

IN THE MATTER OF  
REPRESENTATIVE CHARLES C. DIGGS, JR.

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REPORT

together with

SUPPLEMENTAL VIEWS

[To accompany H. Res. 378]



JULY 19, 1979.—Referred to the House Calendar and ordered to be  
printed

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(II)

96TH CONGRESS } HOUSE OF REPRESENTATIVES { REPT. 96-  
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IN THE MATTER OF  
REPRESENTATIVE CHARLES C. DIGGS, JR.

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Mr. BENNETT, from the Committee on Standards of Official Conduct,  
submitted the following

REPORT

[To accompany H. Res. 378]

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, ]

v. ]

Criminal No. 78-142

CHARLES C. DIGGS, JR., ]

Defendant. ]

Washington, D.C.

September 27, 1978

The above-entitled matter came on for further  
hearing at 9:35 o'clock a.m. before:

HONORABLE OLIVER GASCH  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

ON BEHALF OF THE GOVERNMENT:

JOHN KOTELLY, ESQUIRE  
ERIC MARCY, ESQUIRE

ON BEHALF OF THE DEFENDANT:

DAVID POVICH, ESQUIRE  
ROBERT WATKINS, ESQUIRE  
BERNARD CARL, ESQUIRE

-oOo-

REGIS GRIFFEY  
Official Court Reporter

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1 THE COURT: Well, I see no reason why he  
2 shouldn't go into it if he wants to.

3 MR. POVICH: Okay.

4 MR. WATKINS: May I be heard?

5 MR. POVICH: That is fine.

6 THE COURT: When I have ruled in your favor,  
7 you don't want to dis-persuade me; do you?

8 MR. WATKINS: No, I don't.

9 THE COURT: Sometimes that happens, you know.

10 MR. WATKINS: I know that, Your Honor. Thank  
11 you, sir.

12 (In open court.)

13 THE DEPUTY CLERK: Bring in the jury, Your  
14 Honor?

15 THE COURT: Yes.

16 (Whereupon, the jury resumed their seats in  
17 the jury box and the following proceedings  
18 were had in open court:)

19 THE COURT: You may proceed.

20 MR. KOTELLY: The Government's first witness  
21 is John Lawler.

22 Whereupon,

23 JOHN LAWLER

24 was called as a witness by and on behalf of the Govern-  
25 ment and after having been first duly sworn was

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1 examined and testified as follows:

2 DIRECT EXAMINATION

3 BY MR. KOTELLY:

4 Q Would you please state your full name for  
5 the record?

6 A My name is John Lawler.

7 Q Mr. Lawler, where are you presently  
8 employed?

9 A I am a certified public accountant, employed  
10 by the Office of the Clerk in the United States House  
11 of Representatives. My job is the Chief of the Office  
12 of Finance.

13 Q How long have you been employed at the United  
14 States House of Representatives?

15 A Since January of 1972.

16 Q And since that time, to the present, what  
17 positions have you held in the House of Representatives?

18 A I have been employed in the Office of the  
19 Clerk in the Equipment Service, the Office Supply  
20 Service or the Stationery Store, and then the Finance  
21 Office, taking the last position in January of 1975.

22 Q And were you made the Chief of the Office of  
23 Finance at that time?

24 A Yes, sir.

25 Q What, generally, are your duties as Chief of

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1 the Office of Finance?

2 A Our office handles financial accountability  
3 for the United States House of Representatives, disburses  
4 all of the funds, including payroll and the non-  
5 personnel expenditures, in addition we budget for the  
6 funds of the United States House of Representatives.

7 My particular position is administrative,  
8 serving as the Chief of that office. Part of the office  
9 is also associated with providing the personnel records  
10 for the employees of the House.

11 Q How many persons do you have working for you  
12 in the Office of Management of Finance?

13 A 60.

14 Q Mr. Lawler, you have indicated that you have,  
15 your office has some connection with the payroll; is  
16 that correct?

17 A Yes, sir.

18 Q What type of records or documents do you make  
19 or maintain as part of that function?

20 A Our office maintains all the original source  
21 documents that are, in a sense, a request to pay  
22 employees, down to the accounting records that are  
23 given to the United States Treasury accounting for those  
24 funds that are paid.

25 Q Could you state to the jury the types of

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1 records these are?

2 A Yes. In the area of personnel pay, it would  
3 include the request for us to disburse funds to an  
4 employee. That form is called the payroll authorization  
5 form, and all other related personnel papers to  
6 effectuate an appointment, these would include your  
7 papers such as a tax statement, mailing addresses, your  
8 health benefits, retirement and life insurance forms.

9 The other related copies include summaries of  
10 financial information for each particular Congressman  
11 so that we know that we are within their allowed budget.  
12 Other records would include those transmitted to the  
13 United States Treasury inasmuch as we actually write the  
14 checks at the House of Representatives, so there are  
15 summary documents, check numbers and those types of  
16 accounting documents.

17 Q What status or regulations govern the  
18 operations of the Office of Finance?

19 A We operate under regulations that have the  
20 effect of law that are promulgated by the Committee on  
21 the House of Administration, a committee comprised of  
22 members of Congress. Other applicable codes, statutes  
23 may also come into play.

24 Q The regulations from the House office, the  
25 House Committee on Administration relate to what as far

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1 as the functioning of the Office of Finance?

2 A These are the regulations that specifically  
3 establish an expense allowance or set a fund that a  
4 member may have to spend, and some of the rules and  
5 regulations or parameters surrounding that allowance.

6 Q Mr. Lawler, are you familiar with the Clerk-  
7 hire allowance?

8 A Yes.

9 Q What is the Clerk-hire allowance?

10 A The Clerk-hire allowance is a description of a  
11 set of funds that each member of Congress has available  
12 to pay his employees in the discharge of their official  
13 duties.

14 Q And these employees, is there any limitation  
15 as to where they can be located as far as their  
16 employment is concerned?

17 A The regulations, again this Committee on  
18 House Administration established that the employees are  
19 to perform their services in the Member's district or  
20 their state.

21 Q Are there any limitations regarding the  
22 employee's salaries regarding the Clerk-hire allowance?

23 A The limitation on the Clerk-hire allowance is  
24 one of a dollar amount. That is, the member of Congress  
25 cannot exceed so many dollars in a given month, as well

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1 as a personal ceiling on any individual staff member.

2 Q Is there any limitation as to the number of  
3 employees that a Congressman can employ for his official  
4 duties?

5 A Yes. The current level for each member of  
6 Congress is no more than 18 employees on the staff at  
7 one time.

8 Q And have there been other numbers increasing  
9 in years than 18?

10 A Yes. The allowances have been a rather  
11 dynamic set of allowances. They change over the course  
12 of time. It was increased to 18 from a prior level of  
13 16, I believe, in 1973.

14 Q Mr. Lawler, were you familiar with the  
15 operation of the Office Finance prior to your taking  
16 charge in January of 1975?

17 A Yes, in that we have had numerous requests  
18 to do studies on the allowances, and particularly in  
19 the area of budgeting, going back over to review the  
20 financial trends of spending in the House.

21 Q Are you familiar with the use of the Clerk-  
22 hire allowance from January of 1973 through the end of  
23 December of 1976?

24 A Yes.

25 Q Mr. Lawler, could you state to the jury

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1 exactly how an individual staff employee's salary would  
2 be generated?

3 A Yes. The actual employment of each staff  
4 member in the House of Representatives is at the  
5 discretion of the individual member of Congress. So, our  
6 office, the Finance Office, is a disbursing office  
7 handling only the accountability of the funds and the  
8 generation of the checks, the directives that we receive  
9 in order to know who to pay and how much money and out  
10 of whose account that the funds should be taken from  
11 are given to us in a form called the Payroll Authoriza-  
12 tion Form. This is signed by the appointing authority,  
13 and in the case of employees serving on a Member's  
14 staff, it would be the signature of the Congressman.

15 Committee chairmen, likewise, will sign off  
16 on their responsibility; Senators Committee Chairman.  
17 This form, together with the other personnel papers that  
18 establish the deductions for the employee, again  
19 referring back to the W-4 statements, for Federal with-  
20 holding, life insurance or retirement, other personnel  
21 benefits, mailing address, home address, things of this  
22 sort, are received by our office in the Cannon Building.  
23 This is the procedure that is followed then for a full  
24 appointment. That is, somebody that has not been on the  
25 staff before and they are merely making a change. These

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1 papers -- then the employment, plus each employee's  
2 individual papers are reviewed by the Personnel Section  
3 and we go back to look at prior service, benefits they  
4 may have had at another agency and so forth. They may  
5 or may not have had something in this area.

6 After we determine the prior benefits  
7 available, and the salary of the staff person to insure  
8 that he is not receiving a level of pay greater than  
9 that established by law, the forms then go to our Payroll  
10 Department.

11 In the Payroll Department, the appointment form  
12 of the member is reviewed where we are ensuring at this  
13 point that the limitation on the number of people, as  
14 well as the dollar limitation for the Member, is not  
15 exceeded by that particular appointment.

16 Our payroll system is one that is automated,  
17 so information is then added or entered into a computer.  
18 The information will remain the same month after month  
19 or pay period after pay period until we effectuate a  
20 change to the system.

21 After this information is entered into the  
22 payroll system these original documents are returned to  
23 a personnel file section still within the Office of  
24 Finance in the Cannon Building.

25 Q After the original appointment of an employee

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1 or person on the staff, what if any changes can be made  
2 in that individual's salary?

3 A Once an employee is appointed as a staff  
4 person, changes may be made any time in rate of pay,  
5 again assuming that it is within the prescribed limita-  
6 tions. Rates of pay are governed by the Member of  
7 Congress. Other personnel information, that could be  
8 changed, would include tax withholding and the address  
9 information. Certain type of benefit information may  
10 not be changed once elected, but that again is on the  
11 employee's side. It is not something that is determined  
12 by the hiring Member.

13 Q In order to change a salary, what type of  
14 form has to be submitted to the Office of Finance?

15 A The same form, the Payroll Authorization Form,  
16 and there is another box that tells you what acts need  
17 to be taken. Instead of checking "appointment", in the  
18 event it was a salary change, the box electing salary  
19 change would be marked. The form is dated, received by  
20 our office and is also one that requires a signature of  
21 the Member of Congress.

22 Q And what, if any, forms would have to be  
23 submitted regarding a termination of an employee?

24 A It is the same form, multipurpose form, really  
25 a Payroll Authorization Form, and again another election

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area that says, "termination".

Q The procedures that you have described have been for the employment of the personal staff of a Member of Congress.

Is there any difference in the procedures followed for an employee of a Committee?

A No, sir, not in the actual appointment. In the -- or at the end of the month, a certain summary, information that would be produced regarding the Congressional payroll is sent out to the appointing authorities. In the case of the Committee, that summary also had to be approved by another committee, the Committee on House Administration.

Q Now, the Clerk-hire allowance for each individual congressmen, did it vary from congressman to congressman?

A The Clerk-hire allowance in terms of both dollars and numbers of persons was constant throughout this area.

Q As far as each member of Congress?

A Right.

Q Would the Congressman's salary itself be part of the Clerk-hire allowance?

A No. The funds paid each member of Congress for their salary is a distinct operation, separate from

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this.

Q As far as staff members on a Committee, where would those funds for the payment of staff members come from?

A The allowance, itself, that a Committee has to pay for its staff is established by what we call a "resolution" each year.

Monies are specifically earmarked for the use by committees rather than by members. So, what we really have are three kinds of pools of money that can pay the employee as far as members of Congress or the committee chairmen are concerned.

One pool of funds, which we are calling the Clerk-hire funds, pay the individual staffs. The committees have two separate pools of funds. One term is just called standing committee employees, and another term, investigating committee employees, but they are employees of the committees of the House of Representatives.

Q Who is authorized to sign the Payroll Authorization Forms for committee staff members?

A The chairman of that committee is the authorizing official.

Q Mr. Lawler, regarding the Payroll Authorization Form itself, to your knowledge were there any changes

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any in the form, the printed form between the beginning of 1973 and the end of 1976?

A No, the form remained the same.

Q Are you familiar with that form?

A Yes, sir.

MR. KOTELLY: Your Honor, the Government has an exhibit which it has not premarked, and asks that it now be marked as Government Exhibit 63 for identification.

THE DEPUTY CLERK: Government's Exhibit 63 marked.

THE COURT: Has counsel seen it?

MR. KOTELLY: I don't believe so. We just got it late last night.

THE COURT: Allright. Show it to him.

BY MR. KOTELLY:

Q Mr. Lawler, I show you what has been marked as Government's Exhibit 63 for identification and ask you if you can identify the form?

A It is an enlarged facsimile of the Payroll Authorization Form used by us for the appointments.

Q How accurate is this enlarged chart?

A It appears to be identical.

MR. KOTELLY: Your Honor, at this time we would ask to have moved into evidence Government's Exhibit

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No. 63.

THE COURT: Do you wish to be heard, Mr. Povich?

MR. POVICH: No, Your Honor.

THE COURT: It will be received.

THE DEPUTY CLERK: Government's Exhibit No. 63 received in evidence.

(Whereupon, Government's Exhibit No. 63 was received into Evidence.)

BY MR. KOTELLY:

Q I would ask permission to put the chart on the board so that Mr. Lawler can demonstrate to the jury exactly what the form requires to be filled out.

THE COURT: Yes.

Locate the board in such a way that it is visible to the defense and to the jury, if possible.

MR. KOTELLY: Can everyone see?

BY MR. KOTELLY:

Q Mr. Lawler, I would ask you at this time to step down to Government's Exhibit 63.

Can it be seen by everyone now?

Mr. Lawler, I ask you to take this pointer and indicate to the jury the boxes that have to be filled out in order to perpetuate either appointment change of salary, or termination of an employee.

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1 A Okay.

2 Q Speak in a loud voice toward the jury, please.

3 A In an appointment, an appointment requires  
4 several bits of information. So, we will discuss that  
5 first. Changes are relatively straight forward.

6 Our office would need the employee's name, the  
7 social security number, what office or committee or,  
8 in other words which group of money that we need to  
9 charge this appointment to. The effective date of the  
10 appointment. This form may be received at any point  
11 during a month or the case of an appointment, salary  
12 change or termination. But the effective date could have  
13 a date prior to receipt. As an example, we could receive  
14 one of these appointing somebody September 15th. They  
15 would have to be serving prior to the effective date of  
16 the receipt of the form.

17 The type of action in smaller print here is  
18 "appointment, salary adjustment, termination." The  
19 latter two, I will discuss in a moment. The position  
20 title is usually designated by the appointing authority.  
21 It would not necessarily be an integral part of an  
22 appointment, however the gross annual salary is the  
23 rate of pay in annual terms, and the House of  
24 Representatives pays on a monthly basis. This particular  
25 area refers to the appointment of a committee employee.

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1 We talked about first there being a group of funds that  
2 Members had available to themselves for congressional  
3 appointment. That is, working on the personal staff,  
4 and then two groups of funds available if employees were  
5 serving at the pleasure of a Committee.

6 One box elects standing committee. The other  
7 box, special or select committee. Again, it is just  
8 telling us which particular set of funds the employee's  
9 salary is to be charged to. One of the two areas must  
10 be elected if this is a committee appointment. There  
11 wouldn't be no election if the employee were serving on  
12 the congressional staff of the individual Member. The  
13 form is dated. This particular area is for the signature  
14 of the appointing authority. Again, either the  
15 Congressman or committee chairman. This is the district  
16 and state representation. If the appointment were for  
17 the investigating staff of the committee, that is an  
18 election where I am indicating by the pointer, the  
19 appointment would also have to be approved by one other  
20 House committee, the Committee on Administration. The  
21 information at the bottom is internal for use by the  
22 Office Finance. Once this information, then, an appoint-  
23 ment is in the system, in our payroll system, we know  
24 the employee name and social security number and so forth  
25 So, the election of the other two do not require as many

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1 blocks to be filled out.

2 In the case of a salary adjustment, it is  
3 important that we have the employee name and the social  
4 security number, although the social security number  
5 wouldn't be required, because we know which office they  
6 are working for, so we could identify them in the case  
7 of a salary change. Next we need to know the effective  
8 date of the salary change, and again this is at the  
9 option of the appointing authority. It can come at any  
10 time. He or she may wish to change the salary. And  
11 lastly, the signature of the appointing authority.

12 If this particular employer were serving on  
13 more than one payroll, we would also need to know which  
14 office they are referring to that the salary should be  
15 changed. In the case of a termination, again the  
16 employee name, so we know who to terminate, social  
17 security number again is helpful, but not required, so  
18 we are sure we've got the right person. And the  
19 effective date of termination and the authorization or  
20 Payroll Authorization Form is signed by the appointing  
21 authority.

22 Q Thank you. You may resume your seat, please.

23 Mr. Lawler, in your explanation you made  
24 reference to certain information that was needed if an  
25 employee was on more than one payroll.

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Could you explain exactly what you meant by being on more than one payroll?

A Yes. Even though an employee is an employee of the United States House of Representatives, there are in a sense 439 different members of Congress, including the delegates and residence commissioner and also committees that they can be paid from. An employee may serve on more than one payroll. That is, could be on the payroll of two congressmen or in some cases certain positions on a committee and that of a congressman.

Q Are there any regulations or rules which relate to the way that the payment is made if an employee is on more than one payroll?

A There are no such rules about the method of payment, although the combined salary rates of both offices cannot exceed what a person can be paid from one office. There is a maximum limitation of pay that is on the employee, and the sum of his payments cannot exceed that maximum.

You have also indicated that either the Member of Congress or a chairman of a committee must sign the Payroll Authorization Form.

Do the regulations or rules of the Office of Finance allow that duty to be delegated to someone else by the Member?

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1 A The rules and regulations are again established  
2 by the Committee on House Administration and in our  
3 administering of the rules it is required that the  
4 members' signature be there.

5 Q Mr. Lawler, do you have any functions in the  
6 Office of Finance relating to the actual payment of a  
7 salary to employees?

8 A Yes. Our office, based on the information  
9 received from the payroll appointing forms and other  
10 personnel information actually generates the paycheck  
11 for each employee.

