

A I received two.

Q Now, Mrs. Stultz, did there come a time when you were no longer on the payroll of both the Committee and the personal staff, congressional staff?

A Yes.

Q What, if anything, occurred during that period of time regarding your salary, itself?

A My salary was substantially increased, almost to a figure, or at least to a figure to cover the total amount that I was receiving in the two checks. In fact, my salary went almost to the maximum, I believe.

Q What was the maximum? What was your salary that you recall receiving?

A It was in the area of \$35,000 a year. I don't remember the exact figure.

Q Mrs. Stultz, of the money which you received each month from the House of Representatives, what portion of that money did you consider to be your own to spend as you wish?

A The portion that I knew was mine in the beginning. It was very easy. The portion that I knew was my own salary, the \$800 and some.

Q And do you know what the gross annual salary would have been that would have reflected that \$800 and some figure?

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A     \$14,000 -- \$14,000 and something.

Q     Did you, during the time that you were employed by Congressman Diggs, did you have increased this portion of the salary that you used for yourself for your own purposes?

A     Yes, at one point, and again I can't recall the date without seeing some documents, but at one point I recall my salary went to, oh I believe \$19,000 -- \$17,000, \$19,000. I am not sure just which, and when it became one check with my increase and the overage it was very difficult for me to determine what my take home should have been. I used to call the Finance Office to try to get some indication from them what the take-home would have been at whatever salary I was at that point. And they wouldn't give me the information. They wanted to know why did I want to know. Of course, I didn't feel I should tell them so I simply had to assume based on my best accounting.

Q     Could you indicate to the jury what portion of your salary you considered your own at the time that you received an increase from either \$17,000 or \$19,000?

A     Oh, gosh. I just can't remember what portion. I do know at one point the Congressman was getting approximately -- the overage was around \$800 and some a month after I got an increase, but I don't

know what salary that was.

Q Mrs. Stultz, after you first began this procedure with the -- with Congressman Diggs when you were first put on both of the payrolls, was there a practice, uniform practice as to how it was determined what was to be done with the overage in your salary checks?

A Yes. Each month I made a listing of all of the Congressman's accounts that I had in my possession from his creditors. Some he would bring into the office and hand me.

Each month I made a itemized list and at whatever time the Congressman was ready to review the list, usually around the first of the month, we would go over this list and the Congressman would indicate to me which bills on that list he wanted paid.

I would indicate to him the amount that I had, what we referred to as the special account, which was the overage of my own salary, and he would point out also which bills were to be paid from that fund.

Q During that time were bills being paid out of Congressman Diggs personal checking account also?

A Yes. At one point -- initially they were being paid from both.

Q And you have indicated "initially". Did that

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change at some later time?

A Well, there was a period of time when the Congressman was not receiving a salary because of some arrangement that he had with the House Finance Office. The last six months, I think of an election year he was able to draw on his salary in advance.

In other words, something like an 18-month salary within the 24-month period which left him the last six months with the Congress with no income. It was at that point that -- in most instances, I believe, he stopped writing checks on his account. Maybe occasionally a check would be written, but as a routine business, no.

Q After the Congressman indicated to you which bills were to be paid, did you have a regular practice as to what you did after that?

A Yes. I would know what amount, as I said I would know what amount was in the special fund, which was incidentally my own bank account. I would go to the Riggs Bank and write a check for cash and at the same time purchase a money order or certified check, come back to the office, prepare the money orders, attach them either to a letter or to a stub from the bill and mail them to the creditors.

Q And whose name would appear as the person

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paying the money order or cashier's check?

A The Congressman's name would appear.

Q Who would place that name on the money order or cashier's check?

A I did.

Q Now, Mrs. Stultz, you have indicated that you would go to the Riggs National Bank. What branch would you go to cash this check?

A Most of the time I went to the L'enfant Branch. Occasionally, I would go to the Southeast Branch which was closer to my home.

Q Was there any reason for going to one or to the other?

A None other than I may pick up the money orders in the morning on my way into work and stop at the Southeast Branch.

Q You have also indicated that you would purchase money orders or cashier's checks. Was there some reason for purchasing one or the other?

A Well, there was really two reasons:

First of all, money orders cannot be purchased in more than \$300. So, if the bill to be paid was more than \$300 I might get two money orders or the -- certain creditors at times would not accept any form of payment other than a cashier's check, or if it was more

expedient to purchase the cashier's check I would do that.

Q Now, Mrs. Stultz, as to the -- you have indicated that you did get -- let me ask you this:

Mrs. Stultz, as far as the money orders, what if any records did you keep after these money orders were purchased and sent to the creditor?

A I kept the customer copy of the money order.

Q Where did you keep those?

A Well, I had a file drawer that was marked "Personal Accounts" for the Congressman, and I usually had a file for each of his creditors, and the money order would be in the appropriate creditor's file.

Q As to the cashier's checks, what, if any, records did you maintain regarding those?

A I often made Xerox copies of the cashier's check. If I remember correctly, we didn't get a customer copy.

Q What would you do with the Xerox copy of the check?

A I would file it the very same way as I did the money order.

Q You also indicated that sometimes you sent letters to the creditors?

A Yes.

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Q Did you maintain any records of those letters that you sent?

A Yes. Yes, I did in the same file.

Q What type of record as to letters?

A The letter that I would send to the creditor would usually be attached in some way with the file -- I am sorry, with the money order. An indication would be made. I would place it in the file.

Q The record that you would keep, would it be a copy of the original letter?

A Yes.

Q These files that you are referring to, where, physically, were they located?

A They were physically located near my desk, but within the suite of offices of the Congressman.

Q Who had access to those files?

A I did.

Q Was that true up to the time that you left the employment of Congressman Diggs?

A Yes. It was a secured file.

Q At the time that you left Congressman Diggs, did you turn these files over to anyone?

A I just sort of left them. I gave Ms. McDaniel the key. She had the key. Beyond that there was no assignment made on my part.

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Q But did you take any of these records with you at the time that you left the employment of Congressman Diggs?

A No. No. They were all left within the Congressman's office.

Q Mrs. Stultz, was there any other way that you would pay for creditors of Congressman Diggs other than the money orders or cashier checks?

A And the Congressman's checks.

Q Any other way besides those three manners?

A Occasionally there would be the House Reimbursements, checks for allowances.

Q I mean as far as the money out of your special account, was there any way that you paid other than by money order or cashier's check?

A No. No.

Q You never used your own personal checks?

A Yes, I did.

Q Could you indicate on what occasion you would use your own personal check?

A If it was an occasion where a bill was extremely pressing, the creditor may be threatening to sue or the Congressman may have been away and I couldn't reach him, I would pay the bill with my personal check.

Q The bills that you paid with your personal

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check, did you receive them later in your monthly statement?

A Yes, I did.

Q What did you do with those checks after you received them?

A I kept them with the rest of my own checks.

Q Did you later turn them over to anyone?

A Yes. I turned them over to the prosecutor's office on request.

MR. KOTELLY: Your Honor, I would ask to have identified Government's Exhibit 23-A through 23-KK which have been pre-marked.

THE DEPUTY CLERK: Government's Exhibits 23-A through 23-KK marked for identification.

(Whereupon, Government's Exhibits 23-A through 23-GG were marked for identification.)

MR. KOTELLY: I misread Mr. Marcy's writing. It is GG, not KK. the last exhibit is 23-GG.

THE COURT: All right.

THE DEPUTY CLERK: That is correct. 23-GG.

BY MR. KOTELLY:

Q Mrs. Stultz, I show you Government's Exhibit 23-A through 23-GG and ask if you can identify those



documents? Can you identify those documents?

A Yes, I can.

Q How do you identify them?

A I recognize them as my own checks. They carry my signature and they are imprinted with my name.

Q What are these documents, 23-A through 23-GG?

A They are my personal checks that I have written out to various creditors of the Congressman to pay his bills.

Q Are those the same documents that you would receive in your monthly statements from the Riggs National Bank?

A Yes, they are.

Q Have you altered the face of those checks in any way since the time that you received them in your monthly statements?

A The face of the checks? No.

MR. KOTELLY: Your Honor, at this time we move Government's Exhibits 23-A through 23-GG into evidence.

THE COURT: Counsel wish to be heard?

MR. POVICH: No objection.

THE COURT: Received.

THE DEPUTY CLERK: Government's Exhibits 23-A through 23-GG received in evidence.

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(Whereupon, Government's

Exhibits 23-A through 23-GG were  
received into Evidence.)

BY MR. KOTELLY:

Q Mrs. Stultz, I would ask you, taking those Government exhibits that are now in evidence, 23-A through GG, I would ask you to indicate to the jury each of those instruments as to who the payee was, the date, the amount, and the purpose of each one of those checks.

A February 3rd. The date of this check is dated February 3rd, 1975 in the amount of \$456. The payee is Perpetual Building and Loan Association. The purpose of the check, to the best of my recollection, was to pay the mortgage on his home, 322 Second Street, Washington.

The second check is dated August 6th, 1975 to Perpetual Federal Savings and Loan in the amount of \$521. It indicates one payment for 322 Second Street, Southeast.

The next check is dated September 1st, 1975 in the amount of \$204.21 made payable to Riggs National Bank. I had made in the memo, I have indicated account number 062-62327 (Diggs). I cannot recall which creditor it is by the account number.

Q Do you know whether Congressman Diggs had any

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obligations to the Riggs National Bank?

A He had a -- what do you call it? A Riggs Line Account at the Riggs National Bank.

Q Do you know whether he used the Riggs Line Account to draw on any credit it might have had at the Riggs Bank?

A Yes. I believe he did use it. I am sure he did. I don't know how many times, but he did.

The next check is dated 2/27/76 for \$147.68 made payable to the Riggs Bank. The memo shows CCD, account number 06262327.

The next check is dated November 18, 1974 to Citizen's Bank of Maryland in the amount of \$102. Account number 624-60711 C. C. Diggs, which is the memo.

Q What was the purpose of that check?

A As best I can recall this was his car payment.

Q An automobile loan?

A Automobile loan.

The next check is October 11th, 1974, \$157.21, to Inker Finance. The memo on the check reads, "Account of Charles C. Diggs, Jr." To my knowledge this was a personal finance loan the Congressman had.

The next one is dated October 11, 1974, \$267 made payable to Industrial Credit Corporation. The

000172

memo on the check reads, "For account of Charles C. Diggs, Jr." This was also, to the best of my knowledge, a personal loan the Congressman had.

This next check is November 30th, 1974 in the amount of \$185, the First National Bank of Washington, account number 00017671. The First National Bank of Washington, I believe, was a personal loan that the Congressman had.

This second check dated February 3rd, 1975 to the First National Bank of Washington in the amount of \$119, account number 0017671, C. C. Diggs, Jr., is my notation, which I think was also this personal loan.

The next check is dated September 1, 1975, \$294 to the First National Bank of Washington. The memo shows, "Account number 00176771 in parentheses, C.D. Diggs."

Q What was the purpose of that check?

A That was my way of letting myself know that it was his bill, not my own bill, not a bill of my own.

Q What was the date of the check?

A I am sorry. I think this was a personal loan at First National. November 24th, 1975.

A check in the amount of \$57 to the First National Bank of Washington. I think this was also a personal loan.

000173

November 30th, 1974 a check for \$121.40, account number 1767615, and I have also indicated -- C.C. Diggs, Jr., October 10th payment. City National Bank I believe is in Detroit, and if I can recall this was also for a car payment for another loan.

