifies it.
- 14 Q. So you must first have the funds authorized?
- 15 A. Correct.
- 16 Q. If you're going build a bridge, you have to authorize
- 17 the bridge?
- 18 A. Right.
- 19 Q. Then the appropriator decides if they're going to
- 20 spend money on the bridge?
- 21 A. Correct.
- 22 Q. Do you know if the MEANPALS was authorized?
- 23 A. Yes.
- 24 Q. Was it appropriated?
- 25 A. Yes.

Cafaro - Cross

1 Q. Isn't it a fact you had to have certain requirements
2 met with the Volpe Engineering Center?

3 A. I understand that Volpe Engineering was where some
4 testing was to be done.

5 Q. Now, did Bob Torricelli arrange to bring Jane Garvey
6 out to Manassas?

7 A. No.

8 Q. Who did?

9 A. You did.

10 Q. Did Vice-president Quayle call on your behalf to get
11 Jimmy Duncan, Republican chairman of the subcommittee, to
12 come out, inspect your project out at Manassas?

13 A. No.

14 Q. Who did?

15 A. You did.

16 Q. Isn't it a fact that you had meetings within the last
17 two years to introduce your daughter, Capri, as a candidate
18 for Congress?

19 A. A potential candidate, something she was looking at,
20 yes.

21 Q. Who was the Congressman in that district you're
22 talking about?

23 A. Right now, Congressman, the district is -- has three
24 Congressmen, Strickland, yourself, and Mr. Sawyer.

25 Q. No, it does not. Isn't it a fact, Mr. Cafaro, that

Cafaro - Cross

1 that redistricting doesn't take place until next year, and
2 the representative of the 17th district of Ohio is standing
3 and questioning you?

4 A. Yes. You are -- you were referring to -- running for
5 office, Congressman. And I was taking -- and I was
6 answering it in that context.

7 Q. Was the meeting before two years ago, that you knew
8 what the district lines were going to be? Did you know
9 what the district lines were going to be two years ago,
10 Mr. Cafaro?

11 A. No.

12 Q. Who was the Congressman in the 17th district when you
13 had the meeting?

14 A. You were.

15 Q. Did you bring your daughter to the meeting?

16 A. Probably.

17 Q. Was one introduction at Anthony's on the River, to
18 introduce her to public officials?

19 A. I don't remember one Anthony's on the River.

20 Q. Where do you remember them being?

21 A. I know she went down to Columbiana County and spoke
22 at a few functions, to the Salem's Ladies Club and a few
23 things of that nature.

24 Q. So you never took her and introduced her around at
25 Anthony's on the River, to Judge Boda and Columbiana County

Cafaro - Cross

1 Commissioners and other public officials?

2 A. Congressman, I'm not saying I didn't. I don't recall
3 unless you're referring to our normal Saturday lunch bunch
4 crowd.

5 Q. Was there a Saturday lunch bunch crowd there?

6 A. Where?

7 Q. Anthony's on the River?

8 A. When?

9 Q. Usually on a Saturday.

10 A. On -- since my father passed away, it was the first
11 Saturday of the month.

12 Q. What time would you meet?

13 A. Around 12:30. My daughter has been going to that,
14 Congressman, since she was knee high.

15 Q. Well, where did you pick your daughter up? Did you
16 go home to get her, or you just come straight from home
17 with her?

18 A. When?

19 Q. When you took her to Anthony's on the River on
20 Saturday?

21 A. Congressman, she -- when she was in town, she would
22 often come to lunch. I mean, unless you give me a specific
23 day and a specific instance, I mean, this was a once a
24 month lunch.

25 Q. I see.

Cafaro - Cross

1 Was I at any of those meetings?

2 A. No, they weren't meetings.

3 Q. Was I at any of those lunches?

4 A. No.

5 Q. Now, at some point, you said Capri should move off
6 and find another horse?

7 A. That was her recommendation.

8 Q. Was that before or after you got the \$4 million?

9 A. Well, that was in '99, and the \$4 million became
10 available like April-ish of 2000. So it was before.

11 Q. Um-hum.

12 Did your daughter do any lobbying up on the Hill?

13 A. No.

14 Q. Did you and I ever have discussions about not having
15 your daughter do lobbying up on the Hill?

16 A. Yes.

17 Q. And what were those conversations about?

18 MR. MORFORD: Objection to the extent that
19 it's going to call for Congressman Traficant's hearsay
20 statements.

21 THE COURT: Right. But, otherwise, it's all
22 right.

23 Q. What, if anything, did you learn and come to
24 understand from the Congressman's discussions with you?

25 MR. MORFORD: Objection, unless he learned it

Cafaro - Cross

1 some way other than Congressman Traficant's own words.

2 Q. What was your impression relative to your daughter's
3 ability to lobby after having met with me?

4 THE COURT: That's fine.

5 THE WITNESS: I was under the impression that
6 you believed she was too young. I, however, did not.

7 Q. So you sent her up to lobby?

8 A. After that, yes.

9 Q. You know who she lobbied with?

10 A. I know that she had conversations with Guy
11 Vanderbilt. Who then she started to work with and who they
12 went to, I do not know.

13 Q. Mr. Cafaro, are you a part owner of the Cafaro
14 Company now?

15 A. I'm a principal of the Cafaro Company.

16 Q. As a principal, are you a part owner?

17 A. No.

18 Q. Wasn't that what I asked you first?

19 A. Well, here again, Congressman, we own a number of
20 entities, and sometimes it is a little more complicated
21 than a yes or no. But through a number of trusts, I ended
22 up becoming an owner but personally directing, no.

23 Q. Was there a time when you struck your father?

24 A. No.

25 Q. Was there a time you were thrown out of the company?

Cafaro - Cross

- 1 A. There was a time when -- yes.
- 2 Q. Did you leave of your own volition?
- 3 A. No.
- 4 Q. Who instructed you to leave?
- 5 A. My father.
- 6 Q. How many years were you separated from the company?
- 7 A. Five.
- 8 Q. And how did you support your family?
- 9 A. I had my own company.
- 10 Q. Did you have a trust set up for you?
- 11 A. I didn't use my trust.
- 12 Q. You developed another company?
- 13 A. Yes.
- 14 Q. What company was it?
- 15 A. It was called Cafaro International.
- 16 Q. Does it still exist?
- 17 A. No.
- 18 Q. Did it ever -- was it ever recorded in the State of
- 19 Ohio as a corporation?
- 20 A. Yes.
- 21 Q. Was it recorded with the United States as an
- 22 international firm?
- 23 A. No.
- 24 Q. Is it a requirement of the federal government for
- 25 international activities to be registered?

Cafaro - Cross

- 1 A. It wasn't an international company.
- 2 Q. Why did you call it international?
- 3 A. Sounded like a good name, and I think actual complete
4 name was Cafaro International Investments Company, and we
5 called it CI Little Shopping Centers, and we did a number
6 of them.
- 7 Q. You ever build a shopping center overseas?
- 8 A. No.
- 9 Q. Outside the territories of the United States?
- 10 A. No.
- 11 Q. Then why did you put International on it?
- 12 A. Like I said, Congressman sounded like a good name at
13 the time.
- 14 Q. Was that a misrepresentation of what the company's
15 business interests were?
- 16 A. I guess so, Congressman. I mean --
- 17 Q. That's fine.
- 18 A. We didn't do international work. And the word was --
19 it just sounded like a good name.
- 20 Q. Now, when you did this new lobbying, did you sign a
21 contract with those lobbyists?
- 22 A. Say this again.
- 23 Q. When you hired these new lobbyists, did you sign a
24 contract with those lobbyists?
- 25 A. I don't believe so.

Cafaro - Cross

- 1 Q. Did you pay them?
- 2 A. Yes.
- 3 Q. How did you pay them?
- 4 A. By check.
- 5 Q. Did you turn those over to the Government?
- 6 A. The Government got everything they requested.
- 7 Q. Now, when the Kennedys came to your house and all
8 these people came to your house, did you have people for
9 fund-raising events for them?
- 10 A. Occasionally.
- 11 Q. And you paid most of the money, right?
- 12 A. No, I didn't say that. I say -- occasionally used
13 others for some of the money, and I also had events,
14 Congressman, where I've actually hosted it at my house and
15 didn't invite a single person. It was done by the DNC. We
16 had 50 people for dinner with President Clinton, and they
17 did all the fund raising, so it's been a combination of
18 things over the years.
- 19 Q. Explain to the jury who the DNC is.
- 20 A. Democratic National Committee.
- 21 Q. And they called you to have a private meeting at your
22 house in Ohio with President Clinton; is that your
23 testimony?
- 24 A. It was my home in Washington, D.C.
- 25 Q. Oh, was it D.C.? How much land you own in your home

Cafaro - Cross

- 1 in the D.C. area?
- 2 A. I think it's three acres.
- 3 Q. Where is it located?
- 4 A. On Chevy Chase Circle.
- 5 Q. How much is it worth?
- 6 A. Several millions of dollars.
- 7 Q. How much you pay for it?
- 8 A. A few million.
- 9 Q. You don't recall the exact amount?
- 10 A. Probably 8 million or 9.
- 11 Q. How much did you pay for your home? How much did it
- 12 cost you?
- 13 A. 4 or 5.
- 14 Q. How much time did you spend in Washington versus
- 15 Youngstown when you were the head of USAG?
- 16 A. Majority of my time was still spent in Youngstown.
- 17 Q. When would you go to D.C.?
- 18 A. When required.
- 19 Q. You were the boss? When were you required?
- 20 A. Pardon?
- 21 Q. As the boss, when were you required?
- 22 A. If there were issues that needed my personal
- 23 involvement, I would be there.
- 24 Q. Couldn't they fax you?
- 25 A. Congressman, I just said when there were issues that

Cafaro - Cross

1 needed my personal involvement, needed me to be there, I
2 would be there.

3 Q. Did you ever ask President Clinton to do you a favor?

4 A. No.

5 Q. Did you ever ask Vice-president Quayle to do you a
6 favor?

7 A. No.

8 Q. Did you ever ask Vice-President Gore to do you a
9 favor?

10 A. No.

11 Q. Did you ever ask Torricelli to do you a favor?

12 A. No.

13 Q. How many states do you operate in?

14 A. Congressman, I think you asked me that previously,
15 and I said I think it's somewhere in 14, 15. Unless I sat
16 here and actually counted them, I don't know, but 14 or 15
17 states, something like that.

18 Q. Had you ever met with the senators and governors from
19 those states?

20 A. Some I have; some I haven't. And some that I did
21 aren't there any longer.

22 Q. Did they ever do you any favors?

23 A. Not that I can recall.

24 Q. So the only one you ever did real favors for, who was
25 your colleague, was me, is that what you're saying?

Cafaro - Cross

1 A. Favors in the -- the way we're talking about favors
2 today, that's correct, Congressman.

3 Q. We're not talking about favors. We're talking about
4 bribes. You know the difference between a favor and a
5 bribe, Mr. Cafaro?

6 MR. MORFORD: Object again. He's asking him
7 for a legal conclusions.

8 THE COURT: That's correct. You can move on
9 to another issue.

10 Q. Did you ever discuss with your attorney the
11 difference between a bribe and a favor?

12 A. No.

13 Q. Tell me then, why did you refer to them as favors?

14 A. That's how I looked at it at the time we were doing
15 it.

16 Q. Did that ever change --

17 A. You were doing me a favor by working on behalf of
18 USAG. I was, in turn, doing you a favor by helping you get
19 out of a situation you had with your boat.

20 Q. Now, when you delivered a \$26,000 check that a boat
21 was worth \$32,000 on, would that be an illegal act,
22 Mr. Cafaro?

23 MR. MORFORD: Objection. Again, it's calling
24 for a legal conclusion.

25 THE COURT: It's the same objection, and

Cafaro - Cross

1 it'll be sustained.

2 Q. Isn't it a fact, Mr. Cafaro, you never went down and
3 saw one bit of work being done on that boat?

4 A. That's correct.

5 Q. Did you become aware that that boat sunk?

6 A. I heard that.

7 Q. Who told you that?

8 MR. MORFORD: Objection, hearsay.

9 THE COURT: Sustained.

10 Q. Do you have personal knowledge that that boat sunk?

11 A. No.

12 Q. I thought you just said somebody told you.

13 A. Someone told me. That's my -- that's not personal
14 knowledge. Personal knowledge is going out and seeing it
15 in the water.

16 Q. Oh. The only personal knowledge you had was someone
17 told you that it sunk, right?

18 A. That's the only knowledge.

19 Q. Fine. Now, having the big contacts in the House and
20 Senate, how did, in fact, USAG go bankrupt?

21 A. Because unfortunately, after a lot of hard work, when
22 it was just getting to the point in time when the \$1.3
23 you're referring to was available, we were now in March of
24 2000. In March of 2000, unfortunately, there was a
25 spotlight on the relationship that you and I had, and it

Cafaro - Cross

1 was obvious that this issue and our relationship would
2 become part of a much bigger issue, and because of the
3 upcoming notoriety, we elected not to continue on with the
4 company.

5 Q. J.J., you said you got the money for MEANPALS in
6 what? Early 2000?

7 A. Did I think the MEANPALS money was available -- would
8 it become available in April of 2000?

9 Q. April of 2000?

10 A. Somewhere around there, Congressman.

11 Q. Wasn't it a fact that you made comments in the
12 newspaper relative to cars in 1999?

13 A. Yes.

14 Q. Wasn't it a fact you knew about a Traficant
15 investigation in 1999?

16 A. Yes.

17 Q. Then why didn't you say don't go forward with the
18 MEANPALS?

19 A. Congressman, I was hoping and praying it never got to
20 me, but by the time the dollars were available with the
21 Government, I was smack in the middle of this, had my own
22 counsel, who was talking to the Justice Department, and we
23 closed shop.

24 Q. Isn't it a fact, Mr. Cafaro, that you couldn't use
25 the \$1.3 million because you had not, in fact, complied

Cafaro - Cross

1 with military regulations, military requirements, did not
2 produce the first required product necessary for you
3 getting those funds? Yes or no.

4 A. Congressman, the contract was begun again in
5 April-ish of 2000, and by the time it became available and
6 the paperwork was done, we were not as a family, was not
7 going to continue in the business of USAG because of the
8 relationship and the things that you and I did together.

9 Q. So you didn't refuse the \$1.3 million though, did
10 you?

11 A. No.

12 Q. Did you deposit it in your account?

13 A. No.

14 Q. Where did it go?

15 A. It went to another contractor.

16 Q. Eventually?

17 A. Yes.

18 Q. For nonperformance?

19 A. Yes. We did not perform it. We -- we folded the
20 tent.

21 Q. Do you know if the Army requested items of you and
22 you responded? Yes or no.

23 A. No, we did not respond.

24 MR. TRAFICANT: Your Honor, it's about 12:00.

25 I have further questions for this witness.

Cafaro - Cross

1 THE COURT: Fine. We'll take them up at
2 1:30. We'll be in recess. Remember the admonition, enjoy
3 your lunch.

4 (Proceedings in the absence of the jury:)

5 MR. SMITH: Your Honor, before we go, in view
6 of the fact the last witness is a summary witness, we would
7 like to move some exhibits before 1:30 so that we're sure
8 things are in before the agent starts summarizing.

9 THE COURT: There are a lot of other issues
10 you know we're dealing with in this case. At least, I have
11 a lot of issues, and I need some time to deal with the
12 other issues I have. So what I suggest we'll do is bring
13 the jury back, and we'll do exhibits when he's finished
14 with this right before --

15 MR. SMITH: Very well, your Honor.

16 THE COURT: So we need -- we need more space
17 to work in this. Okay?

18 MR. SMITH: Very good.

19 MR. TRAFICANT: Thank you, your Honor.

20 THE COURT: Take your full lunch.

21 MR. TRAFICANT: 1:30?

22 THE COURT: Yes, sir.

23 (Thereupon, a luncheon recess was had.)

24

25

Cafaro - Cross

1 Tuesday Session, March 19, 2002, at 1:30 P.M.

2 THE COURT: Mr. Cafaro, you're still under
3 oath.

4 THE WITNESS: Yes, ma'am.

5 THE COURT: Congressman.

6 MR. TRAFICANT: Thank you, your Honor.

7 BY MR. TRAFICANT:

8 Q. J.J., you said that buying that wooden boat was about
9 the dumbest thing you could do, right?

10 A. Wooden boats are not a lot of fun, Congressman.

11 Q. You ever buy a boat?

12 A. Yes, sir, 100-foot Trumpy.

13 Q. What kind of boat was it?

14 A. A wooden boat.

15 Q. Why did you buy it?

16 A. Because I was stupid.

17 Q. Was your boat previously owned by somebody famous?

18 A. I think it was Whitney's boat, John Whitney.

19 Q. You still own the boat?

20 A. No, I've since sold it.

21 Q. When did you sell it?

22 A. Probably about three years ago.

23 Q. On or about the time of the Traficant repairs?

24 A. Congressman, I don't remember when.

25 Q. Well, the Traficant repairs were made in '98, '99.

Cafaro - Cross

- 1 When did you sell your boat?
- 2 A. Congressman, I don't remember. About three years
- 3 ago.
- 4 Q. What year is it?
- 5 A. It's make is 99ish.
- 6 Q. I would prefer if you know yes, answer yes. If you
- 7 know no, answer no so we can save time.
- 8 A. That's what I tried to do, Congressman.
- 9 Q. Now, the Government kept referring to the fact that
- 10 USAG maintained and kept records in files; is that correct?
- 11 A. That's correct.
- 12 Q. Do you have payroll records?
- 13 A. Yes.
- 14 Q. Do you have void contracts?
- 15 A. Yes.
- 16 Q. Did you have bonus agreements?
- 17 A. Not in writing.
- 18 Q. Was a copy of those records forwarded and maintained
- 19 in the Youngstown office as well?
- 20 A. Some of the records were, yes.
- 21 Q. Were some records maintained in Youngstown as well as
- 22 Manassas?
- 23 A. Yes.
- 24 Q. Were some maintained exclusively in Manassas?
- 25 A. Yes.

Cafaro - Cross

- 1 Q. Were some maintained exclusively in Youngstown?
- 2 A. Yes.
- 3 Q. There was relationship between the Cafaro Company and
4 USAG?
- 5 A. Define relationship.
- 6 Q. Being related.
- 7 A. They were not legally related.
- 8 Q. Were they located in the Cafaro Company headquarters?
- 9 A. Was who?
- 10 Q. Your USAG files?
- 11 A. Yes, they were.
- 12 Q. In your section of it, right?
- 13 A. Some.
- 14 Q. Were some co-mingled with the treasurer's records,
15 Mr. Rosselli's?
- 16 A. I don't think commingled is an accurate term, but
17 some accounting records were kept in the accounting area.
- 18 Q. Were you ever accused of bribing the Kentucky
19 governor for making access roads to build a mall in
20 Kentucky?
- 21 A. No.
- 22 Q. Did you ever respond in writing to a newspaper
23 article that that was a falsehood?
- 24 A. I don't recall even having to address that issue.
25 You have something to refresh my memory, I'll be happy to

Cafaro - Cross

1 look at it.

2 Q. Did you build a \$40 million mall in Kentucky,
3 Mr. Cafaro?

4 A. Yes. We build down in Kentucky.

5 Q. Did it become, in fact, the subject of controversy
6 brought up by the United Press International the access
7 roads being built by a \$10,000 bribe made to the governor
8 of Kentucky?

9 A. I have no idea what you're talking about.

10 MR. TRAFICANT: I don't have copies of this.
11 You want me to hold it until later? You'd like to look at
12 it?

13 THE COURT: Show it to the Government, and
14 I'll know what you're talking about. This side.

15 MR. TRAFICANT: That side.

16 THE COURT: Yeah. Okay. This is -- this has
17 stuff written on it. Do you have a clear copy that doesn't
18 have your notes on it?