12 Q Was that true from the period of, beginning  
13 1973 through the end of 1976?

14 A Yes, sir.

15 Q Could you tell the jury, step by step, exactly  
16 what is done to initiate the payment of a check for an  
17 employee?

18 A Yes. When this information on appointment is  
19 entered by our payroll department into the computer  
20 system, approximately five days before the end of the  
21 month all the checks are written by the computer.

22 It is an in-house computer facility located  
23 in a building that is an annex of the House of  
24 Representatives.

25 After these checks are printed one of my

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1 staff members, together with a signature that will go  
2 over the signature plate, will affix the signature to  
3 the check, goes over to the in-house computer facility  
4 and all the checks are bursed or cut and signed.

5 These checks then were physically brought  
6 back to our office, usually under the accompaniment of  
7 a police escort, and in our office are then divided.

8 In the time period that you referred to, after  
9 1973 and prior to March of 1977, I believe, the check  
10 addresses were sorted so that all the checks would be  
11 by office code and whether or not they would be outside  
12 our mail system or inside our mail system. These two  
13 mail systems, I refer to one, the outside mail is an  
14 address that is away from our House Office Building.  
15 The inside mail refers to an address of room numbers in  
16 several of the House buildings.

17 After the checks were sorted, manually inserted  
18 in the envelopes and then sealed by machine we would  
19 call the House Postmaster's Office who would come to  
20 our office in the Cannon House Office Building and  
21 physically pick up those checks that were designated  
22 outside or inside mail.

23 In the case of checks that may be going to  
24 banks, and there were four or five financial institutions  
25 at that time. These were also sorted and they were

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personally picked up by the banking people.

Q What banks were there that would pick up these checks for the employees during the period 1973 through the end of 1976?

A There were, again as I recall, five financial institutions. The Riggs Bank, the National Capitol Bank, the National Bank of Washington and the American Security and Trust Company and the Credit Union at the House of Representatives.

Q Mr. Lawler, again regarding the Payroll Authorization Form, did the submission of a Payroll Authorization Form to you relate to any other month than the one it was submitted to you for?

A Only in effect future months, but could not relate to prior months.

In other words, when the Payroll Authorization Forms came in with an effective date of say September 1st, that will continue to generate an action in October, November and so forth until we receive another form changing that action.

Q If you received more than one Payroll Authorization Form for one particular employee in one particular position, how would you treat that?

A The office would be contacted. Now, this -- I am assuming are two Payroll Authorization Forms for

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the same position and the same office, not separate offices?

Q Correct.

A The office would be contacted and determined when it superseded the other. Usually, in these cases the latter appointment or the latter action is the one that would take precedence.

Q Mr. Lawler, if during the period of 1973 through the end of 1976, if a member of Congress did not use the entire Clerk-hire allowance for that month, what would happen to the monies that were left over?

A Only one-twelfth of his annual allowance is available in any one month. If a balance existed at the end of the month it could not be used in succeeding months. Two and a half years later, any of these residual funds, in accordance with normal Treasury procedures were returned to the United States Treasury.

Q During that period of 1973 through the end of 1976, the amount of money stated on the Payroll Authorization Form, for what purposes was that amount stated based on the regulations of the House Committee on Administration?

A Could I have you repeat the question, please?

Q Let me rephrase it.

The amount of salary indicated on a Payroll

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1 Authorization Form submitted to you and for what  
2 purpose was that amount of money, each month that was  
3 generated because of that Payroll Authorization, what  
4 could that money be used for?

5 MR. POVICH: Objection. May we come to the  
6 Bench?

7 THE COURT: Yes.

8 (At the Bench.)

9 MR. POVICH: Your Honor, it is my understanding  
10 that he is now going to testify as to what -- how  
11 certain money may be used.

12 MR. KOTELLY: No. I asked what was it for.

13 MR. POVICH: What it is for?

14 THE COURT: What kind of an answer do you  
15 expect?

16 MR. KOTELLY: For the employee.

17 THE COURT: That is a proper question. All  
18 right.

19 (In open court.)

20 BY MR. KOTELLY:

21 Q Mr. Lawler, let me repeat the question:

22 Regarding the salary amounts listed on the  
23 Payroll Authorization Form what allowable purpose would  
24 that be for the amount listed on the Payroll  
25 Authorization Form?

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1 A It was payment for compensation to employees  
2 for their performance of official duties.

3 Q Mr. Lawler, so far as the -- well, strike that  
4 question.

5 Mr. Lawler, have you been subpoenaed to bring  
6 with you certain documents that are in your care,  
7 custody and control of the Office of Finance?

8 A Yes.

9 Q And have you turned over copies of such  
10 documents to the Government?

11 A Yes.

12 Q What type of documents have you prepared and  
13 given to the Government?

14 A Copies of original documents from the indivi-  
15 dual personnel file folders relating to an appointment,  
16 salary changes, and termination of employees and  
17 certain summaries, including numbers and dollar amounts  
18 of disbursements made for salary payments.

19 Q Were you specifically requested to bring with  
20 you Payroll Authorizations for an employee named  
21 Jean Stultz?

22 A Yes.

23 Q And the Payroll Authorization Forms that you  
24 turned over apply to what type of employment for  
25 Ms. Stultz, what positions, if you know?

000024



1           A     Appointments both at a committee employee  
2 position and at the congressional office level.

3           MR. KOTELLY: Your Honor, the Government has  
4 premarked as Government's Exhibit 1-A through 1-L --

5           THE DEPUTY CLERK: Government's 1-A through  
6 1-L marked for identification.

7                     (Whereupon, Government's  
8 Exhibits Nos. 1-A through 1-L  
9 was marked for identification.)

10          THE COURT: For the record, have they been  
11 made available to defense counsel?

12          MR. KOTELLY: They have been previously made  
13 available, yes, sir, Your Honor.

14 BY MR. KOTELLY:

15          Q     Mr. Lawler, while defense counsel is looking at  
16 the exhibits, let me ask you another series of questions.

17                     Was there any way to change an employee's  
18 salary other than through the Payroll Authorization?

19          A     Yes. Each year, usually in October and in this  
20 time period it was October of each respective year, the  
21 Government's cost of living could be passed on to the  
22 employees. However, it was optional for members or  
23 committee chairmen to authorize that increase.

24          Q     What type of forms would be submitted regarding  
25 the cost of living changes?

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1           A     The change could be effectuated by the Payroll  
2 Authorization Form.

3                     However, it was more common to submit a blanket  
4 form wherein the appointing authority elected either to  
5 give it the cost of living, that is to all of their  
6 employees, some or none.

7           Q     Mr. Lawler, I show you what has been marked  
8 as Government's Exhibit 1-A through 1-L and ask if you  
9 can identify those documents.

10          A     Yes.

11          Q     How do you identify Government's Exhibit 1-A  
12 through 1-L for identification?

13          A     The Exhibit 1-A through 1-L is identified by  
14 my initial on the back of the form.

15          Q     What is Government's Exhibit 1-A through 1-L?

16          A     Exhibit 1-A through 1-L is an exact copy of the  
17 original Payroll Authorization Form appointing or  
18 changing salary or other payroll action on Jean Stultz  
19 by Congressman Charles Diggs.

20          Q     For what position is that?

21          A     This is for a position on the congressional  
22 staff. The position title has been listed as:  
23 Legislative Secretary.

24          Q     And for what time periods does Government's  
25 Exhibit 1-A through 1-L encompass?

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1 A Government's Exhibit 1-A has an effective  
2 date of October 13th, 1972. Government's Exhibit 1-L,  
3 the last exhibit, has an effective date of August 31st,  
4 1976.

5 Q What action was taken on exhibit, Government's  
6 Exhibit 1-L?

7 A 1-L is a termination.

8 Q Have you compared Government's Exhibit 1-A  
9 through 1-L with the original documents which you have  
10 testified are in your custody?

11 A Yes.

12 Q How do they compare?

13 A They are identical.

14 Q Mr. Lawler, were you also requested to obtain  
15 information regarding the Treasury checks that were  
16 issued for Jean Stultz as a result of the Payroll  
17 Authorization 1-A through 1-L for identification being  
18 submitted to the Office of Finance?

19 A Yes.

20 Q What type of information did you have in your  
21 care, custody and control that would reflect such  
22 information?

23 A Our office provided the employees under my  
24 direct supervision, and myself provided summaries for  
25 the employee including rates of pay and the check

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number from original payroll journals of the House.

Q And were these prepared under your direction and supervision and at your request?

A Yes.

MR. KOTELLY: Government's Exhibit 2 for identification, Your Honor.

THE DEPUTY CLERK: Government's Exhibit 2 marked for identification.

(Whereupon, Government's Exhibit No. 2 was marked for identification.)

BY MR. KOTELLY:

Q Mr. Lawler, I ask you to look at Government's Exhibit No. 2 for identification and ask you if you can identify that document?

A Yes.

Q How do you identify it?

A By my personal initial and date on the back.

Q What is Government's Exhibit 2 for identification?

A Government's Exhibit 2 is a summary of United States Treasury check numbers and amounts issued to Jean G. Stultz between August of 1976 and September, 1974.

Q And for what position would that relate to?

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1 A For the positions authorized by the Payroll  
2 Authorization Forms in the earlier exhibit.

3 Q Government's Exhibit 1-A through 1-L, you are  
4 referring to?

5 A Yes, sir.

6 MR. KOTELLY: Government's Exhibit 4-A through  
7 4-E for identification, Your Honor.

8 THE DEPUTY CLERK: Government's Exhibit 4-A  
9 through 4-E marked for identification.

10 (Whereupon, Government's  
11 Exhibit No. 4-A through 4-E  
12 was marked for identification)

13 BY MR. KOTELLY:

14 Q Mr. Lawler, I show you Government's Exhibit  
15 4-A through 4-E for identification and ask if you can  
16 identify those documents?

17 A Yes.

18 Q How do you identify those?

19 A By my initial and date on the back of each  
20 copy.

21 Q What is Government's Exhibit 4-A through 4-E  
22 for identification?

23 A Exhibit 4-A through 4-E are copies of original  
24 Payroll Authorization Forms appointing, or otherwise  
25 effectuating some payroll action for Jean G. Stultz on

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1 the District of Columbia committee.

2 Q During the period, what period of time did  
3 those Payroll Authorizations relate to?

4 A Government Exhibit 4-A has an effective date  
5 of April 1st, 1973, and Government Exhibit 4-E has an  
6 effective date of September 30th, 1974.

7 Q During that period of time do you have  
8 knowledge as to who was the chairman of the House  
9 Committee on the District of Columbia?

10 A Yes.

11 Q Who was that?

12 A Congressman Charles Diggs.

13 Q Have you had an opportunity to compare  
14 Government's Exhibit 4-A through 4-E with the originals  
15 that are in your care, custody and control?

16 A Yes.

17 Q How do they compare?

18 A They are identical copies.

19 Q Regarding the employment of Jean Stultz on  
20 the District of Columbia Committee, did you cause to  
21 have a summary made as to the payments by check to her  
22 for those duties?

23 A Yes.

24 Q From what records did you obtain the  
25 information?

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1 A The summaries were prepared from Payroll  
2 Journals of the House.

3 Q Did you have an opportunity to compare that  
4 with any of the documents?

5 A Yes.

6 Q How did it compare?

7 A They agreed.

8 MR. KOTELLY: Government's Exhibit 5 for  
9 identification.

10 THE DEPUTY CLERK: Government's Exhibit 5  
11 marked for identification.

12 (Whereupon, Government's  
13 Exhibit No. 5 was marked for  
14 identification.)

15 THE COURT: All right.

16 BY MR. KOTELLY:

17 Q Mr. Lawler, I show you Government's Exhibit  
18 No. 5 for identification and ask if you can identify it?

19 A Yes.

20 Q How do you identify it?

21 A By my initial and date on the back of the  
22 form.

23 Q What is Government's Exhibit 5 for identifica-  
24 tion?

25 A Government's Exhibit 5 is the original summary

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prepared by our office on United States Treasury checks issued to Jean G. Stultz, paid from funds of the Committee on the District of Columbia indicating the date, dollar amount and Treasury check number.

Q Mr. Lawler, I believe on Government's Exhibit 5 for identification that there is one date for which there was no information furnished; is that correct?

A Yes. On Exhibit 5, the disbursement for January, 1974 in our payroll journal was not legible.

Q Were you able to determine independently as to whether, in fact, a check was disbursed on that date?

A Yes. A check was issued for January, 1974 by other accounting records in our office.

Q Regarding the salary as to Jean Stultz on the District of Columbia Committee --

A Yes.

Q -- Mr. Lawler, were you also subpoenaed to bring with you any copies of these cost of living increases for Jean Stultz as to her employment either on the District of Columbia Committee or her employment for Congressman Diggs?

A Yes.

Q As to the employment on the District of Columbia Committee, were you able to find any cost of

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living information?

A The original form that authorized the cost of living increase in October, we could not locate.

Q Did you independently try to ascertain as to whether there was any cost of living increase for Jean Stultz as far as her employment with the District of Columbia Committee?

A Yes. We were able to ascertain by other accounting records a salary increase effective in October.

Q Of what year?

A 1973.

Q And what type of records were you able to produce to reflect an increase with the -- for the cost of living?

A A monthly payroll summary, as well as a document from the computer facility showing us what cost of living or salary increases have been updated that particular month.

MR. KOTELLY: Your Honor, as our next exhibit I would ask to have marked for identification 4-F and G.

THE COURT: All right.

THE DEPUTY CLERK: Government's Exhibit 4-F and 4-G marked for identification.

000033

(Whereupon, Government's  
Exhibits Nos. 4-F and 4-G were  
marked for identification.)

BY MR. KOTELLY:

Q Mr. Lawler, I show you what has now been  
marked as Government's Exhibit 4-F and 4-G for identifi-  
cation and ask you if you can identify those documents?

A Yes.

Q How do you identify them?

A By my initial and date on the back of each  
one.

Q What are those documents?

A Government's Exhibit 4-F and 4-G are payroll,  
or copies of payroll change confirmation forms.

These are documents that are received by our  
office during that particular time period assuring us  
that the changes that we wanted in the computer system  
regarding payroll had been made.

Q And for what dates did the Government Exhibits  
4-F and 4-G for identification apply to?

A Government Exhibit 4-G is confirming certain  
payroll changes. The document is dated October 31st,  
1973, and information on the document would refer to  
any changes in the month of October in '73.

Government's Exhibit 4-F has the effective

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date confirming changes, dated June 29th, 1973. In the absence of any documents in between it would indicate the information stayed the same.

Q And to what employee and what position did these two documents relate to?

A Government's Exhibit 4-F and 4-G both relate to Jean G. Stultz as to her employment on the District of Columbia Commission.

Q And what salary changes is reflected in those documents?

A There is a salary change reflected. Government Exhibit 4-G is confirming a salary increase of \$14,000, rather -- not an increase, but a new salary rate of \$14,667.18, from a previous salary of an annual rate of \$14,000. \$14,000 is confirmed by Government's Exhibit 4-F.

Q And from your having reviewed the documents how was the change reflected in 4-G effectuated, if you know?

A Under normal procedures it would have been from a single form signed by Chairman Diggs of that committee authorizing increases for the month of October, probably related to the cost of living.

Q Would that have been the proper frame. That a cost of living change would have occurred?

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1           A       Yes, in 1973 that change took place in  
2  
3       October.

4                   MR. KOTELLY:   Government's Exhibit 3-A through  
5       3-N, Your Honor.

6                   THE DEPUTY CLERK:   Government's 3-A through  
7       3-N marked for identification.

8                                       (Whereupon, Government's  
9       Exhibits Nos. 3-A through 3-N  
10      were marked for identifica-  
11      tion.)

12                   MR. KOTELLY:   And 6-A through 6-F for  
13      identification, Your Honor.

14                   THE DEPUTY CLERK:   6-A through 6-F, Govern-  
15      ment's Exhibits marked for identification.

16                                       (Whereupon, Government's  
17      Exhibits Nos. 6-A through 6-F  
18      were marked for identifica-  
19      tion.)

20       BY MR. KOTELLY:

21                   Q       Mr. Lawler, I would like you to look at  
22      Government's Exhibit 3-A through 3-N and merely ask  
23      you the form of the document. I ask if you can identify  
24      the form of the document?

25                   A       3-A through 3-N?   Yes.

                  Q       And do you recognize the form of those

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documents?

A Yes. Government's Exhibit 3-A through 3-N are original Treasury checks issued by our office.

Q How do you identify them as being issued by your office?

A Our checking account number symbol is in the upper right corner, the facsimile signature for the authority to sign the paycheck, as well as other format on the check, including the color is that of the United States House of Representatives paycheck.

Q In the regular course of business in the Office of Finance, what documents would have caused you to create those Treasury checks, Government's Exhibits 3-A through 3-N?

A The Payroll Authorization Form.

Q In the ordinary course of business what would have been done with 3-A through 3-N after the Office of Finance had created the Treasury checks?

A They would be distributed to the recipients.

Q When you say "distributed to the recipients," are you referring to your testimony earlier as to how they were distributed?

A Yes. We would have signed the checks, inserted them in the Finance Office, and also sorted them according to the inside or outside mailing, then

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they would have been picked up by the House Postmaster.

Q I show you Government's Exhibit 6-A through 6-F for identification and ask you as to the form of those documents, whether you can identify them?

A Yes.

Q What are Government's Exhibits --

A Government's Exhibits 6-A through 6-F are original Treasury checks of the House of Representatives paid for salary.

Q And do you identify them in the same manner as Government's Exhibit 3 for identification?

A Yes, including the Treasury check symbol number.

Q And as to their distribution, would that also be in the same ordinary course of business as documents you refer to in Government's Exhibit 3?

A Yes.

MR. KOTELLY: Government's Exhibit 7-A through 7-R for identification.

THE DEPUTY CLERK: Government's Exhibit 7-A through 7-R marked for identification.

(Whereupon, Government's Exhibits 7-A through 7-R were marked for identification.)