The next check is February 27th, 1976, \$492.72. The memo reads -- I am sorry. It is payable to City National Bank. The memo on the check reads, "For Charles C. Diggs, Jr." I again think this is an auto loan. The next check is November 5th, 1974 for \$183.98. The National Bank of Washington. Account number in the memo shows 017421842, and to the best of my recollection, this is a personal loan, a bank loan.

March 10th, 1975, \$467.96, the National Bank of Washington. My memo shows, "C. C. Diggs account." This is in payment of a personal loan.

June 9th, 1975, \$484, National Bank of Washington. Account number 017421842. I believe this was a personal loan.

October 15th, 1974, \$260.56, Metropolitan Life Insurance Company. My notation on the check reads: "C.C.D. insurance/three policies." This is for the Congressman's personal life insurance and I believe it may have also been for one of his children.

November 26th, 1974, \$322.50, Metropolitan

000174



Life. The memo on the check reads, "Policy number 740423920E2." This is for payment on a life insurance policy.

Q Of whom or on behalf of whom?

A On behalf of the Congressman. I couldn't say it is his, personally.

March 28th, 1975, \$121.72. The memo reads, "Account No. 3498316-3." The payee is Geico. To the best of my recollection this is probably the car insurance, his automobile insurance.

May 7th, 1974, \$18.20 payable to Delmar and Company. My notation on the check reads, "Mrs. Diggs' funeral bill." I am sorry. "Mrs. Diggs' flower bill."

The next check is dated June 10th, 1974 in the amount of \$31.25 to the Wayne County Democratic Committee. The notation on the check reads: "Congressman Charles C. Diggs, Jr., Wayne, C.D.C. program ad."

Q What was the purpose of that check, if you recall?

A As best I can recall they were having a political function of some kind and the Congressman purchased air space in their program.

The next check is June 20th, 1974 made payable to George Bennett, \$151. The memo on the check reads, "Charles C. Diggs, Jr., rent balance on Mac Avenue."

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Q What was the purpose of that check?

A This was, as I can recall, an advance payment. The Mac avenue office rent was not totally paid by the House of Representatives. The Congressman had to pay a portion of that each month.

Q Do you remember what portion the Congressman had to pay each month?

A I believe it was \$25 each month.

Q All right.

A June 20th, 1974 in the amount of \$100 payable to the Friends of Urban Alliance. The memo reads, "For Congressman Charles C. Diggs, Jr." I don't recall this organization at all.

The next check is June 20th, 1974, \$141.45, payable to Brazleton Florists. The memo reads, "Account of Congressman Charles C. Diggs, Jr." Brazleton Florists, to the best of my recollection is a floral shop in Detroit where the Congressman maintains an account.

Q Do you personally buy any flowers and charge Brazleton Florists?

A Personally, no.

The next check is July 1, 1974, paid to the order of Charles C. Diggs, Jr., in the amount of \$900, and it bears just my signature. There is no memo.

000176

The next check is dated 30 July '74 for \$17 made payable to the District of Columbia, Chapter of Hillsdale College Alumni. There is no memo on the check. To the best of my recollection this was a contribution by the Congressman's wife.

October 31st, 1974, \$300 to Liberty Loan. The memo reads, "C.C.D. account No. 9030."

Q Do you know the purpose of that check?

A In payment of his personal loan.

February 3rd, 1975, Detroit Edison Company, \$47.55. The memo reads, "For Congressman Charles C. Diggs, Jr." This check was in payment for the electric bill probably at the Woodward Avenue or Mac Avenue office.

Q In Detroit?

A In Detroit, yes.

March 28th, 1975, \$59.67 payable to the Detroit Edison Company. The memo shows the account number, and this is also in payment for the electric bill at one of the district offices.

April 7th, 1975, \$5, D.C. Treasurer. The memo reads, "C.C.D. transfer title." As best I can recall this is when he transferred the title of his car from -- maybe from Detroit to Washington registration. I am not really sure.

000177

The next check is the 20th of June, 1975 in the amount of \$5 paid to Money's Worth. The memo reads: "One year's subscription." This was a monthly publication of some kind the Congressman subscribed to.

The next check is dated September 5th, 1975 in the amount of \$25 to American Express. It shows the American Express account number, 0862060795. This check is in payment for a bill to American Express that the Congressman had. The last check is June 5th, 1976. I am sorry, is January 5th, 1976 in the amount of \$20 payable to Central Charge Service for account number -- the memo reads, "For Account No. 281438697, Charles C. Diggs, Jr." This was in payment of the Congressman's personal Central Charge account.

Q Mrs. Stultz, you have indicated that you were the one who handled the bills from various creditors of Congressman Diggs.

To your knowledge, did you ever write any of your personal checks, Government's Exhibits 23-A through GG in which there was -- in which the check was not credited on future statements that you received from creditors?

A Not to my knowledge, no.

Q Mrs. Stultz, you have also indicated that when you purchased various money orders and cashier's checks

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at the Riggs Bank that you would write a check for cash in which to purchase these documents; is that correct?

A That is correct.

Q Did you have occasion to go through your personal checks to pull these, the various checks you believed were the checks to cash that were in payment of money orders and cashier's checks?

A Yes, I did.

Q Mrs. Stultz, I would show you Government's Exhibit 24.

THE COURT: May I interrupt you a moment? Would this be a good time for counsel to take a recess?

MR. KOTELLY: Absolutely, Your Honor.

THE COURT: All right.

(Whereupon, at 11:20 o'clock a.m. a short recess was taken at the conclusion of which the following proceedings were had:)

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

THE DEPUTY CLERK: You may retake the stand, ma'am.

DIRECT EXAMINATION CONTINUED

BY MR. KOTELLY:

Q Mrs. Stultz, I now show you Government's

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Exhibit 24-C through M, O through S, and ask you if you can identify those documents?

A Yes, I can.

Q How do you identify them?

A They are my personal checks. They carry my signature and also imprinted in most cases with my name.

Q Did you receive those documents back in your monthly statements from Riggs?

A Yes, I did.

Q What did you do with each of those checks that you have in your hand when you first received them?

I am sorry. When you first made them out, what did you do with those documents?

A I used them to pay the Congressman's bills, made to the creditors of the Congressman. Oh, I am sorry. Wait a minute. The majority of the checks are made out to cash. These are the checks I would have cashed to purchase money orders, certified checks, whatever.

Q Mrs. Stultz, you said the majority. Do you see any in there that are not made out to cash?

A Yes. There is one made out to Riggs National Bank, but I am pretty certain this was one that was drawn from the special funds which was used to purchase money orders and certified checks.

000180

Q When you received these in your monthly statements from Riggs National Bank, what did you do with those checks, the Government's Exhibit 23 Series?

A When I received them in my monthly statement from Riggs Bank?

Q Yes.

A I retained them in my possession until I was requested to turn them over to the prosecutor's office.

Q Mrs. Stultz, were you able to find all of your checks you had written to buy money orders and buy cashier's checks?

A No, I don't believe I was, no.

Q I show you Government's Exhibit 24-A, B, and 24-N and ask if you can identify these documents?

A Yes, I can. These are also copies of my personal check, which bear my signature and imprinted with my name.

Q What do they represent?

A These represent cash withdrawals from my checking account.

Q Do you remember what, if anything, you did with the originals of those documents when you first made them out?

A I would take, to the best of my recollection, the original of this document was carried to one of

the Riggs' branches, cashed for the amount of cash and the money orders or certified checks or whatever was purchased.

Q That would be true for each of those three checks, copies of checks?

A Yes, sir.

Q Mrs. Stultz, as to Government's Exhibit 23-A through 23-GG, which you previously identified, your personal checks to creditors and Government's Exhibit 24-A through S for identification, where did the money come from that was used for each of these checks for payment?

A From my salary from the House of Representatives.

Q Thank you.

Your Honor, at this time the Government would also move into Evidence -- strike that, Your Honor.

Mrs. Stultz, I again show you Government's Exhibit 24-A through S. I would ask you to look at the backs of two of those documents, 24-D and 24-L.

A Yes.

Q Do you have those two checks, 24-D and 24-L?

A Yes.

Q I would ask you to look at the back of those checks and ask you if you can identify the writing on

the back of those checks? First of all, is that your writing?

A On the backs of these checks?

Q Yes, ma'am.

A No. Well, on 24-L, this appears to be the bank teller's notation.

Q 24-D, is that your writing on the back of that document?

A 24-D appears to be my writing.

Q What does that reflect?

A It shows a cashier's check number, 247913.

Q Thank you.

Your Honor, at this time we would move into evidence Exhibits 24-A through 24-S, I believe is the last number.

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

MR. POVICH: No objection.

THE COURT: Received.

THE DEPUTY CLERK: Government's Exhibits 24-A through S received in evidence.

(Whereupon, Government's Exhibits 24-A through S were received into Evidence.)

MR. KOTELLY: Your Honor, I have a series of

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exhibits ad seriatim. I ask to be identified as 25-A,  
B, 26-A and B, 27-A and B. We will start with those,  
Your Honor.

THE DEPUTY CLERK: Government's 25-A, B,  
26-A, 26-B, 27-A, and 27-B marked for identification.

(Whereupon, Government's  
Exhibits Nos. 25-A, 25-B,  
26-A, 26-B, 27-A, 27-B were  
marked for identification.)

BY MR. KOTELLY:

Q Mrs. Stultz, I show you Government's Exhibit  
25-A for identification and ask you if you can identify  
that document?

A Yes, I can.

Q How do you identify it?

A I recognize it as a copy of a letter that I  
wrote, and I also recognize the notation on the bottom,  
which is my handwriting.

Q What is Government's Exhibit 25-A for  
identification?

A It is a letter addressed to -- it is a letter  
addressed to Mr. Joseph Daniel Clipper indicating payment  
of a bill incurred by the Congressman.

Q Who prepared the original of that document?

A I did.

000184



Q Who was the original sent to?

A The original was sent to Mr. Joseph Daniel Clipper.

Q Does the letter or your notation reflect as to any attachments that were also sent to Mr. Clipper?

A Yes.

Q What was sent?

A A cashier's check in the amount of \$1,000 was sent to Mr. Clipper.

Q Is there any identification of the cashier's check by number or any other indicia on that letter or your memoranda?

A Yes, my notation shows, "Cashier's check 2473421 dated 11/2/73 in the amount of \$1,000, Riggs National Bank in parens, SEPR, which means Southeast Branch, payable to Daniel Clipper."

Q When did you put that notation on Government's Exhibit 25-A for identification?

A At the time I mailed this letter or sent this letter.

Q I show you Government's Exhibit 25-B for identification and ask you if you can identify that document?

A Yes, sir, I can.

Q How do you identify it?

000185

1           A     I identify it by the number on the cashier's  
2 check, which is the same number that is reflected on my  
3 note on the letter, copy of the letter.

4           Q     And the cashier's check is made payable to  
5 whom?

6           A     It is made payable to Daniel Clipper in the  
7 amount of \$1,000.

8           Q     Who purchased the original of that cashier's  
9 check?

10          A     I did.

11          Q     From what funds?

12          A     From the overage in my salary.

13          Q     I now show you Government's Exhibit 26-A and  
14 B and ask if you can identify those documents?

15               THE COURT: The number of those, sir?

16               MR. KOTELLY: 26-A and B, Your Honor.

17               THE COURT: All right.

18               THE WITNESS: I recognize this as a letter  
19 I would have typed as a copy -- I am sorry, a copy of a  
20 letter that I would have typed which bears also my name  
21 at the bottom, and --

22 BY MR. KOTELLY:

23          Q     To whom was the original of that document  
24 sent?

25          A     It was sent to Mr. John Y. Cannard, who is

1 the public relations manager for Michigan Bell in  
2 Detroit.