19 MR. TRAFICANT: No, I don't.

20 THE COURT: As you know, you can't give it to
21 the witness with your notes on it. So this won't work
22 right now. Maybe later.

23 MR. TRAFICANT: How about if I fold it and
24 show him the headlines of it where he can't see the
25 remainder of it?

Cafaro - Cross

1 THE COURT: There still are notes on the
2 margins up above.

3 MR. TRAFICANT: They were not made by me. I
4 object.

5 THE COURT: Okay.

6 MR. TRAFICANT: You're precluding me from
7 showing it to this witness.

8 THE COURT: Okay. If you can get it -- if
9 you can get a copy of that that doesn't have notes on it,
10 then it may be something that you can show to the witness,
11 Congressman. We've been over that before.

12 BY MR. TRAFICANT:

13 Q. Were you employed by the Cafaro Company in 1983?

14 A. Yes.

15 Q. Were you a principal in the company in 1983?

16 A. Yes.

17 Q. Did you build a mall in Kentucky in 1983?

18 A. Yes.

19 Q. All right. Let's move on.

20 Are you familiar with Mr. Detore's voice?

21 A. I would imagine so.

22 Q. Did you talk to him on the phone occasionally?

23 A. Yes.

24 Q. Are you familiar with my voice?

25 A. Yes.

Cafaro - Cross

1 Q. You talked to me on the phone?

2 A. Occasionally.

3 Q. Would you be able to identify our voices on a tape
4 recording?

5 MR. MORFORD: Objection.

6 THE WITNESS: I don't know if I'm qualified.
7 Sorry.

8 THE COURT: Okay. Well let's just go with
9 his answer right now.

10 MR. TRAFICANT: You're going to let this one
11 in?

12 THE COURT: Yeah.

13 Q. Go ahead.

14 A. I don't know if I'm qualified.

15 Q. If you heard the tape, would you be more familiar
16 with it?

17 A. Congressman, I don't know. I don't know if I'm
18 qualified to recognize voices on a tape. I don't know
19 what's required under this type of setting to be an expert
20 to do that.

21 MR. MORFORD: Your Honor, the objection is as
22 to relevance, and there's no relevance to this line of
23 questioning.

24 THE COURT: The other thing is with issues
25 like this, if there is something that we need to do after

Cafaro - Cross

1 the jury's retired for the day, we can work with the --
2 whatever it is that you're going to propose regarding this.
3 I'm trying to get it clear and trying to proceed,
4 Congressman.

5 MR. TRAFICANT: Thank you.

6 BY MR. TRAFICANT:

7 Q. Now, at some particular point, you said this boat was
8 a sink hole, or it was just a lot of money, and you put a
9 stop to it?

10 A. It exceeded the budget that I was given for it, and I
11 stopped it, that's correct.

12 Q. What budget were you given for the boat?

13 A. I was told it was going to cost around 20 some
14 thousand dollars to repair it, if my memory serves me
15 correctly.

16 Q. You mean your employees never showed you the survey
17 on the boat, and you never asked for it?

18 A. No.

19 Q. Were you the boss?

20 A. Yes.

21 Q. Did they report incidents to you of importance?

22 A. Yes.

23 Q. Was I a political figure?

24 A. Yes.

25 Q. And they didn't report to you on this boat scam that

Cafaro - Cross

1 you're referring to that they did a legal survey and give
2 you the results, is that your testimony under oath?

3 A. My testimony is they did not give me the survey. I
4 did not request it. They did not give it to me.

5 Q. You don't even know if there was a survey done, do
6 you?

7 A. I didn't at the time.

8 Q. Well, then why waste the money for a survey if
9 someone wasn't interested in the boat?

10 A. Is that a question?

11 Q. I think so.

12 A. I don't think I can answer it.

13 Q. If these get too difficult for you, just ask me.

14 MR. MORFORD: Your Honor, I object to the
15 editorializing.

16 THE COURT: Yeah, don't comment; just ask
17 questions.

18 MR. MORFORD: The witness said he doesn't
19 know.

20 THE COURT: Thank you.

21 MR. TRAFICANT: I'm going to get back to this
22 \$13,000.

23 Q. What time of the day was it?

24 A. It was immediately following the meeting that was
25 held at YSU, whatever time that ended.

Cafaro - Cross

- 1 Q. Where was the meeting at YSU held?
- 2 A. In one of the buildings right there off of Phelps,
3 but I don't remember the name of it, one of the business
4 buildings.
- 5 Q. Big building, small building?
- 6 A. It had at least two stories because we were on the
7 second floor.
- 8 Q. What street was it near?
- 9 A. It was near Phelps and Rayon and those streets down
10 at YSU.
- 11 Q. Um-hum. How long did the meeting last?
- 12 A. I don't know, Congressman. It was a matter of public
13 record. The media covered it so I guess we can go back and
14 check old newspaper articles and find out how long it
15 lasted. I don't remember.
- 16 Q. That wasn't my question. That wasn't my question.
17 How long did the meeting last?
- 18 A. And my answer is I don't remember.
- 19 Q. Well, you said that I left with you.
- 20 A. That's correct.
- 21 Q. Who was conducting the meeting?
- 22 A. You.
- 23 Q. Well, could you have left with me before I finished
24 conducting the meeting?
- 25 A. No. I said we left when it was over.

Cafaro - Cross

- 1 Q. And what car were we supposedly in, Mr. Cafaro?
- 2 A. We were in a green Cadillac that I owned at the time.
- 3 Q. And was it a two-door or four-door?
- 4 A. Four-door.
- 5 Q. What was the color of the interior, Mr. Cafaro?
- 6 A. Goldish, mustard, something of that nature. I don't
- 7 know what you want to call it.
- 8 Q. And where was your car parked?
- 9 A. Right on the side street.
- 10 Q. And who else saw us get in the car together?
- 11 A. To the best of my knowledge, no one. The meeting was
- 12 over.
- 13 Q. The meeting was over? Was everybody leaving?
- 14 A. Everyone had left. We hung around and got in my car
- 15 and drove away.
- 16 Q. We hung around?
- 17 A. A little bit, yes.
- 18 Q. Until everybody left?
- 19 A. No, I didn't say that. I just said I didn't remember
- 20 anyone seeing us leave.
- 21 Q. Oh.
- 22 When you said you put this in an envelope --
- 23 A. It was an envelope, that's correct.
- 24 Q. -- what color was the envelope.
- 25 A. Don't recall, probably -- I don't recall.

Cafaro - Cross

1 Q. Was it a Cafaro Company envelope?

2 A. Congressman, I don't remember. It was in an
3 envelope.

4 Q. Did you write anything on it?

5 A. I did not.

6 Q. Did you ever use any of your own money, ever use any
7 money from USAG to buy items that weren't to be bought for
8 USAG?

9 A. I don't know if I understand what that means. I
10 guess we did because I guess we bought a welder and a
11 generator that weren't used at USAG so I guess the answer
12 to that is yes.

13 Q. Do you know what happened to those welders and
14 generators?

15 A. I know they weren't there. They weren't there when
16 we closed.

17 Q. Do you know who they were delivered to?

18 A. No, I do not.

19 Q. The company never told you about the welder and
20 generator?

21 A. I do not know where the welder-generator went.

22 Q. The prosecutors never talked to you about it?

23 A. Yeah. They asked me where they went.

24 Q. Did they ask you who took them from the Washington
25 area?

Cafaro - Cross

1 A. I don't know that they were left in the Washington
2 area.

3 Q. You're the boss of a company, and they buy a welder
4 and generator that can't be used by the company, and you
5 don't inquire what happened to them. Is that your
6 testimony?

7 A. What I said was, when the company was done, we began
8 an investigation. We found out that a welder and generator
9 were missing. We gave that information to the Prosecution.

10 Q. So you did know that there was a welder and generator
11 missing?

12 A. I said that, Congressman.

13 Q. And you never asked any of your staff what happened
14 to them?

15 A. By the time we were at that stage, I wasn't speaking
16 to any of the staff. The staff was gone, and I was not
17 directly communicating with any former employees under the
18 direction of my counsel.

19 Q. Did your counsel communicate with the Prosecution
20 about that?

21 A. I don't know what my counsel did.

22 Q. Now, did you find it significant that Jane Garvey and
23 chairman Jim Duncan came out to test flight those projects?

24 A. Absolutely.

25 Q. Were you not, in fact, infuriated over the fact that

Cafaro - Cross

1 the first FAA flight test was done during daylight hours?

2 A. During the daytime when it was wouldn't have done a
3 lot of good.

4 Q. I didn't ask you that. Were you infuriated that they
5 did it at a time when you really couldn't judge the
6 efficacy of the laser system?

7 A. If it was done during the daytime, it would not have
8 done a whole lot of good.

9 Q. Do you know if there was a test flight done by FAA
10 during the day, Mr. Cafaro?

11 A. I do not recall.

12 Q. Mr. Cafaro, did you have anything to do with USAG
13 except show up every once in a while?

14 A. Yeah. I had about 10 million reasons to be involved.

15 Q. You put up the money?

16 A. That's correct.

17 Q. And you were concerned about certification?

18 A. That's correct.

19 Q. Without certification, there could be no project?

20 A. That's correct.

21 Q. And you didn't know that the FAA was coming out to
22 test your project during the day, whether it had no
23 meaning?

24 A. Congressman, I said I may have known at the time, but
25 a lot of that has not been something that I concentrated on

Cafaro - Cross

1 in the past. I'm sure at the time the FAA was coming out I
2 was made aware of it by both Mr. Detore or Mr. Lange or
3 both, and I'm sure at the time I was very much aware. But
4 to go back down and ask me, I do not remember if it was
5 done in the daytime.

6 Q. Did you write personal checks for the purposes of
7 repairing the Traficant boat?

8 A. Yes.

9 Q. And who did you write them to?

10 A. Some went to Rick Detore; some went to Al Lange.

11 Q. Did you ever go down and see if the work was being
12 done on the Traficant boat?

13 A. No.

14 Q. Did you know that the Traficant boat had sunk?

15 A. I was told that.

16 Q. When it was under the custody and, in fact, the
17 possession of Al Lange?

18 A. I was told that I said.

19 Q. What happens when a boat sinks, J. J.?

20 A. I guess it's under water.

21 Q. Does it get damaged?

22 A. I would imagine.

23 Q. Did they ever tell you to call me about the boat?

24 A. Say that again, Congressman.

25 Q. Did your staff ever advise you and tell you to call

Cafaro - Cross

1 me about the boat?

2 A. No.

3 Q. Did you ever call me about the boat?

4 A. No.

5 Q. How do you know the boat work was being done?

6 A. Because that's what I was being -- that's what was
7 being recorded to me.

8 Q. Are you saying the company is going bankrupt, you're
9 writing checks, you've exhausted all the funds from your
10 own brother, you now didn't have enough money for your own
11 expenses, and you didn't even check to see what the money
12 was being spent for?

13 A. Congressman, that was about 14 different issues of
14 which you are characterizing my testimony. That is your
15 characterization of a number of different things I said,
16 and I can't possibly answer whatever it was you just asked.

17 Q. Let me ask you one. Let me ask you one. Did you
18 write the checks for the boat repairs?

19 A. Yes.

20 Q. Did you ever check to see if, in fact, the money you
21 were spending for boat repairs was being performed?

22 A. No.

23 Q. Did you ever go see the boat?

24 A. No.

25 Q. Isn't it a fact that Al Lange's boat was a small

Cafaro - Cross

1 boat, a fishing boat that wasn't and couldn't be used for
2 maritime use testing?

3 A. Never saw Al's boat.

4 Q. Wasn't it a fact you were informed by your staff that
5 Al's boat was not good for nautical testing by the Coast
6 Guard?

7 A. I was informed that Al's boat was too small.

8 Q. And wasn't it a fact that your boat was too big and
9 clumsy to be used for nautical testing?

10 A. I was informed that my boat was too big.

11 Q. Were you looking at every opportunity to market your
12 company?

13 A. Yes.

14 Q. Did you believe that marine nautical systems of new
15 technology were very important, Mr. Cafaro?

16 A. Yes.

17 Q. You talked about the Exxon Valdez, didn't you?

18 A. Yes.

19 Q. Let's talk about JFK Kennedy, Junior's tragic death.
20 Had there been a laser system at that unmarked airport,
21 might JFK had seen it?

22 A. Very possibly it could have saved his life.

23 Q. Wasn't delay laser technology a safety device that
24 was absolutely a perfect fit for nearly every division of
25 our Government?

Cafaro - Cross

- 1 A. In my humble opinion, yes, it was, Congressman.
- 2 Q. Well, then, why didn't you go to these other people,
3 J.J.?
- 4 A. Congressman, you offered to help. I accepted, and
5 you were doing what was apparently a good job. I mean, you
6 said yourself where the dollars came from and what you were
7 able to achieve, and I agreed. You did achieve those
8 things.
- 9 Q. But couldn't Mr. Wolf, who was on the appropriation
10 committee from Virginia, have been more helpful than me?
- 11 A. Congressman, I never asked.
- 12 Q. Didn't Capri suggest it to you?
- 13 A. Towards the latter part of '99, yes, she did.
- 14 Q. Who was president in the latter part of '99?
- 15 A. There was no official president. USAG was an LLC.
- 16 Q. I wasn't talking about USAG. I was talking about who
17 was the president of the United States of America?
- 18 A. Oh, I'm sorry. I thought we were talking about USAG.
19 President of the United States was Mr. Clinton.
- 20 Q. Did you know him personally?
- 21 A. Yes. I've known him for a long time.
- 22 Q. Been friends?
- 23 A. Yes.
- 24 Q. Did you call him?
- 25 A. Yes.

Cafaro - Cross

1 Q. Did you ask him about USAG?

2 A. No.

3 Q. Now, you said this USAG was a limited partnership
4 corporation type of thing, limited partnership deal?

5 A. The correct terminology is LLC, limited liability
6 corporation.

7 Q. And you say that there was never a title of
8 president?

9 A. That's correct. There was no such thing in a LLC.

10 Q. Um-hum. Was your daughter, Capri, ever in the
11 position of being president of the company?

12 A. She held that honorary title, yes.

13 Q. Well, why would an LLC need an honorary title?

14 A. Because when one is dealing with the public and it's
15 very, very difficult, you have to somehow explain to people
16 what their position is, and LLCs do not have corporate
17 offices.

18 Q. Was LLC a corporation?

19 A. It ended -- an LLC is an LLC.

20 Q. Does it have to file incorporation papers with the
21 State of Virginia?

22 A. No.

23 Q. What papers did you have to file in the State of
24 Virginia?

25 A. There was paperwork you file in the state in which it

Cafaro - Cross

1 was set up in, and that was Ohio.

2 Q. So USAG was set up in Ohio as a Cafaro Company
3 umbrella, LLC, right?

4 A. No.

5 Q. How was it set up?

6 A. I don't know what the term is. Cafaro Company
7 means --

8 Q. You know what an umbrella is, Mr. Cafaro?

9 A. Something to stop the rain from hitting you.

10 Q. When you talk about a company, does it not talk about
11 the things that might be within the umbrella of the
12 company, would that explain it?

13 A. No, it wasn't -- there was no legal relationship
14 between the Cafaro Company and USAG.

15 Q. Why did the Cafaro Company write the original checks
16 to USAG employees, Mr. Cafaro?

17 A. Well, Congressman, if you are familiar with companies
18 called Paychecks, okay, it was to take a common checking
19 account that writes checks for 20 or 30 different entities.
20 That's what the Cafaro Company does for a number of
21 different entities. They all come out of one checkbook,
22 but they are independently charged to various other
23 entities.

24 Q. So you have all these various entities, right?

25 A. That is correct.

Cafaro - Cross

1 Q. And that's underneath the Cafaro Company umbrella,
2 right?

3 A. It's not an umbrella. They're separate distinct
4 entities.

5 Q. All separate accounts?

6 A. That's correct.

7 Q. Now, these 20 entities, how many of them were real
8 estate?

9 A. I think there's more than 20 entities.

10 Q. Well, how many are there, Mr. Cafaro?

11 A. I don't know, Congressman, but there's several.

12 Q. Can you see the paper here? I'm going to put a
13 circle. You see this circle? It's -- let's call this the
14 Cafaro Company. How many companies?

15 A. Okay.

16 Q. Were the Cafaro Company paychecks wrote to non-real
17 estate companies or employees?

18 A. None that I can think of.

19 Q. You mean to tell me that you're changing your
20 testimony and telling me that USAG was not at one time
21 receiving payroll paychecks from the Cafaro Company, signed
22 by the Cafaro Company, is that your testimony?

23 A. My testimony, Congressman, if you would just take a
24 breath, my testimony has been that employees of USAG were
25 employees of Cafaro Laser, and through Cafaro Laser

Cafaro - Cross

1 received a paycheck with the name Cafaro Company on it.

2 Q. Well --

3 A. -- the employees at Eastwood Mall get a paycheck
4 from the Cafaro Company charged to Eastwood Mall just as
5 employees at Huntington Mall get a paycheck from the Cafaro
6 Company charged to Huntington mall.

7 Q. Fine.

8 Of all of these entities, you mentioned two malls.

9 We can put that -- how many malls you own?

10 A. 14 or 15.

11 Q. You don't know the exact amount?

12 A. 14 or 15.

13 Q. These all come out of the Cafaro Company checking
14 payroll system, right?

15 A. Every check for every entity comes out of a common
16 checking account, that is correct.

17 Q. Was the USAG paycheck sent to the employees marked
18 Cafaro Laser?

19 A. Yes.

20 Q. They were?

21 A. On the second page, absolutely.

22 Q. And you have copies of them and have given those to
23 the Prosecutor?

24 A. If the Prosecutor has asked for it, the Prosecutor
25 has received them.

Cafaro - Cross

1 Q. Where did their insurance come from for USAG
2 employees?

3 A. Initially, they were put on the blanket program at
4 the Cafaro Company and then put on their own independent
5 insurance.

6 Q. How long were they on the Cafaro Company insurance?
7 How long were they on the Cafaro Company plan?

8 A. Probably on the Cafaro Company plan in the vicinity
9 of a year.

10 Q. Would you say that's about the same time that USAG
11 started writing the paychecks to the employees, too?

12 A. They were very similar in time when USAG started
13 their own payroll account, and when they started their own
14 insurance -- I think they had their own insurance before
15 they had their own payroll account, I think.

16 Q. Mr. Cafaro, you have the 11th rank business in terms
17 of wealth in the United States of America. When you
18 started this LLC, why did you associate it with the Cafaro
19 Company, and why didn't you start USAG right from the
20 beginning and set up the proper account so you wouldn't
21 have this line of questioning you're having?

22 A. Congressman, I don't understand your line of
23 questioning, and what we did was legally prudent and very
24 prudent from a business standpoint, and I don't -- I didn't
25 do it having any idea of the future questioning that may

Cafaro - Cross

- 1 occur or even why it's occurring today.
- 2 Q. Okay. Now when you were boss, who was second in
3 command?
- 4 A. At what point in time?
- 5 Q. In the beginning?
- 6 A. Richard Detore.
- 7 Q. Could Richard Detore fire Albert Lange?
- 8 A. Yes.
- 9 Q. Now, when Rick Detore was fired, who was second in
10 command?
- 11 A. My daughter.
- 12 Q. Who was the chief operating officer?
- 13 A. Al Lange.
- 14 Q. Could Al Lange fire your daughter?
- 15 A. No.
- 16 Q. What was her position if he was chief operating
17 officer?
- 18 A. I think we gave her the title of president.
- 19 Q. So then the honorary title of president could fire
20 the official chief operating officer of your company, is
21 that your testimony?
- 22 A. My testimony is that Al Lange could not fire my
23 daughter. I owned the company, and he could not fire my
24 daughter. Think about the logic, Congressman.
- 25 Q. I'm just looking for testimony. Isn't it a fact when

Cafaro - Cross

1 I sent press releases that our office had discovered that
2 laser technology had been, in fact, implemented, tested,
3 and used in certain capacities by the United States
4 Government?