BY MR. KOTELLY:

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Q Mr. Lawler, were you also subpoenaed to bring with you certain documents in your care, custody, and control as to an employee, Felix R. Matlock?

A Yes.

Q What type of documents did you turn over to the Government pursuant to that subpoena?

A Copies of all of the documents pertaining to the appointment, salary changes, including Payroll Authorization Forms, and personnel related papers and summaries of Treasury check numbers.

Q I show you Government's Exhibit 7-A through 7-R for identification and ask you if you can identify those documents?

A Yes, I can identify the documents.

Q How can you identify them?

A By my initial and date on the back of each copy.

Q What are Government's Exhibit 7-A through 7-R for identification?

A Exhibits 7-A through 7-R are Payroll Authorization Forms relating to the employment of Felix R. Matlock on the congressional payroll of Congressman Charles Diggs.

Q What time period is covered by Government's Exhibits 7-A through 7-R for identification?

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1           A     Government's Exhibit 7-A, the effective  
2 date is January 1, 1973. The last document, Government's  
3 Exhibit 7-R, the effective date is January 1, 1977.

4           Q     What type of action is on the first and last  
5 document?

6           A     Government's Exhibit 7-R is a salary adjustment

7           Q     And the Government's Exhibit 7-A?

8           A     Also a salary adjustment.

9           MR. KOTELLY: Government's Exhibit No. 8 for  
10 identification.

11           THE DEPUTY CLERK: Government's Exhibit 8  
12 marked for identification.

13                     (Whereupon, Government's  
14 Exhibit No. 8 was marked for  
15 identification.)

16 BY MR. KOTELLY:

17           Q     Mr. Lawler, I show you Government's Exhibit 8  
18 for identification and ask you if you can identify that  
19 document.

20           A     Yes.

21           Q     How do you identify it?

22           A     By my initials and date on the back of each  
23 copy.

24           Q     What is Government's Exhibit 8 for identifica-  
25 tion?

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1 A Government's Exhibit 8 is a copy of a summary,  
2 schedule of United States Treasury checks issued to  
3 Felix R. Matlock from January, 1972 to May 30th, 1977.

4 Q And the information on Government Exhibit 8  
5 for identification, where did that come from?

6 A These were prepared by my staff at my -- under  
7 my supervision and myself from original payroll journals  
8 of the House.

9 Q Have you checked it for accuracy?

10 A Yes.

11 Q How does it compare with the journals of the  
12 House?

13 A It is identical.

14 Q Mr. Lawler, I believe there is one date in  
15 1976 that there is no information on. Do you see that  
16 on Government's Exhibit No. 8?

17 A Government Exhibit 8? In May of 1976 we were  
18 not able to ascertain the check number.

19 Q Were you able to determine as to whether a  
20 check was, in fact, issued for that month?

21 A Yes.

22 Q Was one issued?

23 A Yes.

24 Q How would the amount correspond to other  
25 months that are reflected on either side on that summary?

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1 A It was the same dollar amount as the month  
2 preceding and the month following. This information was  
3 obtained from other accounting records in the payroll  
4 confirmations in our office.

5 Q I believe I failed to ask you on Government's  
6 Exhibit 7-A through 7-R, regarding the Payroll  
7 Authorization of Felix Matlock, did you have any occasion  
8 to compare that with the original documents in your care  
9 custody, and control?

10 A Yes.

11 Q How do they compare?

12 A They are identical.

13 MR. KOTELLY: Government's Exhibit 9-A through  
14 9-I for identification.

15 THE DEPUTY CLERK: Government's Exhibit 9-A  
16 through 9-I marked for identification.

17 (Whereupon, Government's  
18 Exhibits Nos. 9-A through 9-I  
19 were marked for identifica-  
20 tion.)

21 BY MR. KOTELLY:

22 Q Mr. Lawler, I show you Government's Exhibit  
23 9-A through 9-I for identification and ask if you can  
24 identify these documents as to the form of the document?

25 A Yes.

000042

Q What are Government's Exhibits 9-A through 9-I?

A The Exhibit 9-A through 9-I are original Treasury checks issued by our office for salary purposes.

Q For whom were they issued?

A The checks are made payable to Felix R. Matlock.

Q What would have caused the issuance of those particular salary checks, Government's Exhibits 9-A through 9-I?

A The Payroll Authorization Forms.

Q That you have previously identified?

A Yes.

MR. KOTELLY: Government's 10-A through 10-P for identification.

THE DEPUTY CLERK: Government's Exhibit 10-A through 10-P marked for identification.

(Whereupon, Government's Exhibits Nos. 10-A through 10-P were marked for identification.)

BY MR. KOTELLY:

Q Mr. Lawler, I show you Government's Exhibit 10-A through 10-P for identification and ask you if you can identify those documents?

000043

1 A Yes, I can identify those documents.

2 Q How do you identify them?

3 A By my initial and date on the back of each  
4 copy.

5 Q What are those exhibits for identification?

6 A Government Exhibit 10-A through 10-P are  
7 copies of original Payroll Authorization Forms.

8 Q Who did they relate to?

9 A Ofield Dukes.

10 Q For what position?

11 A Otherwise, changing salaries.

12 Q What do they pertain to?

13 A On the congressional role of Congressman  
14 Charles C. Diggs.

15 Q Were copies of this document submitted to the  
16 Government pursuant to a subpoena for those documents?

17 A Yes.

18 Q Have you had an opportunity to compare them  
19 with the original documents in your care, custody and  
20 control?

21 A I have.

22 Q How do they compare?

23 A Government's Exhibit 10-A through 10-P are  
24 identical to the original Payroll Authorization Forms.

25 Q Mr. Lawler, were you further requested as to

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the employee, Ofield Dukes, to make a summary of the actual salary check which were paid to Mr. Dukes?

A Yes, sir.

Q Was such a summary prepared?

A Yes..

Q I show you Government's Exhibit -- that is Government's Exhibit 11 for identification.

THE DEPUTY CLERK: Government's Exhibit 11 marked for identification.

(Whereupon, Government's Exhibit No. 11 was marked for identification.)

BY MR. KOTELLY:

Q I show you Government's Exhibit 11 marked for identification and ask you if you can identify that.

A Yes.

Q How do you identify it?

A By my initial and date on the back of each copy.

Q What does that document relate to?

A Government Exhibit 11 is the originally prepared summary of Treasury check numbers and applicable months of payment for payroll checks issued to Ofield Dukes between April of 1973 and December of 1977.

Q Have you compared that for accuracy with the

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original documentation at the Office of Finance?

A Yes.

Q How does it compare?

A The information is identical to the payroll journals of the House.

MR. KOTELLY: 12-A through 12-R, Your Honor, for identification.

THE DEPUTY CLERK: Government's Exhibit 12-A through 12-R marked for identification.

(Whereupon, Government's Exhibits Nos. 12-A through 12-R were marked for identification.)

BY MR. KOTELLY:

Q Mr. Lawler, I show you what has been marked as Government's Exhibit 12-A through 12-R and I ask you as to the form of those documents, whether you can identify them?

A Yes, I can identify them.

Q And what are those exhibits?

A Exhibits 12-A through 12-K are original United States Treasury checks issued on behalf of the House of Representatives from our office for salary purposes.

Q And who are they paid to?

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1 A The checks are made payable to Ofield Dukes.

2 Q What would have caused the issuance of those  
3 Treasury checks?

4 A Again, the Payroll Authorization Forms.

5 Q That you have previously identified?

6 A Yes.

7 Q I believe, Mr. Lawler, in identifying these  
8 that you have indicated the last one was 12-R. I would  
9 ask you to look --

10 THE DEPUTY CLERK: He said "K".

11 BY MR. KOTELLY:

12 Q I asked you to look at Government's Exhibit  
13 12-R and ask you if you can also identify that.

14 A Yes. Exhibit 12-R is an original Treasury  
15 check issued by our office for salary purposes. It is  
16 made payable to Ofield Dukes.

17 MR. KOTELLY: Your Honor, next Government  
18 Exhibits 13-A through G for identification.

19 THE DEPUTY CLERK: 13-A through 13-G marked  
20 for identification.

21 (Whereupon, Government's  
22 Exhibits Nos. 13-A through  
23 13-G was marked for identifi-  
24 cation.)  
25

000047

1 BY MR. KOTELLY:

2 Q Mr. Lawler, were you also subpoenaed to bring  
3 and turn over to the Government any records relating  
4 to Jeralee Richmond?

5 A Yes.

6 Q What type of documents did you turn over to  
7 the Government?

8 A Copies of the contents of the personnel file  
9 folder containing personnel information and Payroll  
10 Authorization Forms, related summaries, scheduling our  
11 Treasury checks.

12 Q I show you Government's Exhibit 13-A through  
13 13-G for identification and ask if you can identify  
14 those documents?

15 A Yes.

16 Q How do you identify them?

17 A By my initial and date on the back of each  
18 form.

19 Q What are Government's Exhibits 13 for  
20 identification?

21 A Exhibit 13-A through 13-G are copies of  
22 original payroll authorization forms pertaining to the  
23 employment action on Jeralee G. Richmond for the office  
24 of Congressman Charles C. Diggs.

25 Q For what period of time do they relate?

000048

1 A Exhibit 13-A has an effective date of July 1,  
2 1974.

3 Q What type of action was that?

4 A That was an appointment. Government's Exhibit  
5 13-G is a salary adjustment effective June 1st, 1977.

6 Q What type of action was that? I am sorry.  
7 You already indicated --

8 A Salary adjustment.

9 MR. KOTELLY: Government's Exhibit 14.

10 THE DEPUTY CLERK: 14 marked for identification  
11 (Whereupon, Government's  
12 Exhibit No. 14 was marked for  
13 identification.)

14 BY MR. KOTELLY:

15 Q Mr. Lawler, as to Government's Exhibit 13,  
16 did you compare those with the original documents in  
17 your care, custody and control?

18 A Yes.

19 Q How did they compare?

20 A They are identical to the original forms.

21 Q I next show you Government's Exhibit 14 for  
22 identification and ask you if you can identify that  
23 document?

24 A Yes.

25 Q How do you identify it?

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1 A By my initial and date on the back of the  
2 form.

3 Q What is Government's Exhibit 14 for  
4 identification?

5 A Exhibit 14 is a schedule prepared by our office  
6 of the United States Treasury chest issued to Jeralee  
7 Richmond.

8 Q For what period of time?

9 A 1974, July of '74 through May of '77.

10 Q And have you compared that for accuracy with  
11 the documents at the Office of Finance?

12 A Yes, I have.

13 Q How did they compare?

14 A It was identical with the exception of the  
15 clerical errors, which I have noted on the board. The  
16 information is now corrected. It represents the same  
17 information as the payroll journals of the House.

18 MR. KOTELLY: Government's Exhibits 15-A  
19 through M, Your Honor, for identification.

20 THE DEPUTY CLERK: Government's Exhibit 15-A  
21 through M marked for identification.

22 (Whereupon, Government's  
23 Exhibit No. 15 was marked for  
24 identification.)

25 BY MR. KOTELLY:

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Q Mr. Lawler, I show you Government's Exhibit 14-A through M for identification and ask you if you can identify those documents?

THE COURT: Ladies and gentlemen, do you think it is getting kind of warm in this courtroom?

(Jury nodding heads affirmatively.)

THE COURT: See if we can get a little air conditioning. Go ahead.

BY MR. KOTELLY:

Q Mr. Lawler, can you identify the form, those documents?

A Yes.

Q What are those documents?

A Exhibits 15-A through 15-M are original Treasury checks issued on the House of Representatives by our office for salary purposes.

Q To whom are these documents issued?

A The checks were made payable to Jeralee Richmond.

Q What, if any documentation caused the issuance or the creation of those checks by the Office of Finance.

A Again the Payroll Authorization Form.

Q That you have already identified?

A Yes.

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1 MR. KOTELLY: Government's Exhibit 16-A  
2 through 16-T for identification.

3 THE DEPUTY CLERK: Government's Exhibit 16-A  
4 through 16-T marked for identification.

5 (Whereupon, Government's  
6 Exhibits Nos. 16-A through  
7 16-T were marked for  
8 identification.)

9 BY MR. KOTELLY:

10 Q Mr. Lawler, I show you Government's Exhibit  
11 16-A through 16-T for identification and ask you if  
12 you can identify that?

13 A Yes, I can identify that.

14 Q What are those Government's Exhibits 16-A  
15 through 16-T, I believe?

16 A 16-A through 16-T are copies of original  
17 Payroll Authorization Forms appointing or otherwise  
18 effectuating salary changes on George G. Johnson to the  
19 congressional role of Congressman Charles C. Diggs.

20 Q Were you subpoenaed and did you turn over  
21 those copies to the Government?

22 A Yes.

23 Q Have you compared those with the original  
24 documents in your care, custody and control?

25 A Yes. They are identical to the original form.

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MR. KOTELLY: Your Honor, Government's

Exhibit 17.

THE DEPUTY CLERK: Government's 17 marked for  
identification.

(Whereupon, Government's  
Exhibit No. 17 was marked for  
identification.)

BY MR. KOTELLY:

Q Mr. Lawler, I show you Government's Exhibit  
17 for identification and ask you if you can identify  
that document?

A Yes.

Q How can you identify it?

A By my initial and date on the back of the  
form.

Q What is Government's Exhibit 17 for  
identification?

A Exhibit 17 is a summary, similar to the other  
ones of United States Treasury checks issued to  
George G. Johnson, including dollar amount and check  
number for the period July, 1973 through December of  
1974.

Q For what position does that Government  
Exhibit 17 relate to?

A It pertains to appointment to the congressional

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1 payroll.

2 Q Of whom?

3 A Of Congressman Charles Diggs.

4 Q Have you compared that document with the  
5 original documents under your care, custody and control  
6 for accuracy?

7 A Yes.

8 Q How does it compare?

9 A It is identical to the information contained  
10 in the payroll journals of the House.

11 MR. KOTELLY: Your Honor, Government's  
12 Exhibit 18-A through 18-H for identification.

13 THE DEPUTY CLERK: Government's Exhibit 18-A  
14 through H marked for identification.

15 (Whereupon, Government's  
16 Exhibits 18-A through 18-H  
17 was marked for identification)

18 BY MR. KOTELLY:

19 Q Mr. Lawler, I show you Government's Exhibit  
20 18-A through H for identification and ask you if you  
21 can identify that document?

22 A Yes, I can identify the document.

23 Q How do you identify them?

24 A 18-A through 18-H are original Treasury  
25 checks issued on the House of Representatives by our

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office for salary purposes or, they are identified again by an exact format of our checks, including our checking account or symbol number.

Q What payee are on those checks?

A The checks are made payable to George G. Johnson.

Q And pursuant to what documents would those checks have been issued, Government's Exhibit 18?

A The Payroll Authorization Forms.

Q That you have just identified?

A Yes.

Q Mr. Lawler, as to the printing of these actual -- of the checks, themselves, you have indicated after they are issued or printed by the Office of Finance that they are sorted; is that correct?

A Yes. The actual printing takes place at the in-house computer facility, which is not a part of my office, but it is an office within the United States House of Representatives.

Q Are you familiar with any coding of designation on the Treasury checks, themselves, for purposes of sorting these documents?

A Yes.

Q And as far as checks that are to be mailed in the United States Postal Service what type of a code or

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designation would appear on the Treasury checks?

A During the time period that those checks were printed a numerical code was used to designate the mailing sequence. A code seven designated to our office and the outside mail address, again the checks were manually sorted by our office, so people recognizing a seven would put those in a pile for the outside mail.

Q Where would this number appear?

A On the salary checks during that time period it appeared in the lower left side of the paychecks.

MR. KOTELLY: May I have your indulgence for one moment?

THE COURT: Yes.

BY MR. KOTELLY:

Q Mr. Lawler, were you also subpoenaed to bring with you any cost of living changes for the staff of Congressman Charles Diggs during the period 1973 through the end of 1976?

A Yes.

Q Did you turn over such documents to the Government?

A Yes. we submitted copies of the original documents.

MR. KOTELLY: I would ask these be marked as Government's Exhibits Nos. 19-A through E. Your Honor.

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They have not been premarked.

THE DEPUTY CLERK: Government's Exhibit 19-A through 19-E marked for identification.

(Whereupon, Government's Exhibits 19-A through 19-E were marked for identification)

THE COURT: Will this be a convenient time to take a ten-minute break?

MR. KOTELLY: Yes, Your Honor.

THE COURT: Ten minute break, ladies and gentlemen. The same admonition I have given you all along. Even if I don't give it, it still applies throughout the trial. Do not discuss the case among yourselves or let anybody talk to you about it and do not talk to anybody about it.

(Whereupon, at 3:05 o'clock p.m. a short recess was taken at the conclusion of which the following proceedings were had at 3:15 o'clock p.m.)

THE COURT: Bring in the jury.

(Defendant present in open court.)

(Whereupon, the jury resumed their seats in the jury box and the following proceedings were had in open court:)

THE COURT: You may proceed.

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1 MR. KOTELLY: Thank you, Your Honor.

2 BY MR. KOTELLY:

3 Q Mr. Lawler, I show you Government's Exhibit  
4 19-A through E for identification and ask you if you can  
5 identify those documents?

6 A Yes.

7 Q How do you identify them?

8 A By my initial and date on the back of the form.

9 Q What are Government's Exhibit 19-A through  
10 19-E?

11 A Exhibit 19-A through 19-E are copies of forms  
12 that Congressman Diggs used in granting the pay  
13 comparability increases in October, the years 1977 back  
14 through 1973. This form is the one when we referred to  
15 earlier that was the other form that could be used to  
16 change a salary in addition to the Payroll Authorization  
17 Form.

18 Q Mr. Lawler, have you had an opportunity to  
19 compare Government's Exhibit 19-A through 19-E with the  
20 originals?

21 A Yes.

22 Q How do they compare?

23 A The copies are identical to the originals.

24 MR. KOTELLY: Your Honor, at this time we  
25 would move Government's Exhibits 19-A through 19-E into

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evidence.

THE COURT: Does counsel wish to be heard?

MR. POVICH: Which ones? Are those the only ones you are moving in at this time? Could I see them?