3 Q Did you have financial dealings with Michigan  
4 Bell Telephone during that time that you were employed  
5 by Congressman Diggs?

6 A Yes, sir.

7 Q What type of financial dealings did you have  
8 with Michigan Bell?

9 A Mr. Cannard was the representative for  
10 Michigan Bell and Michigan Bell supplied the telephone  
11 service to our district offices.

12 Q Does the letter, 26, the copy of the letter,  
13 26-A, does it reflect any attachments to be sent with  
14 the original to Michigan Bell Telephone?

15 A Yes. It shows an enclosure of a check in the  
16 amount of \$450, an enclosure of a cashier's check in  
17 the amount of \$250.

18 Q I ask you to look at 26-B and ask you if you  
19 can identify that document?

20 A This appears to be the two checks referred to  
21 on the copy of the letter. There is a cashier's check  
22 -- I am sorry, two payments. A cashier's check in the  
23 amount of \$250 and there is a treasury check from the  
24 House of Representatives in the amount of \$450.

25 Q The Treasury check is made out to whom?

000187

1 A Charles C. Diggs, Jr.  
2 Q The cashier's check is from what bank?  
3 A From the Riggs National Bank of Washington.  
4 Q Who purchased that cashier's check?  
5 A I would say I did.  
6 Q With what funds?  
7 A From the special account funds.  
8 Q I show you Government's Exhibit 27-A and  
9 27-B and ask you if you can identify those documents?  
10 A Yes, I can.  
11 Q How do you identify 27-A?  
12 A 27-A is a copy of a letter that I sent to  
13 Mr. Armstead Barnett who operates a catering service in  
14 the Washington area. It also carries my name as a  
15 signator.  
16 Q What was the purpose of sending the original  
17 to Mr. Barnett of 27-A?  
18 A It was in payment of the Congressman's bill for  
19 catering service, for a reception at the Rayburn  
20 Building.  
21 Q Does that document reflect the form of  
22 payment?  
23 A Yes, it does. It shows an enclosure of a  
24 cashier's check, No. 247548 in the amount of \$525.  
25 Q Do you know who purchased that cashier's check?

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1 A I would say I did.

2 Q From what funds?

3 A From the special funds in my account.

4 MR. KOTELLY: Your Honor, I would ask next  
5 that Government's Exhibit 28 be marked for identifica-  
6 tion, 30-A, 30-B, 31-A, 31-B.

7 THE DEPUTY CLERK: Government's Exhibits 28,  
8 30-A, 30-B and 31-A and B marked for identification.

9 (Whereupon, Government's  
10 Exhibits No. 28, 30-A, 30-B,  
11 31-A and B were marked for  
12 identification.)

13 BY MR. KOTELLY:

14 Q I am sorry, Mrs. Stultz.

15 As to Government's Exhibit 27, I believe you  
16 identified A, but can you identify B, also?

17 A Yes, sir.

18 Q How do you identify it?

19 A This is a bill. I identified it as a bill  
20 from Barnett Catering, and I identified it primarily by  
21 my handwriting, which has a number of notes just  
22 squibble squabble figures on the bottom.

23 Q What do your squibble squabble notes reflect,  
24 if you know?

25 A One of the notes I know reads, Gandel's \$115.6

000189

1 which is the amount that was due to Gandel Liquors for  
2 the alcohol for this reception.

3 Q For whose reception? Who paid for this  
4 reception?

5 A The Congressman.

6 Q I show you now Government's Exhibit 28 for  
7 identification and ask you if you can identify that  
8 document?

9 A Yes, I can.

10 Q How do you identify it?

11 A I recognize my own handwriting on the money  
12 order, which is --

13 Q Is that an original money order or --

14 A I am sorry, a copy of a money order.

15 Q Who purchased that money order?

16 A I purchased it.

17 Q From what funds?

18 A From the special account funds.

19 Q And the money order was made payable to  
20 whom?

21 A To Gandel Liquors.

22 Q That is the Gandel Liquor you just referred  
23 to; is that correct?

24 A That is right.

25 Q I show you Government's Exhibits 45-AA,

000190



1 previously identified by the Riggs National Bank, and  
2 ask you if you can identify this document?

3 THE DEPUTY CLERK: You said 45-AA?

4 MR. KOTELLY: AA.

5 THE DEPUTY CLERK: It is a new one.

6 MR. KOTELLY: Yes.

7 BY MR. KOTELLY:

8 Q Can you identify it? What is it?

9 A This appears to be a Xerox copy of the same  
10 money order for \$115. I identified my writing on it,  
11 also.

12 Q And the same as what you have just referred  
13 to?

14 A The same as Exhibit 28.

15 Q All right.

16 A Gandel Liquors.

17 Q I also show you Government's Exhibit 45-BB,  
18 which was originally identified by Riggs National Bank  
19 and ask you if you can identify that document?

20 A I can identify that by my handwriting. The  
21 document is made out to "Call Carl."

22 Q What is that document?

23 A It is a document in the amount of \$51 and  
24 appears to be six cents.

25 Q Do you recall purchasing that money order?

000191

1 A I don't, specifically recall purchasing this  
2 money order, but I would say that I did.

3 Q Do you recall having made any payments to  
4 Call Carl's?

5 A Yes, I do.

6 Q For what purpose?

7 A For -- I think it was a tune-up or some  
8 repair work done on the Congressman's car.

9 Q Where would the funds have come from to pay  
10 for that, for Call Carl?

11 A Based on the money order, the funds would have  
12 come out of my account.

13 Q I next show you Government's Exhibit 30-A,  
14 30-B for identification and ask you if you can identify  
15 that document?

16 A Yes, I can.

17 Q How do you identify it?

18 A There is a notation on the bottom of this  
19 document, which I recognize as my handwriting.

20 Q And 30-B, can you identify that document?

21 A There is also a notation on this document, on  
22 30-B that shows my handwriting.

23 Q And 30-B relates to what?

24 A 30-B is a cashier's check in the amount of  
25 \$900 made payable to the House Majority.

1 Q Who is the House Majority?

2 A The House Majority is the printing service  
3 for the Democratic members of the House.

4 Q What, if any financial dealings did you have  
5 with the House Majority?

6 A They would often write newsletters, letters,  
7 invitations, whatever the Congressman might request of  
8 them.

9 Q Who purchased Government's Exhibit 30-B?

10 A I am pretty certain I did.

11 Q From what fund would you have purchased that?

12 A More than likely from the special account  
13 funds.

14 Q What would the purpose have been of purchasing  
15 that particular cashier's check?

16 A The purpose would have been to pay a portion  
17 of the bill from the House Majority for printing  
18 services.

19 Q I next show you Government's Exhibits 31-A and  
20 B for identification.

21 First as to 31-A, can you identify that?

22 A 31-A is the customer's receipt, customer's  
23 copy of the Detroit -- a Detroit Edison bill for electric  
24 service in the Woodward office.

25 Q Can you identify that document in any way?

000193

1 A Yes. It has my notation in my handwriting.  
2 Q What does that -- when was that notation  
3 placed on that document?  
4 A At the time this bill was paid.  
5 Q What does that notation reflect?  
6 A I reads: "Paid money order No. 791185, dated  
7 3/6/74, mailed 4/1/74, \$13.59."  
8 Q I am sorry. I have lost track of my numbering.  
9 A That was 31-A I identified.  
10 Q Can you identify 31-B?  
11 A 31-B is a money order made payable to  
12 Detroit Edison Company in the amount of \$13.59.  
13 Q Can you identify that money order?  
14 A Yes, my handwritten date is on this money  
15 order.  
16 Q Can you also identify it in any other way  
17 in connection with Government's 30-A?  
18 A It shows 31-A. It is the same money order.  
19 It is money order No. 791185, which is reflected upon --  
20 in my notes on Exhibit 31-A.  
21 Q Who purchased the money order, the original of  
22 the money order 31-B?  
23 A I would have purchased this money order.  
24 Q From what funds?  
25 A From the special account funds, I believe.

1 MR. KOTELLY: I next ask to be marked for  
2 identification, which has been premarked, 32-F, G, H,  
3 I, J, K, L.

4 THE DEPUTY CLERK: 32-F, G, H, I, J, K, and  
5 32-L, Government's Exhibits, marked for identification.

6 (Whereupon, Government's  
7 Exhibits Nos. 32-F, G, H, I,  
8 J, K, and L were marked for  
9 identification.)

10 BY MR. KOTELLY:

11 Q I first show you Government's Exhibit 32-F,  
12 G, and H for identification. As to the two documents,  
13 32-F, can you identify that document?

14 A Yes, I can.

15 Q How do you identify it?

16 A It carries a notation on the bottom in my  
17 handwriting.

18 Q What is that document?

19 A Money order totaling \$101.86 deposited 8/16/  
20 74.

Q And that is the writing in your own hand?

A In my own hand.

Q I would ask you to look at the two attached  
documents and ask you if you can identify those based  
on 32-F?

000195

1           A     32-G is a receipt from the House Stationery  
2 Account which indicates \$101.86 was deposited into the  
3 account.

4           Q     Does it also reflect the form of that payment?

5           A     Yes. It shows a money order for \$100 and a  
6 money order of \$1.86.

7           Q     I ask you to look at 32-H and ask if you can  
8 identify that based on the earlier documents?

9           A     32-H is a money order showing the House  
10 Stationery account number 108 in the amount of \$100.

11          Q     Who is that made to?

12          A     Made payable to the House Stationery account,  
13 No. 108.

14          Q     Can you identify who purchased the original  
15 of that money order?

16          A     I would say that I did.

17          Q     From what funds?

18          A     In all probability from the House -- I am  
19 sorry, from the special account funds.

20          Q     I show you 32-I and 32-J for identification.  
21 First as to 32-I for identification. Can you identify  
22 that document?

23          A     32-I, I can identify based on my own hand-  
24 writing.

25          Q     What is that document?

000196



1 A It is a bill from the Rod Miller Incorporated  
2 in Silver Spring, Maryland.

3 Q Did you have any financial dealings with  
4 Rod Miller?

5 A I did in regards to the Congressman. Some  
6 work he was doing in the Congressman's home.

7 Q Can you identify the attached document which  
8 would be 32 -- you will have to help me.

9 A J.

10 Q J. Thank you.

11 A I think this is J.

12 Q Can you identify it based on the preceding  
13 document, which is attached to it?

14 A Well, the preceding document indicates that  
15 a money order -- I am sorry, -- the preceding document  
16 encircles the amount of \$164.99 with my notation that  
17 says, "Paid 8/16/74, money order plus \$1 cash." The  
18 exhibit, 32-J is a money order in the amount of \$164,  
19 which I recognize as one that I would have purchased.

20 Q At what time would you have put the notation  
21 on 32-I for identification?

22 A At the time the bill was paid.

23 Q And from what funds would Rod Miller, the  
24 money order to Rod Miller have been paid?

25 A I would say from the special account funds.

000197

1 Q I show you Government's Exhibit 32-K and 32-L  
2 for identification. As to 32-K, can you identify that  
3 document?