5 A. Can you repeat that question, Congressman?

6 Q. Forgetting your laser system, when you received press
7 releases about -- laser technology being used, did you not
8 receive information from my office that laser systems, not
9 necessarily yours, had already been tested and used in
10 certain Government areas?

11 A. Congressman, I know that they used lasers in a number
12 of Government areas.

13 Q. And how did you come to learn that?

14 A. You can watch television and know you use lasers to
15 guide a bomb.

16 Q. Back in 1989 -- 1998, did you know that the Navy was
17 using lasers on its aircraft carriers?

18 A. I knew that before I invested in the company because
19 of the lasers that were used on the aircraft carriers was
20 done by radio and under license from the same people I
21 bought it from. That was Alan Vetter and Mr. Shemwell. I
22 knew that long before.

23 Q. So if the Navy was using them, whom do you feel would
24 be a logical marketing opportunity for the company?

25 A. The rest of the military.

Cafaro - Cross

1 Q. Did, in fact, that happen?

2 A. That is where we were going, yes, with your
3 assistance.

4 Q. You say that was your first priority?

5 A. I think it became our first priority, yes.

6 Q. And your second priority was FAA certification,
7 correct?

8 A. Correct.

9 Q. And without FAA certification, you couldn't sell your
10 system to the airports, could you?

11 A. That is also correct.

12 Q. Private airport or any airport wanted to buy it on an
13 individual sale, they had the right to, didn't they?

14 A. I don't think so, Congressman. I don't even think
15 you can sell it or use it even at a private airport unless
16 it was private from the standpoint where you -- it was your
17 personal airport.

18 If it had any aviation traffic, you could not use it
19 without certification.

20 Q. Did you meet with airports to demonstrate it?

21 A. To demonstrate it? No.

22 Q. You mean you didn't go to Chicago O'Hare and say
23 look, I want to have a demonstration on a rainy night of
24 the technology I think can save lives?

25 A. No.

Cafaro - Cross

1 Q. Did you ever go to San Francisco where the wind sheer
2 is great and ask them to allow you to have a test performed
3 during a wind sheer, heavy wind evening?

4 A. Ask the airport? No.

5 Q. Did you ever put in writing a request from the
6 Government to do so?

7 A. Again, I know that there were several instances where
8 both the inventors previous to me and Rick Detore with me
9 had been working to test the system under a number of
10 different conditions. If they did that, they may have, but
11 I do not know.

12 I do not think that was the case since Manassas was
13 the official FAA test facility. I don't see why they would
14 be making the request of anybody but the FAA.

15 Q. Who arranged for the first FAA flight during the day
16 test?

17 A. During what day?

18 Q. When the FAA first tested your system, they tested it
19 during daylight hours. Who arranged for that test?

20 A. I don't know, Congressman. Probably you.

21 Q. I would send the FAA out during the day. Is that
22 your testimony?

23 A. Congressman, I said I don't know who.

24 Q. Why did you say probably me?

25 A. Because you were very active with the FAA, and you

Cafaro - Cross

- 1 were very good at getting them to respond.
- 2 Q. Did you know when I officially asked people to come
- 3 out to, in fact, test your product?
- 4 A. I assumed when Jane Garvey came.
- 5 Q. And was there another time?
- 6 A. Also when Chairman Duncan came.
- 7 Q. What time did they come?
- 8 A. They came in the evening.
- 9 Q. Was I there with them?
- 10 A. I believe so.
- 11 Q. Did I fly in the plane with them?
- 12 A. Congressman, I don't know because I wasn't there for
- 13 both. I was there for Chairman Duncan. I don't know if I
- 14 was there for Garvey or not.
- 15 Q. You know who led the conversation to describe the
- 16 technology and who the lead speaker was to explain the
- 17 technology to Jane Garvey and to Jimmy Duncan?
- 18 A. Congressman, Chairman Duncan was there. You did a
- 19 marvelous job in making the presentation to him.
- 20 Q. Isn't it a fact Capri started off with the
- 21 presentation, J. J.?
- 22 A. She may have.
- 23 Q. Isn't it a fact that we had conversation beforehand
- 24 for me asking you not to do that?
- 25 A. You did not want her speaking, that's correct.

Cafaro - Cross

1 Q. Was I doing that because I didn't like your daughter?

2 A. I think you were doing that because you felt in your
3 heart of hearts that that was in the best interest of the
4 company.

5 Q. Now, you've used the word favor for favor many times
6 here, have you not?

7 A. That's your characterization. I have said you were
8 extending yourself. You were doing me favors. I didn't
9 feel that wrong to extend a favor back.

10 Q. So then you did use the word favor. That was my
11 question.

12 A. Yes, you said many times.

13 Q. Did you use the word bribe?

14 A. No, I did not.

15 Q. Did you use the word gratuity?

16 A. I did not.

17 Q. Did you use the word gratuity in press releases?

18 A. In press releases on what issue?

19 Q. On this so-called money?

20 A. I have not had a press release on this issue.

21 Q. You were never interviewed about it?

22 A. I was interviewed about it.

23 Q. You did not refer to it as a gratuity?

24 A. I referred to what I did wrong as an unlawful
25 gratuity. That is the official subsection of the bribery

Cafaro - Cross

1 code I pleaded guilty to.

2 Q. Well, then you said you know that -- now you say it's
3 unlawful gratuity and under the bribery code?

4 A. No, Congressman. You asked me if I used the term
5 here today of bribery or gratuity, and I said no. Then you
6 asked if, in fact, I used it in a press release. I said no
7 because I had not. Then you asked if, in fact, I used it
8 in an interview, and I said yes.

9 Q. Well, let me ask you, J.J., am I charged with getting
10 a favor from you or getting a bribe from you?

11 MR. MORFORD: Objection.

12 THE COURT: Congressman, I think we've been
13 over this one more than once.

14 MR. TRAFICANT: I don't think we have, not
15 where I'm going.

16 THE COURT: Well, you're not going to go with
17 that question of this witness.

18 BY MR. TRAFICANT:

19 Q. Did you bribe me, Mr. Cafaro?

20 MR. MORFORD: Objection. It calls for a
21 legal conclusion.

22 THE COURT: The objection is sustained.

23 BY MR. TRAFICANT:

24 Q. Is that not one of my counts or not?

25 MR. MORFORD: Objection.

Cafaro - Cross

1 THE COURT: We're dealing with your case
2 here. This witness is on the stand.

3 MR. TRAFICANT: Yes. And I want to know if
4 he bribed me.

5 THE COURT: Well, the jury's going to have to
6 decide whether or not there was that kind of activity in
7 this case after they've heard evidence in this case, and
8 today we're trying to get evidence to the jury.

9 MR. TRAFICANT: Well, I think the jury should
10 again have it from an answer from the client -- from the
11 witness on this matter.

12 THE COURT: Well, unfortunately, that won't
13 be permitted.

14 MR. TRAFICANT: I recognize that.

15 Q. Have we established you never worked at my farm?

16 A. Yes, sir.

17 Q. Did you ever send workers out to my farm?

18 A. No, sir.

19 Q. Did you build a barn for me?

20 A. No, sir.

21 Q. Did I ever fly in your private jet?

22 A. I don't believe so.

23 Q. Did you fly back and forth from Washington and
24 Youngstown in your private jet?

25 A. Often.

Cafaro - Cross

- 1 Q. Did you fly other public officials?
- 2 A. Occasionally.
- 3 Q. Did you report it?
- 4 A. When I flew other public officials, what they do is
- 5 they pay the cost of first flight airfare, which is
- 6 required of that --
- 7 Q. And did you, in fact, receive their payments?
- 8 A. Yes, I have.
- 9 Q. And did you give them to the Prosecution?
- 10 A. If it was a subject of the subpoena, we did.
- 11 Q. Who were some of the politicians you flew in your
- 12 private jet?
- 13 A. I've flown Senator Kennedy. I've flown
- 14 Vice-president Quayle. I've flown a number of different
- 15 people over the years.
- 16 Q. Now, you dealt with Al Lange on the boat?
- 17 A. Al Lange and Richard Detore.
- 18 Q. Wasn't it a fact that Al Lange was the mule that did
- 19 the work?
- 20 A. He was the one primarily responsible, yes. You asked
- 21 me who I dealt with. I dealt with both of them on the
- 22 boat.
- 23 Q. You have any knowledge that the committees of the
- 24 House responsible for the transactions of members' assets
- 25 must be checked with?

Cafaro - Cross

1 MR. MORFORD: Objection as to any basis of
2 knowledge this witness would have about any rules of the
3 House, your Honor.

4 THE COURT: You'd have to establish something
5 by asking him other questions.

6 Q. Did you or your staff ever inquire about the
7 efficacy, the legality of buying my boat?

8 A. Not that I know of. I did not.

9 Q. Did there come a time when your American Express card
10 was terminated?

11 A. Yes.

12 Q. Did you use that American Express card for USAG
13 activities?

14 A. Yes.

15 Q. Was it also used for clothing, jewelry, furs?

16 A. Yes. However, Congressman, every bill was then paid
17 for by the appropriate entity. If it was something that
18 was used for my personal use, it was then paid for out of
19 my personal account. If it was USAG, it was then charged
20 to Cafaro Laser.

21 Q. At that time when it was done?

22 A. Yeah, at that time.

23 Q. You never backdated anything?

24 A. We didn't backdate those. When it's done at the time
25 is when the charges are allocated.

Cafaro - Cross

1 Q. Do you remember meeting with the FBI in the middle of
2 1999?

3 A. I don't remember when, but I've dealt with the FBI in
4 '99.

5 Q. Would you remember their names?

6 A. Again, I -- most of my conversations were with
7 Mr. Morford, and which other individuals were there, I do
8 not know.

9 Q. Isn't it a fact that you met with the FBI on four
10 separate occasions?

11 A. I did not know how many times I met with members of
12 the Justice Department.

13 Q. Did I ask you Justice Department or FBI?

14 A. I don't believe that I've met with the FBI without
15 members of the Justice Department being there.

16 Q. Was any -- were any of these men there when the FBI
17 interviewed you?

18 A. Mr. Morford was always there when I was there along
19 with my two and/or three attorneys.

20 Q. Did you see them taking notes?

21 A. I imagine they were taking notes, yes.

22 Q. Is it your imagination, or did they take notes, J.J.?

23 A. I assume they were taking notes. I wasn't paying
24 much attention to what they were doing.

25 Q. Did they ask to record your conversation?

Cafaro - Cross

- 1 A. I don't remember that.
- 2 Q. Did they ask you if you could give them a sample of
3 the envelope that purportedly contained the \$13,000 in
4 cash?
- 5 A. Congressman, how can I give them a sample of the
6 envelope that I gave you? It was gone.
- 7 Q. Well --
- 8 A. You have it. What you did with it, I don't know.
- 9 Q. What kind of envelope? Where would you have got it
10 from? Did you go to the store and say I want a special
11 envelope to give Jim Traficant cash with, sir?
- 12 A. No.
- 13 Q. Where did you get the envelope?
- 14 A. When I get my cash, it comes in an envelope.
- 15 Q. From where?
- 16 A. From the bank. My -- when I order cash, cash will
17 come from Patty to me in an envelope.
- 18 Q. And what bank did she go to?
- 19 A. I have no idea. I do not remember what bank she went
20 to.
- 21 Q. Do you know if the Prosecutor or the FBI met with
22 your secretary?
- 23 A. Well, I don't know, it wouldn't have helped them
24 because Patty isn't my secretary.
- 25 Q. Well, do you know if they met with Patty?

Cafaro - Cross

1 A. I'm sure they did, yes.

2 Q. Would Patty have told them what bank?

3 A. Yes, she would have. As a matter of fact, the
4 Prosecution, when I was on direct, showed me the copies of
5 the checks that were written for that \$13,000. I'm sure if
6 you look at the back, we'll know what banks they were
7 cashed at.

8 Q. Fine.

9 Did the Prosecution ask you to go with them to the
10 best of your knowledge or demonstrate to you or give you a
11 copy of one of the bank's envelopes?

12 A. No.

13 Q. Did they ever ask you to identify the banks, any and
14 all bank envelopes or look at an assortment of bank
15 envelopes to determine which one you used?

16 A. No.

17 Q. Did you make Chance a loan, or did you give him a
18 bribe?

19 A. Congressman, I wish you -- I never bribed Phil
20 Chance.

21 Q. Did you ever tell the FBI that you did not know Lenny
22 Strollo?

23 A. I believe I said that, yes.

24 Q. That you did not know Lenny Strollo?

25 A. I did not know Lenny Strollo, that's what I think I

Cafaro - Cross

1 told them at the time. I think they asked me if he had
2 been to my --

3 Q. Fine. I'm asking the questions, sir. And I
4 appreciate for the expedience of time you be direct.

5 Did you at a later time explain to them that you knew
6 Lenny Strollo?

7 A. Yeah. After I figured out who Lenny Strollo was,
8 yes.

9 Q. All right.

10 You -- at the time when you met him, you didn't know
11 he was Lenny, right?

12 A. Yeah. I didn't know who he was. I thought he was
13 Strollo from Hannahan and Strollo, the architects.

14 Q. Oh. Isn't it a fact Lenny Strollo asked you to
15 contact Senator Kennedy about a casino in Puerto Rico?

16 A. Casino somewhere. I think it was Puerto Rico, yes.

17 Q. If he was from Hannahan and Strollo and architects
18 would they have had a casino in Puerto Rico, Mr. Cafaro?

19 A. When the meeting was set in my office, it was set up,
20 I did not realize who and when it was until the man was
21 sitting in my office. I was polite, I was courteous, and I
22 smiled, and I did nothing.

23 Q. Let me ask you this: Who is Lenny Strollo?

24 A. Lenny Strollo is the Godfather of the Youngstown mob,
25 I guess.

Cafaro - Cross

1 Q. Okay.

2 Now, as an executive, your secretary just set
3 appointments for you, doesn't confer with you. She just
4 lines them up for you, Mr. Cafaro, is that your testimony?

5 A. My testimony is that meeting was set up. I did not
6 realize it was Lenny Strollo until I was -- until he was in
7 my office and we had the meeting. And once it became
8 evident to me that my assumption of which Strollo this was
9 was incorrect, then I was very polite, but I took his
10 request, read it later, called and told him we couldn't
11 help him.

12 Q. He asked you to call Senator Kennedy. Did you say
13 why do you want me to call Senator Kennedy, what's your
14 interest here?

15 A. Congressman, I don't remember the conversation in
16 detail. I can just tell you that he requested some type of
17 help with a casino. The casino was on an island. It was a
18 former Sheraton Hotel. It could have been Puerto Rico. It
19 could have been Bermuda. I don't remember which island it
20 was.

21 Q. Evidently, you have quite a good memory. It must
22 have been conversation of some length. How long was it?

23 A. Congressman, this occurred in the early '90s, and
24 that was ten years ago, and I cannot recall the length of
25 the conversation that took place ten or 11 years ago.

Cafaro - Cross

1 Q. Well, you recall Puerto Rico, you recall some island
2 somewhere you recall with Senator Kennedy?

3 A. I recall certain key points of that particular
4 meeting.

5 Q. Did a man by the name of Frank Forbes ever come to
6 you?

7 A. Yes. I think -- I don't think his first name is
8 Frank though. Isn't it Stephen Forbes?

9 Q. Tell me.

10 A. The only Forbes that ever came to me had to do with a
11 gentleman who wanted to build a car. Is that the gentleman
12 you're talking about?

13 Q. Yes, sir.

14 A. Okay. I -- I don't remember. I thought his first
15 name was Stephen.

16 Q. That's not important. You met with a Mr. Forbes,
17 correct?

18 A. Yes.

19 Q. What was the purpose of his call on you?

20 A. He wanted to make a car called the Prowler, and he
21 wanted to get the rights to the Chevy Capris from GM and
22 wanted investors in the venture, and I put him together
23 with members of your staff.

24 Q. Why did you put him together with members of my
25 staff?

Cafaro - Cross

1 A. Well, he was interested in creating jobs in the
2 Mahoning Valley. You were interested in creating jobs in
3 the Mahoning Valley, and you were on the transportation
4 committee. He needed something from GM, and that's -- I
5 thought it was a good place to put him.

6 Q. Why didn't you call Vice-President Gore for him?

7 A. Because I didn't.

8 Q. J.J., isn't it a fact that you and I had an informal
9 agreement on U.S. Aerospace?

10 A. That is correct.

11 Q. And what was the agreement that we had?

12 A. The agreement we had, if USAG was ever in a position
13 where we had substantial orders, the manufacturing and also
14 the corporate offices of USAG would be moved to the
15 Mahoning Valley.

16 Q. And the jobs would be where?

17 A. In the Mahoning Valley.

18 Q. And isn't it a fact that that term was not agreed to.
19 I wouldn't have gotten involved with it?

20 MR. MORFORD: Objection. That's speculation.

21 THE COURT: You can answer.

22 THE WITNESS: I think that that was a
23 motivation you had.

24 Q. You fear me, J.J.?

25 A. No.

Cafaro - Cross

1 Q. Did you ever fear me?

2 A. I had a moment of pause.

3 Q. When was that?

4 A. When it was reported that you had issued a contract
5 on a lady that worked at your farm.

6 Q. That I was supposedly to have her murdered?

7 A. That was what the media was reporting.

8 Q. And where did you read that?

9 A. I don't remember if I read it or if I saw it on the
10 news or I heard it on the radio. But that was a rumor that
11 was floating around that would give anybody a moment of
12 pause.

13 Q. Well, wasn't it more than a rumor? Wasn't, in fact,
14 the woman interviewed?

15 MR. MORFORD: Objection.

16 THE COURT: You have to go through a series
17 of questions with him to show that he would know whether or
18 not it was more than a rumor.

19 BY MR. TRAFICANT:

20 Q. Did there come a time you found out this woman was
21 interviewed?

22 A. By who?

23 Q. By the press.

24 A. I don't remember, Congressman. I said I don't
25 remember how I found out.

Cafaro - Cross

1 Q. Was I a popular guy back home?

2 A. With some.

3 Q. Did people know me?

4 A. Quite a few.

5 Q. Do you know if that was an election year?

6 A. What was an election year?

7 Q. The time of this so-called murder?

8 MR. MORFORD: Objection as to any relevance.

9 The question started with his understanding based on
10 theory.

11 THE COURT: Well, you have to go back.

12 MR. TRAFICANT: Okay.

13 Q. So you had a fear at some point and said man, this
14 guy let a contract out, right?

15 A. The allegation gave one a moment of pause I said.

16 Q. And when you paused, what was your impression?

17 A. I don't know if you'd have an impression. I mean,
18 the issue created a moment of pause.

19 Q. Were you shocked to hear that type of press release
20 about the Congressman?

21 A. I don't know if it was a press release.

22 Q. Well, when you heard that information, were you
23 shocked?

24 A. I think that shock is a relative term, Congressman.
25 It -- it was something that gave me a moment of pause. I

Cafaro - Cross

1 don't know how else to explain it.

2 Q. But you said you -- at that point on, you could fear
3 me, didn't you?

4 A. No, I didn't. I said for a moment you asked if I
5 feared you. I said no. You asked if I ever feared you. I
6 said there was a time when there was a moment of pause.
7 You asked me when it was. I explained to you when it was.

8 Q. Did you ever tell the Government that the convertible
9 was a piece of crap?

10 A. Yes.

11 Q. Were you lying to the Government then?

12 A. No. As they came out on direct, you have the wrong
13 car.

14 Q. If I have the wrong car, is it still a piece of crap,
15 Mr. Cafaro?

16 A. The car you have is not a piece of crap.

17 Q. Shall we take the jury to see it?

18 A. Congressman, if you want my definition of a piece of
19 crap, you should come see the one you were supposed to get.

20 Q. Fine. Let me ask you this: You mean you never even
21 took the time to delineate what car the Congressman was
22 going to be buying?