THE COURT: If you do object come to the Bench.

MR. POVICH: No, Your Honor, I would just like to look at them for a moment.

Your Honor, can we come to the Bench?

THE COURT: Yes.

(At the Bench.)

MR. POVICH: Your Honor, what disturbs me about this is first, 19-A says, "all employees" but 19-B, for instance, says "all employees on my payroll as of September 30, '76, with the exception of those which included Payroll Authorization Forms are attached are granted" and I don't know whether any were attached or not.

MR. KOTELLY: Your Honor, if there were Payroll Authorization Forms submitted, they would be in evidence here now.

MR. POVICH: Are you saying there were none attached?

MR. KOTELLY: All of these which were attached are part of the exhibits that have already been in --

MR. POVICH: John, can you answer my question?

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Were there any attached to this?

MR. KOTELLY: I don't know.

MR. POVICH: I think before this goes in as representing a situation, Your Honor, where with the form speaks of attachments or possible attachments, there should be some information as to whether there were or were not any attachments.

MR. KOTELLY: Your Honor, as I just explained if there were attachments they would be Payroll Authorization Forms, which are in evidence as to the employees we are interested in, if they have Payroll Authorization Forms attached that had some other employers we are not interested in. We submit it is irrelevant whether they were attached or not attached.

MR. POVICH: My problem, Your Honor, is just to be perfectly blunt about it, it says, "Authorization for a payroll increase." There are two sections for it. One, it says, "all employees."

THE COURT: Yes.

MR. POVICH: Which is checked in some instances. The other says: "All employees whose authorization forms are attached." Now, I don't know whether these --

THE COURT: Perhaps your witness can explain that. I think that is admissible as such. I think it

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ought to be explained.

MR. KOTELLY: Yes, I will do so.

THE COURT: All right. I will receive it.

(In open court.)

THE COURT: I will receive it.

THE DEPUTY CLERK: 19-A through E received in evidence.

(Whereupon, Government's Exhibits 19-A through 19-E were received into Evidence.)

BY MR. KOTELLY:

O Mr. Lawler, I first show you which has now been admitted into evidence as Government's 19-A, and ask you to state what is that document, specifically?

A Government's Exhibit 19-A is a copy of a form that has been completed with the name Charles C. Diggs, Jr., as the congressional name, 13th District of Michigan, and there are four elections possible on this form.

What this form does is each October, to prevent having to submit 15 or 16 separate forms to raise somebody's salary for a cost of living or pay comparability, one form may elect a combination of those. The various combinations include all employees on my payroll as of a certain date gets the

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comparability increase.

All employees on my payroll with certain exceptions gets the increase. Only those papers whose Payroll Authorization Forms are attached will get the increase, and the last option is paraphrased as none of the employees will get the pay increase.

This particular form, Government Exhibit 19-A, the election is that "all employees of my payroll as of September 30th, 1977 be granted the 7.05 percent increase effective October 1st, 1977." A parenthetical enclosure follows, is on the form: "No additional payroll authorization forms need to be submitted."

Q I show you Government's Exhibit 19-B and ask you if you would specifically relate what that document is?

A Government's Exhibit 19-B, again is a copy of an original document that provides the same aforementioned four options for the payroll comparability increase.

This particular one pertains to the October pay period, 1976. It is signed by Congressman Charles C. Diggs, Jr. relating to the congressional payroll and the option that is elected by this form, Exhibit 19-B is, "All employees on my payroll as of September 30th, 1976, with the exception of those completed Payroll

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Authorization Forms are attached, are to be granted the pay raise based on the sliding scale effective October 1st, 1976."

Q Mr. Lawler, upon receipt of a document like 19-B, what procedures would be followed by the Office of Finance in changing the salaries for cost of living?

A Only those salaries for which Payroll Authorization Forms were not attached, only those particular salaries would get the pay comparability increase October 1st.

Q And upon review of a personnel file, if there was no Payroll Authorization Form in that file for a staff member or of Congressman Diggs for the effective date of that document, what would that mean to you in the Office of Finance?

A That would indicate that they did in fact receive the pay raise October 1st.

Q Of what year?

A For Exhibit 19-B, October 1st, 1976.

Q And if a Payroll Authorization Form did appear in the personnel file of the particular employee for Congressman Diggs that was effective date October 1st, 1976, what would that reflect?

A It would supersede any action on this particular document, and we would have whatever action

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had been indicated. In the event of a salary change, the Payroll Authorization Form could have actually given an employee a greater increase than the cost of living, or the member, or appointing authority could have held the member back at their salary level that existed in September. Either of those options was available.

Q Mr. Lawler, I will show you again what you previously identified as Government's Exhibit 7-A through 7-R for identification relating to Felix R. Matlock, and I would ask you to look and see whether there is any Payroll Authorization Form effective October 1, 1976?

A There is no form in Exhibit 7-A through 7-R that pertain to any salary action for October of 1976.

Q Mr. Lawler, were you requested to turn over any documentation which would reflect as to whether or not Mr. Matlock received a cost of living increase for October, 1976?

A Yes, we were.

MR. KOTELLY: Government's Exhibit 7-S, a new document, Your Honor.

THE DEPUTY CLERK: Government's Exhibit 7-S marked for identification.

(Whereupon, Government's Exhibit No. 7-S was marked for identification.)

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BY MR. KOTELLY:

Q Mr. Lawler, I show you Government's Exhibit 7-S for identification and ask if you can identify that document?

A Yes.

Q How do you identify it?

A By my initial and date on the back of the form.

Q What is Government's Exhibit 7-S for identification?

A Exhibit 7-S is a copy of a document generated by the computer confirming to our office that a cost of living took place. The sentence on the top of the form is an annual pay raise confirmation sheet. It is dated October 20th, 1976.

Q When would it be effective?

A October 1st, 1976 and the effective date is confirmed on this document.

Q Have you had an opportunity to compare that with the original document under your care, custody and control?

A Yes.

Q How does it compare?

A It compares to the original document for Felix Matlock on the congressional payroll of Charles

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Diggs.

MR. KOTELLY: Your Honor, at this time we would move Government's Exhibit 7-S into Evidence.

THE COURT: Do you wish to be heard on that, sir?

MR. POVICH: No, Your Honor.

THE COURT: Received.

THE DEPUTY CLERK: Government's Exhibit 7-S received.

(Whereupon, Government's Exhibit No. 7-S was received into Evidence.)

BY MR. KOTELLY:

Q Mr. Lawler, Government's Exhibit 7-S, which is now admitted into evidence, what does that reflect as far as the salary of Mr. Matlock?

A Exhibit 7-S reflects an increase effective October 1st from an annual salary rate of \$37,000 per year to \$39,600 per year.

Q Also I would show you again what has been admitted into evidence as Government's Exhibit 19-C, D, E, and ask you if you would relate to the jury what those three documents reflect?

A Again, Government's Exhibit 19-C, D, and E are the standard forms to make the election regarding pay

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comparability in October of each year. Exhibit 19-C pertains to Congressman Charles C. Diggs, Jr. It is signed and is electing this option: "Only those employees whose Payroll Authorization Forms are attached herewith are to be granted a salary adjustment as indicated thereon."

Exhibit 19-B is the same form. This pertains to 1974 and the option that is exercised on this form is the same: "Only those employees whose Payroll Authorization Forms are attached herewith are to be granted the salary adjustment as indicated thereon." This form 19-B is pertaining to Congressman Charles C. Diggs. The last exhibit 19-C relating to pay comparability and elects the following option: "Only those employees whose Payroll Authorization Forms are attached herewith are to be granted the salary adjustments indicated thereon."

And again pertaining to the congressional payroll of Congressman Charles C. Diggs.

Q Mr. Lawler, as to Government's Exhibit 19-C, D, and E, as to the effective dates on each of those documents, if you were to look in the personnel file of an employee of Congressman Diggs and found a Payroll Authorization effective on the date of each of those instruments, what would that effect?

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1           A     The Payroll Authorization Form would supersede  
2 this particular form.

3           Q     What would happen to the salary of that  
4 individual?

5           A     Again, the salary could remain the same, could  
6 be lowered, or it could be raised to a level greater  
7 than what the pay comparability was.

8           Q     And if there was no Payroll Authorization Form  
9 effective on the dates of those exhibits in the personnel  
10 file of a staff member of Congressman Diggs, what would  
11 that reflect?

12          A     That would indicate that the pay comparability  
13 for 1975, this is October, October of '74 and October of  
14 '73 were granted to the employees.

15          Q     Were or were not if there was no Payroll  
16 Authorization Forms in the files --

17          A     I am sorry. In this particular election, if  
18 there was the Payroll Authorization Form they received  
19 the pay comparability increase.

20          Q     If there was no Payroll Authorization Form?

21          A     They did not.

22               MR. KOTELLY: Your Honor, may we approach the  
23 Bench at this time?

24               THE COURT: Yes.

25               (At the Bench.)

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MR. KOTELLY: Your Honor, at this time I am going to move into evidence all the Payroll Authorization Forms and summaries and any payroll change information that has been identified by Mr. Lawler. Since there is such a bulk, I did at least enumerate the exhibit numbers.

THE COURT: Have you seen these?

MR. POVICH: Yes.

MR. KOTELLY: I did not know whether Mr. Povich had any objection or not.

MR. POVICH: May I examine him on them?

THE COURT: You want to examine the forms or examine him?

MR. POVICH: I would like to examine him, briefly.

THE COURT: All right, briefly.

You are going to have a full opportunity to examine him on cross examination, of course.

MR. POVICH: Do you want to wait until after I've finished?

MR. KOTELLY: As to Jean Stultz I would like to have the testimony regarding the Payroll Authorization and how they interrelate as to the committee and as to the personal staff, Your Honor.

THE COURT: You have some more questions of

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him?

MR. KOTELLY: That would have been my next line, then going into a totally different area for a short period.

THE COURT: I just want to move along as rapidly as possible. How extensive of an examination do you wish at this time?

MR. POVICH: It should not be too long.

THE COURT: I think the official records are admissible.

MR. POVICH: I think I ought to see. My concern will just take a couple of questions.

MR. KOTELLY: Are they relating to admissibility?

MR. POVICH: Yes.

THE COURT: All right, a couple of questions.

(In open court.)

VOIR DIRE EXAMINATION

BY MR. POVICH:

Q I just have a couple of preliminary questions. I don't want to delay this matter.

You testified, I believe, that Exhibit 14 is a list that you made of Treasury checks which had been issued to Jeralee Richmond; is that correct?

A Yes.

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Q And the inclusive dates that you were given on that list were what?

A The dates included on this list, which I testified to earlier, was July of '74 through May of '77.

Q Fine. And then you were shown a set of checks for Jeralee Richmond, which were marked 15-A through, what?

A 15-A through 15-M.

Q What were the dates of the checks, the inclusive days of the checks that you were given?

A 15-A, if these are in chronological order, is dated July 31, 1974. The last exhibit, 15-M --

THE COURT: Would you give that date again?

THE WITNESS: July 31, 1974. And 15-M is July 30th, 1976.

BY MR. POVICH:

Q Well, was the list that you were given go far beyond the checks you were given, date-wise? It goes into 1977; doesn't it?

A Yes.

Q You don't have checks there for that?

A No, the checks are again, if they are chronological, let me review the Exhibit 15-A, to be sure that the last date is July 30th of '76.

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2           The most recent date on the original Treasury  
3 check in the Exhibit 15-A through 15-M is July 30th of  
4 '76.

5           Q     So you don't have any checks then for the  
6 rest of these checks which you have listed in to May of  
7 '77, I think is the last you have?

8           A     That is correct.

9           Q     All right. Now, let me show you Exhibit 13-A  
10 through G, which I believe you testified were the  
11 Payroll Authorization Forms of Jeralee Richmond; is that  
12 correct?

13          A     Yes.

14          Q     What is the date of the last Payroll  
15 Authorization Form?

16          A     The last Payroll Authorization Form, Exhibit  
17 13-G, is an effective date of June 1, 1977, for a salary  
18 adjustment.

19          Q     All right. But that isn't reflected on your  
20 list and you have no checks at all there for 1977; is  
21 that right?

22          A     Right, and the exhibits -- there are no 1977  
23 checks.

24                MR. POVICH: Your Honor, with that on the  
25 record let me get one more.

26 BY MR. POVICH:

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Q Do you know why we have this?

MR. KOTELLY: Your Honor, I am going to object unless the question is to his immediate knowledge.

MR. POVICH: Yes.

MR. KOTELLY: I object to the form of the question that Mr. Povich is starting.

BY MR. POVICH:

Q Do you have any information as to why you do not have all the checks for the ones that you have listed and Payroll Authorization Forms? Why they don't all match up?

A The care and custody of the original Treasury checks, after they are issued and cleared are not in the control of the Office of Finance. These are maintained by the United States Treasury Department.

These checks, the originals were not provided by our office after they were cashed. The dating of the subpoenas, as far as copies of Payroll Authorization Forms would probably answer that question. Again, I would want to look back to the exact date of the documents but they were provided throughout many different times in 1977 into 1978. What could have happened then was that this subpoena was one that was received prior to providing this information.

Q No, I am sorry. I don't want you to try to

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1 explain it. I just wondered, essentially then you have  
2 not been given then the checks, or the actual checks  
3 for the ones which have been listed and which would  
4 relate to the Payroll Authorization Forms; is that  
5 correct? You don't have them here in front of you?

6 A The list of checks generated is greater than  
7 the number of checks, but the checks that are here  
8 pertain to some of those listed on the schedule.

9 MR. POVICH: That is all, Your Honor. I just  
10 want to point out the listing went beyond the checks  
11 that were available and the Payroll Authorization Forms  
12 as well goes beyond the checks.

13 MR. KOTELLY: I submit that has nothing to  
14 do with the admissibility of the payroll --

15 THE COURT: Do you offer these into evidence?

16 MR. KOTELLY: Yes.

17 THE COURT: They will be received.

18 MR. POVICH: We have the same problem with  
19 Matlock. I don't want --

20 THE COURT: You may come to the Bench.

21 (At the Bench.)

22 MR. KOTELLY: The question is: Are these  
23 documents admissible?

24 THE COURT: The Court feels they are  
25 admissible. Now, there may be additional documents

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that either of you want to bring out. I don't know.

MR. POVICH: The problem, Your Honor, is what I am trying to do is keep it clear, because the poor jury sits over there. They hear a person saying, "Here is a list of documents. Here is a bunch of checks. Here are Payroll Authorization Forms." They assume they are all going to match up. I simply want to indicate on the record that the listings, although where you have the check, obviously is Mr. Kotelly's list and the listings go beyond into 1978.

THE COURT: I understand. I don't think that goes to admissibility.

MR. POVICH: Well, --

THE COURT: It may go to weight. You can't argue that. As far as the documents are concerned, it is admissible.

MR. KOTELLY: On the record --

THE COURT: Wait a minute. I have ruled on it. We don't have colloquys.

MR. KOTELLY: I am sorry.

THE COURT: The Court has ruled on the admissibility of certain documents. You offered them. It is the Clerk's duty to pronounce that to the reporter.

MR. KOTELLY: I didn't ask for the admissibility

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of the checks yet. We don't feel --

THE COURT: What have you offered?

MR. KOTELLY: Merely the Payroll Authorization Forms and the summaries relating to all five employees. Mrs. Stultz, Mr. Matlock, Mr. Dukes, Mr. Johnson and Ms. Richmond.

THE COURT: They will be received.

MR. POVICH: 13-A through 13-G and Government's 14 --

MR. KOTELLY: I have offered the Payroll Authorization and summaries for all five employees, Your Honor, that has been identified by Mr. Lawler.

THE COURT: All right.

MR. KOTELLY: Mr. Povich only wished to examine as to certain ones of those documents, Your Honor.

MR. POVICH: I am sorry, Your Honor, my problem -- could you tell me the exhibit numbers you are putting into evidence so that I may have a record of them?

THE COURT: Yes.

THE DEPUTY CLERK: Government's Exhibit 1-A through 1-L received in evidence. Government's Exhibit 2, Government's Exhibit 4-A through 4-E, Government's Exhibit 5, 4-F, 4-G, 8, 10-A through 10-P, 11, 16-A through 16-T, 17, 7-A through 7-R, Government's exhibits

000076

received in evidence.

THE COURT: You are offering those exhibits?

MR. KOTELLY: Yes, Your Honor.

THE COURT: The Court has received them.

(In open court.)

BY MR. KOTELLY:

Q If the Court will indulge me one moment.

Mr. Lawler, I return to you now Exhibits which have been admitted into evidence, Government's 1-A through 1-L, 4-A through 4-F, which relate -- you have identified them relating to Ms. Jean Stultz; correct?

A Yes, that is correct.

Q The Government's Exhibit in series of number one relate to her employment on the Committee or on the personal staff?

A Exhibit 1 relates to employment on the congressional staff. Exhibits 4 to employment in the District of Columbia Committee.

Q Mr. Lawler, in looking at those documents, do they reflect as to whether Mrs. Stultz was on both payrolls at the same time?

A Yes, sir. There seems to be some concurrence, multiple employment.

MR. LAWLER: I would ask you to relate to the jury the history of the employment of Mrs. Stultz

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1 as to whether she was on a single payroll or on both  
2 payrolls. I would ask you to relate the dates,  
3 effective dates and annual salary reflected on the  
4 Payroll Authorization for each position.

5 THE COURT: I think you had better break that  
6 question down. First, as to whether she was on more  
7 than one payroll than the dates on which she was on  
8 more than one payroll.

9 MR. KOTELLY: Certainly, Your Honor.

10 BY MR. KOTELLY:

11 Q So, Mr. Lawler, can you indicate to the jury  
12 the periods of time that Mrs. Stultz was on both  
13 payrolls?

14 THE COURT: He has not said that, or has he?

15 MR. KOTELLY: He has testified that there was  
16 a period --

17 THE COURT: Is that your testimony, she was  
18 on more than one payroll?

19 THE WITNESS: Yes.

20 BY MR. KOTELLY:

21 Q All right. Now, the dates she was on more  
22 than one payroll.

23 A From October 1, 1973 there doesn't indicate  
24 the total employment, but rather when Jean Stultz was  
25 being paid out of the congressional appointment funds

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and the committee funds. October 1, 1973 through July 31, 1974. That was the inclusive period. The rest of the appointment papers pertained to separate appointments as to congressional payroll and the committee payroll.