4 A Yes, I can.

5 Q How do you identify it?

6 A It carries a notation in my own handwriting  
7 on the bottom which reads, "Paid 8/16/74, money order  
8 for \$73."

9 Q To whom would that have been paid?

10 A This was paid to the Government Printing  
11 Office, to the public printer.

12 Q For what purpose would a payment have been  
13 made to the public printer?

14 A They did some printing on -- what was it? A  
15 brochure, newsletter, something for the movie Sounder.

16 Q Who had requested the Government Printing  
17 Office to print that?

18 A The Congressman.

19 Q Can you also identify the attached document?

20 A The attached document is a money order in the  
21 amount of \$72 in payment of this bill.

22 Q Can you identify who would have purchased  
23 that money order?

24 A I believe I would have purchased it.

25 Q With what funds?

1           A       From the special account funds.

2           MR. KOTELLY: Your Honor, I next ask to have  
3 identified 33-A, C, D and E, which have been premarked.

4           THE COURT: All right.

5           THE DEPUTY CLERK: Government's 33-A, C, D,  
6 and E marked for identification.

7                       (Whereupon, Government's  
8 Exhibits Nos. 33-A, C, D and  
9 E were marked for identifica-  
10 tion.)

11 BY MR. KOTELLY:

12           Q       I first show you and ask only that you look at  
13 the top, 33-A for identification, and ask you if you can  
14 identify that document?

15           A       Yes, this document also bears a notation in my  
16 own handwriting.

17           Q       What is that document?

18           A       What is the document?

19           Q       Yes, what is it?

20           A       It is a money order in the amount of \$24 made  
21 payable to the Continental Society.

22           Q       Do you recall purchasing any money order for  
23 the Continental Society?

24           A       I seem to recall purchasing a money order or  
25 I think the Congressman was paying admission of one of

000199

1 his constituents or two of his constituents to the  
2 Ebony Fashion Flair sometime --

3 Q What would you have done with the money order  
4 after you purchased it, if you know?

5 A Other than making this notation on it, I don't  
6 really recall whether I mailed it or what happened to  
7 it.

8 Q From what funds would you have purchased this  
9 money order to the Continental Society?

10 A I think I certainly would have probably  
11 purchased it from the special account funds.

12 Q I show you 33-C, D and E and ask you if you  
13 can identify those documents?

14 A Yes, I can.

15 Q How do you identify them?

16 A These documents all carry my own handwriting.

17 Q What are those documents?

18 A They are three money orders all made payable  
19 to the National Capitol Bank of Washington, all of  
20 which carry my handwriting showing the payee and the  
21 account numbers.

22 Q Who purchased those documents, the original  
23 documents?

24 A I purchased these documents.

25 Q From what funds?

000200

1 A From the special account funds.

2 MR. KOTELLY: Your Honor, next 33-F, G, 34-A  
3 through H.

4 THE DEPUTY CLERK: 33-F, G, 34-A through H  
5 marked for identification.

6 (Whereupon, Government's  
7 Exhibits Nos. 33-F, G, 34-A  
8 through H were marked for  
9 identification.)

10 BY MR. KOTELLY:

11 Q I show you Government's Exhibits 33-F and G.  
12 As to 33-F, for identification, can you identify that  
13 document?

14 A Yes. This is a mailogram from a creditor and  
15 it carries a notation in my own handwriting, \$267 money  
16 order mailed 9/13/74.

17 Q From whom was the mailogram?

18 A The mailogram was from Industrial Credit in  
19 St. Paul, Minnesota.

20 Q Did you have any financial contact with  
21 Industrial Credit?

22 A Oh, yes, yes.

23 Q For what purpose?

24 A The Congressman had an account with them and  
25 I received a number of these. I paid the bills and I

000201

1 also spoke with Mr. Greene or someone by phone.

2 Q Please keep your voice up a little. Don't  
3 trail off.

4 Can you identify the attached document?

5 A The attached document is a money order in the  
6 amount of \$267 and a payment to Industrial Credit  
7 Corporation, which I would say that I purchased.

8 Q And from what funds would that have been  
9 purchased?

10 A From the special money in the Riggs account.

11 Q I next show you Government's Exhibit 34-A  
12 for identification and ask you if you can identify that  
13 Xerox copy?

14 A Yes, this is a -- these are both Xerox copies  
15 of money orders purchased from Riggs National Bank.

16 One made payable to Central United Methodist  
17 Church, \$119, and the other one a handwritten notation  
18 made payable to the Multi-Tech Company for \$48. This  
19 is a Xerox of money orders that I mailed to an employee  
20 in the Detroit office.

21 Q And the originals of those money orders, who  
22 purchased those if you know?

23 A I would have purchased these.

24 Q You indicated that there was a handwritten  
25 notation as to Multi-Tech. Whose writing is that?

000202



1 A My writing.

2 Q Does that appear to be an original writing or  
3 a Xerox copy of your writing?

4 A This appears to be a Xerox copy of my writing.

5 Q And you indicated there was a notation on  
6 that document at the bottom, also in handwriting?

7 A Wait a minute. Could you repeat your first  
8 question, I am not --

9 Q As to the term "Multi-Tech", you said that  
10 it was your handwriting?

11 A Yes.

12 Q And was that a Xerox of your handwriting or  
13 is that an original writing on top of the Xerox?

14 A No, Multi-Tech appears to be an original on  
15 top of the Xerox copy.

16 Q And as to the notation at the bottom, whose  
17 handwriting is that?

18 A That is mine.

19 Q And does that appear to be a Xerox of your  
20 writing or the original of your writing?

21 A The notation at the bottom appears to be a  
22 Xerox of my writing.

23 Q At what point in time would you have made  
24 those notations?

25 A January 2nd, 1975.

000205

1 Q Do you recall the purposes of sending money  
2 orders to the Methodist Church and also to Multi-Tech  
3 Corporation?

4 A Yes. The Congressman had sponsored a housing  
5 conference at the church facilities and Multi-Tech  
6 supplied the loudspeaker and typing service, I believe.

7 Q Did you attend that conference?

8 A Yes, I did.

9 Q I ask you next to look at Government's Exhibit  
10 34-B and 34-C for identification and ask you if you can  
11 identify that document?

12 A 34-B is a disconnect notice or a bill from  
13 Detroit Edison for electric services at the Woodward  
14 office. I can identify it from my own handwriting,  
15 which indicates that payment in the amount of \$87.31 is  
16 circled. My handwriting says, "Mailed 1/2/75."

17 Q Can you also identify the second document on  
18 that page?

19 A The second document is a money order in the  
20 amount of \$87.31, which is referred to in the exhibit  
21 34-B.

22 Q Who is that made payable to?

23 A It is made payable to Detroit Edison Company.

24 Q Who would have purchased the original of that  
25 money order?

000204

1 A I would have purchased this.

2 Q From what funds?

3 A From the special account funds.

4 Q And what was the purpose of paying for that  
5 electrical bill?

6 A Well, as I said there was a disconnect notice  
7 for the electric services in the Woodward office.

8 Q I next show you Government's Exhibit 34-D, E  
9 and F for identification.

10 As to 34-D for identification, can you identi-  
11 fy that document?

12 A Yes, I can.

13 Q How did you identify it?

14 A I recognize my own signature on this document.

15 Q What is 34-D for identification?

16 A 34-D is a letter to Barnett Caterers enclosing  
17 payment in the amount, total amount of \$502, which was  
18 a catering service ordered by the Congressman.

19 Q Does the letter reflect the form of payment?

20 A Yes. It reflects Money Order No. 229178, and  
21 I believe that is \$300. Another money order, 229179 for  
\$177.60, and a check in the amount -- Check No. 6-559 in  
the amount of \$25.

Q Can you identify by the form of that check  
number the personal check number, whose checking account

000205

1 that would be?

2 A This would be the Congressman's personal check.

3 Q I ask you to look at Government's Exhibit  
4 34-E and F for identification and ask you if you can  
5 identify that based on 34-D for identification?

6 A Yes.

7 34-E is a money order made payable to Barnett  
8 Caterers in the amount of \$300, and 34-F is a money  
9 order made payable to Barnett Caterers in the amount of  
10 \$177.60 and these -- I am sorry, copies of money orders,  
11 both carry the same numbers that are identified in the  
12 letter.

13 Q Who would have purchased those money orders?

14 A I would have purchased these money orders.

15 Q From what funds?

16 A From my bank account, special account funds.

17 Q I next show you 34-G and 34-H for identifica-  
18 tion and ask you if you can identify those documents,  
19 first 34-G for identification?

20 A Yes. 34-G also is a letter that I wrote to  
21 Lee's Flower and Card Shop in Washington, D.C. and  
22 carries my signature.

23 Q For what purpose was the original of that  
24 letter?

25 A This letter was the cover letter for the

000206

1 money order, which is paying the cost of flowers ordered  
2 by the Congressman and billed -- this one happened to  
3 have been billed to my account.

4 Q To your account at Lee's Flowers?

5 A Yes, because Mr. Lee wouldn't accept any more  
6 from the Congressman.

7 Q Keep your voice up.

8 A That was the only way that Mr. Lee would have  
9 a bill, would accept the order by phone for the  
10 flowers. He would not accept any more from the  
11 Congressman, directly.

12 Q Now, can you identify the attached document?

13 A Yes.

14 Q How do you identify that?

15 A This is a money order referred to in the  
16 amount of \$32, which is referred to in my letter to  
17 the Lee Florist.

18 Q Who would have purchased that money order?

19 A I purchased this money order.

20 Q From what funds?

21 A From the special account funds.

22 MR. KOTELLY: Your Honor, next 36-A and B for  
23 identification which have been premarked.

24 THE DEPUTY CLERK: Government's 36-A and B  
25 marked for identification.

000207

(Whereupon, Government's  
Exhibit No. 36-A and B were  
marked for identification.)

BY MR. KOTELLY:

Q Mrs. Stultz, I show you Government's Exhibit  
36-A for identification and ask you if you can identify  
that document?

A Yes, I can.

Q How do you identify it?

A I recognize my own handwriting. I also  
recognize it as a ledger sheet which I kept for the  
Congressman's account at the National Bank of Washington,  
which reflects his payments, the balance due, and the  
amount paid, the check numbers, et cetera.

Q What were the purposes of payments to the  
National Bank of Washington?

A As far as I know this was a personal loan  
incurred by the Congressman.

Q How would that document, 36-A for identifica-  
tion, how did you maintain and record things in that  
document?

A As I made payments to the National Bank of  
Washington I would indicate the amount of payment and  
the form of payment, either the check number, money  
order, cashier's check number.

000208



1 Q Mrs. Stultz, I direct your attention to an  
2 entry in October of 1975 and ask you if you see that  
3 entry?

4 A Yes, I do.

5 Q And that entry is in whose handwriting?

6 A My handwriting.

7 Q What does that -- first of all, what is the  
8 specific date of that entry?

9 A October 1, 1975.

10 Q When would you have made that entry?

11 A Most likely October 1st, 1975.

12 Q Does that entry reflect the total amount of  
13 money of a payment to the National Bank of Washington?

14 A Yes.

15 Q What is that total?

16 A \$483.98.

17 Q Does it reflect a form of payment?

18 A Yes. It shows cashier's check No. 442441,  
19 and I have indicated "Riggs," which means I purchased  
20 it at Riggs and C.C.D check, which means the  
21 Congressman's personal check number 7-51, and that would  
22 lead me to believe that the two amounts were a total  
23 of \$483.98.

24 Q Again, Mrs. Stultz, keep your voice up.

25 A Looking at my notes it would lead me to

000209

1 believe that the cashier's check and the Congressman's  
2 check would total \$483.98.

3 Q I next show you Government's Exhibit No. 36-B  
4 for identification and ask you if you can identify that  
5 document?

6 A This is Congressman Diggs' personal check in  
7 the amount of \$39.98 made payable to the National Bank  
8 of Washington. I can identify this because all of the  
9 writing on the check with the exception of the  
10 Congressman's signature is my own.

11 Q How does that relate to the entry of October  
12 1st, 1975 on your ledger, Government's Exhibit 36-A, I  
13 believe?