23 A. I did tell him which car to take. You took the wrong
24 car.

25 Q. You sold the company for nothing. Were there any

Cafaro - Cross

- 1 parts of cars included in that sale?
- 2 A. Yes.
- 3 Q. What kind of parts?
- 4 A. Various.
- 5 Q. Explain some.
- 6 A. Fenders, window mechanisms, radios, HVAC systems,
7 various things that make up a car.
- 8 Q. Partially built fiberglass bodies?
- 9 A. Partially built fiberglass bodies.
- 10 Q. Ready to be put on chassis?
- 11 A. Ready to be put on chassis.
- 12 Q. Isn't it a fact, Mr. Cafaro, that nearly every car
13 you sold came back with such major defects that you
14 couldn't sell those cars?
- 15 A. No.
- 16 Q. You could sell those cars? What does your answer
17 mean?
- 18 A. My answer is you asked if, in fact, the cars had such
19 major defects that they came back to the plant, and then
20 they couldn't be sold, and the answer to that is you are
21 incorrect.
- 22 Q. Go ahead. Explain.
- 23 A. You were able to sell Avantis.
- 24 Q. How many Avantis did you sell?
- 25 A. Avanti was geared to build and sell about 100 a year,

Cafaro - Cross

- 1 and it was in the '80s to '90s.
- 2 Q. How many years was Avanti open?
- 3 A. In the Youngstown facility about three and a half.
- 4 Q. Cars?
- 5 A. No, three and a half years.
- 6 Q. Three and a half years?
- 7 A. Yeah.
- 8 Q. And you sold 80 cars?
- 9 A. A year.
- 10 Q. You sold 80 a year?
- 11 A. About that.
- 12 Q. So you sold a total of 250 to 300 Avantis?
- 13 A. Yeah, somewhere in that vicinity, manufactured out of
- 14 that facility.
- 15 Q. Did you have another manufacturing facility?
- 16 A. It was in South Bend before it was in Youngstown.
- 17 Q. Well, didn't you buy it from South Bend?
- 18 A. When I bought it, we still operated at South Bend.
- 19 Q. So you had now an operation in South Bend and in
- 20 Youngstown, right?
- 21 A. For a short period of time, that's correct.
- 22 Q. And you closed down South Bend and moved the
- 23 management apparatus to Youngstown?
- 24 A. That's correct.
- 25 Q. Who was the chief executive officer of that company?

Cafaro - Cross

- 1 A. Michael Kelly.
- 2 Q. Did the Government ever ask you questions about your
3 financing a deal for Mr. Kelly?
- 4 A. No.
- 5 Q. To be more specific, did they ask you about being
6 involved with Mr. Kelly in financing a drug deal?
- 7 A. You mean during my proffer sessions?
- 8 Q. At any time.
- 9 A. During my proffer sessions, they asked that question,
10 yes.
- 11 Q. And what was your answer?
- 12 A. No such thing ever occurred of that nature.
- 13 Q. So you use -- you let your entire company go. Now,
14 how did you finance the Avanti purchase?
- 15 A. Which Avanti purchase?
- 16 Q. The first one when you got it from South Bend.
- 17 A. How did I buy the company?
- 18 Q. Yes.
- 19 A. I bought it through a 50 percent investment in the
20 company.
- 21 Q. Did you get any federal or state monies in the form
22 of grants?
- 23 A. No.
- 24 Q. Do you know if the company in South Bend had received
25 a grant to build that plant?

Cafaro - Cross

- 1 A. I doubt it, Congressman. That was the original
2 Studebaker plant where they made Buckies.
- 3 Q. So the Al Lange thing was all a joke about his dad
4 working for the company, huh?
- 5 A. I don't know, Congressman. That's just what I was
6 told.
- 7 Q. Did you ever tell me that you were paying for the
8 boat repairs, J.J.?
- 9 A. No.
- 10 Q. Why didn't you?
- 11 A. Never came up.
- 12 Q. Was I your friend?
- 13 A. Yes.
- 14 Q. Then why would you expose me to this?
- 15 A. Congressman, you exposed yourself to this.
- 16 Q. Is that right?
- 17 A. You exposed both of us to this.
- 18 Q. Then why didn't you tell me you were paying for the
19 boat?
- 20 A. Never came up.
- 21 Q. Then why did you need me to believe that Al Lange was
22 buying the boat?
- 23 A. Congressman, you knew where the money was coming from
24 from day one.
- 25 Q. How did I know that, J.J.?

Cafaro - Cross

1 A. Well, Congressman, when you asked for the purchase
2 money of the boat, I said I'll give it to Al, and you said
3 no (indicating rubbing finger together.)

4 And once you said that, it was clear you knew from
5 the very beginning where the money was coming from for the
6 boat.

7 Q. Did you write a check for \$26,948 for the boat?

8 A. Yes, I did.

9 Q. Did you just buy that and send that amount for any
10 particular reason?

11 A. I thought that was the number that Rick gave me for
12 the boat.

13 Q. For the what, payoff on the boat?

14 A. Yes.

15 Q. So you were ready to pay off and buy the boat right
16 outright, weren't you?

17 A. Yes, I was.

18 Q. But the check was returned to you, wasn't it?

19 A. Yes, it was.

20 Q. And when you got the check back, what account did you
21 deposit it in?

22 A. Turned right around and had it deposited in my
23 personal account.

24 Q. Was it a problem to get it put back in your account?

25 A. No.

Cafaro - Cross

- 1 Q. You just went ahead and put it right in?
- 2 A. Yeah. I guess Patty had to have one check redone. I
3 don't know what she had to do, but it got done.
- 4 Q. Was it a different kind of check than normal?
- 5 A. It was a cashier's check, bank check.
- 6 Q. Oh.
7 Did you ever give me that money back in cash, J.J.?
- 8 A. No. I could only give you \$13,000 of that back in
9 cash.
- 10 Q. You said you did that -- what? -- years later?
- 11 A. It wasn't years later. You have a calendar, we can
12 take a look at those dates again.
- 13 Q. I'm sure the Prosecutor will when he comes back.
14 Bottom line, did I receive that check. Did I take
15 that check from you?
- 16 A. No, you did not.
- 17 Q. How do you know I didn't?
- 18 A. Because I got it back.
- 19 Q. Isn't it a fact I handed it back to you in my office,
20 Mr. Cafaro?
- 21 A. Congressman, I don't remember it that way. But, if
22 you remember me at your office, I am not going to call you
23 a liar. I just do not remember it that way.
- 24 Q. Well, listen let's get into lying right out. This is
25 my question: Did you bring in a book, opened up,

Cafaro - Cross

1 approximately eight by ten, and hand me a book with a check
2 in it, yes or no?

3 A. No.

4 Q. Mr. Morford was right when he referred to you as a
5 liar. You're lying under oath.

6 MR. MORFORD: Objection.

7 THE COURT: We've been in here a lot of
8 weeks. Let me all ask you if you can disregard that
9 improper statement? Thank you. We'll take a break now for
10 the afternoon.

11 (Proceedings in the absence of the jury:)

12 THE COURT: We're going to let the jurors
13 take their regular smoking break, and I expect everybody to
14 be calm and quiet and stand for them when they come out.
15 Are you going to be able to do that, Congressman?

16 MR. TRAFICANT: Have I not demonstrated
17 constraint?

18 THE COURT: You've demonstrated that you are
19 not exactly able to control yourself when you should.
20 Would you like to tell me before I let the jurors out
21 whether or not you're going to be able to be calm and quiet
22 while they leave?

23 MR. TRAFICANT: Are you putting on the record
24 my behavior is offensive?

25 THE COURT: Your behavior was inappropriate.

1 MR. TRAFICANT: Is it inappropriate for me to
2 respond to a Prosecutor that's trying to tell me to do
3 certain things and look me in the eye and trying to
4 intimidate me?

5 THE COURT: I am talking of your behavior in
6 front of the jury, Congressman.

7 MR. TRAFICANT: My behavior in front of the
8 jury, your Honor -- this is an open courtroom and, in fact,
9 you have stopped me from moving in areas of impeachment
10 that were important to my defense, and I want that on the
11 record.

12 THE COURT: That's on the record. That's on
13 the record.

14 MR. TRAFICANT: Now, I'll sit down. I
15 certainly can restrain myself.

16 THE COURT: What I'd like --

17 MR. TRAFICANT: No one intimidates me.

18 THE COURT: I would like to know whether you
19 can be calm and quiet so we can let the jurors have their
20 normal break?

21 MR. TRAFICANT: Have I ever been disorderly
22 when the jurors have left the room?

23 THE COURT: I don't believe when the jurors
24 are in the room, you usually are disorderly, but you just
25 did something completely inappropriate in front of the

1 jury, and you know it was inappropriate.

2 MR. TRAFICANT: I do not know. I am not an
3 attorney. If I did it, I apologize.

4 THE COURT: Let's bring the jury out.

5 (Pause.)

6 THE COURT: We have about a half an hour
7 here. I'm going to give you a five-minute break. We're
8 going to come back and discuss a couple of things, and we
9 will begin the introduction of evidence as well that you
10 had requested that we begin doing. So we'll use the break.

11 And I want to give you each five minutes. And I ask
12 that everybody on this side of the bar conduct yourselves
13 in a professional way -- that includes you, and you -- and
14 try and maintain some distance from one another.

15 Take a break because when we come back, we're going
16 to have some work to do, and we're going to discuss some
17 important issues. Five minutes.

18 MR. TRAFICANT: Your Honor, I have one
19 question. I have witnesses lined up, and I was trying to
20 establish how much of a time frame we have so I might
21 release witnesses, and if we can come to some stipulation.

22 THE COURT: We're not able to do that given
23 what's been going on in this courtroom.

24 MR. TRAFICANT: Should --

25 THE COURT: Five minutes, you come back in.

1 MR. TRAFICANT: Thank you.

2 (Thereupon, a recess was taken.)

3 (Proceedings in the absence of the jury:)

4 THE COURT: Okay. We're going to do
5 exhibits.

6 MR. SMITH: Yes, your Honor.

7 I probably have about 25 of them here, your Honor.

8 THE COURT: Thank you.

9 MR. SMITH: We'll start with in the 8's, your
10 Honor. Exhibit 8-9, which is authenticated by Mr. Cafaro,
11 a memo from Mr. Detore to Mr. Cafaro, dated 10-2-97.

12 MR. TRAFICANT: Joint exhibit. I move to
13 make it a joint exhibit.

14 THE COURT: Very well. It'll be a joint
15 exhibit. I want to just check its status. This will be
16 admitted as a joint exhibit without objection.

17 MR. TRAFICANT: Before we go any further,
18 though, there's a sticker joint exhibit, just a yellow
19 thing that says joint exhibit. I'm not satisfied with
20 that. I want the joint exhibit to say that both the
21 Defense and the Prosecution admit this as a joint exhibit.

22 THE COURT: I don't think we can put stickers
23 on that many pieces of evidence, but you've asked before,
24 and everyone has agreed that --

25 MR. TRAFICANT: When I saw it.

1 THE COURT: -- excuse me. You asked before,
2 and everyone has agreed that the statement that you made
3 about that a couple days back is -- can go to the jury in
4 the form of an instruction. So --

5 MR. TRAFICANT: So you will instruct them?

6 THE COURT: Yeah. We'll have to go back to
7 the transcript a few days ago and pick up the exact
8 language, but we'll do that.

9 MR. TRAFICANT: Thank you. Thank you.

10 THE COURT: Okay? Next.

11 MR. SMITH: Next, your Honor -- sorry.

12 THE COURT: Go ahead.

13 MR. SMITH: Exhibit 8-11, which is a Bank One
14 check, \$26,948 and some odd cents identified by Mr. Cafaro
15 and also Ms. DiRenzo.

16 MR. TRAFICANT: I want to make that a joint
17 exhibit as well.

18 THE COURT: It'll be a joint exhibit. It'll
19 be admitted.

20 MR. SMITH: Next, your Honor, is Exhibits
21 12(2).

22 MR. TRAFICANT: What was that?

23 MR. MORFORD: 8-

24 MR. SMITH: 8-12(2), which is the return
25 check that went back to Mr. Cafaro after he got the --

1 MR. TRAFICANT: Want to make that a joint
2 exhibit.

3 THE COURT: Would it be possible for you not
4 to talk across what they're doing? Shall we do this by
5 standing up and sitting down? You can do that if you'd
6 like. I would like you to recognize when someone is
7 speaking and standing up and not talk across them.

8 We now have to go back one more time over this so
9 that we have an accurate record, which protects both sides.

10 MR. TRAFICANT: Thank you.

11 THE COURT: So just be seated, okay,
12 Congressman, while he does this again.

13 MR. TRAFICANT: I thought you just asked me
14 to stand.

15 THE COURT: Please be seated. Okay.

16 MR. SMITH: Exhibit 8-12(2), your Honor, is a
17 cashier's check on Bank One, returning to John J. Cafaro,
18 the initial check that had gone payable to NationsBank,
19 authenticated by Mr. Cafaro during his testimony and also
20 by Ms. DiRenzo.

21 MR. TRAFICANT: That's a \$26,000 check,
22 right?

23 MR. SMITH: Yes, it is.

24 MR. TRAFICANT: Thank you.

25 THE COURT: Okay. Now, address that if you'd

1 like in regard.

2 MR. TRAFICANT: I'd like to make that a joint
3 exhibit, your Honor.

4 THE COURT: Very well. So it'll be admitted
5 as a joint exhibit without objection.

6 MR. SMITH: Next is Exhibit 8-12(3), which is
7 the deposit ticket by which the Exhibit 8-12(2) was
8 redeposited into Mr. Cafaro's account.

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

11 THE COURT: It will be admitted as a joint
12 exhibit without objection.

13 MR. SMITH: Next, your Honor, is Government's
14 Exhibit 8-15, which was authenticated by Mr. Cafaro,
15 memorandum from Paul Marccone to Richard Detore about a bill
16 and to be sent up later this year and attached press
17 release.

18 MR. TRAFICANT: I object to it on the grounds
19 that it may be a speech and debate clause violation.

20 THE COURT: Very well. This is a redacted
21 version of this bill, is it?

22 MR. SMITH: Yes, there is -- there is some
23 language redacted on Page 1, and there's also redaction out
24 of the press release on Page 1 of the press release.

25 THE COURT: Okay.

1 MR. TRAFICANT: Your Honor, anything that has
2 been redacted in my opinion, press release, I will not
3 object to. But the other document, if any part of the
4 document was subject to speech and debate clause, then all
5 of that document shall be, in fact, ruled out.

6 THE COURT: Okay. Maybe --

7 MR. TRAFICANT: That's my objection.

8 THE COURT: Maybe it will be more clear
9 regarding this particular exhibit if I hand down to you,
10 Congressman -- because it doesn't appear that you brought
11 your exhibits -- the two pages, and you look at them and
12 decide whether you want to pose your objection or not.

13 MR. TRAFICANT: The press release I have no
14 objection to.

15 THE COURT: It'll be admitted.

16 MR. TRAFICANT: But for the other one, where
17 there is a redaction, where is the redaction in this thing?

18 THE COURT: Well, it doesn't show.

19 Whatever's been redacted has been taken out --

20 MR. TRAFICANT: Have you removed anything
21 from this memo?

22 MR. SMITH: We believe -- I'm trying to rely
23 on memory here, before the word let's, there's a hole and
24 we think --

25 MR. TRAFICANT: I move that 8-15 not be

1 admitted because there's been a redaction. When there's a
2 redaction for the purpose of the record, that any and all
3 of that document should not be admitted because part of it
4 violates speech and debate clause and the separation of
5 powers.

6 MR. SMITH: My reply, your Honor, would be
7 the Congressman did not object to the Magistrate report
8 recommendation. The Court already knows our position on
9 that, but I don't want to waive that.

10 MR. TRAFICANT: I want to respond to that.

11 The Magistrate made a recommendation, the Court
12 ordered it, and the Congressman has filed an interlocutory
13 appeal on the Court's motion -- on the Court's ruling. So
14 I'm now making my case that their arguments are moot, and
15 if they win, we'll look at another appeal. If they lose,
16 quite frankly, I won't care about it. Let the House worry
17 about it.

18 THE COURT: This particular document will be
19 admitted over objection.

20 MR. SMITH: Next, your Honor, we move to
21 Exhibit 8-30, which are handwritten calendar notes
22 authenticated by Mr. Cafaro as being his own calendar for a
23 meeting on 11-12-98 with other Congressmen.

24 MR. TRAFICANT: Joint exhibit.

25 THE COURT: Exhibit 8-30 will be admitted as

1 a joint exhibit without objection.

2 MR. TRAFICANT: That's 8-30, your Honor?

3 THE COURT: Yes.

4 MR. TRAFICANT: 8-15, that was the
5 two-parter, right?

6 THE COURT: 8-15, I admitted the entire
7 exhibit, part of it without objection. The first page
8 without objection, but then as I understood you when you
9 looked at it, I went back now and had admitted it over
10 objection because it sounds to me as if you were objecting
11 to, in fact, anything redacted, and both of those pages
12 were redacted.

13 MR. TRAFICANT: No. I make the press release
14 a joint exhibit, but anything else that's redacted other
15 than a press release --

16 THE COURT: Okay.

17 Then I'll go back and rule as I originally had, which
18 was that both parts -- all parts of this exhibit will be
19 admitted. There is no objection to the press release part
20 of this.

21 MR. TRAFICANT: It'll be a joint exhibit, the
22 press release?

23 THE COURT: Yes, the press release will be a
24 joint exhibit, but as to the rest of it, apparently, it
25 will be admitted over objection.

1 MR. SMITH: Okay. Your Honor, next is
2 Exhibit 8 --

3 THE COURT: Excuse me a minute.

4 MR. SMITH: Yes.

5 THE COURT: All right. I'm sorry. Go ahead
6 now.

7 MR. SMITH: Exhibit 8-31, which is a check
8 that was authenticated by both Ms. DiRenzo and Mr. Cafaro,
9 to cash for \$8,000, the testimony having to do with boat
10 repairs -- sorry -- not boat repairs. This is the -- this
11 is part of the \$13,000. I'm sorry.

12 MR. TRAFICANT: Well, it's a check for
13 \$8,000, and I object to the fact that they -- how they
14 tried to describe their exhibits. I make it a joint
15 exhibit as being an \$8,000 check.

16 THE COURT: Okay. But, I wish you had your
17 book here. That's what we keep trying to get you to do.
18 But come up and look at the exhibits so that you know
19 exactly what it is we're dealing with. It's not just a
20 check. There's something else there besides a check.

21 MR. TRAFICANT: He explained that. He said
22 it was a check. He didn't say there was something else
23 with it.

24 THE COURT: The reason I'm giving you the
25 exhibit, Congressman, although you have been given these

1 exhibits both by the defense and by the -- and the Court
2 has asked you to bring your entire book in, which you
3 haven't, is so you can see what the exhibit is. If you'll
4 look at it carefully, it has a front and back to it, and
5 there are at least two items on the front.

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

8 THE COURT: Fine. And it will be admitted
9 without objection. Am I correct?

10 MR. TRAFICANT: A joint exhibit.

11 THE COURT: Right, but are you objecting to
12 its admission?

13 MR. TRAFICANT: Is there something on the
14 back I need to see?

15 THE COURT: I don't know. I handed it to
16 you.

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

19 THE COURT: Okay. It is a joint exhibit, and
20 it will be admitted without objection.

21 MR. TRAFICANT: I said that three times.

22 THE COURT: No. You said half of it. Okay.
23 Next.

24 MR. SMITH: Moving along to Exhibit 8-32,
25 which is the other half of that \$13,000 transaction, \$5,000

1 check that the two witnesses, DiRenzo and Cafaro, have
2 authenticated.