Q That was October 1 of 1973 to what was it, Mr. Lawler, I am sorry.

A There is a lot of forms. October 1 of 1973 to July of 1974.

Q During that period of time from October of 1973 through July of 1974 could you indicate to the jury her annual salary as to the staff salary and to the committee salary?

A Yes. Effective October 10th, 1972, Jean Stultz was appointed to the congressional payroll of Congressman Diggs at an annual salary rate of \$11,000 effective January 1, 1973.

There was a salary increase at an annual rate to \$11,565.40, effective February 1st, 1973. A new annual rate of \$14,000, effective March 31st, 1973. Jean Stultz was terminated from the congressional payroll of Congressman Charles Diggs.

We have an appointment at that time effective April 1st of 1973 appointed at \$14,000 per year to the District of Columbia committee.

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May 1st, 1974 the salary was raised to an annual rate of \$17,500 still on the District of Columbia Committee.

Q I am sorry. Mr. Lawler, what was the date of that last document?

A May 1st, 1974.

Q Was that during the period of time that she was on both payrolls?

A Yes.

THE COURT: Just a minute. Didn't you say as of March 31 she was terminated from congressional status?

THE WITNESS: Right. She was then reappointed integrating now two separate sets of authorities. Now one as committee and one as congressional. October 1st, 1973 she was again reappointed to the congressional staff at an annual salary of \$19,000.

BY MR. KOTELLY:

Q As of October --

A I am sorry.

Q As of October of 1973, what was her position as to the committee?

A She was receiving an annual salary rate of \$14,000 per year.

Q As of October, 1973?

A Yes. That was based on her April, 1973

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1 appointment to the committee. Jean Stultz was now on two  
2 payrolls. One at an annual rate of \$14,000, which is  
3 charged to the District of Columbia Committee. The  
4 other annual rate being charged to the congressional  
5 staff was \$19,000. That was effective October 1 of '73.

6 I will follow these in chronological order.  
7 It will be easier to understand. Effective May 1st,  
8 1974 Jean Stultz' salary was raised on the congressional  
9 -- I am sorry -- was adjusted on the congressional  
10 payroll to an annual rate of \$16,210. Effective that  
11 same date, May 1st, 1974 on the Committee, the salary  
12 rate went to \$17,500. July 31st, 1974 Jean Stultz was  
13 terminated from the congressional position. There is a  
14 note on the Payroll Authorization Form indicating from  
15 Congressional Payroll Office the same date, July 31st of  
16 '74 is the effective date Jean Stultz was transferred  
17 to the standing committee. That is not a different  
18 committee, now. It is just the other set of funds that  
19 committees have available that still pertains to an  
20 appointment to a committee under the District of  
21 Columbia.

22 Q And her annual salary rate at that time?

23 A The salary rate is not indicated on this form.  
24 The transfer on this particular one, just indicating the  
25 transfer effective July 31st, to switch to another

000081

pool of money, actually took a new appointment form.

This is effective August 1st, 1974 on the District of Columbia Committee at an annual rate of \$36,000.

September 30th, 1974, terminated from the District of Columbia Committee. October 31st, 1974 appointed on the congressional staff of Congressman Charles C. Diggs at an annual rate of \$35,574.46.

October 1st, 1975 a salary change on the congressional role to an annual salary rate of \$37,355.

April 1st --

THE COURT: What payroll is that?

THE WITNESS: This is on the congressional payroll.

THE COURT: All right.

THE WITNESS: Still on the congressional payroll, a salary adjustment for Jean Stultz effective April 1st, 1976. The new annual salary rate is \$22,700.

On July 1st of 1976 the salary rate was increased for Jean Stultz on the congressional payroll to \$37,355.

THE COURT: Is that '76?

THE WITNESS: July 1st of 1976.

Two months later effective date of August 31st, 1976 a termination of Jean Stultz from the congressional payroll.

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BY MR. KOTELLY:

Q Mr. Lawler, in addition to the Clerk-hire allowance, are congressmen in general allowed other allowances for official expenses during the time period of January, 1973 through the end of 1976?

A Yes.

Q What type of allowances in addition to Clerk-hire were the congressmen allowed?

A The other allowances are funds of money for non-personnel type of expenses. Since 1973, and the allowances have changed and have been adjusted from time to time, but they would include those types of expenses necessary in fulfilling congressional duties, including travel for the member, for the staff, postage, stationery supplies, expenses in the District Office, rental of District Office space, a constituent communication or newsletter allowance, telephone in Washington, D.C. and the District for toll charges and the service contracts, the purchase of office equipment and the leasing of electrical, mechanical equipment and computers.

Q Were these all separate allowances or a single allowance?

A They were separate allowances, separately stated in those time periods.

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Q Also separately stated as to purposes of these allowances?

A Yes, sir, with the exception of some allowances. Certain ones are specifically earmarked such as travel. That, of course, is for travel. When we talk about the stationery store allowance and the allowances for expenses in the District Office, those funds could have been used to buy stationery. This would be an example of two separate funds, but both were for the purpose of buying stationery.

Q Mr. Lawler, you referred to the allowances for a member of Congress. Was there the same or different allowances for the Committee assignment?

A Committees are handled differently. Rather than having specifically enumerated groups of money that are like expense accounts to spend from, there is one dollar amount and any official duty or official expense of that committee would then be paid from the group of monies.

Q In referring just to the time period of 1973 to the end of 1976, you indicated that one of the allowances was for the official expenses in the District, the member of the District; is that correct?

A Yes, that is correct.

Q How were those funds from the allowances

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obtained by the member of Congress during that time period I referred to earlier?

A All of the disbursements out of this non-personnel set of accounts that we are talking about took place on a standard form signed by a member. In the vernacular of accountants it is referred to as a voucher. We have a voucher pertaining to that type of an allowance.

The Congressman would sign the voucher and the dollar amounts that varied quarterly, that particular allowance, they start reimbursements every three months on a quarterly basis. In the allowance that was for expenses in the District, they would just sign the voucher with a certification as to the reimbursement and get a check made payable to them. No other receipts or supporting documentation were required to be submitted with a voucher on that particular allowance.

Q How frequently would this allowance be paid?

A The allowance was available quarterly. In any given calendar year they could ask for the three-quarters or four-quarters if they wished, or ask for the quarterly allowance for the first quarter in the first quarter. It was not possible to obtain future quarter allowances, however.

Q And in a particular quarter, again this time

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period of 1973 through 1976, when during the quarter could a member of Congress request reimbursement for his official office expenses?

A Any time during the quarter.

Q And as to the maximum amount allowed in that quarter, at what point in time during the quarter could he ask for it?

A I am sorry.

Q As to the maximum allowable voucher expenditure reimbursement during the quarter, at what point in time could the member ask for the reimbursement?

A Well, again, it was at any time during the quarter.

Q Was there any regulation or requirement as to the relationship between the reimbursement and the actual monies expended?

A The only relationship would exist in the certification language, which is the regulation surrounding that allowance, and paraphrasing the use of the form, again this is going back. The members certified that he was entitled to reimbursement for official office expenses incurred in his District Office.

Q What, if any, documents were submitted to you in order to obtain the quarterly allowance for the District Office expenses?

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1       A     Only the one single request for the allowance  
2 we called the voucher.

3       Q     And upon the receipt of the voucher, what, if  
4 anything, would the Office of Finance do?

5       A     Our office, in the area of, again the non-  
6 personnel checks, handles the total accountability upon  
7 receipt of the voucher would be audited by the Audit  
8 Department under my control, and then a United States  
9 Treasury check on a similar format to those produced  
10 earlier would be generated by our office and sent to  
11 the recipient.

12       Q     What, if any records were maintained or made  
13 by the Office of Finance which would relate to the  
14 payment of reimbursement for the District Office expenses?

15       A     In addition to the original voucher requesting  
16 the payment, our office maintains a summary account,  
17 summary account card indicating the payments that were  
18 made, certain other related schedules for transmitting  
19 Treasury check numbers.

20       Q     Were you subpoenaed to produce such a document  
21 for the vouchers for District Office expenses for  
22 Charles C. Diggs?

23       A     Yes.

24       Q     Did you furnish these documents to the Govern-  
25 ment?

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1           A       Our office provided copies of the original  
2 documents.

3           MR. KOTELLY: Your Honor, Government's Exhibit  
4 20 and 21-A through 21-F for identification.

5           THE DEPUTY CLERK: Government's Exhibits 20  
6 and 21-A through 21-F marked for identification.

7                       (Whereupon, Government's  
8 Exhibits 20, 21-A through  
9 21-F were marked for  
10 identification.)

11 BY MR. KOTELLY:

12           Q       Mr. Lawler, I show you what has been marked  
13 as Government's Exhibit 20 for identification and ask if  
14 you can identify that document?

15           A       Yes.

16           Q       How do you identify it?

17           A       My initial and date on the back of the copy.

18           Q       What is Government's Exhibit 20 for identifica-  
19 tion?

20           A       Exhibit 20 is a copy of the account cards  
21 maintained by our office summarizing some of these  
22 non-personal expenditures. This particular allowance is  
23 for the official expenses in the District Office.

24           Q       For what period of time does that document  
25 represent?

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1 A There are payments listed here from December  
2 31st of 1969 through December 31st of 1976.

3 Q And who does it relate to?

4 A Congressman Charles Diggs.

5 Q What information is reflected on that document?  
6 What type of information?

7 A We indicate the quarterly period for which  
8 the reimbursement applies, which particular fiscal year,  
9 and appropriation account that it pertains to and that  
10 is an internal bit of accounting information for our  
11 office. The dollar amount of the check, the date paid  
12 and the United States Treasury check number.

13 Q Have you compared that with the original  
14 documents in your care, custody and control?

15 A Yes.

16 Q And how does it compare?

17 A They agree.

18 Q I show you Government's Exhibit 21-A through  
19 21-F for identification and ask you if you can identify  
20 those documents?

21 A Yes, I can identify the documents.

22 Q How do you identify them?

23 A By my initial and date on the back of each  
24 copy.

25 Q What are Government's Exhibit 21-A through F?

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1           A     21-A through 21-F are copies of that request  
2 document I referred to, the voucher, for reimbursement  
3 for the official expenses in the District Office.

4           Q     What period of time did those documents cover?

5           A     Exhibits 21-A and B refer to the third and  
6 fourth quarter of the calendar year '75.

7                     Exhibits 21-C through 21-F refer to the four  
8 calendar quarters in 1976.

9           Q     Have you compared Government's Exhibits 21-A  
10 through F with the original documents under your care,  
11 custody and control?

12          A     Yes.

13          Q     How do they compare?

14          A     They are identical.

15                     MR. KOTELLY: Your Honor, at this time the  
16 Government would move into evidence the documents,  
17 Government's Exhibit 21, 21-A through F.

18                     THE COURT: Mr. Povich, do you wish to be  
19 heard?

20                     MR. POVICH: No objection.

21                     THE COURT: They will be received.

22                     THE DEPUTY CLERK: Government's Exhibits 20,  
23 21-A through F received in evidence.

24                             (Whereupon, Government's  
25 Exhibits 20, 21-A through F

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were received into Evidence.)

MR. KOTELLY: Your Honor, for identification  
Government's Exhibits 22-A, B, C, D, and F.

**THE DEPUTY CLERK:** Marked for identification.

(Whereupon, Government's Exhibits Nos. 22-A, B, C, D and F were marked for identification.)

BY MR. KOTELLY:

Q I show you Government's Exhibits 22-A through D and F and ask if you can identify the form of those documents?

**A     Yes, I can.**

Q And as to the form, what are these documents?

A      These are original Treasury checks drawn on the United States House of Representatives and prepared by our office that pertain to nonpersonnel type of expenditures. It is identified by format and our checking account symbol number.

Q And those Treasury checks are payable to whom?

A Charles C. Diggs, Jr., on each exhibit.

Q Mr. Lawler, I would ask you to compare Government's Exhibits 22, those five Treasury checks, with Government's Exhibit 20, which have been admitted into evidence, and ask you if you can identify the

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1 Treasury checks as to the purpose for which they were  
2 issued?

3 A Yes, I can.

4 Q As to Government's Exhibit 22-A for identifica-  
5 tion, what was the purpose of that Treasury check?

6 A 22-A is the original check representing a  
7 disbursement to Charles C. Diggs, Jr. in the amount of  
8 \$500. It was issued July 24th of 1975. It represents  
9 reimbursement for official expenses in the District  
10 Office.

11 Q For what quarter, what year?

12 A For the calendar quarter ending September  
13 30th, 1975.

14 Q Government's Exhibit 22-B for identification,  
15 can you ascertain what the purpose of that Treasury  
16 check was?

17 A This original check was issued to Charles C.  
18 Diggs, Jr., in the amount of \$500 on November 24th, 1975  
19 for the quarterly allowances expenses in the District  
20 Office for the last quarter of '75, the one ending  
21 December 31st.

22 Q Government's Exhibit 22-C for identification.  
23 Can you identify for what purpose that Treasury check  
24 was issued?

25 A The original Treasury check, Exhibit 22-C,

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1 payable to Charles C. Diggs, Jr., in the amount of \$500  
2 represents reimbursement for the official office  
3 expenses incurred in the congressional district for the  
4 quarter ending March 31, 1976. This check was issued  
5 January 21st of '76.

6 Q Exhibit 22-D for identification. Can you  
7 determine for what purpose that Treasury check was  
8 issued?

9 A Exhibit 22-D, again the original Treasury  
10 check payable to Charles C. Diggs, Jr. in the amount of  
11 \$500 was issued May 5th, 1976 for the quarterly period  
12 ending June 30th, 1976.

13 Q And Government's Exhibit 22-F for identifica-  
14 tion. Can you identify for what purpose that check was  
15 issued?

16 A 22-F, again, is our original Treasury check  
17 in the amount of \$500 payable to Charles C. Diggs,  
18 Jr., dated October 2nd, 1976, for the fourth calendar  
19 quarter of 1976.

20 Q Mr. Lawler, is it correct that there is no  
21 check among those exhibits which relate to the third  
22 calendar quarter of 1976?

23 A That is correct.

24 Q And do your documents reflect as to whether  
25 in fact a check was issued for the third calendar

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1 quarter for the calendar year 1976?

2 A Yes, sir. Our financial records indicate a  
3 payment, July 6th, 1976 in the amount of \$500 for the  
4 third calendar quarter on Treasury Check No. 70320086.

5 Q What exhibit are you referring to that has  
6 that information?

7 A Exhibit 20. It is the summary of the  
8 congressional office account payments.

9 Q Thank you.

10 Mr. Lawler, as to the last two quarters of  
11 1975 and the four quarters of 1976, do you know what  
12 the maximum allowable for District Office expenses was  
13 for the allowance?

14 A Yes. It was \$500 per calendar quarter or  
15 \$2,000 per year.

16 Q After the checks were made up by the Office of  
17 Finance, what, if anything, was done with them?

18 A The checks -- when they were made up by our  
19 office, were inserted in an envelope together with a  
20 copy of the voucher to be returned to the payee. The  
21 envelope was addressed to the payee's address indicated  
22 on the voucher.

23 In the event of an inside mailing, the check  
24 was just dropped into the inside mailbox. It was an  
25 outside mail check, it was dropped in the outside mail

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1 distribution box.

2 Q Mr. Lawler, the checks that were issued to  
3 pay for District Office expenses were made out to the  
4 member of Congress; is that correct?

5 A Yes.

6 Q Were there any other allowances that a check  
7 was made out directly to the member of Congress, again  
8 during that period of 1973 through the end of 1976?

9 A Yes. During this time there were several  
10 allowances that were on a reimbursement basis, where a  
11 member may incur the expense and then be reimbursed  
12 for. One other allowance that the check could be made  
13 payable directly to the member without regard to any  
14 other expenditures. One of the allowances I indicated  
15 was the stationery allowance. That allowance in its  
16 entirety in any unused balances from any prior years  
17 can be withdrawn, personally, by the member of Congress.  
18 Other allowances that were of the reimbursable type  
19 include travel where the member or the staff would incur  
20 the travel expenses directly and then be reimbursed for  
21 it.

22 And the District telephone account, where the  
23 bills were paid by the congressional office and the  
24 member sought reimbursement through our office.

25 Q Regarding a district telephone bill, what if

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1 any proper documents were required for that allowance?

2 A With that particular allowance our office  
3 requires supporting documentation, canceled checks,  
4 copies of canceled checks, that the telephone bill was  
5 paid or any other supporting evidence that in fact the  
6 telephone bill in the District had been paid. This  
7 particular allowance is differentiated from the  
8 Washington telephone allowance. This will just be  
9 the telephone charges incurred in the District.

10 Q And, as to the member of Congress' personal  
11 salary, would it come out of any of these other  
12 allowances that you have explained?

13 A No.

14 Q During the period 1975 through 1976 when you  
15 were in charge of the Office of Finance, do you have  
16 any knowledge as to what the salary was for a member  
17 of Congress during that period of time?

18 A The salary rates changed during that period.  
19 The present amount?

20 Q I was asking for 1975, 1976 for that period.

21 A Yes, as I recall it was forty-two five, then  
22 it increased during that time period to another level,  
23 and increased to the present level.

24 MR. KOTELLY: If the Court will indulge me a  
25 moment, Your Honor.

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1 THE COURT: Yes.

2 MR. KOTELLY: No further questions, Your  
3 Honor.

4 THE COURT: Mr. Povich.

5 CROSS EXAMINATION

6 BY MR. POVICH:

7 Q Mr. Lawler, Mr. Kotelly has addressed all of  
8 his questions to you to the period of 1973, '74, '75 and  
9 '76. Did there come a time in January, January 3rd,  
10 1977 in which it was possible within the rules that  
11 you are speaking of, for a member to transfer out of  
12 Clerk-hire allowance a sum of totaling say, \$15,000  
13 into other accounts?