14 A My ledger notation for October 1st, 1975 shows  
15 C.C.D., check no. 751, Exhibit 36-B, I am sorry, in the  
16 amount of -- no, it doesn't show an amount.

17 Exhibit 36-B is check No. 7-51, the Congress-  
18 man's check.

19 Q I would also ask you to look at Government's  
20 Exhibit 46-H for identification, which was previously  
21 identified by an officer of the Riggs Bank. I ask you,  
22 based on your ledger of 36-A as to whether you can  
23 identify the cashier's check?

24 A Yes, I can. I recognize my own handwriting  
25 at the bottom of this check, which reflects the account

000210

1 number of the Congressman's bill at the National Bank of  
2 Washington. This check is in the amount of \$444 dated  
3 October 1st of '75, and it is the same number, 442441,  
4 that is reflected on my ledger sheet.

5 MR. KOTELLY: I would next ask to have  
6 identified 37-A, B and C for identification.

7 THE DEPUTY CLERK: Government's 37-A and B --

8 MR. KOTELLY: And C.

9 THE DEPUTY CLERK: And C marked for  
10 identification.

11 (Whereupon, Government's  
12 Exhibits Nos. 37-A, B and C  
13 were marked for identifica-  
14 tion.)

15 BY MR. KOTELLY:

16 Q Mrs. Stultz, I show you Government's Exhibit  
17 37-A, B and C for identification.

18 As 237-A, I would ask you if you can identify  
19 that document?

20 A Yes. 37-A is an invoice or a statement of  
21 account from the House Recording Studio. I can identify  
22 this as based on a notation in my own handwriting. I  
23 am sorry, a copy of the original.

24 Q Please keep your voice up. The notation is  
in your own handwriting?

000211

1 A That is correct.

2 Q Is it an original or a Xerox of your own  
3 handwriting, if you can tell?

4 A The notation appears to be an original.

5 Q Can you identify the attached documents?

6 A The attached documents are two money orders.  
7 37-C is a money order to the House Recording Studio  
8 amounting to \$12. 37-B is a money order to the House  
9 Recording Studio in the amount of \$300. The notation  
10 on 37-A, I have encircled the balance due, which is  
11 \$312.25, and I have written paid \$312, 3-16-76.

12 Q How does that compare with the two attached  
13 copies of money orders?

14 A With the exception of 25 cents it pays this  
15 bill in full.

16 Q How would it relate to your handwritten  
17 notation?

18 A There is a little arrow pointing to the money  
19 orders on my notation as these two money orders I used  
20 to pay this bill.

21 Q Who would have purchased those money orders?

22 A I would have purchased the money orders.

23 Q From what funds?

24 A From the special account funds.

25 Q What financial dealings did you have with the

000212

1 House Recording Studio?

2 A Personally?

3 Q Of any kind.

4 A I just handled the Congressman's account with  
5 them. He had tapes or whatever they did, whatever they  
6 did down there, it was the Congressman's bill and I was  
7 paying it.

8 Q Did you have any personal dealings with the  
9 House Recording Studio as far as personal obligations,  
10 personal financial obligations?

11 A My own?

12 Q Yes.

13 A No, sir.

14 Q Mrs. Stultz, as to the cashier's checks and  
15 money orders that you have just been identifying, what,  
16 upon each occasion, what would you have done with the  
17 original of the cashier's check and the money orders?

18 A The money orders, I would place a customer  
19 copy of the money order in the accounts file and main-  
20 tain a file for each of his creditors.

21 The cashier's check, I don't believe we got a  
customer's copy of them. In most cases I Xeroxed those  
and put a copy in the file

22 Q But the originals, who would they be sent to?

23 A The originals, I would -- on the money orders

000213

1 I would have to make out the amount. I would have to --  
2 I am sorry. I have to add the payee's name to the  
3 money orders because the money orders were being  
4 purchased and I would attach them to the bill of the  
5 company or prepare a letter and mail them.

6 Q As far as the payments of these cashier's  
7 checks and money orders, you also would receive later  
8 documents from these various creditors as to accounts,  
9 is that correct?

10 A Monthly statement, yes.

11 Q Was there ever any occasion that a later  
12 monthly statement would not reflect a payment if you  
13 had sent a cashier's check or a money order?

14 A I can't recall any.

15 THE COURT: Would this be a convenient time to  
16 recess for lunch? I just forgot that the Marshals are  
17 prepared to take the jury to lunch.

18 MR. KOTELLY: It certainly would be a fine  
19 time.

20 THE COURT: Now, ladies and gentlemen of the  
21 jury, we are trying to coordinate this mid-day meal so  
22 that you won't have to be kept waiting to get your  
23 lunch, and the Marshals have just notified the Court  
24 that they are prepared to take you to lunch. So, we  
25 will recess at this time for lunch and remember what I

000214



1 previously told you.

2 Do not discuss the case among yourselves.  
3 Do not let anybody talk to you about it, and do not  
4 talk to anybody about it. You are excused for lunch at  
5 this time.

6 Mr. Marshal, do you have any idea as to how  
7 long lunch will probably take?

8 THE DEPUTY MARSHAL: An hour and a half.

9 THE COURT: All right. Be back at 2:00  
10 o'clock. They will bring you back as soon as you are  
11 through.

12 Thank you.

13 (Whereupon, the jury retired from the courtroom  
14 for the luncheon recess, and the following  
15 proceedings were had:)

16 THE COURT: Would counsel come to the Bench,  
17 please?

18 (At the Bench.)

19 THE COURT: I was thinking of the time for  
20 the people who supplied food to this courthouse to be  
21 out of service, but nevertheless, that is the way  
22 things are. The Marshal is doing the best he can to  
23 expedite service of lunch at a hotel to the jury. Can  
24 you gentlemen give me any idea as to how much more of  
25 this witness you have?

000215

1 MR. KOTELLY: A half hour.

2 THE COURT: Half hour. And with cross, do you  
3 have any notion about that at this time?

4 MR. POVICH: I would think I would take about  
5 an equal amount of time that they have taken on direct.

6 THE COURT: All right. It will be about  
7 2:00 o'clock, gentlemen.

8 (Whereupon, at 12:30 o'clock p.m. the  
9 luncheon recess was taken at the conclusion  
10 of which the following proceedings were had:)

AFTERNOON SESSION

2:00 o'clock p.m.

THE COURT: Counsel, come to the Bench, please.

Is that the man?

THE DEPUTY CLERK: I think it is No. 12.

THE COURT: One of the jurors, you gentlemen may remember him as the fellow who said he had pins in his knees and needed a special exercise machine. He apparently has had a further problem. His wife had an adverse reaction from penicillin and the Marshal has recommended that he be excused.

Since we have six alternates I am inclined to excuse him. I just want to tell you gentlemen.

MR. WATKINS: Certainly, Your Honor.

THE COURT: They say he is suffering from this knee situation. He can't keep up with the rest of them when they walk around and things like that.

MR. POVICH: Has he asked to be excused, Your Honor?

THE COURT: He has as far as I can make out. I haven't talked to him, but the Marshals tell me that he thinks he ought to be excused.

MR. WATKINS: Would you -- I am sorry --

MR. POVICH: Your Honor, would you mind

000217

1 inquiring as to whether or not he would like to be  
2 excused?

3 THE COURT: Sure.

4 Would you ask Mr. Johnson to come in?

5 I take it he is the one. I am not sure that  
6 he is the one.

7 MR. POVICH: But, I will recognize him.

8 THE COURT: Mr. Reed, is this Mr. Johnson, is  
9 he the gentleman?

10 THE DEPUTY MARSHAL: Yes, sir.

11 THE COURT: Mr. Johnson, Mr. Reed, who is the  
12 Marshal in charge of the detail tells me that you are  
13 having some problems with your knees and your wife had  
14 an adverse reaction from penicillin.

15 THE JUROR JOHNSON: Yes, sir.

16 THE COURT: Would you like to be excused?

17 THE JUROR JOHNSON: Yes, sir. I am worried  
18 about her, because she is there by herself. She is on  
19 my mind. My mind is not here.

20 THE COURT: Well, we want your mind to be  
21 here.

22 THE JUROR JOHNSON: Well, it is not.

23 MR. WATKINS: I think he ought to be excused.

24 THE COURT: Okay. You are excused. Tell the  
25 jury lounge that you have been excused.

000218

1 THE JUROR JOHNSON: Yes, sir.

2 THE COURT: I would tell them also that I  
3 recommend you be relieved from further responsibility  
4 to serve as a juror at this time. You may be selected  
5 at some time in the future.

6 THE JUROR JOHNSON: Yes, sir.

7 THE COURT: But I authorize you to be excused  
8 you from further jury service at this time.

9 THE JUROR JOHNSON: Yes, sir.

10 THE DEPUTY CLERK: Mr. Johnson.

11 THE COURT: I am reminded that I should tell  
12 you, do not talk to anybody about this case.

13 THE JUROR JOHNSON: Yes, sir.

14 THE COURT: Your wife or anybody else. Just  
15 keep it entirely to yourself, particularly do not talk  
16 to the press about it.

17 THE JUROR JOHNSON: Yes, sir.

18 THE COURT: A lot of people may be asking you  
19 what happened. Just don't tell them anything.

20 THE JUROR JOHNSON: Yes, sir.

21 THE COURT: All right. Thank you.

22 MR. WATKINS: Your Honor, would you propose  
23 replacing him with Alternate 1?

24 THE COURT: Yes. Alternate 1 -- I don't know  
25 who Alternate 1 is.

000219

1 THE DEPUTY CLERK: Ursulyn Alexander.

2 MR. WATKINS: Thank you, Your Honor.

3 THE COURT: Bring in the jury.

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

7 THE COURT: Would Juror No. 1, Alternate  
8 Juror No. 1, Mrs. Alexander, please take the position  
9 in the back row vacated by Juror No. 12, and you may  
10 move up so that you become Juror Alternate No. 1 and  
11 Alternate No. 2 and Alternate No. 2, No. 3.

12 THE DEPUTY CLERK: Yes.

13 THE COURT: Who is Alternate No. 3?

14 A JUROR: I am sixth.

15 THE DEPUTY CLERK: Ms. Porter, you became  
16 Alternate No. 2.

17 THE COURT: The Court excused Juror No. 12.  
18 You may remember the gentleman had an operation on his  
19 knee. His knee was bothering him. He found out this  
20 morning that his wife had an adverse reaction to  
21 penicillin, so the Court excused him. That is why we  
22 had to shift.

23 All right.

24 Call the witness, Mr. Patterson.

25 You may proceed.

000220



1 MR. KOTELLY: Thank you, Your Honor.

2 BY MR. KOTELLY:

3 Q Mrs. Stultz, during the period of October,  
4 1973 to the early part of 1976, how many checking  
5 accounts did you, personally, have?

6 A I actually only had one at the Riggs Bank.  
7 At one time there were two. They were both at Riggs.  
8 One was the 843 overdraft account, and the other was  
9 just a straight checking.

10 Q For how long a period did you have these two  
11 separate checking accounts?

12 A I had the straight account from the beginning,  
13 in early '70 or '72. I had just the regular checking  
14 from the time I opened my checking account with Riggs.  
15 I don't remember when that was, and then I believe in  
16 I don't remember the date, but whenever I applied for the  
17 843, which was the overdraft privilege, I then had two  
18 separate account numbers.

19 Q Did they overlap in time as to when you had  
20 these accounts?

A Yes. Yes.

Q For how long a period of time did they overlap  
on these two separate accounts?