3 MR. TRAFICANT: Ask it be made a joint
4 exhibit. That's DiRenzo and -- that's 8 and 5, right?
5 Joint exhibit.

6 THE COURT: I'll hand it down to you again.

7 MR. TRAFICANT: I don't need to see it.

8 THE COURT: Okay. Joint exhibit, it'll be
9 admitted.

10 MR. SMITH: Exhibit 8-40, your Honor, was
11 authenticated today by Mr. Cafaro as a business record of
12 USAG, having to do with an attached -- an attached letter
13 to Administrator Garvey and then the attachment is with the
14 letter.

15 THE COURT: Congressman.

16 MR. TRAFICANT: I'll have to see it.

17 THE COURT: There are things behind it so you
18 have to pull it out of the glassine. Thank you.

19 MR. TRAFICANT: I apologize, your Honor. I'd
20 get a hernia if I carried everything for this trial. I
21 don't believe we should be offering things -- is this
22 attachment -- has that all been blanked out? It has
23 attachment. There's nothing on it. Is this a blank
24 redacted document?

25 MR. SMITH: My understanding, your Honor, is

1 where it says attachment, that is the only word that was on
2 that page when we received it.

3 MR. TRAFICANT: I object to this on the
4 ground that this is congressional matter relating from a
5 Congressman to an administrator of the executive branch on
6 the speech and debate clause grounds and separation of
7 powers. What number is that, Bernard?

8 MR. SMITH: The last was 8-40.

9 MR. TRAFICANT: Your Honor, if I could
10 address the bench, the attachment is one up on the top,
11 attachment.

12 THE COURT: Right.

13 MR. TRAFICANT: That's all there is.

14 THE COURT: Right.

15 MR. TRAFICANT: I mean --

16 THE COURT: That's all there's ever been on
17 that document, Congressman. We looked at these documents
18 over many months before --

19 MR. TRAFICANT: Are you positive of that?

20 THE COURT: Yeah. It has its own special
21 number. We just have to check it here to see what it says.

22 MR. TRAFICANT: Your Honor, I'd also like to
23 request that if documents were intact -- in fact, attached
24 together by either staple or clamp, that they be offered as
25 such and not be hidden three or four behind each other and

1 then shown as an exhibit.

2 THE COURT: Well, this is a -- this is a
3 document that's been subject to prior pleadings in the
4 case. You've had it for a long time. It was one of the
5 documents that the Magistrate Judge referred. It's a
6 document which I then -- or which he looked at, and he
7 responded to, the document that I looked at. It's not a
8 new document.

9 It's very difficult to divide evidence in this case
10 to staple anything. It's very hard for someone to work
11 with it. This is an acceptable way for an exhibit to be
12 presented. Everybody has watched witness after witness
13 take things out of the glassine envelopes and look at all
14 the pages, so there's no surprises in it. So if that
15 was --

16 MR. TRAFICANT: Your Honor --

17 THE COURT: It's overruled. Yes?

18 MR. TRAFICANT: I want to speak to being
19 overruled.

20 THE COURT: Well, sir, we aren't --

21 MR. TRAFICANT: You are now bringing it into
22 admitting it. I am objecting to its admission beforehand.
23 There were just rulings. Now you are making the official
24 court decision.

25 THE COURT: Right.

1 MR. TRAFICANT: To admit it as evidence in
2 this trial.

3 THE COURT: That's true.

4 MR. TRAFICANT: And I object on the grounds
5 of speech and debate.

6 THE COURT: I understand that.

7 MR. TRAFICANT: And all that language is
8 meaningless that we discussed here.

9 THE COURT: What is the issue about staples
10 that you're concerned about?

11 MR. TRAFICANT: I'm saying if they have a
12 document that has an attachment, then she should present it
13 as an exhibit with a document with an attachment and have
14 it so attached.

15 THE COURT: It came across the fax machine,
16 which doesn't accommodate staples, and it's being presented
17 in an acceptable way.

18 MR. TRAFICANT: Are there three separate
19 sheets there?

20 THE COURT: There are.

21 MR. TRAFICANT: Are they one document?

22 THE COURT: They have one exhibit number.

23 MR. TRAFICANT: Fine. I'm referring to that.

24 THE COURT: Fine.

25 MR. TRAFICANT: So you're letting it in over

1 the objection?

2 THE COURT: This document will be admitted
3 over objection in the state that it's in as an exhibit.

4 MR. SMITH: Next, your Honor, is Exhibit
5 8-41, which is a one-page fax from Detore to Marccone, which
6 was authenticated by Mr. Cafaro.

7 MR. TRAFICANT: Ask it be made a joint
8 exhibit.

9 THE COURT: This will be admitted as a joint
10 exhibit without objection.

11 MR. SMITH: Next, your Honor, is Exhibit
12 8-47, which is the Cafaro credit card statement showing the
13 purchase of the -- I believe it's generator of Blalock
14 Cycle Company in Warrenton, Virginia, authenticated by
15 DiRenzo.

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

18 THE COURT: It will be admitted without
19 objection as a joint exhibit.

20 MR. SMITH: Next is 8-49, which is a
21 memorandum from Capri Cafaro to J.J. Cafaro, which was
22 authenticated by Mr. Cafaro, part of which he read from on
23 the screen, having to do with Government issues --
24 administrative issues.

25 MR. TRAFICANT: Administrative issues of

1 USAG?

2 MR. SMITH: Right.

3 THE COURT: Would you like to see the
4 document?

5 MR. TRAFICANT: If it's a company document, I
6 don't need to see it.

7 MR. TRAFICANT: Any other pages in it?

8 MR. SMITH: There were three.

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

11 THE COURT: This will be admitted without
12 objection as a joint exhibit. Next?

13 MR. SMITH: Government's Exhibit 8-53,
14 identified by Mr. Cafaro, which is a memorandum from Detore
15 to Cafaro, dated November the 5th of '99, where basically
16 funds are short and Mr. Detore's complaining about those
17 kind of issues.

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

20 THE COURT: This will be admitted as a joint
21 exhibit without objection.

22 MR. SMITH: Next, your Honor, is Government's
23 Exhibit 8-55, which at the time the Congressman requested
24 it be a joint exhibit. It's the \$7,000 check from the
25 Congressman to Janet Cafaro, Cafaro in payment for cars.

1 MR. TRAFICANT: That's already a joint
2 exhibit.

3 THE COURT: It'll be admitted without
4 objection.

5 MR. SMITH: Next is Government's Exhibit
6 8-58, which is authenticated by Mr. Cafaro having to do --
7 it's a letter to the Congressman saying that the car is
8 being sold as is, and there's a Maryland title as well with
9 this particular --

10 MR. TRAFICANT: Ask -- I ask it be made a
11 joint exhibit.

12 THE COURT: This will be admitted as a joint
13 exhibit without objection.

14 MR. SMITH: Next, your Honor, is Exhibit
15 8-60. Mr. Cafaro authenticated as supplemental \$3,000
16 check from Congressman Traficant to Mr. Cafaro concerning
17 the automobiles.

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

20 THE COURT: This will be admitted without
21 objection as a joint exhibit.

22 MR. SMITH: Next, Government's Exhibit 8-66,
23 which Mr. Cafaro authenticated as another memorandum from
24 Mr. Detore to Mr. Cafaro, when the -- again, when the money
25 was short and things were not being paid, checks were

1 bouncing, that sort of thing.

2 MR. TRAFICANT: Ask it be made a joint
3 exhibit.

4 Next would be --

5 THE COURT: Just a moment. 8-66 will be
6 admitted as a joint exhibit without objection.

7 MR. SMITH: Exhibit 8-70, which is the press
8 release taken off the Congressman's web site authenticated
9 by detective Hassmann, and Mr. Cafaro made it relevant by
10 explaining its proximity to the Youngstown State meeting,
11 which Mr. Cafaro gave \$13,000.

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

14 THE COURT: 8-70 will be admitted without
15 objection as a joint exhibit.

16 MR. SMITH: Next, your Honor, is 8-71, which
17 is authenticated by language as being the attorney fee
18 letter where, you know, his attorney's fees being paid by
19 USAG was explained between Mearns and Wilkinson, the other
20 two lawyers.

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

22 THE COURT: 8-71 will be admitted without
23 objection as a joint exhibit.

24 MR. SMITH: And before I move to the -- a
25 couple of other exhibits, 8-62(2) is a group of bulk

1 documents, which we're not going to offer yet. We are
2 going to summarize those with the agent probably off the
3 chart later so you know that's coming.

4 THE COURT: Okay.

5 MR. SMITH: I believe this will be the last
6 series of documents, your Honor, 1-32(1).

7 THE COURT: Hold on just a second. Could you
8 give me the number again?

9 MR. SMITH: Yes, your Honor, 1-32(1).

10 THE COURT: Okay. Hold on until I get to it.

11 MR. TRAFICANT: I'd like to see that document
12 since now they're going back to a noncontemporary sneak
13 ploy.

14 THE COURT: 1-32(1)?

15 MR. SMITH: Right. It's a campaign finance
16 report, certified copy.

17 MR. TRAFICANT: And while we're looking at
18 this, your Honor, I'd like to ask for the record again, at
19 any time before this trial closes, can I offer exhibits in
20 any and all matters?

21 THE COURT: It depends on where we are in the
22 trial. You can't offer exhibits at any time that you want
23 to during the trial.

24 MR. TRAFICANT: No. What I'm saying is
25 before I conclude my defense, if I want to offer all my

1 exhibits at the end, I have the right to do that. Is that
2 not a fact?

3 THE COURT: If you want to -- see if this is
4 what you mean. You put on a defense, and you don't put
5 anything into evidence until at the very end, and then you
6 put in all your documents at one time.

7 MR. TRAFICANT: At the end.

8 THE COURT: Yeah, that's all right. But it
9 has to be at the end of your case.

10 MR. TRAFICANT: I ask this 1-32 be a joint
11 exhibit. Thank you, Bernard.

12 MR. SMITH: For the record, your Honor,
13 that's for the 1998 calendar year.

14 THE COURT: Right, this will be admitted
15 without objection as a joint exhibit.

16 MR. TRAFICANT: That's a campaign report,
17 right?

18 THE COURT: Right.

19 MR. SMITH: Yes. And also 1-32(2).

20 THE COURT: Hold on one second.

21 MR. SMITH: Yes, your Honor.

22 MR. TRAFICANT: You guys need help over
23 there?

24 MR. SMITH: No, sir.

25 THE COURT: You have any record?

1 MR. SMITH: That's a self authenticating
2 document, not by any witness.

3 MR. TRAFICANT: 1-32(2).

4 THE COURT: 1-32(1) the one campaign finance
5 committee report.

6 MR. TRAFICANT: That's already --

7 THE COURT: That's in.

8 MR. TRAFICANT: A joint exhibit?

9 THE COURT: Yeah.

10 MR. TRAFICANT: He's talking about 1-32(2).

11 THE COURT: Okay. He's ahead of me.

12 MR. SMITH: 1-32(2) is the 1999 federal
13 campaign report self-authenticating not shown to any
14 witness but --

15 THE COURT: Right, Congressman.

16 MR. TRAFICANT: That's J.T.?

17 THE COURT: Yes.

18 MR. TRAFICANT: And you've shown it to the
19 witness?

20 THE COURT: Here, let me hand it down to you.

21 MR. TRAFICANT: Has he shown it to my witness
22 and had it authenticated?

23 THE COURT: It's self-authenticating. These
24 particular exhibits are self-authenticating. Remember we
25 had some others --

1 MR. TRAFICANT: They're public records?

2 MR. SMITH: I believe them to be.

3 MR. TRAFICANT: I think they are, too. Make
4 it a joint exhibit.

5 THE COURT: Fine. They'll be admitted
6 without okay. Joint exhibit.

7 MR. SMITH: Lastly, your Honor, the other day
8 when I did series 7, I neglected to offer the Manevich
9 exhibits from the deposition tape.

10 THE COURT: Okay.

11 MR. SMITH: Which are series 7.

12 MR. TRAFICANT: Might I inquire if you have
13 any more series you're going to get to today, Bernard?

14 MR. SMITH: No, sir, 7 will be it.

15 MR. TRAFICANT: What is this?

16 MR. SMITH: Okay. 7-33(2), which is an
17 aerial photo of the farm, which both the Congressman and I
18 used during the deposition.

19 THE COURT: Right.

20 MR. TRAFICANT: Your Honor, let me say this
21 about the farm. The aerial deposition they've shown only
22 showed the nice part of the farm; didn't show any of the
23 dilapidated buildings, and I think that the Government
24 should have a full photograph. They do not show all of the
25 buildings on the farm, and the buildings they don't show on

1 the farm are, in fact, ready to fall down.

2 THE COURT: Okay. Well, look at these two.
3 I think you asked these be made joint exhibits. I may be
4 wrong.

5 MR. TRAFICANT: I meant joint exhibits at the
6 time, but I think in all fairness, there has to be a
7 photograph of this farm.

8 And I just want it brought to the attention of the
9 Court that they attempted to delete the damaged buildings
10 so that it wouldn't look -- from a thousand feet they all
11 look beautiful, but I'll make it a joint exhibit. But I
12 think the Government should have the responsibility, since
13 they made such a deceptive act, to provide a full shot of
14 the farm.

15 MR. SMITH: Your Honor, all the pictures --

16 MR. TRAFICANT: At their expense.

17 MR. SMITH: -- all of the pictures were given
18 to Congressman Traficant before trial. If he has any
19 others that he wants in, we'll be glad to consider it.

20 MR. TRAFICANT: No. I am going to make it a
21 joint exhibit, but I think the Court should order for
22 fairness that the attempt by the Prosecution was to show
23 the jury what they only wanted the jury to see of that farm
24 and not all the buildings on that farm. And that it was a
25 deceptive act, a ploy, a mischievous, deceitful, ridiculous

1 act.

2 THE COURT: Congressman, this -- this exhibit
3 was already admitted several days ago.

4 MR. TRAFICANT: Yes. But I'm talking about
5 now I think you should order on the strength what I have
6 just said.

7 THE COURT: To the extent that that is an
8 oral motion, it's denied. You'll have a chance to do what
9 you want to about flushing out pictures or whatever.

10 MR. TRAFICANT: But how do I do all that?
11 That ain't fair.

12 THE COURT: There is a pilot picture in
13 there.

14 MR. TRAFICANT: There is?

15 THE COURT: Yes.

16 MR. TRAFICANT: How about taking the Sugar
17 car out on the tape. Will they introduce that one?

18 MR. SMITH: Your Honor, I'm ready to move.

19 THE COURT: That'll be a good idea.

20 MR. SMITH: 7-34, which is the photos of the
21 back of the house, there's three of them, with the
22 improvements made to the back of the home.

23 MR. TRAFICANT: I ask they be made a joint
24 exhibit.

25 THE COURT: It was already admitted as a

1 joint exhibit.

2 MR. TRAFICANT: Then why do you keep offering
3 these things? I must ask that.

4 THE COURT: Well, because we have a record of
5 it, and this is a good opportunity to see whether our
6 records jive with the Government's. Why don't you take a
7 minute, and look through our record on this series and see
8 if it's the same thing.

9 MR. TRAFICANT: Let me inquire of the Court.
10 If we agree to a joint exhibit, do they have to have a
11 special additional admission exhibit, or do they just want
12 some press out of this?

13 THE COURT: No. They -- having a joint
14 exhibit, the exhibits still have to go through a process
15 where they're offered for admission. It's just one of the
16 rules of the game here.

17 MR. TRAFICANT: You know, it's included on
18 the master list, and I've got witnesses waiting that have
19 to drive all the way up here, and I don't appreciate it.

20 THE COURT: There is nothing wrong with
21 what's going on here. The jury is having its break and
22 hopefully enjoying their break, and in a few moments,
23 they'll be back, and we'll go forward with the witness
24 who's on the stand. It's probably not a real -- there
25 probably isn't a real good chance we'll get to any of your

1 witnesses, if any, today.

2 MR. TRAFICANT: Can I relieve my witnesses?

3 THE COURT: Sure you can, but wait until we
4 finish doing this evidence, and then you go out and relieve
5 them. The Government, as I understand it, after the
6 witness who's on the stand now, still has another witness.

7 MR. TRAFICANT: Yes. Well, I have to relieve
8 myself as well for the Court.

9 THE COURT: Okay. Well, then you can do
10 that. Can we go forward with this?

11 MR. TRAFICANT: Yes.

12 THE COURT: All right. Thank you.

13 MR. SMITH: The last two exhibits are a pair,
14 and I gave the Congressman a copy this morning as well as
15 the Court. When I did Leisel Bucheit, I showed her 7-38(1)
16 and 7-38(2). She was unable to identify those.

17 THE COURT: Right.

18 MR. TRAFICANT: I object if they're not
19 authenticated.

20 THE COURT: Wait. He's standing up. He's in
21 the middle of a sentence. Be quiet so we can --

22 MR. TRAFICANT: I thought he was done.

23 THE COURT: Be quiet when I'm talking, too.
24 Just wait. These court reporters cannot write down two
25 conversations at once, and you need a good record, sir. So

1 help us make a good record for you, sir.

2 MR. TRAFICANT: Why do I need such a good
3 record?

4 THE COURT: Because it's your lawsuit and
5 their lawsuit. We have to have a good record.

6 MR. TRAFICANT: Let's get this straight. It
7 is their lawsuit. They filed the lawsuit. And why do you
8 need a good record, your Honor? Do you expect me to get
9 convicted?

10 THE COURT: You need a good record,
11 Mr. Traficant.

12 MR. TRAFICANT: I'll have a good record, a
13 better record than you think I have, and I -- unless this
14 has been authenticated, the Court should not allow it and
15 should bring a witness into this room to authenticate it
16 period.

17 THE COURT: Well, I'm not going to be able to
18 consider that long talk you just gave me until I hear what
19 it is that he was trying to say.

20 MR. TRAFICANT: I thought he was done.
21 Mr. Smith is usually curt to the point, not like
22 Mr. Morford.

23 THE COURT: Are you ready to sit down and let
24 him talk?

25 MR. TRAFICANT: I am. Thank you.

1 THE COURT: Thank you.

2 MR. SMITH: Okay, your Honor. This morning,
3 we provided to the Congressman and to the Court under the
4 appropriate federal rule a certificate of authenticity of
5 business records now recognized by the Rules as an
6 appropriate way to authenticate a business record such as
7 this, and we are offering those two exhibits under that
8 provision.

9 MR. TRAFICANT: Let me see them because you
10 dropped so much garbage off, I want to see it.

11 MR. SMITH: Okay. I have to get them out.

12 MR. SMITH: This is what I gave you a copy of
13 this morning.

14 MR. TRAFICANT: And Ms. Bucheit could not
15 authenticate these.

16 MR. SMITH: That's correct, she could not.

17 MR. TRAFICANT: Then bring in Mr. Aey. I
18 object. You have him listed as a witness. You want to
19 bring in records, or you want to bring in witnesses?

20 MR. SMITH: Your Honor, we offer it under
21 902(11).

22 THE COURT: Thank you. It'll be admitted.
23 Anything further?

24 MR. TRAFICANT: What number was that?

25 THE COURT: 7-38(1).

1 MR. SMITH: Yes, your Honor.

2 THE COURT: Thank you.

3 MR. SMITH: Lastly, your Honor, one cleanup
4 item, which I mentioned to your law clerk this morning and
5 going back through old transcripts, we discovered that when
6 Exhibit 1-21 was offered, that has been admitted, and
7 1-26(1) has been admitted according to your law clerk's
8 notes and our notes, however, in the transcript, on Page
9 1298 and 99, when 1-26(1) was offered, it came out in the
10 transcript as 1-21, and we want to make that note for the
11 record.

12 MR. TRAFICANT: I would like to see that and
13 what the discrepancies are and how -- how it was made and
14 what way it was made.

15 THE COURT: Why don't we take a five-minute
16 break? We will get the transcript and look at it and show
17 it to you, and that'll give you a chance to have your
18 five-minute break before the jury comes back.