14 MR. KOTELLY: Your Honor, I object on the  
15 grounds that this is outside the scope of direct  
16 examination.

17 THE COURT: I will permit Mr. Povich to go  
18 into it.

19 MR. POVICH: Pardon?

20 THE COURT: I said that I would permit you to  
21 go into it.

22 THE WITNESS: Yes, the regulations --

23 BY MR. POVICH:

24 Q The answer is "yes". Okay. Maybe I can do it  
25 very quickly.

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1           The regulations would permit, would it not,  
2 \$12,000 would be removed from Clerk-hire and put into  
3 what is called "commuter expenses funds"; is that  
4 correct?

5           A     The funds weren't actually moved, but they had  
6 a computer allowance of up to \$12,000, or for saying  
7 \$12,000 Clerk-hire.

8           Q     \$12,000 out of Clerk-hire put it into commuter  
9 funds?

10          A     Yes.

11          Q     And in addition you could take \$3,000 out of  
12 Clerk-hire and put it into leasing the equipment; could  
13 you not?

14          A     Yes.

15          Q     And from those two funds you could transfer  
16 into the other fund; is that correct?

17          A     Yes, effective January 3rd of '77.

18          Q     Fine. Thank you.

19                So, in effect the restriction on transferabil-  
20 ity as of that time really was substantially reduced  
21 by reason of this means of funneling money out of  
22 Clerk-hire and into the other expenses through these  
23 two specific funds?

24          A     Yes.

25          Q     You say that the restrictions that your office

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1 is concerned with, when a Congressman authorized pay-  
2 ments of funds for an employee, were whether or not  
3 that authorization exceeded the amount that he was  
4 allowed for Clerk-hire funds; is that correct?

5 A Yes.

6 Q And whether or not that the hiring of that  
7 person exceeded the number of persons that he'd have,  
8 isn't that correct?

9 A Yes.

10 Q That essentially when the authorization came  
11 in is what your office was concerned with, to make sure  
12 that the total authorization for Clerk-hiring was not  
13 exceeded and the number of people he was entitled to  
14 was unauthorized?

15 A Yes.

16 Q Have you had an opportunity to look at  
17 Mr. Diggs' allowances during that period of time to  
18 determine whether or not Mr. Diggs on any occasion from  
19 '73 through '77 exceeded the amount of his Clerk-hire?

20 A Yes, we have.

21 Q And did he?

22 A No, our study indicated that he did not.

23 Q Did he ever exceed the number of people he was  
24 entitled to hire?

25 A No, he did not.

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1 Q I believe you addressed yourself, briefly, to  
2 the matter of how a check is caused to be mailed. You  
3 talked about inside mail or outside mail; is that  
4 correct?

5 A Yes.

6 Q Essentially, without getting too detailed,  
7 inside mail was mail that was delivered not through the  
8 United States Post Office in the sense it was mailed  
9 in and went out through the Post Office, but was  
10 delivered by a system within the Government, more or  
11 less; isn't that correct?

12 A That is my understanding, but not under my  
13 control.

14 Q In addition to those items of mail, there were  
15 items that were deposited in banks that never went into  
16 the mail at all? For instance, the five banks you  
17 spoke of, Riggs, American Security, First National Bank,  
18 et cetera?

19 A Yes.

20 Q Now, did the congressman -- Let me ask you  
21 this:

22 What was the authorization that determined  
23 whether the check went into the United States mails in  
24 the sense that we know them, mails, the outside mail, or  
25 went into the inside mail, or was automatically deposited

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1 to a checking account? What authorization effectuated  
2 that?

3 A It was the employee's election on either  
4 personal affidavit or some other means.

5 Q Is that what happened in this case and the  
6 individuals with respect to Congressman Diggs, and I am  
7 specifically speaking of Mrs. Richmond and Mr. Johnson,  
8 the employees' authorization form that indicated where  
9 they wanted the check mailed?

10 A Yes. As far as I can recall in all three  
11 personnel files information it was the employee's  
12 election as to mailing.

13 Q Does the Congressman have any control or say  
14 with respect to that matter?

15 A No.

16 Q Some employees like not to have it mailed  
17 through the outside mail; isn't that correct?

18 A Yes.

19 MR. POVICH: Your Honor, indulge me for one  
20 moment.

21 THE COURT: Yes.

22 BY MR. POVICH:

23 Q One last question, Mr. Lawler, with respect  
24 to this form you were not concerned, were you, with the  
25 salary which the Congressman set for a particular

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1 employee as long as it did not exceed the maximum; isn't  
2 that correct?

3 A That is correct.

4 Q Nor were you concerned with the position or  
5 job title which was assigned there if any, indeed, was  
6 assigned; is that correct?

7 A Yes.

8 Q Just one last thing:

9 You mentioned a stationery allowance. A  
10 stationery allowance was an allowance during this  
11 period of time, 1973, '4, '5 and '6 of approximately  
12 how much money?

13 A It ranged from \$3,500 to the present level of  
14 \$6,500 per calendar year, per session.

15 Q Do you know what I mean by the term "cash out"  
16 or "withdrawal cash"?

17 A Withdrawal of stationery funds.

18 Q What did that mean with respect to that  
19 particular allowance?

20 A The withdrawal on the stationery allowance  
21 meant that the member had elected to take a portion of  
22 his allowance out, or unused balance from prior years.  
23 So, we would just simply write a check for a dollar  
24 amount.

25 Q It was perfectly all right, he could draw that

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1 down and you would pay it to him by check; isn't that  
2 correct?

3 A Yes, there is nothing wrong with that at all.

4 Q If he wanted to he could come in and make  
5 charges against the allowance?

6 A Yes.

7 Q If he wanted to draw down the entire by cash  
8 pay-out, cash to me, it was perfectly all right to do  
9 so?

10 A Yes.

11 Q Indeed, the rules allowed, did they not, that  
12 money go to him if he resigned or in the event of his  
13 death to his widow or his estate?

14 A Yes. This was established by law in regards  
15 to the estate. I do recall members after they left  
16 Congress, or as they were leaving withdrawing their  
17 stationery allowance.

18 Q By a check to cash, that was perfectly law-  
19 ful as well?

20 A Yes.

21 Q Thank you.

22 THE COURT: Redirect?

23 REDIRECT EXAMINATION

24 BY MR. KOTELLY:

25 Q Regarding the stationery allowance, if a

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1 member of Congress drew down the entire amount of his  
2 allowance for the calendar year, what, if anything,  
3 could that member do regarding charges, additional  
4 stationery expenses on his allowance?

5 A He would have to have a balance in the  
6 stationery balance in order to charge supplies against.  
7 So, if a member withdrew all of the balance in this  
8 stationery allowance, he would have to make a subsequent  
9 deposit in order to charge.

10 Q Is it correct that as to the stationery  
11 allowance there was no requirement as to how the money  
12 would be used if it was drawn out?

13 A That is correct.

14 Q Is that true of any other allowance that you  
15 have referred to in your testimony?

16 A The other allowances were reimbursements of a  
17 type.

18 Q So, is it correct then that the stationery  
19 allowance is the only allowance that is unquestioned as  
20 to what the use of the money was for?

21 A Yes.

22 Q Regarding the decision as to whether a check  
23 would be mailed or delivered, Mr. Lawler, delivered  
24 internally, if an employee was living in a district  
25 far from the Washington, D.C. area, what means did the

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Office of Finance have of getting such checks to the employee? What means?

A Our only means was what the employee elected on the address form. If they elected outside mail, we of course put it in the outside mail. If they elected inside mail, that would be beyond the scope of how we would know the check would get to them.

Q Did the Office of Finance or House of Representatives have any facility of personally delivering checks in far-reaching districts in the United States?

A That is at least not in the Office of Finance, we didn't.

Q Regarding the Clerk-hire allowance, you testified as to a change that occurred in January, January 3rd, 1977 on as to their being able to transfer funds out of the Clerk-hire allowance?

A Yes.

Q Did I misstate the date, or --

A No, January 3rd of '77.

Q The changes in the use of the Clerk-hire allowance were they, to your knowledge, made retroactive from periods before January 3rd, 1977?

A No. It is not possible to use unused Clerk-hire funds of any preceding month, even.

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Q This period of 1973 to the end of 1976, as far as the Clerk-hire allowance was concerned, could it be used in any other manner other than the payment to employees for their official salary?

MR. POVICH: Objection, Your Honor. Can we approach the Bench?

THE COURT: I will permit the question.

MR. POVICH: How the funds were to be used? The Clerk-hire funds?

THE COURT: Prior to the change in the law.

MR. POVICH: Well, Your Honor, if you are asking this man for an opinion --

THE COURT: I am not asking him anything. I am just permitting the Government to ask him about how Clerk-hire funds can be used prior to the change which you brought up.

MR. POVICH: I didn't say how it could be used. I said: "How they could be transferred."

THE COURT: You may be heard at the Bench.

(At the Bench.)

MR. POVICH: My understanding of the question is how certain funds were to be used once disbursed. I believe that is outside his competency, Your Honor.

THE COURT: State your question. Let it be

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clear.

MR. KOTELLY: The question is, prior in the period of '73 to '76 for what purpose could the Clerk-hire allowance be used, for the years prior? I thought it was disbursed for a purpose.

MR. POVICH: Your Honor, I think if you asked this person whether or not it was within his competence of how they were to be used he would say: That is not a matter within his competence. That is a matter for the Committee on House Administration.

MR. KOTELLY: As to Clerk-hire allowance?

MR. POVICH: Yes.

MR. KOTELLY: That is the first time I have ever heard such a statement. I don't believe it is true. In fact, but even if it was, the Clerk-hire allowance has a stated purpose for what it was for, and I wanted to make clear exactly what that purpose was according to the regulations.

THE COURT: I will permit the question.

(In open court.)

BY MR. KOTELLY:

Q I will repeat the question.

During the period 1973 through 1976, based on the regulations of the Committee on Administration in the House of Representatives, for what purpose could

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1 the Clerk-hire allowance be used?

2 A The regulations stated that it was for the  
3 disbursement to employees for the performance of  
4 official duties.

5 MR. KOTELLY: Thank you. I have no further  
6 questions.

7 THE COURT: Recross?

8 RECROSS EXAMINATION

9 BY MR. POVICH:

10 Q One last question. Would you tell me,  
11 Mr. Lawler, would a congressman even know whether a check  
12 of an employee was to be mailed or not?

13 A No, not under usual circumstances.

14 Q Is there any indication in this case, after  
15 your review of the records, with respect to Congressman  
16 Diggs and the employees with which we are concerned  
17 that he knew whether or not the employee had elected  
18 to have his checks mailed or not?

19 A There is nothing in the personnel file folders  
20 that would indicate that he would have that knowledge.

21 Q Under normal circumstances that is a matter  
22 personal to the employee to which the Congressman  
23 normally would not be privy; isn't that correct?

24 A That is correct.

25 Q And there is nothing to prevent the employee

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from designating anyone in the District of Columbia or elsewhere from receiving the mail; is that correct, the check in the mail for within the inside mail?

A The address is totally at the election of the employee.

MR. POVICH: Thank you.

MR. KOTELLY: Nothing further, Your Honor.

THE COURT: May the witness be excused, gentlemen?

MR. KOTELLY: No objection, Your Honor.

MR. POVICH: Yes, he may be excused.

THE COURT: You are excused. Thank you.

(Witness excused.)

MR. MARCY: I call Elmo Boydston.

THE COURT: Would any member of the jury like a recess at this point? If so, just raise your hand.

All right, we will take a brief recess.

(Whereupon, at 4:35 p.m. a short recess was taken at the conclusion of which the following proceedings were had at 4:45 p.m.:)  
(Defendant present in open court.)

THE COURT: Mr. Marcy, how long do you anticipate this interrogation to last?

MR. MARCY: The next two witnesses will be five minutes, at the most.

000109

MR. POVICH: Do you have any indication of how late you want to stay?

THE DEPUTY CLERK: Bring in the jury, Your Honor?

THE COURT: All right.

(Whereupon, the jury resumed their seats in the jury box and the following proceedings were had in open court;)

Whereupon,

ELMO BOYDSTON

was called as a witness by and on behalf of the Government and, having first been duly sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MARCY:

Q Mr. Boydston, in a loud voice would you please tell us your full name?

A Elmo Boydston.

Q Where do you live?

A Upper Marlboro, Maryland.

Q And what is your job?

A Assistant Postmaster to the United States House of Representatives.

Q Would you briefly describe what your duties are as Assistant Postmaster of the House of Representa-

000110



tives?

A Making sure that the mail is safely delivered, dispatched and collected on time.

Q Does one of your duties include picking up mail from the Office of Finance in the House of Representatives?

A Yes.

Q What type of mail do you typically pick up from the Office of Finance?

A Just general, I would assume, vouchers throughout the month, at the end of each month we have a payday which we are paid at the last day of each month.

Q What type of mail do you pick up when you pick up for payday?

A Outside checks are most generally picked up the night before, which is dispatched directly to the Washington, D.C. Post Office for separation. Inside mail checks are picked up the following day at 10:00 o'clock and are dispatched on our 2:00 o'clock mail delivery.

Q On the outside mail, would you describe what your office does with it?

A When we receive -- are you referring to any mail or just mail from the Finance Office?

Q I will refer to the mail from the Finance

000111

Office, outside the Treasury.

A Outside of the Payroll Check Section?

Q Yes.

A The Finance Office, Mr. Lawler or one of his assistants calls and I dispatch an employee over there immediately. We bring them back. We put them in mail sacks addressed to our superintendent on the first dispatch, leaving the House Post Office and we turn them over to the United States Postal Service.

Q Do you have any means of delivering outside mail out of -- do you have any means of delivering any mail outside of the House of Representatives?

A No, sir.

MR. MARCY: I have no further questions, Your Honor.

THE COURT: Mr. Povich?

MR. POVICH: Cross examination will be by Mr. Watkins.

#### CROSS EXAMINATION

BY MR. WATKINS:

Q You said your job was Assistant Postmaster, is that right?

A Of the House of Representatives, that is correct.

Q You are not an employee of the United States

000112

Mail Service; are you?

A That is correct.

Q You are an employee of the House of Representatives?

A Of the House of Representatives.

Q And so your duties are for the House of Representatives and not at all for the United States Postal Service?

A That is correct, sir.

Q Now, Mr. Boydston, from whom do you take directions about how to perform your duties?

A Directly, the House Postmaster.

Q From the House Postmaster, and have you ever had any direction from Congressman Charles Diggs as to how to deliver any mail?

A No, sir.

Q Have you ever had any direction from Congressman Charles Diggs on where to deliver any mail?

A One time back when he became Chairman, yes, sir. He asked that all mail addressed as Chairman go to the Committee, not his congressional Michigan seat.

Q Did you ever have any other direction from him with regard to mail delivery outside of the District of Columbia?

A No, sir.

000113

Q Have you ever had any directions from Congressman Charles Diggs with regard to delivery mail to persons known as Jeralee Richmond, Felix Matlock?

A The names do not ring a bell to me.

Q You don't take any direction about where to deliver the mail from Congressman Diggs; is that correct?

A That is correct. Well, if he instructs all mail for -- as Chairman, yes. It will go to the Committee, not to his congressional office; right.

Q Let me clear this up.

Do you take any instructions from Congressman Diggs to deliver any mail to the United States Post Office?

A No.

MR. WATKINS: Thank you, Mr. Boydston.

THE COURT: Anything else?

MR. MARCY: Just one question, Your Honor.

REDIRECT EXAMINATION

BY MR. MARCY:

Q This is more on the line of direct. Mr. Boydston, the methods that you described of picking up mail, was that the same as the description that you gave -- did that apply from 1973 through 1977?

A Yes.

000114

MR. MARCY: I have no further questions, Your Honor.

THE COURT: Anything else?

MR. MARCY: No, Your Honor. We ask the witness be excused.

THE COURT: Mr. Watkins?

MR. WATKINS: Nothing further, Your Honor.

THE COURT: You may be excused.

Thank you.

(Witness excused.)

MR. MARCY: I call Charles Hopson.

Whereupon,

CHARLES T. HOPSON

was called as a witness by and on behalf of the Government and, having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. MARCY:

Q Mr. Hopson, will you please give us your full name?

A Charles T. Hopson.

Q Where do you live, Mr. Hopson?

A 7835 16th Street, Northwest.

Q Where do you work?

A The City Post Office, Washington, D.C.

000115

Q How long have you worked for the Postal Service?

A 19 years.

Q What is your present position with the Postal Service?

A Superintendent of Government Mails.

Q Would you briefly describe what your responsibilities are as superintendent of Government Mails?

A My section delivers and checks all of the mail for all of the Government agencies, including the White House, the Senate, and House.

Q You do collect mail from the United States House of Representatives?

A Yes, we do.

Q Would you describe how you collect the mail from the House of Representatives?

A We have carriers who go to the House platform at the House platform post office and picks up the mail.

Q Who do they get the mail from at the House Post Office?

A From the crew that works in the mail room, the House Post Office.

Q Where do they take that mail?

000116



1 A To the Main Post Office in Washington, D.C.

2 Q Okay. Where is that located in Washington?

3 A North Capitol and Massachusetts Avenue.

4 Q To your knowledge has that been a procedure  
5 for the last four or five years?

6 A Yes. Yes, it has.

7 MR. MARCY: I have no further questions, Your  
8 Honor.

9 THE COURT: Mr. Watkins?

10 MR. WATKINS: No questions, Your Honor.

11 THE COURT: Thank you, you are excused.

12 MR. KOTELLY: I can Jean Stultz, Your Honor.

13 THE COURT: Counsel, come to the Bench.

14 (At the Bench.)

15 THE COURT: How long do you think Ms. Stultz'  
16 examination will take?

17 MR. KOTELLY: This will be a lengthy witness,  
18 Your Honor. I imagine about an hour and a half.

19 THE COURT: I think under the circumstances  
20 that we will recess. It is now five minutes of five,  
21 according to the clock, and this is the jury's first  
22 day. They have been down here since about 9:30, so I  
23 think we will start up with the witness tomorrow morning.