A I don't really remember. It may have been  
until I left. I know it is now only one account. At

000221

1 one point it was consolidated and just one account.

2 Q And your payroll checks from the House of  
3 Representatives, where would they go?

4 A That went into the regular. That is right.  
5 That went into the regular account. The first account  
6 I had.

7 Q Now, you have referred to a special account.  
8 Was that a separate banking account?

9 A No.

10 Q Where did you keep the funds?

11 A That was just a term that was used between the  
12 Congressman and myself to identify the excess money from  
13 my paycheck.

14 Q Where were those funds being kept?

15 A In my personal checking account.

16 Q Along with your own personal funds?

17 A Right.

18 Q Mrs. Stultz, I show you Government's Exhibits  
19 45-K: R and F for identification, which have been  
20 previously identified by an officer of the Riggs National  
21 Bank.

22 I would ask you if you can identify any of the  
23 writing on those documents?

24 A Yes, I can.

25 Q Whose writing can you identify?

000222

1 A My own.

2 Q What is written in your own handwriting on  
3 those documents?

4 A My signature, Jean Stultz on each one.

5 Q Do you recall the incident that you placed  
6 your name on these three documents?

7 First of all, what are those documents?

8 A One appears to be a money order for \$177.

9 THE DEPUTY CLERK: Which number is that?

10 MR. KOTELLY: Please give us the exhibit number  
11 on the back.

12 THE WITNESS: 45-R.

13 THE DEPUTY CLERK: Thank you.

14 THE WITNESS: \$177, and it shows a canceled  
15 stamp across the front. The other is a money order --  
16 I am sorry, this is Exhibit 45-K, a money order in the  
17 amount of \$300, which shows canceled. There is no  
18 payee on either of those.

19 The next, 45-S is a money order for it looks  
like \$37. It is not clear, which is also stamped,  
"Canceled." There is no payee made out.

Q Do you recall the circumstances that you  
signed and had canceled any money orders?

20 A I can't actually remember these.

Q Mrs. Stultz, you have identified this morning

000223

1 a number of personal checks that you made payments to  
2 creditors as well as to copies of money orders and  
3 cashier's checks from the Riggs Bank which you have  
4 identified as having been purchased by you.

5 At whose direction did you make the payments  
6 of those personal checks, cashier's checks and money  
7 orders?

8 A These payments were always made at the  
9 direction of Congressman Diggs.

10 Q What, if any discretion did you have as to  
11 whether or not to pay any of these creditors?

12 A Towards the end of my tenure there, late '75,  
13 early '76, the accounts had gotten into such a drastic  
14 state, many of the creditors were threatening to sue.  
15 I was on the phone constantly with creditors. There  
16 may have been a few times when knowing the situation of  
17 the bill, knowing that it was pending I would have paid  
18 the bill knowing that also there was money in the special  
19 account with my own check.

20 Q If the Congressman directed a payment, what,  
21 if any, discretion did you have as to whether or not to  
22 pay that?

23 A I had none. I followed his directions.

24 Q How did you view the money in this special  
25 account?

1 A Pardon me?

2 Q How did you view this money that was -- as

3 A As his money.

4 Q Did you consider it as his money?

5 A It was his money, yes.

6 Q During this period of time of October of '73  
7 through March of 1976, what was your own financial  
8 condition?

9 A I had bills like everybody else.  
10 I am not sure I understand.

11 Q Were you financially comfortable during those  
12 periods of time?

13 A I had to work. I needed to work. I had a  
14 child that I was supporting, and I had my own expenses.  
15 I was maintaining my own home. I had just purchased a  
16 new car. I had sufficient bills, more than enough.

17 Q Now, Mrs. Stultz, you have testified that  
18 this arrangement began in October of 1973. How long  
19 did it continue that you continued to pay monies on the  
20 Congressman's behalf out of the special account?

21 A If I can recall correctly, it was either  
through March or April of '76.

22 Q During that period of time how frequently were  
23 you receiving a salary check?

24 A I received a salary check every month.

000225

1 Q Were there any occasions that a month would go  
2 by where no monies would be paid out of the special  
3 account on behalf of the Congressman?

4 A Only one. On those occasions then with the  
5 Congressman's permission I was permitted to keep the  
6 money to cover my tax liability.

7 Q On how many occasions did that happen?

8 A Let's see. '74, '75, at least three times,  
9 at the end of each tax year. '74, '75, '76 I would say.

10 Q Mrs. Stultz, you have indicated earlier that  
11 you purchased cashier's checks and money orders with  
12 checks to cash which you have identified here in court.  
13 Were there any occasions when the check to cash that you  
14 took to the Riggs Bank was cashed that you did not use  
15 all the money to purchase money orders and cashier's  
16 checks?

17 A Yes, there were.

18 Q Could you indicate to the jury the type of  
19 situation in which that might occur or would occur?

20 A I can recall one time the Congressman was  
21 leaving town on a trip. I don't know whether it was out  
22 of the country or what, but on that type of an occasion,  
23 on that kind of thing I would bring -- I would cash a  
24 check for cash, maybe purchase a certain amount of  
25 money orders and bring cash back to him, the balance in



1 cash to him.

2 Q Could you indicate to us how many times you  
3 can recall this occurring?

4 A It is difficult to say. At least -- I don't  
5 know. It is difficult to say. Three, four, five times.

6 Q Were there any occasions that you would write  
7 a check to cash without purchasing any money orders or  
8 cashier's checks?

9 A I recall once, one particular check that --  
10 let me be sure that I understand your question, that I  
11 would bring the entire amount of money back to the  
12 Congressman, is that what you are asking?

13 Q Yes, and was there such an occasion?

14 A It is hard to remember. The full amount, I  
15 can't remember.

16 Q All right. Mrs. Stultz, during the time that  
17 you had discussions with the Congressman about paying  
18 the Congressman's bills, did you send the Congressman  
19 any type of memorandum or inquiries during the time  
20 you were working for him?

21 A Oh, yes. Sometimes on certain bills I would  
make little notes on the bills or little memos to him  
to ask for directions whether the bills should be paid,  
how it should be paid or how much, whatever.

22 Q Was there a set procedure that the Congressman

000227

1 had to notify you when you sent him these inquiries as  
2 to which bills were to be paid and not paid?

3 A Well, there was a procedure that we followed,  
4 monthly. I made an itemized listing of all of the  
5 accounts that were due, and I would list the creditor,  
6 the amounts, the balance due, and the amount of payment  
7 that was due. If the bill was then exceptionally in a  
8 delinquent state I would make some notation, a blue star  
9 asterisk, or something in red to call it to his  
10 attention. Additionally, if there was a bill that had  
11 come in from a creditor that needed special attention  
12 I might make a special notation on that and give it to  
13 him in the daily work file.

14 Q Was there any manner that the Congressman would  
15 indicate to you that he would approve or disprove of the  
16 payment?

17 A Yes. On the itemization, which we went  
18 through monthly, the Congressman would review it and he  
19 would make a checkmark or star or write "Okay", or some  
20 indication to me that that bill should be paid that  
21 month.

22 MR. KOTELLY: Your Honor, I would ask that  
23 the premarked Exhibit 38-A, B and C be marked for  
24 identification.

25 THE DEPUTY CLERK: Government's Exhibits 38-A,

000228

1 B and C are marked for identification.

2 (Whereupon, Government's  
3 Exhibits Nos. 38-A, B, and  
4 C were marked for identifica-  
5 tion.)

6 BY MR. KOTELLY:

7 Q Mrs. Stultz, I show you Government's  
8 Exhibit 38-A, B and C for identification and ask you if  
9 you can identify those documents?

10 A Yes, I can.

11 Q How do you identify them?

12 A All right. Exhibit 38-A is a note in my  
13 handwriting which reads, "Do you want me to pay this  
14 from the special account? Can send check tomorrow.  
15 Stultz."

16 Exhibit 38-C is the copy, the customer's  
17 copy of GEICO, a GEICO bill which is automobile insurance  
18 bill, or was.

19 The 38-B is a copy of the cancellation notice  
20 of his automobile insurance, also it shows a check,  
21 my personal check with my signature in the amount of  
22 \$121.72 to GEICO. There is also a notation on the same  
23 form in my handwriting saying, "Mailed 3/28/75", with  
24 my initials.

25 Q Mrs. Stultz, the item you have identified as

000229

1 being your writing, which is 38-A for identification,  
2 does it have anyone else's writing on that document  
3 besides your own?

4 A Yes, it has.

5 Q Do you recognize the writing?

6 A Yes, I do.

7 Q Whose writing is that?

8 A It is the Congressman's writing.

9 Q What does it indicate?

10 A It says, "Okay."

11 O Mrs. Stultz, what would that type of message  
12 and the "Okay" mean to you as part of the work that  
13 you were doing for the Congressman?

14 A It means I should pay GEICO the amount shown  
15 on their bill from my personal checking account, from  
16 the special account.

17 Q Now, I again show you Government's Exhibit  
18 23-S, which is admitted into evidence, which you have  
19 previously seen and I ask you how that compares with  
20 the Xerox copy, 38-C, for identification?

21 A This is the original check made to GEICO in  
22 the amount of \$121.72 that bears my signature.

23 MR. KOTELLY: Your Honor, I would ask that  
24 Government's Exhibit 40 for identification be marked.  
25 It has been premarked.

000230

marked for identification.

BY MR. KOTELLY:

Q Mrs. Stultz, I show you Government's Exhibit 40 for identification and ask you if you can identify that document?

A Yes, I can.

Q How do you identify it?

A I recognize my own handwriting.

Q What is Government's Exhibit 40 for identification?

A It is a very informal memo that passed from me to the Congressman.

Q What does it relate to?

A It relates to the payment of bills, a couple of bills.

Q What creditor are these bills owing to?

A It relates to the payment of the Citizen's National Bank bill, and it also relates to -- it is requesting, advising the Congressman that I had talked with the bank and that there was a payment due for January and February totaling \$492.72. There is another note saying that Riggs Bank called, payments are supposed to be due for February and January, \$73.84 per month, for a total of \$147.68. I say, "Please

000231

1 advise. Shall I pay from special account?"

2 "Can pay City National total of \$492.72 and  
3 Riggs, total of \$147.68 which would bring both of  
4 these accounts up to date. Please advise."

5 Congressman circled the first one from  
6 City National Bank, the first note is numbered one.  
7 The second note, in reference to Riggs Bank is number  
8 4. The Congressman in his own handwriting has circled  
9 one and four and written on the bottom, "Okay."

10 Q Are there any notations of your own on that  
11 document?

12 A In my own handwriting, I have circled "Riggs  
13 Bank", and drawn a line down to where I had written  
14 "Check No. 891-J-S", which means it was my own check  
15 dated 2/27/76 in the amount of \$147.68.

16 I have also circled "City National", and drawn  
17 a line through a note further down which reads "Check  
18 No. 892-JS, \$492.72, 2/27/76."

19 Q That is all in your own handwriting?

20 A Yes.

21 Q I again show you Government's Exhibit 23-D  
22 and 23-M, which have been admitted into evidence and  
23 ask you if you can compare those two documents, those  
24 two personal checks of yours with the notations on  
25 Government's Exhibit 40?

000232



1 A Yes, sir, I can.

2 Q How do they compare?

3 A Check No. 20 -- I am sorry. Government's  
4 Exhibit 23-M is in the amount of \$492.72, which is  
5 Check No. 892, which I refer to on this memo.