19 MR. TRAFICANT: Maybe Mr. Smith and I can
20 take a second to discuss it before we can proceed. It may
21 not be a significant thing. I just want to see it.

22 THE COURT: Fine.

23 MR. SMITH: All right.

24 MR. TRAFICANT: He is known for a few funny
25 acts, you know. Okay.

1 MR. SMITH: 1-21.

2 MR. TRAFICANT: Just show it to me.

3 MR. SMITH: Yes, sir.

4 MR. TRAFICANT: You're looking for press,
5 forget it. I ask 1-21 be a joint exhibit.

6 THE COURT: It'll be admitted as a joint
7 exhibit without objection.

8 MR. TRAFICANT: Where was the discrepancy?

9 MR. SMITH: Mr. Semesky.

10 MR. TRAFICANT: Where and what was the
11 discrepancy?

12 THE COURT: They're talking about a
13 transcript discrepancy.

14 MR. TRAFICANT: Yes.

15 MR. SMITH: Discrepancy was when we offered
16 1-26(1) it came out in the transcript as 1-21. That's the
17 discrepancy.

18 MR. TRAFICANT: Well, then, I have no problem
19 with 1-26(1) being a joint exhibit, but I'm at a loss for
20 words how we can have two documents listed as 1-21, and I
21 do ask for an explanation of the Court. I mean, what's
22 going on here?

23 MR. SMITH: I'll try again, your Honor.

24 MR. TRAFICANT: I'm not an attorney, and I
25 mean it. I want to know what's going on.

1 THE COURT: Okay.

2 MR. SMITH: I will try.

3 THE COURT: Listen carefully.

4 MR. SMITH: Government's Exhibit 1-21 was
5 offered and admitted. We then at some point on some date
6 offered 1-26(1). In the transcript at Page 1298 and 1299
7 at the point where we offered 1-26(1) it came out in the
8 transcript as 1-21, which we believe to be a typographical
9 error, and therefore, we're covering it now to make sure
10 both documents have been admitted.

11 MR. TRAFICANT: I'd just like to address the
12 Court. The Court Reporters have done an excellent job.
13 And I believe that they're going so fast with their
14 exhibits that they're, in fact, confusing everybody. And
15 I'd ask them to slow down, constrain themselves and behave,
16 and offer them in an appropriate fashion.

17 THE COURT: I'm going to ask that the
18 transcript be corrected. Anything further?

19 MR. SMITH: No, your Honor.

20 MR. TRAFICANT: Your Honor, I have -- I want
21 to offer Defense Exhibit AL-101, which is, in fact, a
22 survey of the boat by -- that was ordered by Mr. Lange and
23 authenticated by Mr. Lange during his testimony.

24 MR. MORFORD: I have no objection, your
25 Honor, other than I'd like to ask that the cover fax sheet

1 from Akin, Gump and Strauss be taken off the exhibit.

2 MR. TRAFICANT: No. I would object to that.
3 I received it this way. I offered it this way, and it
4 came, in fact, not from the Government; it came from
5 another party, and that party is clearly delineated as
6 being named in the indictment, and that it, in fact, shows
7 that I had to get documents of relevancy, knowing full well
8 that the Prosecution had this document and did not make it
9 available to me upon discovery.

10 MR. MORFORD: It is in the discovery
11 materials that were given to Congressman Traficant that he
12 told the media he never bothered to look at.

13 MR. TRAFICANT: I really didn't.

14 MR. MORFORD: How do you know it's not --

15 MR. TRAFICANT: You want to make it a joint
16 exhibit now that you've explained it? But I do object, and
17 I think that first page should be on there because it shows
18 where it came from, and he was shown the document, and he
19 was shown the front page as well.

20 THE COURT: Well, I'm not going to admit this
21 document under the circumstances. I'll discuss this
22 sometime whether we're not -- when we don't have a jury
23 sitting back there ready to go forward.

24 MR. TRAFICANT: Let me say this.

25 THE COURT: Not under these circumstances.

Cafaro - Cross

1 MR. TRAFICANT: You're going to leave the
2 whole document out or just the front page out and rule on
3 it later?

4 THE COURT: I'm not going to leave anything
5 out yet. We're discussing whether or not the front page of
6 this document under the circumstances set forth in the last
7 four or five minutes here is something that's going to take
8 a while, so we're not going to keep our jury locked up in
9 the back room any longer. We're going to bring them out
10 give them a chance to hear evidence.

11 We'll do this when they go home today. Okay?

12 THE COURT: Thank you.

13 MR. TRAFICANT: Thank you.

14 THE COURT: You're welcome. If you want to
15 release your witnesses, this will be the time to do it,
16 Congressman.

17 MR. TRAFICANT: I have to release more than
18 my witnesses.

19 THE COURT: Five minutes.

20 (Thereupon, a recess was taken.)

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

22 THE COURT: You're still under oath.

23 THE WITNESS: Yes, ma'am.

24 BY MR. TRAFICANT:

25 Q. When I was sheriff, isn't it a fact I investigated

Cafaro - Cross

- 1 the Cafaro Company?
- 2 A. That's my understanding.
- 3 Q. Were you working for the company at that time?
- 4 A. Yes, I was.
- 5 Q. So by your understanding, is that a yes?
- 6 A. Congressman, I was not involved. That's just my
7 understanding. I have no direct knowledge.
- 8 Q. Would you say you're one of the wealthiest families
9 in the 17th Congressional District of Ohio?
- 10 A. I'd have no way of knowing that.
- 11 Q. Would you say you're one of the top five?
- 12 A. I would say that the family has been very successful.
13 And that's -- it shows in its net worth, but I don't know
14 what anyone else is worth.
- 15 Q. Wasn't it a fact that if the sheriff investigates the
16 Cafaro family, he treats everybody alike, doesn't he?
- 17 A. Congressman, that's your characterization. I have no
18 idea.
- 19 Q. Now, isn't it a fact you had pickets outside of the
20 Avanti plant when it first started?
- 21 A. We had pickets. I don't know if it was when we first
22 started but we had pickets at some point.
- 23 Q. You know who was responsible for having the pickets
24 removed?
- 25 A. Actually, we beat a vote.

Cafaro - Cross

1 Q. You know who recommended that the union back off of
2 picketing Avanti and giving it a chance?

3 A. Congressman, I previously testified that I know that
4 you had made a statement in the paper that they should back
5 off. If you had involvement directly with them beyond what
6 the news reported, I'm not aware of it.

7 Q. Tell the FBI that I had such strong union support,
8 that as soon as I entered the picture and made that
9 recommendation, the problem went away?

10 A. I don't know if those were my exact words, but I gave
11 you credit for the union issue, having dissipated after
12 your involvement. I think that's factual.

13 Q. Isn't it a fact if those union picket lines would
14 have stayed you would have been in real serious trouble to
15 start with?

16 A. Congressman, that requires a great deal of
17 speculation and speculating on something that happened 11
18 years ago and could not possibly answer that question.

19 Q. Isn't it a fact that on the first black Avanti you
20 testified, that you personally asked me to drive it to D.C.
21 for people to see --

22 A. Yes, that's what I testified to.

23 Q. And did you not ask me to drive it as often as I can
24 so that maybe someone would see the merits of your vehicle?

25 A. Yes, I did, Congressman.

Cafaro - Cross

1 Q. Isn't it a fact that I reported to you that the car
2 was not road-worthy?

3 A. You reported that car had some problems, and if my
4 memory serves me correct, it had some type of leaking
5 problem, the car you had.

6 Q. Wasn't it a fact that when it rained, all the floors
7 would fill up with water. Did I not tell you that?

8 A. That's what you reported to me.

9 Q. Did I not tell you I had to stop at every rest stop
10 because it overheated?

11 A. That's what you told me.

12 Q. Isn't it a fact that I told you the car was stored,
13 and do you want it back?

14 A. Yes, you did.

15 Q. And what did you tell me?

16 A. I asked you to please keep the car, and keep it in
17 storage because I had nowhere to move it to.

18 Q. Isn't it a fact that you were called by people who
19 had the car stored what you wanted done with the car?

20 A. I was called by you. I don't know where you had it
21 stored.

22 Q. What, if anything, did you say?

23 A. I said what I just said.

24 Q. Keep it?

25 A. Keep it.

Cafaro - Cross

1 Q. But the Prosecutor made it look like that I didn't
2 return it.

3 MR. MORFORD: Objection to what the
4 Prosecutor made it look like. He's here to testify, your
5 Honor.

6 THE COURT: Right, that was a statement. Ask
7 a question, please.

8 BY MR. TRAFICANT:

9 Q. Did I deliberately withhold keeping your car from
10 you?

11 A. No, sir.

12 Q. Did I, in fact, buy that car from you?

13 A. Yes, sir.

14 Q. Do you know if that car runs?

15 A. I don't know if that car runs. I haven't seen it.

16 Q. Do you know if that car is on blocks?

17 A. I have no idea.

18 Q. Would a production model be eligible for parts?

19 A. Today? No.

20 Q. Did you not say you sold all the parts to Avanti?

21 A. Yes.

22 Q. Isn't it a fact it is not made from a general motors
23 product?

24 A. Only the chassis and the drivetrain are GM products.

25 Q. Who made the engine?

Cafaro - Cross

1 A. GM. That's part of the drivetrain.

2 Q. Stop right there. We have the engine. We have the
3 drivetrain. We must have the axles that fit to the
4 drivetrain. What is different about your Avanti than a
5 Capri Classic?

6 A. Well, Number 1, it was about four inches shorter.

7 Q. Which meant you had to cut the frame?

8 A. That's correct.

9 Q. Fine. Go forward.

10 A. It had a different exhaust system. It was not a
11 standard Capris exhaust system.

12 Q. Let's stop there.

13 Can I not go to any Auto Zone and buy an exhaust
14 system?

15 A. Congressman, I have no idea. The exhaust system that
16 that car was built with was designed specifically for that
17 car. Now, if there are parts or ways to make parts on the
18 exhaust system, that's very possible, but I don't know.

19 Q. Mr. Cafaro, isn't it a fact that they can bend two
20 beams and put a muffler on any car no matter how it's
21 designed?

22 A. Congressman, you're asking me the differences between
23 the cars. I'm simply trying to answer your question.

24 Q. Okay.

25 Tell me the difference between a Capris Classic,

Cafaro - Cross

1 which has the motor, the drivetrain, the transmission, the
2 rear end, the axles, the wheels, tell me the difference.

3 A. Well, all of that is the same. Then you start
4 getting into the differences. You have a different gas
5 tank between the two. You have all of the interior
6 components, your motors to run your electric windows, the
7 system to run your climate control, the motor to run the
8 windshield wiper. All are unique to Avanti.

9 Q. All right. Then let me ask you this question: Did
10 you manufacture Avanti parts?

11 A. No.

12 Q. Then you bought them, didn't you?

13 A. Yeah.

14 Q. Where did you buy them from?

15 A. Various vendors.

16 Q. Well, if you were able to buy --

17 A. We manufactured the Avanti parts, but we went ahead
18 and allotted the subcontracted -- the wiring parts are
19 unique to Avanti.

20 Q. All right.

21 Let me ask you this question: Yes or no, did you do
22 anything other than install the body and put it together?

23 A. Yes.

24 Q. What did you manufacture?

25 A. We manufactured the Avanti automobile, which included

Cafaro - Cross

1 many component parts.

2 Q. What component part did Avanti build itself?

3 A. We built, as I started to tell you, all of the doors,
4 all of the windows are unique to Avanti, all of the
5 interior electric is unique to Avanti, all the wiring
6 harnesses are unique to Avanti. There are many pieces that
7 are unique to Avanti.

8 You cannot go to a store and just get it off of the
9 shelf. The lights are unique to Avanti. The taillights
10 are unique to Avanti, the rear windshield. The side
11 windows are all unique to Avanti.

12 Q. Isn't it a fact they're unique because none of them
13 worked, and they had to throw them away?

14 A. No.

15 Q. You're sure of that?

16 A. Yes.

17 Q. Now, talking about lighting, you made a big issue
18 about that. Let's use an example in this court room. Let
19 say's say this beautiful courtroom, the chandelier, all of
20 a sudden the wiring went bad, they'd either have to tear
21 the whole beautiful ceiling apart or run a new wire,
22 wouldn't they?

23 A. I don't know, Congressman.

24 Q. So you're saying that lighting problems of an Avanti
25 can't be solved?

Cafaro - Cross

1 A. I didn't say that. You're saying that. I don't know
2 what you're saying.

3 Q. You built a Capris Classic and put a plastic body on
4 it, didn't you?

5 A. Congressman, if it makes you happy, I'll be glad to
6 go along with that characterization. I mean, I know what
7 we did, and what we did is what we did, and you can
8 characterize it if that's -- if that is your
9 characterization and that makes you happy, then I'll be
10 more than happy to make you happy.

11 Q. Thank you for making me happy.

12 Did you tell the FBI that Traficant bought three cars
13 from you?

14 A. Yes.

15 Q. Did I ever ask you to give me those vehicles?

16 A. No.

17 Q. Did you not feel that \$7,000 was enough for all three
18 vehicles?

19 A. Yes.

20 Q. Who was the one that felt that maybe after reading in
21 the article all this stuff, that you should get a little
22 more money?

23 A. You did.

24 Q. Did I send you more money?

25 A. Yes, you did.

Cafaro - Cross

- 1 Q. Did you, in fact, get the first check?
- 2 A. Yes, I did.
- 3 Q. Was it made out to you?
- 4 A. It was made out to my wife.
- 5 Q. Because who owned the cars?
- 6 A. Well, the cars were owned -- the Jeep was in her
7 name, and the other two were untitled.
- 8 Q. Okay. Now they were not prototypes?
- 9 A. Well, one was supposed to be, but neither of them
10 were.
- 11 Q. Okay. Now, back to this: To the best of your
12 knowledge, did you report under law the VIN numbers,
13 registration numbers, serial numbers, to the Ohio Bureau of
14 Motor Vehicles or any entity?
- 15 A. When Avanti was in production, one of the things that
16 had to be done was paperwork had to be filled out to the
17 Ohio Department of Motor Vehicles. I believe that's the
18 proper place that registered the VIN numbers of the various
19 cars. We also had to go through the fact that the first
20 car we started with was a full car. So we had to take and
21 officially do away with that VIN number and then a
22 replacement with an Avanti VIN number, and that was done.
- 23 Q. And you did that, didn't you?
- 24 A. That's correct.
- 25 Q. And then this prototype business came up, didn't it?

Cafaro - Cross

1 A. I don't know what this prototype business came up
2 means, Congressman.

3 Q. Did the Prosecution bring up prototype and the
4 difference between the costs?

5 A. No, I did.

6 Q. Okay. Did you tell that to the Prosecutors?

7 A. Tell what to the prosecutors?

8 Q. That they were not prototypes; they were production
9 models?

10 A. Ultimately, yes. When I found out that the one
11 convertible you had was a production vehicle, I explained
12 that to the Prosecution.

13 Q. Was there any evidence that it's a production car?

14 A. If you look on the windshield, you'll find a number,
15 and I think the number of the convertible that you have is
16 probably my 415 or 450, one or the other, but that's the
17 VIN number for Avanti, and I chose it. There was a
18 production vehicle.

19 Q. Did not the Prosecutors and your attorneys talk about
20 the black car in storage?

21 A. They mentioned that, yes.

22 Q. Did they not, in fact, say they searched the storage
23 place and saw the car?

24 A. They never told me that. I don't know where the
25 storage place was. At some point in time, I do believe

Cafaro - Cross

1 they showed me photographs and asked if that was, indeed,
2 the car, but the details of where it was, how they got
3 them, and things of that nature, I have no idea.

4 Q. Isn't it a fact they told you they couldn't even see
5 the car unless they paid for the storage, Mr. Cafaro?

6 MR. MORFORD: Objection. Hearsay and
7 relevance.

8 Q. All right. Let me put it to you this way --

9 THE COURT: The objection is sustained.

10 Q. -- is it not a fact you told me you had no room as it
11 is; you were trying to clean the Ross Industrial Park out
12 and just keep it stored, Jim? Yes or no.

13 A. Congressman, I said yes to this question at least
14 five times. Yes.

15 Q. Did you tell the Government that they're after me,
16 and I'm giving you this \$3,000 more because they're after
17 me?

18 A. Who's after who?

19 Q. That the Government was after me, and that's why I
20 was giving you this \$3,000?

21 A. I didn't say that.

22 MR. TRAFICANT: 9-15-2000. I don't have a
23 clean one, your Honor, 9-15-2000, transcribed, same date.
24 They were really hot on this one.

25 THE COURT: Let's see if this is the same

Cafaro - Cross

1 one.

2 MR. TRAFICANT: I'll be talking about Page 7.

3 THE COURT: Okay. He can't read it out loud.

4 MR. TRAFICANT: You let them read it out
5 loud.

6 THE COURT: Under the circumstances we have
7 here.

8 MR. TRAFICANT: I object.

9 THE COURT: He can read it to himself.

10 BY MR. TRAFICANT:

11 Q. I want you to read all of this paragraph.

12 Is your memory refreshed?

13 A. I read what it says there.

14 THE COURT: Here, Congressman, this is your
15 copy.

16 MR. TRAFICANT: I want him to take yours.

17 THE COURT: Mine doesn't have all those clips
18 on it.

19 MR. TRAFICANT: Fine.

20 Q. So you did tell them that, didn't you?

21 A. Congressman, I disagree with your characterization --
22 I disagree with your characterization of what that
23 paragraph says.

24 Q. Did the FBI -- did you tell the FBI that Traficant
25 gave you the \$3,000 because the FBI's after me, and here's

Cafaro - Cross

1 the \$3,000. Did you tell them that? Yes or no.

2 A. That is not the way I said it to the best of my
3 recollection, and I don't believe what you are reading from
4 says that.

5 MR. TRAFICANT: Your Honor, give me your
6 clean copy again.

7 MR. MORFORD: Your Honor, I object to this
8 because that is not what it says.

9 MR. TRAFICANT: I want the clean copy.

10 THE COURT: He wants to look at it.

11 THE COURT: Show me what you're talking
12 about, Congressman.

13 MR. TRAFICANT: I'm talking about the second
14 paragraph, and I want you to read from where it says
15 Traficant, right there says --

16 THE COURT: Not out loud. Just to yourself.

17 Q. See what it says right there?

18 A. Yes. Okay. I see what that says, and then the --

19 Q. No. I'm asking you, do you see what that says?

20 A. Yes. I see what that says.

21 Q. What does it say?

22 A. It says --

23 Q. What did you tell the FBI, J. J.?

24 A. They're after me.

25 Q. They're after who?

Cafaro - Cross

1 A. After you.

2 Q. You said I said they're after me, right?

3 A. Right. But you're mischaracterizing two pieces
4 together.

5 THE COURT: Well, the jury can figure this
6 out.

7 MR. TRAFICANT: I think the jury can figure
8 it out.

9 THE COURT: Okay.

10 Q. J.J., do you know what it means to be under oath?

11 A. Yes, I do.

12 Q. You know what the difference is between lying and
13 perjury?

14 A. Yes, I do.

15 Q. Isn't it a fact that your attorney advised you not to
16 accept that check?

17 A. Yes. Actually, I gave the check to my attorney.

18 Q. And you just testified that you agreed to sell me
19 three cars for \$7,000?

20 A. That's correct.

21 Q. And did you know that the one had to stop at every
22 rest stop and filled up with water?

23 A. That's what you reported to me.

24 Q. Then I sent you \$3,000 because of all the flack, and
25 you say -- gave it to my attorney?

Cafaro - Cross

- 1 A. That's correct.
- 2 Q. What were you worried about, J.J.?
- 3 A. At this stage of the game, Congressman, everything I
4 did was checked with my attorneys.
- 5 Q. Why? What did you do wrong?
- 6 A. It's prudent. What I did wrong? What I was worried
7 about? Is that what you're asking me?
- 8 Q. Yeah.
- 9 A. I was worried about what you and I did with the boat;
10 scared the living heck out of me.
- 11 Q. Well, this is a question that you went -- it's been
12 said here, and you said that you got the boat back because
13 it would look improper, right?
- 14 A. I never had the boat.
- 15 Q. No. But you got the check back, the \$26,000. You're
16 saying that you did not give it to me personally, that you
17 eventually got it back from someone else. Who gave it back
18 to you?
- 19 A. I think Richard Detore gave it back to me.
- 20 Q. And what, if anything, did Richard Detore say to you
21 when he gave it back to you?
- 22 A. He said that the Congressman doesn't want to do it
23 this way because he doesn't want a reporter to get ahold of
24 this. It may look bad. He doesn't want to go down that
25 road, something to that effect.