24 Mr. Patterson, what do we have on tomorrow?

25 THE DEPUTY CLERK: We have five or six matters,

Your Honor.

THE COURT: Any of them lengthy?

THE DEPUTY CLERK: No, sir. All of them are brief.

THE COURT: I hate to put any more burdens on you, but can you check with counsel and see if you can't get them in here a little early, at least promptly?

THE DEPUTY CLERK: I will try to do the best I can.

THE COURT: We will see you at 9:35 and try to push the preliminaries along. I don't think any of them require any particular expenditure of time. Usually we are just checking on the people on probation and see how they are getting along. So, let's say 9:30 tomorrow morning.

MR. POVICH: Thank you for adjourning today. I am exhausted.

(In open court.)

THE COURT: Ms. Stultz, it is five minutes of five. We think we will recess at this point. Be here tomorrow at 9:30, please.

JEAN STULTZ: Yes.

THE COURT: Thank you.

Ladies and gentlemen, I recognize this is your

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first day and I don't want to take advantage of the fact that you all are here and we might hear another witness, but I am willing to excuse you for the day. Your usual admonition: Do not talk about the case among yourselves. Do not let anybody talk to you about it, and do not talk to anybody about it. You are excused until tomorrow morning at 9:30. The Marshal will bring you here so that we can start promptly. All right.

(Whereupon, the jury retired from the courtroom and the following proceedings were had out of their hearing and presence:)

THE COURT: Gentlemen, is there anything that either of you wish to bring to the Court's attention at this time?

MR. KOTELLY: No, Your Honor.

MR. POVICH: No, sir.

THE COURT: Nothing?

MR. POVICH: Nothing.

THE COURT: Thank you very much.

(Whereupon, at 5:00 o'clock p.m. hearing in the above-entitled matter was recessed to reconvene at 9:30 o'clock a.m. on Thursday, September 28th, 1978.)

CERTIFIED: \_\_\_\_\_ OFFICIAL REPORTER

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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, ]

v. ]

Criminal No. 78-142

CHARLES C. DIGGS, JR., ]

Defendant. ]

Washington, D.C.

September 28, 1978

The above-entitled matter came on for further  
hearing at 10:00 o'clock a.m. before:

HONORABLE OLIVER GASCH  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

ON BEHALF OF THE GOVERNMENT:

JOHN KOTELLY, ESQUIRE  
ERIC MARCY, ESQUIRE

ON BEHALF OF THE DEFENDANT:

DAVID POVICH, ESQUIRE  
ROBERT WATKINS, ESQUIRE  
BERNARD CARL, ESQUIRE

-oOo-

REGIS GRIFFEY  
Official Court Reporter

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P R O C E E D I N G S

THE DEPUTY CLERK: May I call the case on trial, Your Honor?

THE COURT: Yes, sir.

THE DEPUTY CLERK: Criminal case 78-142, the case of the United States of America v. Charles Diggs.

For the Government, Mr. John Kotelly and Eric Marcy.

For the Defendant, Mr. David Povich, Robert Watkins and Bernard Carl.

(Defendant present in open court.)

MR. POVICH: Good morning, Your Honor.

THE COURT: Good morning, gentlemen.

Are counsel ready to proceed?

MR. KOTELLY: The Government is ready.

MR. POVICH: We are ready, Your Honor.

THE COURT: Bring in the jury.

(Whereupon, the jury resumed their seats in the jury box and the following proceedings were had in open court:)

THE COURT: Good morning, ladies and gentlemen.

THE JURY: Good morning.

THE COURT: You may proceed.

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MR. KOTELLY: Your Honor, the Government's  
next witness will be Melvin Chrisman.

Whereupon,

MELVIN CHRISMAN

was called as a witness by and on behalf of the  
Government and, having first been duly sworn was  
examined and testified as follows:

DIRECT EXAMINATION

BY MR. KOTELLY:

Q Would you please state your name for the  
record?

A Melvin L. Chrisman.

Q Mr. Chrisman, where are you presently  
employed?

A At the Riggs National Bank in Washington,  
D.C.

Q How long have you been employed at the Riggs  
National Bank?

A Since June of 1946.

Q What is your present position?

A Senior vice-president, cashier.

Q How long have you held that position?

A For two years and five months.

Q What are your present duties as senior vice-  
president and cashier?

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A As cashier of the National Bank I have some legal responsibilities among other responsibilities of care and control of the assets and records of the bank.

Q Mr. Chrisman, were you previously subpoenaed and requested to bring to Court certain money orders and cashier's checks in the care, custody and control of yourself?

A Yes.

Q As an officer of the Riggs National Bank?

A Yes.

Q During the period of 1973 through the end of 1976 did Riggs National Bank sell money orders and cashier checks?

A Yes, we did.

Q How were they designated?

A I don't understand what you mean by "How were they designated".

Q Did they have the name of the bank on the money order and cashier's checks?

A All bank money orders and bank cashier's checks showed the name Riggs National Bank.

Q Would you state to the jury during that period of time how money orders and cashier checks were sold by the Riggs National Bank?

A Yes. Cashier checks were sold when a

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customer came in and asked for one, gave us the information as to the payee of the check. One of our employees would type the check up, take payment for the check, get it signed by an officer, and deliver it to the customer.

In the case of money orders the customer merely came in and asked for a money order in the dollar amount that he wanted. That amount was coded on the check and the check was handed to the customer in blank.

Q These cashier checks and money orders, were they paid for at the time they were given to the customer?

A Yes. They were always paid for at the time that they were delivered.

Q Would the name of the customer appear on either of those documents?

A On the cashier's check it would not appear on there. On the money order it might appear if the customer chose to sign it after he purchased it.

Q But as far as the bank is concerned, would the bank put the name of the customer on the money order?

A They would not.

Q What, if any copies of these documents would you give to the customer?

000124

A On a cashier's check, just give the original check to the customer. In the case of money orders they get a file copy for their own records.

Q Mr. Chrisman, is there a regular procedure that is set by the Riggs National Bank regarding the return of these cashier's checks and money orders after they have been sold to a customer?

A Well, when a customer negotiates them, like any other check, eventually gets back to the payment system and paid by the bank and filed.

Q What, if any indications are there on these cashier checks or money orders as to the amount of the documents, what, if any?

A On a cashier's check the amount is typed in by the bank employee. It is also cut in on a check writing machine. In the case of money orders it is just checked in on the writing machine.

Q This would reflect the amount?

A The amount of the check, yes.

Q The amount -- would the bank place anywhere else on the money order or cashier's check the amount of the document?

A Not on a money order. On a cashier's check it would be typed in by the bank employee who issued it.

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Q After the document has been sold to a customer, does the Riggs Bank or to your knowledge, the banking practices of other banks, place on the documents the amount of the instrument?

A Well, again in a case of a cashier's check it is filled out in its entirety. And in the case of money orders, the amount is cut in.

Q Mr. Chrisman, I am referring to after the bank has sold the documents. At some later time, according to banking practices, is there any indication put on the money order or cashier's check?

A In a case of a cashier's check it is usually delivered to the payee, and eventually endorsed and redeposited.

In the case of money orders, the individual who purchased it may sign it, date it and deliver it to and fill in the payee line and deliver it to someone.

Q The documents that you have previously turned over to the Court, from their appearance were they handled in the normal banking practices?

A Yes.

MR. KOTELLY: Your Honor, for identification, Government's Exhibit 45-A through 45-Z. 46-A through 46-G.

THE DEPUTY CLERK: Government's Exhibits 46-A

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through 46-G, 45-A through 45-Z marked for identification.

(Whereupon, Government's Exhibits 45-A through 45-Z and 46-A through 46-G were marked for identification.)

BY MR. KOTELLY:

Q Mr. Chrisman, while defense counsel is still looking at those documents. Does the bank have any identifying numbers on cashier's checks or money orders?

A Yes. The cut shows the dollar amount, shows the branch designation.

Q How about as to numerical sequence?

A Our branches are numbered numerically.

Q I am referring to the instrument, themselves, the money orders and the cashier's checks before --

A Well, money orders are brought from the check printers in sequential numbers and they are kept in the bank vault sequentially and delivered out to the various branches, and we keep a record of who has which blocks of numbers.

Q Is there a practice at the Riggs Bank regarding the dating of money orders and cashier's checks?

A Yes. The tellers that issue them are

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supposed to put a rubber date stamp in the position of the date.

Q How about the cashier's checks?

A That is typed in. That check is filled out entirely.

Q Mr. Chrisman, I show you Government's Exhibits 45-A through 45-Z and ask if you can identify those documents?

A Yes, they are all microfilm or photostatic copies of money orders that the bank sold.

Q Are those the documents that you produced in court last week?

A Yes.

Q Mr. Chrisman, I also show you Government's Exhibit 46-A through 46-G and ask if you can identify those documents?

A Yes. These are the microfilm or Xerox copies of cashier's checks sold by the bank.

Q Are those documents the documents that you turned over to the Court last week?

A Yes.

Q Mr. Chrisman, in addition to those documents were you also subpoenaed to bring with you several additional cashier's checks and money orders?

A Yes, I was.

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Q Were you subpoenaed to bring a cashier's check dated October 1, 1975, cashier check No. 442441?

A Yes.

Q Have you brought that document with you?

A Yes, I have it here.

Q Also cashier's check dated December 5, 1973, No. 247548.

A Yes, I have that.

MR. KOTELLY: Your Honor, I ask that they be marked Government's Exhibits 46-H and I.

THE COURT: All right.

THE DEPUTY CLERK: Government's Exhibits 46-H and 46-I marked for identification.

(Whereupon, Government's Exhibits Nos. 46-H and 46-I were marked for identification.)

BY MR. KOTELLY:

Q Mr. Chrisman, while defense counsel is looking at those documents I ask you, were you also subpoenaed to bring with you a money order purchased December 5, 1973, No. 689522?

A Yes.

Q Have you brought that with you?

A Yes, I have.

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Q Were you also subpoenaed to bring a money order purchased on December 5, 1973 which is either No. 689521 or 689523 in the amount of \$51.06?

A I have it. It is numbered 689523, and I have that here.

Q Is it in the amount of \$51.06?

A Yes.

MR. KOTELLY: Your Honor, I would ask that these two be marked as Government's Exhibit 45-AA and BB

THE COURT: Very well.

THE DEPUTY CLERK: 45-AA and 45-BB marked for identification.

(Whereupon, Government's Exhibits Nos. 45-AA and 45-BB were marked for identification.)

MR. POVICH: I am sorry, Your Honor, we have not seen those.

MR. KOTELLY: They have been brought for the first time to court, Your Honor.

THE COURT: All right.

BY MR. KOTELLY:

Q Mr. Chrisman, I return to you, Exhibits 45-AA and 45-BB, 46-H and I, and ask you if those documents were kept in the ordinary course of business

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by the Riggs National Bank?

A Yes, they were.

Q And those documents were under your care, custody and control?

A That is correct.

Q At the time that the cashier's checks or money orders are cut, you have indicated that there is a cutting stamp that prints the amount of money on the cashier's checks and money orders; is that correct?

A That is right.

Q Besides the amount of money, is there any other identifying mark placed on these instruments?

A Yes. The words of Riggs National Bank of Washington, D.C., and the branch number, 16 or 18 appears to be the two branch numbers on these documents.

Q To your knowledge, do you know which are branches 16 and 18?

A 16 is our Southeast office and 18 is the L'enfant Plaza office.

Q Does Riggs National Bank stamp or mark the items when they are returned to the bank after they have been negotiated in the ordinary course of business?

A When they are presented for payment there is a paid stamp placed on the face of the check bearing

000131

the date that it was paid.

Q Mr. Chrisman, on some of the documents you have turned over, the Riggs stamp partially obliterates the amount of the money from the plate that they were printed on. Is there another location on that document which you could tell the amount of the money order or cashier's check?

A Yes. On a cashier's check the amount has been typed in at the time it was sold. In both the cashier's check and the money order the amount is microencoded in the lower right-hand corner of the check before it is processed.

Q Mr. Chrisman, as far as the identifying money order numbers and cashier's check numbers that you have indicated were printed, is there any practice as to when these money orders and cashier's checks are sold, as to the sequence of numbers on the documents?

A No. When we get our check supply order from the check printer they go to the warehouse. When a branch needs a new supply they are drawn from the warehouse and shipped to the branches so they get blocks of numbers at the time they need them.

Q As far as each branch, when it receives a block of numbers, is there any practice within the bank as to how they are sold as far as the identifying numbers

000132

on the money orders or the cashier's checks?

A They are supposed to tell, of course, the earliest numbers first in sequence and then report in every night of their sales as to the numbers that have been sold.

Q I also show you, return you to Government's Exhibit 45-Q, R and S, and ask you if these documents were negotiated at the Riggs National Bank?

A Well, yes and no. They were originally sold to apparently Jean Stultz. She apparently turned them back in on the date that she purchased them and asked for three additional ones in exactly the same amount.

Q So that those documents were not --

A They were never actually delivered to the purchaser. They were canceled by the bank and it is so indicated.

Q Mr. Chrisman, I would next show you and identify, ask Your Honor that they be marked as Exhibits 24-A, B and N. They have been premarked.

THE DEPUTY CLERK: Government's Exhibit 24-N, 24-B and 24-A marked for identification.

(Whereupon, Government's Exhibits 24-N, 24-B and 24-A were marked for identification.)

000133

BY MR. KOTELLY:

Q Mr. Chrisman, I show you Government's Exhibit 24-A, B, and N and ask you if you can identify those documents?

A Yes. These are microfilm copies of checks of Jean Stultz. She had a checking account at the Riggs National Bank and these are checks that she drew for cash and negotiated at the bank.

Q Were those microfilm copies previously provided by the Riggs Bank?

A Yes.

Q Now, Mr. Chrisman, is there any way, any indication made by Riggs Bank on those documents which would reflect as to how they were negotiated?

A Yes. There is a teller stamp on the face of each of the three of them, which is indicative they were negotiated at a teller's window and purchased or payment of something.

Q Would there be any identifying marks which would reflect as to whether those checks were deposited or in payment of any loans or any other such bills at the Riggs National Bank?

A Well, there is no indication on the face of any of these checks as to what they were used for, but the fact that they were cashed by a teller means that

000134



the customer either received cash or received -- made a payment on a note or received some document in return for this check.

Q When you say "some documents in return," would that mean money orders or cashier's checks?

A Either a cashier's check or money order.

Q Mr. Chrisman, while defense counsel are looking at the next group of documents as to checks drawn on a checking account at the Riggs National Bank, what documents do you maintain at the bank regarding the actual checks themselves?

A Well, we maintain for five years photostatic copies or microfilm records of all checks paid by the bank on the checking account. We maintain the signature cards on the account. We maintain the monthly statements on microfilm, and the deposit tickets for five years.

MR. KOTELLY: Your Honor, I ask that these which have been premarked 24-C through M, O through S, I would ask that they be marked.

THE DEPUTY CLERK: You say 24-C through 24-O?

MR. KOTELLY: C through M and then O through S.

THE DEPUTY CLERK: Government's Exhibits

000135

24-C through M and O through S marked for identification.

(Whereupon, Government's Exhibits 24-C through M and O through S were marked for identification.)

BY MR. KOTELLY:

Q Mr. Chrisman, I also show you Government's Exhibits 24-C through M and O through S and ask you if you can identify as to whether these documents were negotiated at the Riggs National Bank?

A Yes. These are original checks of Jean Stultz on her account at the Riggs National Bank and they all bear a Riggs teller's stamp which would indicate that they were negotiated at the bank.

Q And when you indicate that they were negotiated, can you tell from that earlier stamp as to the manner that they were negotiated?

A They were cashed at a teller's window, either branch 16 or Branch 18.

Q And do the branch numbers appear on those checks?

A It appears on the teller's stamp.

Q Where, on each of those checks does the teller stamp appear?

000136

2           A       On the left-hand side of the check. The  
3 tellers validate the stamp in this manner.

4           MR. KOTELLY: Your Honor, I would ask to  
5 identify what has already been premarked as Government's  
6 Exhibit 22-A, 22-B and 51-B. I am sorry, 22 series  
7 have already been identified yesterday.

8           THE COURT: All right.

9           THE DEPUTY CLERK: That is correct.

10          BY MR. KOTELLY:

11           Q       Mr. Chrisman, I will show you first Govern-  
12 ment's Exhibit 22-A and 22-D, which were identified  
13 yesterday as voucher checks and ask you if you can  
14 identify whether those two instruments were handled at  
15 the Riggs National Bank?

16           A       Yes. They both bear Riggs National teller  
17 stamps, Branch 18.

18           Q       Would they indicate the same as you previously  
19 mentioned that they were negotiated at the teller's  
20 window?

21           A       Yes. negotiated at the teller's window.

22           Q       I show you 51-E, which is a Bank of the  
23 Commonwealth cashier's check and ask you if you can  
24 identify that, whether that was negotiated at the Riggs  
25 Bank?

26           A       Yes. It also bears the Riggs teller stamp.

000137

It is indicative of the -- of it being negotiated by the teller.

MR. KOTELLY: If the Court will indulge me.

No further questions, Your Honor.

THE COURT: Mr. Povich?

MR. POVICH: Give me a moment, Your Honor.

CROSS EXAMINATION

BY MR. POVICH:

Q You were shown some canceled money orders that had been canceled that bear the name of Jean Stultz, and I believe you testified that they were given back to the bank and she would have been credited that. Did you indicate what, if anything, was done with the money?

A She purchased three additional money orders in the next sequential numbers for the same amount as these three.

THE COURT: Were you shown those checks?

THE WITNESS: I wasn't looking at them that closely. I don't know whether I did or not. I presume they are.

BY MR. POVICH:

Q And these were 175, 176 and 177, 178 and 179 and 180; is that correct?

A I believe so.

000138

Q Now, are the checks, are they always, I believe you testified that sometimes the checks were not sequential, because they were divided up among the banks; is that correct?

A Well, each bank gets a block of numbers and that branch sells its numbers sequentially, but if Branch A gets a block of numbers in earlier, sells them faster than Branch B, the bank could be paying them out of sequence.