6 Q Does the amount and the check number  
7 correspond?

8 A The amount and the check number corresponds.

9 Q Regarding your other personal check, how  
10 does that correspond with the other notation?

11 A My memorandum, my notes on the memo -- I am  
12 sorry, makes reference to "Check No. 891", in the  
13 amount of \$147.68. I had had this as check 891 in the  
14 amount of \$146.68, and my signature --

15 Q And the check number, the amount and the  
16 payee, how does that correspond from your check with  
17 the notation on Government's Exhibit 40?

18 A Exactly. They are exact.

19 MR. KOTELLY: I ask that this be marked as  
20 Government's Exhibit 39, Your Honor.

21 THE DEPUTY CLERK: Government's Exhibit 39  
22 marked for identification.

23 BY MR. KOTELLY:

24 Q Mrs. Stultz, I show you Government's Exhibit  
25 39 for identification and ask you if you can identify

000233

1 that document?

2 A Yes, I can.

3 Q How do you identify it?

4 A This is a bill, appears to be a Detroit bill.  
5 I am pretty sure it is, for the Woodward Avenue office  
6 in Detroit. I can identify it through my handwriting.

7 Q What does your handwriting reflect?

8 A It reflects "Next payment of \$59.67 made with  
9 my own check, Check No. 517, March 28th, 1975," mailed  
10 three days later.

11 Q I show you Government's Exhibit 23-CC, which  
12 has been previously admitted into evidence, which is  
13 your personal check which you have identified and ask  
14 you if you can relate your personal check with  
15 Government's Exhibit 39?

16 A Yes. I would say this is the check that was  
17 used to pay the bills.

18 Q Whose bill would that have been?

19 A The Congressman's.

20 Q Mrs. Stultz, in connection with your work for  
21 Congressman Diggs, did any of your duties involve  
22 preparation of payroll authorization forms?

23 A Yes, they did.

24 Q What were your duties as far as the prepara-  
25 tion of such forms?

000234

1       A       On the instruction of the Congressman I would  
2 prepare the payroll authorization form and submit it  
3 to the Congressman for signature, and then submit  
4 them to the Finance Office. Each month the Congressman  
5 would ask me to come in and we would review the payroll.  
6 He would indicate to me if he wanted to make any changes  
7 in the payroll, such as adding an employee, adjusting  
8 an employee's salary, or removing an employee from the  
9 payroll.

10           He would then tell me what changes he wanted  
11 made, and I would have to go back to my desk and make  
12 what we call our projection for the month. The payroll  
13 would have to be submitted by, I believe it was the  
14 20th of the month.

15           In addition to that, we were governed by a  
16 maximum amount of money that could be used or spent on  
17 gross salaries per month. We were under a limitation  
18 as to the number of employees on the payroll, which I  
19 think at that time was 16, maybe it had gone to 18.  
20 So, if it meant that he wanted to adjust, if we were at  
21 the maximum of our 19,000 whatever, if he wanted to  
22 increase an employee's salary, and if we were at the  
23 maximum number of employees and had used the full  
24 allotment the month before, it would mean decreasing  
25 another employee's salary or removing an employee from

000235

1 the payroll. There had to be an adjustment with other  
2 employee's salary to increase someone else's if we were  
3 using our full allowance per month. So, after doing a  
4 projection based on the instructions from the Congress-  
5 man as to what changes he would want to make in the  
6 payroll, I would go back to his office. He would  
7 approve the projection. He would approve the increase  
8 or whatever, as long as I stayed within the maximum  
9 amount allowable. I would then prepare the payroll  
10 authorization forms that for any changes that were  
11 necessary.

12 By that, I mean any adjustment in salaries or  
13 any removal from the payroll, or any new employees. I  
14 would present these, again to the Congressman and he  
15 would sign them, then I would forward them to the  
16 House Finance Office.

17 Q During the time that you were the office  
18 manager for Congressman Diggs' staff, did anyone else  
19 have the duty of preparing these payroll authorization  
20 forms?

21 A Not after I had assumed the responsibility.  
22 It was mine, continuously.

23 Q Who would sign each of these payroll  
24 authorization forms?

25 A For the most part the Congressman, and I say

000236

1 that because I can recall, I think three that I may  
2 have signed, myself.

3 Q And whose payroll authorizations can you  
4 recall signing, if you can recall?

5 A I remember signing one for an employee in the  
6 Detroit office who was sort of like a part-time  
7 employee, and I guess the Congressman, I think was out  
8 of town, Robbie McCoy, I believe, and there may have  
9 been a couple of other times. I think I remember just  
10 before I left signing one of my own, returning my salary  
11 to normal, to the normal figure.

12 Q What was the normal figure?

13 A I am sorry. To a lower figure, I should say.

14 Q Do you recall whether you ever signed any  
15 payroll authorization forms relating to a Felix  
16 Matlock?

17 A I do not recall signing one for Felix Matlock,  
18 no.

19 Q Do you recall ever signing a payroll authori-  
20 zation form for Ofield Dukes?

21 A I do not recall signing one for Mr. Dukes.

22 Q Do you recall signing any payroll authoriza-  
23 tion form for Jeralee Richmond?

24 A I don't recall signing any for Ms. Richmond,  
25 either.

000237

1 Q Do you recall signing any payroll authoriza-  
2 tion for George Johnson?

3 A No, sir.

4 Q Other than the one payroll authorization you  
5 may have signed for yourself, can you recall any other  
6 occasions when you would have signed a payroll authori-  
7 zation on your own behalf?

8 A On my own behalf?

9 Q Can you think of anything more than one  
10 possible occasion?

11 A No.

12 Q Mrs. Stultz, as far as your own salary, did  
13 you have any discussions with the Congressman about any  
14 possible raises for yourself?

15 A Yes, I did at one point.

16 Q Approximately when was that?

17 A Oh, I am trying to remember. I think it may  
18 have been when he was reviewing salaries, which he would  
19 often do around the beginning of the year. So, it may  
20 have been around the beginning of '74. I am not  
21 absolutely sure on the date, but he did not -- he said  
22 to me that I was not getting an increase at that time,  
23 and he would take care of me later, and I did not get  
24 a salary increase.

25 Q During the time that you were the office

000238



1 manager, can you recall when the last time was that you  
2 did receive a pay increase?

3 A Do you mean a merit increase?

4 Q Yes.

5 A Um, let's see. 14 -- I can't remember the  
6 dates, sir. I can't remember the dates.

7 Q Do you remember the last amount?

8 A I am trying to remember the amount. I seem to  
9 believe I went from \$14,000 to somewhere between \$17,000  
10 and \$19,000. I am not sure. \$17,500 or \$19,500. I am  
11 not really sure, and then I went into that inflated  
12 salary business up to about thirty-some, and before I  
13 left my salary came back to \$23,000.

14 Q Mrs. Stultz, do you know an individual named  
15 Felix Matlock?

16 A Yes, I do.

17 Q How long have you known Mr. Matlock?

18 A Ever since I started working for the  
19 Congressman in '72.

20 Q How do you know Felix Matlock?

21 A I know him as an employee in the Congressman's  
22 Detroit District Office.

23 Q How frequently did you have contact with  
24 Mr. Matlock?

25 A When I first started working it was rather

000239

1 infrequent, maybe a couple of times a week.

2 After I became office manager it was on an  
3 average of no less than once a day.

4 Q What was the purpose of your contact with  
5 Mr. Matlock?

6 A Well, my responsibility as office manager  
7 as outlined to me is also to have supervisory respon-  
8 sibilities over the District Offices.

9 Mr. Matlock was more or less the senior  
10 person in the District Offices and he was my contact in  
11 the Woodward office. We would discuss congressional  
12 business and the day-to-day activities, personnel  
13 problems, and later the payment of bills.

14 Q You indicated that Mr. Matlock was the senior  
15 person in the District Office. Are you referring to  
16 senior in terms of seniority or position in the District  
17 Office?

18 A Well, maybe that wasn't the correct term. I  
19 considered him senior in terms of position. I had more  
20 dealings with him than with anyone else in that  
21 office.

22 Q During the time that you were office manager  
23 how many offices did you have in the congressional  
24 district in Detroit?

25 A Two. The Mack office was established later,

000240

1 but when I first became office manager there was one  
2 office on Woodward Avenue then later the Congressman  
3 opened a second office on Mack Avenue.

4 Q Were there any expenses involving the operation  
5 of those offices in Detroit?

6 A Yes, there were.

7 Q What type of expenses?

8 A Well, there was the electric bill, the electric  
9 service that had to be paid. There were bills from  
10 Michigan Gas and Light, I think for the light service.  
11 And there were other bills for general maintenance,  
12 One-Stop- Block and to the sign company, and there were  
13 the rents, particularly on the Mack Avenue office.

14 Q And, the rents, referring to Mack Avenue, was  
15 how much?

16 A If I remember correctly, I think it was  
17 \$75 a month, but because we were above the allowance  
18 that the House of Representatives would give for rent,  
19 they only paid, I believe, \$50 a month for it and  
20 consequently the Congressman had to pay the additional  
21 \$25 a month.

22 Q Mrs. Stultz, during the time that you were  
office manager, do you have knowledge as to how these  
bills were paid for expenses in the District Office?

A Well, do you mean by mail or from funds?

000241

1 Q I am asking, do you have knowledge?

2 A Yes, I have knowledge as to how they were  
3 paid.

4 Q Could you tell the jury how these bills were  
5 paid during the period of time that you were the office  
6 manager?

7 A Well, the bills would be forwarded down to the  
8 Washington office. I would present them to the  
9 Congressman and the very early beginning, in the early  
10 days I should say, the Congressman would often write  
11 his own checks to pay these bills.

12 Q Do you recall during what period of time that  
13 was?

14 A The first time, my first year as office  
15 manager, I should say, '73, '74 maybe. Later, the bills  
16 -- well, the bills continued to be sent down from the  
17 Detroit office, but later I would pay the bills.  
18 I might pay them from the special account or I might  
19 instruct Mr. Matlock from Detroit to pay the bills and/  
20 or to purchase money orders and send to me, and I would  
21 send the bills out to the company.

22 Q Could you tell the jury how it came about  
23 that Mr. Matlock would pay the bills?

24 A On instructions from the Congressman I would  
25 call Mr. Matlock and advise him which bills were to be

000242

1 paid and how much. I mean how many money orders to  
2 purchase or how many money orders to purchase and what  
3 he should do with the money orders.

4 Q During the period of 1973 and 1974, how  
5 frequently do you recall Mr. Matlock having to pay these  
6 expenses?

7 A Once -- I cannot recall the dates when  
8 Mr. Matlock began to pay them on a regular basis, but  
9 once it started on a regular basis it continued until  
10 after I left. Well, I can't say after. It continued  
11 until I left.

12 Q Now, do you have any idea at all when  
13 Mr. Matlock began paying bills on a regular basis?

14 A Let's see. October of '75. I just -- possibly  
15 -- let's see, what is it? I left in '75. Possibly mid-  
16 I am sorry, I left in '76 -- possibly mid-'75.

17 Q Prior to that, though, prior to Mr.  
18 Matlock regularly paying these expenses, were there  
19 occasions when Mr. Matlock would pay the expenses?

20 A Yes. Yes, there were occasions every now and  
21 then where Mr. Matlock's salary would be increased and  
22 I would be instructed to advise him which bills or what  
23 to do with the increase in his salary.

24 Q At whose direction was Mr. Matlock's salary  
25 increased?

000243

1           A       At the Congressman's instructions.

2           Q       How was it increased?

3           A       The Congressman would tell me what amounts he  
4 wanted, either what amounts he wanted to pay Mr. Matlock  
5 or what he had in mind that I should do with my payroll  
6 projection to try to determine if I could get him off to  
7 a certain net amount. After I did this figuring, I  
8 would go back to the Congressman. If he approved a  
9 payroll authorization form he signed it and I sent it to  
10 Finance and that was the instrument to which the  
11 adjustment was made.