Cafaro - Cross

1 Q. At the time, was Al Lange on your staff?

2 A. Yes, he was.

3 Q. Who was his boss?

4 A. Richard Detore.

5 Q. Who was the chief engineer?

6 A. He was.

7 Q. Would it be just as improper with Al Lange?

8 A. Congressman, I do not know. I have no idea. I know
9 it was improper for me to do what you and I did.

10 Q. J.J.?

11 A. That much I do know.

12 Q. Are you familiar with the word intent?

13 A. I know the word intent.

14 Q. What does intent mean?

15 A. This is an English list. Intent is what someone --
16 what is in the mind of someone while they're doing
17 something.

18 Q. Isn't it a fact that somebody could -- I could
19 accidentally break this valuable piece of equipment without
20 intending to break it?

21 MR. MORFORD: Objection.

22 THE COURT: Sustained. Intent also has legal
23 meanings, and it's one thing to just define what all of us
24 talk about every other day. Intent in terms of any legal
25 meaning will be defined to you by the court if it's

Cafaro - Cross

1 necessary or relevant in this case.

2 BY MR. TRAFICANT:

3 Q. But understanding what intent means just on the
4 surface, did you intend to break the law with Jim
5 Traficant?

6 MR. MORFORD: Objection.

7 THE COURT: Sustained.

8 Q. You're the boss, and you write the checks?

9 A. Where?

10 Q. U.S. Aerospace?

11 A. Yes.

12 Q. You write the checks?

13 A. I approve them.

14 Q. You hire an attorney real fast, don't you?

15 A. Yes, I do.

16 Q. Did you tell the Government that U.S. Aerospace
17 concocted the maritime use of the laser system in order to
18 cover up the purchase of Traficant's boat?

19 A. No.

20 Q. Isn't it a fact that I asked you to help put
21 fiberglass on that boat?

22 A. Yes.

23 Q. Did you know of anybody else that applied fiberglass
24 in Youngstown?

25 A. No.

Cafaro - Cross

1 Q. Did you have a company to put fiberglass on?

2 A. Not at the time. I had one previously.

3 Q. And did I inquire about that?

4 A. Yes.

5 Q. Wasn't it a fact that you were informed that it would
6 make the boat too heavy?

7 A. At some point in time, someone told me if you did
8 that, it would sink.

9 Q. The boat would sink?

10 A. That's what I was told at one point in time. If you
11 made the boat too heavy, it would actually sink is what I
12 was told. I have no knowledge if that's correct or not.

13 Q. Do you know if the Traficant boat was used up and
14 down the river?

15 A. No, I didn't, Congressman.

16 Q. Did you ever go up and down the river on it?

17 A. No, sir.

18 Q. Did anybody ever tell you they saw it going down the
19 river?

20 MR. MORFORD: Objection, hearsay.

21 THE COURT: Sustained.

22 Q. Did your workers tell you someone was living on the
23 boat, whether they went to work on it?

24 MR. MORFORD: Objection, hearsay.

25 BY MR. TRAFICANT:

Cafaro - Cross

1 Q. Did you ever tell me in any way that you were paying
2 for the boat repairs?

3 A. Other than giving you the \$13,000 in cash, no.

4 Q. You remember where that car was parked that day?

5 A. On --

6 MR. MORFORD: Objection. Asked and answered.

7 THE COURT: He can answer it.

8 THE WITNESS: On the side street between the
9 two buildings at YSU, on that side street.

10 Q. Were they both of equal size?

11 A. Pardon?

12 Q. Were they both of equal size?

13 A. Was what of equal size?

14 Q. The two buildings?

15 A. No. One's on the left. The Williams building is
16 taller than the one on the right side.

17 Q. When you drove, what direction did you leave?

18 A. We went down towards the City of Youngstown. So we
19 went south. Then we went to Rayon, made a right hand turn,
20 went to the first block, made a right-hand turn, went to
21 the back of the first block, made a right-hand turn, ended
22 up where we started, and that was just literally went
23 around the block, did not take long, Congressman, to do
24 what needed to be done.

25 Q. And we waited for all the people to leave, right?

Cafaro - Cross

1 A. I didn't say that. I said I don't remember anyone
2 seeing us leave.

3 Q. Wasn't it a fact, J.J., that you not only didn't give
4 me \$13,000, you were hiding expenses on U.S. Aerospace and
5 other company expenses?

6 A. Congressman, I gave you \$13,000, and I had no
7 expenses on U.S. Aerospace. U.S. Aerospace was being
8 funded by me. Anything that was ever done personally was
9 paid by me. U.S. Aerospace didn't even have a credit card.

10 Q. Well, if U.S. Aerospace didn't have a credit card,
11 what kind of company was it?

12 A. It was a company without a credit card.

13 Q. And you didn't tell the prosecutors where you got the
14 money from, for them to go get an envelope or see if you
15 could identify an envelope?

16 A. Congressman, I think I previously testified to the
17 fact that I instructed Patty DiRenzo to get me \$13,000 in
18 cash. She did so. I informed the Prosecution of that.

19 Q. You never had any conversation with anybody about
20 that?

21 A. I just told you we did have conversations about that.
22 I informed the Prosecution what I did, who I instructed.
23 We gave them copies of the checks. They know where the
24 checks were cashed.

25 All of that was made available to the Prosecution.

Cafaro - Cross

1 Q. Are you aware of the fact that the -- your secretary
2 said she took \$20,000 a week out of the bank cash for you?

3 MR. MORFORD: Objection.

4 THE COURT: The objection's sustained. Maybe
5 you can rephrase something.

6 Q. Would your secretary, in fact, take on an average \$15
7 to \$20,000 a week out of the bank for you in cash?

8 A. No.

9 Q. So this would have been unusual, this one, right?

10 A. In a week, in one day, yes, unusual, but not unique.

11 Q. J.J., didn't you always have an awful lot of cash in
12 your possession? Yes or no.

13 A. No.

14 Q. Did I, in fact, ask you not to fire Richard Detore?

15 A. Yes.

16 Q. Did I, in fact, tell you if you fired Richard Detore,
17 you had no one out there that was professional enough to
18 make your company a success?

19 A. Yes.

20 Q. And what did you say?

21 A. I'm firing you.

22 Q. And what was the reason you gave me for firing him?

23 A. Congressman, I don't remember all of the reasons, but
24 I'm sure the one you're going for is the straw that broke
25 the camel's back, were things -- scurrilous remarks he made

Cafaro - Cross

1 about my daughter.

2 Q. Did you ever investigate whether or not Richard
3 Detore really did that?

4 A. It was confirmed by more than one person.

5 Q. Who were they?

6 A. Al Lange, and I forget the other gentleman's name who
7 was there at the time.

8 Q. Who succeeded Richard Detore?

9 A. As what?

10 Q. COO?

11 A. Al Lange.

12 Q. Did you ever ask Mr. Detore what, if anything, he
13 said about your daughter?

14 A. No, because I was going to let Mr. Detore go in any
15 event. I was already in discussions with my other partners
16 in this venture, Doctor Vetter and Doctor Shemwell. We had
17 already come to the conclusion we were going to do this,
18 and we would have done it a few days later in any event.

19 So the straw that broke the camel's back only moved
20 up the timing, did not cause it.

21 Q. Now, when Mr. Detore was there as COO, how much did
22 he get paid, Mr. Cafaro?

23 A. Congressman, I don't remember.

24 Q. You got a company sitting on the edge, and you don't
25 know what the pay is?

Cafaro - Cross

1 A. Congressman, between that company and the Cafaro
2 Company, there were several hundred employees, and I don't
3 remember what he was getting paid.

4 Q. Well, did you pay Al Lange the same amount of money
5 you paid Mr. Detore for the same job?

6 A. No.

7 Q. Wasn't he your chief engineer?

8 A. Yes.

9 Q. Didn't he advance to chief operating officer?

10 A. Yes.

11 Q. And you left his pay the same?

12 A. I didn't say that either. I said I didn't pay him
13 the same thing he was getting paid that I was paying
14 Richard Detore.

15 Q. Did you give him a raise?

16 A. I don't remember. He was here. You could have asked
17 him.

18 Q. After Sheriff Traficant investigated the Cafaros,
19 wasn't it a fact that there was a tremendous amount of bad
20 blood between the Cafaros and Traficant?

21 A. Congressman, I don't know about the Cafaros. The
22 only bad blood I can speak to is my feelings about you
23 personally, and that began during your congressional run.
24 My father was a man who held no grudges, and so I don't
25 know if you could have bad blood between you and he, but I

Cafaro - Cross

1 cannot characterize your relationship with my father. And
2 I can only characterize my feelings towards you. It
3 started not with you being sheriff but with your
4 congressional campaign.

5 Q. Isn't it a fact that after I was elected I paid a
6 courtesy call on your father that you would not attend?

7 A. I was told not to attend, yes. Again, I did not have
8 the graciousness that my father has, and it's something I
9 feel badly about.

10 Q. Is that why you hate your father, J.J.?

11 A. Never hated my father, Congressman.

12 Q. Why did they throw you out of the company, J.J.?

13 A. We had a difference on direction of the organization.

14 Q. Well, J.J., why didn't you say look, Jim, we're going
15 to get in trouble over this boat. Why don't you get me the
16 \$26,000 in cash, we'll shut up about it, and sell it to one
17 of your neighbors?

18 A. Wish I would have.

19 Q. Why did Al Lange take a skipper course that you paid
20 for?

21 A. Don't know. Evidently from what I was told, Rick
22 Detore told me that an order --

23 Q. That's hearsay. Let's now start playing the same
24 rules. I don't want to hear what anybody else told you.

25 A. I have no idea.

Cafaro - Cross

1 Q. Fine. Answer my questions directly.

2 Did you plan to use the Traficant boat for the
3 nautical experiments? Yes or no.

4 A. I can't answer your question.

5 Q. Well, what's the difference between costs of a used
6 wooden boat and a used fiberglass boat, Mr. Cafaro?

7 A. I can't answer the question. Any question -- any
8 answer I would give you is based upon what someone told me.
9 You just told me I can't do that.

10 Q. Isn't it a fact that fiberglass boats are much more
11 valuable? Yes or no.

12 A. I don't know, Congressman. I have no direct
13 knowledge.

14 Q. Did you have to go back and change tax returns,
15 Mr. Cafaro?

16 A. Again, Congressman, I have no direct knowledge.

17 Q. Isn't it a fact you deducted the expenses on the boat
18 as USAG business expenses? Yes or no.

19 A. I believe we did.

20 Q. Did you know that that was wrong, Mr. Cafaro?

21 A. Not at the time it was done, I did not realize that.

22 Q. I thought you wanted to hide it?

23 A. Congressman, I thought we were only hiding it from
24 the media. The media didn't have entree into my tax
25 returns. I'm not a public company. So I wasn't trying to

Cafaro - Cross

1 hide it to that extent.

2 Q. You were, other than concerned about the media, you
3 hired an attorney so the media wouldn't hurt you, is that
4 your testimony?

5 A. Congressman, don't testify for me. If you have a
6 question, ask me, and I'll answer it.

7 Q. That's my question.

8 A. What is it?

9 Q. Did you hire an attorney to protect you from the
10 media?

11 A. I hired an attorney to protect my legal rights in
12 this matter.

13 Q. At this point, are you being sued by Richard Detore?

14 A. It's my understanding that Rick has refiled the
15 lawsuit, that he voluntarily dismissed several months ago.

16 Q. Did I not attempt to work something out that would
17 have stopped not only a lawsuit against your company but
18 keep Rick Detore, at least as a consultant, to save your
19 company?

20 A. You had proposed a settlement that we agreed to but
21 Rick did not agree to.

22 Q. Isn't it a fact I told you if Richard Detore left
23 that company, that company would fall on its face because
24 no one knew what the hell was going on?

25 A. That's what you said.

Cafaro - Cross

1 Q. How long after Rick Detore left did the company go
2 belly up, J. J.?

3 A. Well, Richard Detore leaving the company going belly
4 up were two issues that had nothing to do with one another.
5 The company going belly up was caused by what you and I
6 did, and once it came to light and it became obvious that
7 the bright lights of a hearing such as today was eventually
8 in our future, we closed up the company; had nothing to do
9 with Richard Detore leaving.

10 Q. Let me ask you this then:

11 The Traficant investigation broke through the news in
12 1999. You had a MEANPALS.

13 MR. MORFORD: Objection, your Honor. He's
14 not asking questions. He's testifying now.

15 MR. TRAFICANT: No. It's part of the
16 question.

17 THE COURT: Okay.

18 Q. Traficant investigation started and became public
19 knowledge rumors in '99 regarding cars and everything. Did
20 you not get a \$1.3 million appropriation in the Year 2000?

21 A. Congressman, we've gone through this and --

22 Q. You got it, didn't you?

23 A. The U.S. Aerospace issue did not become public in the
24 paper until some time I believe it was in February of 2000.
25 And the appropriation does not go to U.S. Aerospace. The

Cafaro - Cross

1 appropriation went to the United States military. They, in
2 turn, were going to issue a contract, but by the time it
3 went through that process, we were not in a position
4 because of what you and I did to move forward with that
5 contract.

6 Q. Mr. Cafaro --

7 A. All of your work, all of my work, all of everybody's
8 work was for naught because of the stupid thing we did.

9 Q. Mr. Cafaro, you make a lot of speeches. The bottom
10 line is when the United States Congress appropriates a law,
11 you know and I know it must either be reprogrammed or
12 spent. That money was for MEANPALS, and it was never
13 reprogrammed.

14 MR. MORFORD: Objection. That's not a
15 question; that's testimony.

16 Q. Isn't that a fact?

17 THE COURT: Excuse me. Do you have any
18 personal knowledge of that?

19 THE WITNESS: The money was spent, and it was
20 not spent with U.S. Aerospace.

21 Q. It was spent on the military side of their part of
22 the \$4 million, wasn't it?

23 A. It was spent for buying the exact technology that
24 MEANPALS represented but was not done with U.S. Aerospace.

25 Q. Was your money ever taken back -- did you ever get a

Cafaro - Cross

1 letter saying your money was rescinded?

2 A. I never had any money.

3 Q. Did you ever get a letter saying that the
4 appropriation for MEANPALS had been rescinded, Mr. Cafaro?

5 A. No; used that money to buy a system exactly like
6 MEANPALS without the name.

7 Q. Isn't it a fact that they bought that after MEANPALS
8 went out, after you were done?

9 A. Yeah. That's what I just told you.

10 Q. Had you been in business, who had the rights to
11 MEANPALS?

12 A. Had you and I not did what we did, we would have been
13 in business.

14 Q. Had you not bankrupted the business, sir.

15 MR. MORFORD: Objection. This is not a
16 question.

17 THE COURT: Right. That comes at a later
18 time in this case, if at all. So the witness is the one
19 testifying. Listen to the witness.

20 Q. J.J., were you lying then in the Chance case, and now
21 you're telling the truth in the Traficant case?

22 A. That is correct.

23 Q. And in the Chance case, you were not subject to any
24 jail time, were you?

25 A. No.

Cafaro - Cross

1 Q. Did you have any plea agreement?

2 A. No.

3 Q. Do you have one now?

4 A. Yes.

5 Q. Would you be surprised nearly every member of your
6 staff has called you a liar?

7 MR. MORFORD: Objection.

8 Q. Have you lied to your staff, Mr. Cafaro?

9 THE COURT: That's the proper question.

10 THE WITNESS: There are times when one sets
11 goals and doesn't meet them. There are times you set --
12 when you think things, funding will come but doesn't
13 happen. If one wants to characterize that as a lie, then
14 yes, I have.

15 Q. Did you lie to Paul Marccone about a contribution to
16 an Italian-American organization?

17 A. I don't know what you're talking about, Congressman.

18 Q. Were you referred to as the source at any times by
19 the Government?

20 A. Again, I don't know what you're talking about,
21 Congressman.

22 Q. Were you ever asked to wear a body mike to me?

23 A. Congressman, by the time I had spoken to the members
24 of the Justice Department or the FBI or anyone else, I had
25 already had counsel and I wasn't speaking to you or anyone

Cafaro - Cross

1 else associated with this issue. So the answer to that is
2 no.

3 Q. Did my staff, during this time, call you for
4 meetings?

5 A. Yes -- well, your staff had called.

6 Q. And what, if anything, did you do about it?

7 A. Did not return the calls.

8 Q. Now, did the FBI at any time ask you to go ahead and
9 corroborate your truthfulness about the boat and all these
10 other allegations that Traficant wants to meet with you,
11 let's set up a meeting and put a little wire on you, J.J.,
12 did they do that?

13 A. They never made such a request.

14 Q. Did they say let's bug your car, and if you're
15 worried about that, bug your car and take him for a ride?
16 Did they suggest that?

17 A. Never made such a request.

18 Q. Did the FBI ever attempt to corroborate your words
19 into evidence?

20 A. Congressman, I believe they had evidence.

21 Q. That's not the question I asked. Did they ask you to
22 corroborate your words?

23 A. I think that we gave them evidence that helped
24 corroborate my words.

25 Q. Internal Revenue Service ask you to wear a mike?

Cafaro - Cross

1 A. No one has asked me to wear a mike.

2 THE COURT: Congressman, it's 4:30. How many
3 more questions do you have?

4 MR. TRAFICANT: I didn't realize it was that
5 late. I don't have much more with this witness, but if you
6 want to come back tomorrow --

7 THE COURT: Well, really depends on how many
8 more.

9 MR. TRAFICANT: I don't know, could be ten,
10 15 minutes, and I don't want to belabor the jury.

11 THE COURT: We'll recess the jury and see you
12 at 9:00 tomorrow.

13 (Proceedings in the absence of the jury:)

14 THE COURT: Gentlemen, I ask that we take up
15 the next break the issue of defendant's AL-101 and the
16 cover sheet, which appears on the front regarding a fax
17 transmission. I've now had a chance to look at that. The
18 document itself, without the fax, is something which, as I
19 understand, was supplied to you, Mr. Traficant, during
20 discovery in this case by the Government. The fax
21 transmission sheet dated January 28th is irrelevant to this
22 case.

23 And the fax itself of the materials seems to have all
24 the pages on it. And so we will admit this but not with
25 the front fax sheet on it, which is not relevant.

Cafaro - Cross

1 But, we will admit --

2 MR. TRAFICANT: I object to that insofar as
3 the Government did not offer it as an exhibit; I did.

4 THE COURT: That's right. You offered
5 something called Defendant's Exhibit AL-101, which has a
6 fax transmission sheet on the front and then is the
7 marine -- Virginia Marine Institute survey performed on
8 behalf of Captain Al Lange.

9 I have no difficulty putting in the copy itself, but
10 the fax on the front is confusing to the jury. There's no
11 way they'll be able to understand anything with the fax on
12 the front of it.

13 So if you would like it to go in as AL-101,
14 Defendant's Exhibit AL-101, I'm happy to put it in without
15 the front cover.

16 MR. TRAFICANT: I do so without objection.

17 THE COURT: All right. It'll be admitted
18 AL-101, and it will begin with the first page, Virginia
19 Marine Institute Survey performed on behalf of Captain Al
20 Lange, August 26, 1998.