But, we keep records to that effect.

Q Do you receive subpoenas for this information?

A Yes.

Q How many subpoenas did you receive from the Government for the production of documents in this case?

A Oh, let's see. One, two, three, four, five, I believe it is five is what I seem to have here, five or six.

Q Would you hand to me the subpoenas which you received?

MR. KOTELLY: Your Honor --

THE WITNESS: You will give these back, I trust. This appears to be all.

BY MR. POVICH:

Q These are all the subpoenas?

A There are other documents attached to them.

000139

Q Well, were the documents attached to these subpoenas?

A No. They are just there. I've put them there. Do you want to look just at the subpoenas?

Q I don't want to mess up your records. If you could just set aside the subpoenas you received from the Government in connection with this.

A I think this is it. That is the ones I have in this file of Congressman Diggs.

Q Now, in connection with the receipts of these subpoenas, did you on occasion find that some of the subpoenaed information really had nothing to do with this case and therefore you did not produce it?

A Yes.

MR. KOTELLY: Objection, Your Honor.

A subpoena calls for documents to be produced. A witness cannot decide what is relevant and irrelevant.

THE COURT: Sustained.

BY MR. POVICH:

Q Well, would it be fair to say, Mr. Chrisman, that there are documents which are called for in the subpoena which were not turned over to the Government?

MR. KOTELLY: I have to object to that on the grounds of relevancy, what is and isn't turned over to the Government. It is what documents are in

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evidence. If Mr. Povich wishes to put documents in evidence, we have no objection to that.

THE COURT: Counsel, come to the Bench.

(At the Bench.)

THE COURT: What are you trying to do?

MR. POVICH: It is important, especially with the next witness that we ascertain the extent of the Government's production of documents with respect to her accounts and transactions. The completeness of the information which they have with respect to that, it is very important, I think it is simply going through the subpoena, what documents were produced, not simply what was turned over and not introduced into evidence, documents which were available, and it is a simple -- Your Honor, I don't mean to cause a problem. The simplest way to do that is, of course, to get the subpoenas. These should be filed as part of the Court's record and there shouldn't be any problem. I just want to make sure if there is something called for here that was not turned over that I don't want to charge the Government with having. That is all.

THE COURT: Well, the Government is interested only in the evidence as relevant to the charge in this indictment, and if something else comes up, the Government isn't required to produce that and

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say, "Well, that is not relevant to this case."

MR. POVICH: I am not suggesting for a moment they are required to produce something that isn't relevant. I just want to make sure something that was called for was turned over to the Government, something that was not, then we know the reason why. Otherwise, I could take these subpoenas and say, "Yes, this material is relevant to the Government, the material called for here."

MR. KOTELLY: May I be heard?

Your Honor, the Government would submit that these subpoenas are totally irrelevant to the issues of the trial of this case. Documents turned over to the subpoena have to be admitted into evidence. The subpoenas themselves are not evidence of anything. The Government has requested certain documents. It can receive certain documents and ask that certain be marked and certain ones not be marked. I would submit that this has nothing to do with the issues in this case and Mr. Povich is trying to create some new issue.

I would submit part of the subpoenas are Grand Jury subpoenas and not trial subpoenas, and clearly have nothing to do with the production of evidence at trial, which is the issue here.

MR. POVICH: Are you suggesting that

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information you obtain at trial is not during the course of the Grand Jury investigation, is not relevant to the trial?

MR. KOTELLY: Only if it is admissible in evidence at trial is it relevant.

THE COURT: I am going to have to ask you gentlemen to stop having colloquy between yourselves and address the Court.

MR. POVICH: I will stop here. I will simply have him identify the fact that these were the subpoenas issued and responded to them and introduce the documents.

(In open court.)

BY MR. POVICH:

Q I don't wish to belabor it, is it fair to say the documents which you have handed me are the subpoenas which you received on behalf of the Riggs Bank and in response thereto you produced the documents called for?

A Yes.

MR. POVICH: Your Honor, may I just have them marked for identification purposes?

THE COURT: All right.

MR. POVICH: Defendant's Exhibit --

THE WITNESS: You have to count them again. I

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think there are six.

MR. POVICH: Thank you. I have no further questions, Your Honor.

THE COURT: Anything else?

MR. KOTELLY: Nothing further, Your Honor.

THE COURT: Thank you, Mr. Chrisman. You may be excused.

(Witness excused.)

MR. KOTELLY: The Government would call Jean Stultz, Your Honor.

THE DEPUTY CLERK: Defendant's Exhibits 1 through 6 marked for identification.

(Whereupon, Defendant's Exhibit No. 1 was marked for identification.)

Whereupon,

JEAN AUDREY GILLETTE STULTZ was called as a witness by and on behalf of the Government and having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KOTELLY:

Q Would you please state your name for the record?

A Jean Audrey Gillette Stultz.

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Q And, Ms. Stultz, where do you presently live?

A In the State of New Jersey.

Q How long have you lived in New Jersey?

A Two years.

Q Prior to that, where did you live?

A In Washington, D.C.

Q How long have you lived in the Washington, D.C. area?

A All my life, approximately 45 years until moving to New Jersey.

Q Mrs. Stultz, do you know an individual known as Charles C. Diggs, Jr.?

A I would like to address the Court, please.

Q Mrs. Stultz, just answer the question.

A Yes.

THE COURT: Do you know Mr. Diggs?

THE WITNESS: Yes, I do.

BY MR. KOTELLY:

Q All right. And how do you know Mr. Diggs?

A As a former employee.

Q How long were you an employee of Mr. Diggs?

A Approximately four years.

Q The person that you know as Charles C. Diggs, Jr., do you see him here today in court?

A Yes, I do.

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Q Would you point him out, identify him,  
please?

A Mr. Diggs, sitting at the table.

MR. KOTELLY: Is there any objection to the  
identification?

MR. POVICH: No.

MR. WATKINS: No.

BY MR. KOTELLY:

Q Mrs. Stultz, in what capacity were you  
employed by Mr. Diggs?

A As his office manager.

Q Where were you located when you were the  
office manager?

A In the congressional office.

Q Where?

A In the House of Representatives.

Q In Washington, D.C.?

A Yes, sir.

Q Prior to that time, Mrs. Stultz, could you  
indicate briefly to the jury your educational background  
and your working experience before you began to work  
for Congressman Diggs?

A I am a high school graduate. I have taken a  
few college courses. I have worked as a secretary,  
executive secretary, for federal agencies and private

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concerns.

Q When did you first meet Mr. Diggs?

A In July of 1972.

Q Where was that?

A In Miami, Florida.

Q Where were you working at that time?

A With the Democratic National Committee.

Q And did you have any conversation with Mr. Diggs at that time?

A Yes, I did.

Q How much later was it that you went to work for Mr. Diggs?

A Approximately three months, in October of 1972.

Q When you first began to work for Mr. Diggs, what was your position?

A I went on board with Mr. Diggs as a legislative assistant.

Q What was your starting salary?

A \$11,000 a year.

Q When was it that you actually started, what date was that?

A In October of 1972.

Q How long did you remain as a legislative assistant?

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A Three to four months, approximately four months.

Q And then what position did you attain?

A His personal secretary.

Q And was there any change in your salary at that time?

A Yes, sir.

Q What was your changed salary?

A \$14,000, maybe fourteen and some.

Q Per year?

A Yes, sir.

Q Did you also obtain any additional duties in working for Mr. Diggs besides being his personal secretary?

A I'm not sure I understand.

Q Let me rephrase that question.

First of all, as to your position as Mr. Diggs' personal secretary, what were your duties?

A I was responsible for his appointment calendar. I took care of all of his personal affairs.

MR. WATKINS: Your Honor, I am sorry, Mr. Kotelly. May we approach the Bench?

THE COURT: Yes.

(At the Bench.)

MR. WATKINS: I was informed by Mrs. Stultz'

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lawyer, when she called me on Saturday that Mrs. Stultz was attempting to assert a constitutional right when she asked to address the Bench, that was the problem when she asked to address the Bench, the Court, and I am informing the Court of this. I think we ought to have a voir dire of some kind out of the presence of the jury as to why.

Mrs. Roundtree is Mrs. Stultz' lawyer. She is here in the courtroom and she is the person that advised me.

THE COURT: Mrs. Roundtree knows how to bring such matters to the attention of the Court.

MR. WATKINS: I think that is something that ought to be addressed at some stage before something happens that cannot be repaired.

THE COURT: Do you happen to know what the basis of the assertion of the constitutional privilege is?

MR. WATKINS: I don't know. I have a suspicion, but I don't know what the basis is. Your Honor, I think Mrs. Roundtree might know. I think that she is probably the person that ought to handle this matter.

THE COURT: All right.

(In open court.)

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THE COURT: Ladies and gentlemen of the jury,  
you may step into the juryroom, briefly.

(Whereupon, at 11:35 a.m. the jury retired  
to the juryroom and the following proceedings  
were had out of their hearing and presence:)

THE COURT: Call Mrs. Roundtree.

THE DEPUTY CLERK: Ms. Roundtree.

MS. ROUNDTREE: Yes.

THE COURT: You may come to the Bench,  
Ms. Roundtree.

(At the Bench.)

THE COURT: Good morning. The Court has been  
advised that you wish to make a representation on  
behalf of Mrs. Stultz?

MS. ROUNDTREE: Yes, I do, Your Honor.

I spoke with Mrs. Stultz this morning. She  
inquired of me if I had received from the Government an  
assurance of immunity for her, and I advised her that  
other than the oral representation I was to receive a  
letter, a memorandum some two weeks ago and I had not  
received it, and I advised her that she does have  
certain constitutional rights, that her testimony  
certainly will incriminate her and that I thought that  
should be brought to the attention of the Court so that  
she might be advised, formally on the record of this.

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Her testimony certainly involves her, Your Honor. She would be totally convicted on what she says from this stand as to what she has represented to me.

THE COURT: Of course I don't know the nature of her testimony. I haven't had access to her --

MS. ROUNDTREE: I understand that, Your Honor.

THE COURT: -- Grand Jury testimony or whatever.

What is the situation?

MR. KOTELLY: Your Honor, at the time that Mrs. Stultz first came to the Grand Jury to testify she was advised of her rights. She indicated she wished to waive her rights, which she did under oath and testified fully and freely at the Grand Jury.

A week or two ago Ms. Roundtree did come to our offices with Mrs. Stultz and asked us as to the testimony at trial whether we intended to prosecute Mrs. Stultz based on her testimony. We advised Ms. Roundtree at that time we certainly would not intend to prosecute her, and she had our word that she would not be prosecuted for her testimony.

Ms. Roundtree was concerned if anything happened to Mr. Marcy or to myself that there would be nothing on the record that would reflect that the Government has told Ms. Roundtree, told Mrs. Stultz that

she would not be prosecuted for her testimony relating to her employment with Congressman Diggs as far as the salary was concerned, which is the only issue that we can see that she has any concern on.

Ms. Roundtree said she would be satisfied with our representations, also that she would like a memorandum in writing in order to effectuate that.

I was under the impression, I told Ms. Roundtree as soon as this trial was over we would give her a memorandum. Obviously, her understanding is different, that she expected one immediately. If I had realized that, of course I would have provided her with a memorandum, immediately. But I would submit that my formal representation is binding on the United States Government that we will not prosecute Mrs. Stultz for any of her testimony regarding payroll practices during her employment with Congressman Diggs.

MS. ROUNDTREE: With that being on this record, I am satisfied.

THE COURT: All right.

MS. ROUNDTREE: I am most satisfied. I am more satisfied than I would be with a memorandum, with it on the record. I thank the Court.

THE COURT: Thank you, Ms. Roundtree.

MS. ROUNDTREE: All right. I request the

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Court relate that to Mrs. Stultz. May that be done in the witness room.

THE COURT: Would you please relate that to Mrs. Stultz?

MS. ROUNDTREE: Yes. Thank you.

(In open court.)

THE COURT: You may bring in the jury.

(Whereupon, the jury resumed their seats in the jury box and the following proceedings were had in open court:)

THE COURT: You may resume the stand, Mrs. Stultz.

DIRECT EXAMINATION -CONTINUED

BY MR. KOTELLY:

Q Mrs. Stultz, would you state to the jury what your duties were as personal secretary to Congressman Diggs?

A I maintained the Congressman's appointments, calendar. I took dictation. I spoke with his constituents and also handled his personal affairs.

Q For how long a period of time did you do that?

A From when was it? From the time I received the appointment as secretary, February of '73 until I left in August of '76.

Q You indicated that you handled some of the

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Congressman's financial matters; is that correct?

A That is correct.

Q And what specifically -- what type of records of Congressman Diggs did you handle regarding financial matters?

A His personal -- his bills and his accounts, not just personal bills, but also the office expenses of bills and accounts, the Congressman's personal bills.

Q To your knowledge did the Congressman have any personal checking accounts during that period of time?

A Yes, he did.

Q How many checking accounts did he have?

A Mainly one at the House Sergeant at Arms Bank.

Q What, if anything, do your duties include regarding the Congressman's checking account at the Sergeant at Arms?

A I would make deposits into that account as instructed by him, and I would pay his creditors from his, you know, checks that were drawn on that account.

Q And what, if anything, did you do regarding the making up of checks from the personal checking account of Congressman Diggs?

A Usually I would draw checks -- I would prepare checks to those creditors that the Congressman would

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indicate he wanted to pay for that particular month, or whatever, present these checks to the Congressman for signature and then would mail them to the creditor.

Q Did you have authority to sign the Congressman's name to any of his personal checks?

A No, I did not.

Q And did you ever do so?

A No, I did not.

Q Mrs. Stultz, you also indicated that you were the office manager for Congressman Diggs; is that correct?

A That is correct.

Q And at what time did you assume that duty?

A I don't remember the exact date, but it was when Mrs. -- his former administrative assistant, who is now deceased, Ms. Dorothy Quarker was moved to the House District Committee Staff.

Q Could you spell Ms. Quarker's name for the record?

A Dorothy, D-o-r-o-t-h-y, Quarker, Q-u-a-r-k-e-r.

Q Could you give us some indication as to when this occurred?

A I would guess it was around April or May of '73.

Q Is it at that time that Ms. Quarker went over

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to the District Committee that you took over the office manager's responsibilities; is that correct?

A That is correct.

Q What additional duties did you have as office manager?

A I was responsible for the operation of the office, supervision of the staff, and at the same time I maintained a secretarial function for a good portion of the time.

Q Did you receive any increase in salary when you assumed the additional duties as the office manager?

A I can't remember exactly. I did receive an increase in salary, but I can't remember whether it was exactly at that point or later.

Q Now, Ms. Stultz, during the time that you were the office manager and personal secretary of Congressman Diggs, was this on a committee or as to his personal staff?

A It was his congressional staff, not the committee staff. I was located in the congressional office.

Q Did you have offices in the committee for the District of Columbia suite of offices?

A No, I did not.

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Q Mrs. Stultz, were you ever on the payroll for the House of Representatives, committee on the District of Columbia?

A Yes, I was.

Q How do you have knowledge of that?

A I was told that I was going on the District Committee payroll. Sometimes I would be on the District Committee payroll and sometimes I would be on the congressional office payroll.

Q Who told you this?

A The Congressman would tell me that I was being switched from one payroll to the other.

Q What, if any duties did you have regarding the Committee on the District of Columbia?

A Well, at one time I was -- I don't remember exactly when I was supposed to be liaison, a liaison person between the District Committee Office and the congressional staff, but as far as having actual duties or specific assignments, I didn't have any.

Q Did you have any liaison functions between the District Committee and the congressional staff?

A None that I could particularly identify other than talking with the staff, occasionally.

Q Mrs. Stultz, did the Congressman indicate to you why he was putting you on the Committee staff?

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A I don't recall any specific reason.

Q Now, Mrs. Stultz, did there come a time when you were on both the Committee staff and the congressional staff of Congressman Diggs at the same time?

A Yes, there was.

Q When did that occur?

A The best of my recollection it was about -- it was in 1973, I believe, late.

Q Could you tell the jury what, if any conversations, you had with the Congressman, Congressman Diggs prior to the time that you were put on both payrolls?

A Well, the Congressman called me in his office one afternoon. It was just one day. It was just two of us in the office, and he said that there was certain items, certain bills that needed to be paid, and he wanted to increase my salary and the increase, he would tell me what bills should be used for.

Q What response, if any, did you have when he made this suggestion?

A I objected to it. I told the Congressman I didn't think it was legal. I don't want to get into that.

Q What did the Congressman respond to that, if anything?

A His response was that an employee could do

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whatever she wanted or whatever the employee wanted with their salary.

Q And what happened in that conversation after that?

A I finally agreed. We discussed it more. I don't remember what was said, but I finally said, "All right, I will do it." And I said, "I don't want to do this for long." He said, "It will only be for a couple of months."

Q At that time, Mrs. Stultz, were you aware of any financial problems or difficulties of the Congressman?

A Yes, I was very much aware.

Q What was his financial condition at that time?

A Well, he was delinquent in most of his charge accounts or bills or whatever they may have been, and since I handled those accounts I was often in contact with his creditors. I should say were in contact with me about payment of the bills.

Q Now, you have indicated that these were the conversations that preceded your being put on the payrolls of both the Committee and the Congressman's staff; is that correct?

A Yes.

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Q And what, if anything, occurred when you began receiving checks from both the Committee and the congressional staff?

A Well, both of my checks I had sent directly to my bank account.

Q Where was that?

A At the Riggs National, the checks that I had been receiving all along, my own salary, around \$800 something a month, the supplemental check or the check, the additional check that I got, that also went straight to my checking account and that was somewhere around \$1,200 a month. That was the check that was used for whatever purposes the Congressman indicated to me.

Q What, if any documents would you receive from the Riggs National Bank to reflect your salary?

A From the Riggs National Bank I simply receive a deposit slip that my check had been deposited in my account. Attached to that was -- I am not sure that came from Riggs, but I did get each month a salary statement indicating my amount of taxes, that kind of thing.

Q During the time you were on both the Congressional payroll and the staff payroll, how many deposit tickets would you receive each month from Riggs Bank?

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