21 Congressman?

22 MR. TRAFICANT: Yes. You're ready?

23 Both Mr. Lange and Mr. Cafaro are familiar and have
24 testified that they are familiar with the voices of Jim
25 Traficant and Richard Detore. Richard Detore is charged,

Cafaro - Cross

1 as you know, as a co-conspirator in this case. His counsel
2 has other concerns of Mr. Detore, and his counsel has
3 decided that he will not have his client testify in this
4 trial insofar as he's unavailable.

5 We have two witnesses who have, in fact, identified
6 -- know our voices; that the Richard Detore tape should be
7 made into evidence because of unavailability of the
8 witness.

9 THE COURT: Okay. There has been filed with
10 this Court a motion to quash by Detore. The Court hasn't
11 yet ruled on it. It's a motion to quash the subpoena.
12 But, we are in a position to rule on it. I've just been on
13 the bench all day, so I will be ruling on that motion to
14 quash. As I understand your subpoena is for Mr. Detore for
15 tomorrow; is that correct?

16 MR. TRAFICANT: I subpoenaed Mr. Richard
17 Detore, yes, through his attorney as requested.

18 THE COURT: But, what day did you subpoena
19 him for?

20 MR. TRAFICANT: I don't know the exact date.
21 I think he was to be here on the time frame I was given --
22 honestly given as well I might say by the Prosecution.

23 THE COURT: So you don't know the answer to
24 what day he's supposed to be here? We'll look at the
25 subpoenas and see.

Cafaro - Cross

1 But in any event, the law in the Sixth Circuit
2 requires that a person who's going to exercise the Fifth
3 Amendment right come into court and exercise it, do it out
4 of the presence of the jury. We've done it in this case
5 before, so I'll put out a ruling tonight on that motion to
6 quash.

7 But that would be the first stage of what is a longer
8 process than just invoking the Fifth Amendment, and I think
9 we've talked about it so many times; that we don't need to
10 talk about it tonight, but it's not an option just to have
11 a lawyer notify the Court as you've seen in other cases
12 where the lawyers have notified the Court.

13 The witness has to come in, and we, without the jury
14 present, go through a series of questions and answers and
15 so forth. You are then left perhaps -- I don't know, we'll
16 see how that goes -- but it's possible you'll be left with
17 an unavailable situation.

18 But that doesn't solve the next problem, which is
19 that there's more that has to be established, and that's
20 what we have gone over before. Something's hearsay in
21 itself, having somebody invoke the Fifth Amendment doesn't
22 transform it into something else. So we went over that
23 before, and you -- unavailability itself is not the hearsay
24 exception I guess would be the easiest way to say it.

25 There is further work that needs to be done and can

Cafaro - Cross

1 be done, and I'll give you time as we do in everyday of
2 this trial at the morning break, at lunch, at the afternoon
3 break, and from the time we dismiss the jury at 4:30 up
4 until at least 6:00, the Court's available to take on
5 whatever further inquiry is appropriate so I can rule.

6 MR. TRAFICANT: I want to make it known for
7 the record --

8 THE COURT: Okay.

9 MR. TRAFICANT: -- I notified you there was a
10 motion to quash. And I want --

11 THE COURT: Actually, I think I notified you
12 there was a motion to quash.

13 MR. TRAFICANT: No. I had it faxed to me.
14 You didn't notify me of anything.

15 THE COURT: I just did a few minutes ago, but
16 you may have known before I did.

17 MR. TRAFICANT: Yes.

18 THE COURT: Okay.

19 MR. TRAFICANT: And the motion to quash I
20 want on the record.

21 THE COURT: It is. It's filed in the case.

22 MR. TRAFICANT: And if you do rule to quash
23 in their favor and the person does not come in and take the
24 Fifth, I'm now concerned about all nine tapes I have on
25 witnesses that concern this case and their admissibility.

Cafaro - Cross

1 And I think you said at some point you would rule on them.

2 They have been made available to the Government.

3 They were made available to them before January 9th. One

4 was made of them -- several were made at later dates

5 because they were made at later dates with my

6 investigation, and they were done in a proper form, in

7 reasonable time, and in a timely fashion for the Government

8 with their extensive resources to validate the reliability

9 of these tapes.

10 THE COURT: Okay. Well, first of all, I

11 don't know what you're talking about, but you can make a

12 list for us, and that will help. We have not had any

13 information about how you are intending to go forward with

14 your defense, and, in fact, we haven't finished the

15 Government's case yet.

16 MR. TRAFICANT: Your Honor, I am instructing

17 the Court one way or another this Court go over those nine

18 tapes to be played publicly, and I want a ruling on those

19 nine tapes before I go forward.

20 THE COURT: Okay. Let's -- let's do the list

21 here.

22 MR. TRAFICANT: I don't have the list with

23 me.

24 MR. MORFORD: We have the list, your Honor.

25 THE COURT: Okay.

Cafaro - Cross

1 MR. MORFORD: He didn't give us the list. He
2 gave us the tapes. We can tell you what the tapes are,
3 but, your Honor, several days ago I raised this as a matter
4 in limine, and my objection was under Rule 804(b), that
5 Congressman Traficant not only has to show unavailability;
6 he has to show which of the very limited exceptions to the
7 hearsay rule under 804(b) that he believes these tapes
8 would be admissible under.

9 My understanding was the Court told him to, I
10 believe, file something or else raise it with the court and
11 let the Court know his theory of admissibility, but that
12 the matter should not be placed before the jury prior to
13 the time that he does that. And then --

14 THE COURT: I think the Defendant understands
15 that.

16 MR. TRAFICANT: I have followed all
17 procedures.

18 THE COURT: Right. I think he understands
19 it. He's now telling us there were nine.

20 MR. MORFORD: Yeah. I would just like to ask
21 he be instructed not to raise the subject of the tapes in
22 front of the jury unless and until the Court has ruled if
23 they're admissible.

24 THE COURT: It would be improper to raise the
25 issues of the tapes in front of the jury until we've had an

Cafaro - Cross

1 opportunity to see whether or not you are bringing forward
2 the various things you would need to do under the Rules of
3 Evidence out of the hearing of the jury. So we'll make
4 plenty of time for that.

5 MR. TRAFICANT: Your Honor, I'd like to
6 respond.

7 THE COURT: But I'm starting with the fact
8 that you didn't file a motion to quash; someone else did.
9 It's a matter of record in the case, and I am going to rule
10 on it when I get off the bench. Okay.

11 MR. TRAFICANT: I want the person to testify,
12 but that person has problems evidently in other areas. And
13 his counsel has talked with him. Now, he's unavailable.
14 Now, what the Government is trying to do is say Traficant,
15 you want to bring these tapes in, you'll have to bring them
16 in yourself. Here's what I'm saying to the court.

17 These are all given on discovery. They were made by
18 the Defendant, I admit that, and they are valid. They have
19 gotten first generation copies. There were no -- nothing
20 done with those tapes. They were not altered, and, in
21 fact, in my opinion, 804 and the law that Mr. Morford is
22 talking about states that the best evidence available shall
23 be used by the Defendant to defend himself. And if it's
24 not the words of the individual involved, then tell me
25 what's better.

Cafaro - Cross

1 THE COURT: Okay. Well, there is a rule best
2 evidence concept in evidence, but we're talking about
3 something now -- I need to know what the tapes are. If
4 either of you know.

5 MR. TRAFICANT: They can give you the names.

6 MR. MORFORD: I'll go through that whenever
7 the Court's ready.

8 MR. TRAFICANT: I want to give you the names
9 now. There's tapes on Bucheit's deal, Sinclair and
10 DiBlasio's deal.

11 THE COURT: Wait a second. Which are we
12 talking about?

13 MR. TRAFICANT: Well, the Bucheit.

14 THE COURT: Who's on the tape?

15 MR. TRAFICANT: Mr. Bucheit.

16 THE COURT: And who else?

17 MR. TRAFICANT: Me.

18 THE COURT: Okay.

19 MR. TRAFICANT: I'm on all the tapes.

20 THE COURT: All right. Okay.

21 MR. TRAFICANT: With Mr. DiBlasio concerning
22 himself and Mr. Sinclair with --

23 MR. MORFORD: You want me to just tell the
24 Court what they are? Would that be easier?

25 THE COURT: Well, I don't.

Cafaro - Cross

1 MR. MORFORD: He's coming over now to get
2 the tapes. I don't know if he knows -- here.

3 MR. TRAFICANT: I don't have the tapes. Hand
4 me the tapes. Just a couple at a time.

5 THE COURT: It's late in the afternoon, guys,
6 let's do --

7 MR. TRAFICANT: You're getting very testy,
8 Mr. Morford.

9 THE COURT: Do they have numbers?

10 MR. TRAFICANT: D-1, Mr. DiBlasio who's
11 talking.

12 MR. MORFORD: Why don't you give her the date
13 on those as well?

14 MR. TRAFICANT: 7-11-01.

15 THE COURT: Okay. That's Traficant and
16 DiBlasio, right?

17 MR. TRAFICANT: Defendant's Exhibit D-2,
18 Traficant and DiBlasio, 6-19-01.

19 THE COURT: Okay.

20 MR. TRAFICANT: DD-1, Richard Detore, May 16,
21 2001.

22 THE COURT: You need to slow down a little.

23 MR. KALL: Who?

24 THE COURT: This is also with you. They're
25 all with you; is that right?

Cafaro - Cross

1 MR. MORFORD: These are his interviews of
2 witnesses, your Honor.

3 THE COURT: All right.

4 MR. TRAFICANT: No. These are taped
5 conversations on the phone.

6 THE COURT: Between you and --

7 MR. TRAFICANT: And the witness.

8 THE COURT: Okay.

9 MR. TRAFICANT: This one here is a copy of
10 conclusion of tape Number 2, K-1, which was -- I don't have
11 it marked, your Honor. It's marked improperly.

12 THE COURT: 2-K-1.

13 MR. TRAFICANT: No, two that are K-1.

14 THE COURT: All right.

15 MR. TRAFICANT: There's one that is N-1
16 relative to Mr. Nemenz.

17 MR. MORFORD: I believe one is a conversation
18 with someone called cheese 1, whoever that is.

19 MR. TRAFICANT: These are the Kerchum tapes.

20 THE COURT: Hold on N-1 is Nemenz and who?

21 MR. TRAFICANT: A woman by the name of Robin
22 Best.

23 THE COURT: Go back to Nemenz, please.

24 MR. TRAFICANT: N-1.

25 THE COURT: Yes. But say Nemenz's first

Cafaro - Cross

1 name.

2 MR. TRAFICANT: Henry.

3 THE COURT: Thank you.

4 MR. TRAFICANT: Nemenz. But since the
5 Prosecution didn't move into that area because they know I
6 have this tape, I may not offer it. I'll decide later. PB
7 1-A is a tape of 8-6-01 with Pete Bucheit.

8 THE COURT: And you?

9 MR. TRAFICANT: And me. They're all with me.

10 THE COURT: Okay.

11 MR. TRAFICANT: PB 1-B is a conversation with
12 Mr. Bucheit on May 7th of 2001. I would add for the record
13 these have all been submitted as well, be submitted for
14 prosecutorial misconduct. SS-2 is a tape involving Harry
15 Manganaro in the Sugar case.

16 THE COURT: But it's not in a case itself.
17 It's a telephone conversation?

18 MR. TRAFICANT: These are all telephone
19 conversations that I had recorded.

20 THE COURT: Okay.

21 MR. TRAFICANT: And there is a second DD
22 tape, DD-3, dated August 1, 2001.

23 The Government has received these nine tapes. They
24 had them in a timely fashion.

25 THE COURT: Okay.

Cafaro - Cross

1 MR. TRAFICANT: If they want them, they can
2 have them back.

3 THE COURT: Harry Manganaro and you -- I
4 don't have a date for that.

5 MR. TRAFICANT: These weren't exactly dates
6 like girls date boys, your Honor.

7 THE COURT: It's called SS-2.

8 MR. TRAFICANT: It is?

9 THE COURT: That's what you said.

10 MR. TRAFICANT: SS-2 is January 27th of this
11 year.

12 THE COURT: Okay.

13 MR. TRAFICANT: And it was given to the
14 Government in an expeditious fashion as it could possibly
15 be.

16 THE COURT: DD-3, I have the date, but now
17 whose tape is it?

18 MR. TRAFICANT: DD-3?

19 THE COURT: Right.

20 MR. TRAFICANT: That is Detore.

21 THE COURT: And 2K-1?

22 MR. TRAFICANT: Pardon?

23 THE COURT: You have two tapes that are K-1.

24 MR. TRAFICANT: Yes.

25 THE COURT: Who's on those tapes?

Cafaro - Cross

1 MR. TRAFICANT: That is a man by the name of
2 James Kerchum.

3 THE COURT: K-E-R.

4 MR. TRAFICANT: C-H-U-M best I can recall.

5 THE COURT: Okay. What are the dates of
6 those two tapes?

7 MR. TRAFICANT: I do not know if they have a
8 date on them. They would have a date on the tape itself
9 memorialized, but the date of the transcription is not on
10 there. The date of the -- that they were made is not on
11 the tapes. K-1 -- it's K-1 is conclusion of K-1, I guess.
12 There's one wrong tape to -- K-1 consists of two tapes
13 evidently.

14 MR. KALL: Your Honor if it helps the
15 transcript, we were given lists April 26, 2000.

16 MR. TRAFICANT: April 26, 2000?

17 THE COURT: So you've given the Government a
18 transcript of each of these tapes. Is that what it is?

19 MR. TRAFICANT: I gave them the tape not the
20 transcript.

21 MR. MORFORD: There are a couple tapes where
22 he did give us a transcript, your Honor.

23 MR. TRAFICANT: Where I had an unofficial
24 transcript, I made it available to them, and where I
25 didn't, I didn't --

Cafaro - Cross

1 THE COURT: Well, I think I have nine here if
2 we count the two Ks as two tapes making one exhibit. And I
3 have dates for everything except Henry Nemenz. Do you have
4 a date on --

5 MR. TRAFICANT: I didn't have a conversation
6 with Henry Nemenz. I have an affidavit dealing with Henry
7 Nemenz. I have a tape of his associate and business
8 partner, Ms. Robin Best.

9 THE COURT: And that's N-1. When was that
10 tape made of Robin Best?

11 MR. TRAFICANT: I don't see it here.

12 MR. KALL: Based on the transcript, your
13 Honor, September 5, 2001.

14 MR. TRAFICANT: Did you guys steal my tape?

15 MR. MORFORD: Those are our tapes, sir. We
16 brought them today.

17 MR. TRAFICANT: There's one in my pocket.
18 Got to watch a sheriff.

19 THE COURT: It's that one.

20 MR. TRAFICANT: It's N-1.

21 THE COURT: That's Robin Best.

22 MR. TRAFICANT: Robin Best, and the date is
23 covered up by the exhibit number. Matthew, if you'd be so
24 kind.

25 MR. KALL: September 5, 2001, based on the

Cafaro - Cross

1 transcript, your Honor.

2 THE COURT: Thank you. I think I have a list
3 now. Thank you very much. Anything further?

4 MR. MORFORD: Yes. In addition to the
5 hearsay objections on several of these tapes, there are
6 also relevancy objections, particularly the tapes of
7 Kerchum, Best. I don't have the list in front of me as to
8 who they are, but they are totally irrelevant to this
9 matter, and Manganaro, also Best. Manganaro and Kerchum
10 have not been shown in any way to be unavailable.

11 THE COURT: Okay.

12 MR. TRAFICANT: Well, I'll call Harry
13 Manganaro. And I want the tape to be listed now, to be
14 known that it was an agreed tape, a consent tape.

15 MR. MORFORD: The testimony of Mr. Manganaro
16 I don't believe would be relevant either, your Honor.

17 THE COURT: Okay. Well, we're going to have
18 to spend sometime on this --

19 MR. TRAFICANT: Wait a minute here.

20 THE COURT: -- out of the presence of the
21 jury.

22 MR. TRAFICANT: Wait a minute here.
23 Mr. Sugar took the stand, and I have a tape that shows what
24 happened to Mr. Sugar whom he confided in, the co-worker.
25 And you're telling me I can't put that person on the stand?

Cafaro - Cross

1 THE COURT: I haven't ruled yet.

2 MR. TRAFICANT: That's what the Government is
3 trying to do now. You let Jackie Bobby, Grace Yavorsky lie
4 through their teeth about a dead man, and you let hearsay
5 on a person dying where the Government took a fruit basket
6 ploy and pressured to put him in a medical facility if he
7 didn't sign an affidavit.

8 THE COURT: Well, we have some way to go on
9 all of these tapes. Some of the tapes, we need to you
10 establish unavailability on, and that's the first step, but
11 it has nothing to do -- it is not itself a hearsay
12 exception, and so you still have to do work on that. The
13 Government hasn't finished their case yet. There's plenty
14 of time.

15 This is a good step forward because now we know what
16 the tapes are you wish to introduce, but you will have to
17 establish unavailability for people who are not -- who have
18 not yet had unavailability established if that is the way
19 you're trying to get the tapes in.

20 MR. TRAFICANT: Let me inquire --

21 THE COURT: That doesn't take care of your --

22 MR. TRAFICANT: Let me inquire of the court.

23 THE COURT: Yes.

24 MR. TRAFICANT: Prosecutor Morford takes the
25 stand and says he did not commit misconduct.

Cafaro - Cross

1 THE COURT: That is not part of this lawsuit.

2 MR. TRAFICANT: No, I'm making an example.

3 THE COURT: That's a really poor example.

4 MR. TRAFICANT: All right. Jim Traficant
5 takes the stand and says he did not commit prosecutorial
6 misconduct, and then Mr. Morford knows that Jim Traficant
7 has committed prosecutorial misconduct, and that
8 Mr. Traficant has lied under oath because Mr. Traficant
9 told directly Mr. Morford what the truth was.

10 You're saying that Mr. Morford can now not be used to
11 impeach the untruthfulness, unworthy statements of
12 Mr. Traficant?

13 THE COURT: Congressman, you know what? I
14 think it's time for everyone to go home.

15 MR. TRAFICANT: No. I don't think it's time
16 to go home. I think you're going to rule these tapes out,
17 and I say for the record I'm going to play these tapes
18 because you're leading me down the road to conviction with
19 an unfair, unbalanced playing field, and I don't like it,
20 and I can see it.

21 THE COURT: Congressman, Congressman, we'll
22 deal with the tapes, but we'll --

23 MR. TRAFICANT: If you're telling me
24 Manganaro can't testify here, then I'm telling you this:
25 You may have to put me in jail for contempt and bring the

Cafaro - Cross

1 jury downstairs because you've had a guy that's had it.

2 THE COURT: I didn't say anything about any
3 of that, but we are some way -- we've gone some distance
4 today, and we'll continue to work on it. See you.

5 MR. TRAFICANT: Last thing for the record: I
6 am going to have one of these tapes played period
7 regardless of what happens in this trial, and I want the
8 American people to know I'm going play them on national
9 television, and I'm going to play them directly in this
10 area. I want them to know what the hell's going on, how
11 they pressured people, pressured to indict their families.

12 THE COURT: Meanwhile --

13 MR. TRAFICANT: -- to bring out statements.

14 THE COURT: Meanwhile, you have a trial here,
15 and the Government is close to getting to the end of their
16 case but they haven't quite gotten there. Okay.

17 MR. MORFORD: Thank you, your Honor.

18 MR. TRAFICANT: And I want to also state for
19 the record you have treated some of these cases I submitted
20 as evidence very lightly.

21 THE COURT: I think if you come in at ten of
22 9:00 tomorrow, it will be soon enough.

23 (Proceedings adjourned.)

24

25

1 DIRECT EXAMINATION OF JOHN J. CAFARO CONTINUED..... 3988
2 CROSS-EXAMINATION OF JOHN J. CAFARO..... 4044

3 C E R T I F I C A T E

4 I certify that the foregoing is a correct
5 transcript from the record of proceedings in the
6 above-entitled matter.

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