12          Q       You have indicated that sometime in 1975  
13 Mr. Matlock began to regularly pay the District Office  
14 expenses; is that correct?

15          A       Yes.

16          Q       Could you state to the jury how that occurred?

17          A       Well, the Congressman -- during one of our  
18 reviews of the payroll the Congressman had proposed to  
19 me that an employee's salary be increased for the  
20 purpose of paying bills and he suggested another  
21 employee in one of the District Offices, and I said to  
22 him that I didn't think that employee was a good idea.  
23 He wanted to know why and I said, because the employee  
24 was a member of the Bar and I didn't think he would be  
25 amenable to that kind of a suggestion. At that point

000244



1 the Congressman asked me, well, who did I have in  
2 mind, and I said, "Well, I don't have anybody in mind,  
3 but I think the most loyal employee on the staff is  
4 Mr. Matlock. He thought about it and he said, "Well,  
5 see what you can work out to increase Mr. Matlock's  
6 salary." I don't remember to what figure.

7 Q What did you do after that conversation?

8 A I again went back, did a payroll projection  
9 which meant juggling other salaries or numbers of  
10 employees. After I worked it out I brought it back to  
11 the Congressman. He okayed it. I prepared a payroll  
12 authorization form based on the figures that he had  
13 okayed and he signed it and we submitted it -- I sub-  
14 mitted it to Finance.

15 Q After Mr. Matlock began regularly paying the  
16 District Office expenses, was there a set procedure as  
17 to which expenses Mr. Matlock should pay?

18 A Yes.

19 Q Would you relate that to the jury?

20 A Yes. I called Mr. Matlock and I informed  
21 him that he would be receiving an additional amount in  
22 his paycheck and that he was to call me once he received  
23 his paycheck and I would give him further instructions  
24 as to how it should be disbursed, which is exactly what  
25 happened.

000245

1           The only difference is -- Well, I guess there  
2 was no difference. I was about to say Mr. Matlock,  
3 the extra amount that he received was not the total  
4 amount that he used because he was permitted to take his  
5 six percent, I believe, off of the additional salary for  
6 his taxes.

7           Q     Who would instruct Mr. Matlock as to what  
8 expenses to pay?

9           A     The actual instructions to Mr. Matlock came  
10 from me, but I got those instructions from the Congress-  
11 man.

12          Q     And was there any specific way, manner of  
13 payment in which Mr. Matlock was to pay these expenses?

14          A     Yes. Yes. He was to purchase money orders  
15 and forward -- well, some of the money orders to me.  
16 Depending on where the bills were, he would pay the  
17 bill directly, and then the others he might send to  
18 me and I would pay the bill, but in any case I always  
19 received the customer copy of the money orders and he  
20 also was instructed to, since he was paying the Congress  
21 man's bill, that the money orders should reflect the  
22 Congressman's name.

23          Q     Was there any reason for using money orders  
24 or cashier's checks to your knowledge?

25          A     Well, when we first got -- you mean with

000246

1 Mr. Matlock?

2 Q With Mr. Matlock.

3 A That was the preferred payment as far as I  
4 was concerned, and I just gave Mr. Matlock the same  
5 instructions that I had had.

6 Q Was there any reason why you had that as the  
7 preferred method of payment?

8 A Well, we have to go back to the first  
9 conversation between me and the Congressman when my  
10 salary was inflated and it was at that point that the  
11 Congressman -- well, when I got the first check the  
12 Congressman instructed me to use money orders, to  
13 purchase money orders, and he also instructed me not to  
14 make a listing. And one thing I remember most clearly  
15 about it, he said he was going to make a politician out  
16 of me yet. So, because of those instructions when I  
17 talked with Mr. Matlock I just on my own followed through  
18 and asked Mr. Matlock to purchase money orders.

19 Q Mrs. Stultz, were there any expenses that  
20 Mr. Matlock was to pay that were not directly related  
to the operating and maintaining of the District  
Offices, themselves?

21 A Um, one that I can think of that is probably  
not related to the operation of the office would be the  
2 radio program, WJLB-Radio Program, and maybe the House

000247

1 Recording Studio, and I don't know whether Mr. Matlock --  
2 well, I don't know. I don't know whether he paid any  
3 House of Diggs. I can't recall whether he made any of  
4 those, but if he did they would not be related, but  
5 that is all I can think of.

6 Q Besides the two District Offices that you  
7 referred to, was there any other office in Detroit for  
8 Congressman Diggs' congressional services?

9 A Not to my knowledge. Oh, I am sorry. We did  
10 have the mobile van which was considered an office, but  
11 it was a mobile office.

12 Q Were there any expenses involved in having  
13 the mobile office?

14 A Yes. There was an expense of 100 -- I think  
15 it was \$100 and maybe some change a month, which was  
16 over and above the amount that the Congress paid for  
17 the leasing of that van.

18 Q Who would pay for that expense?

19 A The Congressman.

20 Q Who actually paid it?

21 A I believe most of those payments were made  
22 through Mr. Matlock.

23 Q At whose direction?

24 A The Congressman's direction to me and mine to  
25 Mr. Matlock.

000248

1 Q As far as payments to WJLB or the House  
2 Recording Studio were paid by Mr. Matlock and at whose  
3 directions were they made?

4 A The same way from the Congressman to me to  
5 Mr. Matlock.

6 Q Are you familiar with an insurance company  
7 named North Carolina Mutual?

8 A Yes, somewhat.

9 Q How are you familiar with that insurance  
10 company?

11 A I believe the Congressman had a small insurance  
12 policy. It was originally in the name of some other  
13 smaller company, I think that was absorbed by North  
14 Carolina Mutual.

15 Q Do you know as to how the premiums were paid  
16 to North Carolina Mutual if any were paid?

17 A From what I can remember about that, I think  
18 it was only paid once a year, and I just can't remember  
19 really how that was paid.

20 Q Ms. Stultz, do you know an individual named  
21 Ofield Dukes?

22 A Yes, I do.

23 Q When did you first meet Mr. Dukes?

24 A After I began working for the Congressman. I  
25 don't remember the exact time.

000249

1 Q How do you know Ofield Dukes?

2 A Ofield Dukes was placed on the payroll of the  
3 Congressman's office, I believe in the capacity of  
4 consultant of some kind to the Congressman.

5 Q Do you remember what period of time Mr. Dukes  
6 was an employee for the Congressman?

7 A I don't remember the exact period of time.  
8 It was -- I am sure for at least a year prior to my  
9 leaving.

10 Q Was Mr. Dukes a regular employee of the  
11 Congressman?

12 A He was on the payroll each month if that is  
13 what you mean.

14 Q Yes.

15 A Yes.

16 Q Do you know if that was Mr. Dukes' full-time  
17 work?

18 A No. I believe he worked with the Congressman  
19 in a consultant capacity. Mr. Dukes had his own  
20 business in Washington.

21 Q Mrs. Stultz, do you remember what Mr. Dukes'  
22 salary was during the time he was employed with the  
23 Congressman?

24 A Yes. I remember that he started at \$12,000 a  
25 year.

000250



1 Q Were there any occasions when Mr. Dukes'  
2 salary was increased?

3 A Yes, there were.

4 Q What were the circumstances surrounding any  
5 increase in Mr. Dukes' salary?

6 A Mr. Dukes' salary was increased when he was  
7 asked to make payments of certain bills. He would  
8 usually be advised prior to the increase and told of  
9 the bills that needed to be paid, and through our  
10 normal procedure of payroll authorization form, the  
11 Congressman would increase his salary to whatever figure  
12 was necessary. Mr. Dukes, in turn, would pay the bill.

13 Q What type of bills would Mr. Dukes be  
14 requested to pay?

15 A Mr. Dukes paid, I recall he paid WJLB, which  
16 I think is the radio program, and I remember his making  
17 a reasonably large payment to the House Recording  
18 Studio. He also paid a couple of the Michigan Chronicle  
19 bills, I believe.

20 Q What is the Michigan Chronicle?

21 A The Michigan Chronicle was a newspaper, a  
22 black run newspaper in Detroit.

23 Q What were the reasons for payments to the  
24 Michigan Chronicle, if you know?

25 A Well, I know that the Congressman had several

000251

1 ads, the congressional staff had ads, and I don't know  
2 what else had been placed in the Chronicle. Now,  
3 whether the payments were entirely for those or not, I  
4 cannot say, but we did have a Michigan Chronicle bill.

5 MR. KOTELLY: Your Honor, Government's  
6 Exhibit 54 for identification.

7 THE DEPUTY CLERK: Government's 54 marked for  
8 identification.

9 (Whereupon, Government's  
10 Exhibit No. 54 was marked  
11 for identification.)

12 BY MR. KOTELLY:

13 Q Mrs. Stultz, I show you Government's Exhibit  
14 54 for identification and ask you if you can identify  
15 that document?

16 A Yes, I can.

17 Q How can you identify it?

18 A There is a notation on the document in my own  
19 handwriting.

20 Q What does your notation relate to?

21 A The notation relates to the payment of the  
22 bill by O. D., which means Ofield Dukes, in the amount  
23 of \$924.

24 Q When would you have made that notation?

25 A The date is also part of the notation,

000252

1 December 2nd, 1975.

2 Q And the notation is one on what type of  
3 document?

4 A It is on a statement of charges from the  
5 Michigan Chronicle.

6 Q Do you recall making that notation?

7 A I don't specifically recall making this  
8 notation, but it is mine.

9 Q Did you have a regular course of conduct as  
10 far as maintaining documents and records to make such  
11 notations?

12 A Whenever a bill was made, was paid, I tried  
13 to make some kind of notation on the bill, especially  
14 if I didn't have a form of payment, a copy of a form of  
15 payment to attach like a money order or certified check,  
16 or whatever.

17 Q Do you recall any discussions with Mr. Dukes  
18 regarding the payment of any Michigan Chronicle bills?

19 A I can't say I recall a specific instruction  
20 about a Michigan Chronicle bill, but I can recall  
21 generally talking with Mr. Dukes about payment of bills,  
22 but I cannot say this bill is any one particular right  
23 now.

24 Q You also referred to the payment by Mr. Dukes  
25 of the bill to WJLB. Would you relate to the jury what,

000256

1 if anything, you recall regarding that payment?

2 A That one stands out a little more, because of  
3 the series of events that took place around that bill.  
4 There was a bill that was in question about, I think the  
5 radio program had gone on the air. It was a Sunday  
6 morning radio show, also, and there was a question about  
7 a bill, this payment.

8 Q Please continue. That they owed -- the House  
9 of Diggs owed the radio show, I believe it was, and in  
10 any case something generated my having to talk to the  
11 Congressman about it, the payment of the bill, and he  
12 instructed me to get in touch with WJLB. I remember  
13 calling there talking with one of their people who gave  
14 me an explanation of the bill and then I had to call --  
15 oh, that is right. During the time of the merger,  
16 because I had to call the Stenson Funeral Home and I  
17 talked with someone there.

18 Q What merger are you referring to?

19 A The merger between the House of Diggs and  
20 Stenson's Funeral Home.

21 Q When would that have been?

22 A I believe it was in late, towards the end of  
23 1975.

24 Q So, you made some inquiry regarding this bill;  
25 is that correct?

000254

1 A Yes.

2 Q Did you have any conversations with the  
3 Congressman about this House of Diggs bill?

4 A Yes, I did. I don't remember exactly what  
5 took place between -- in our conversation, but I do  
6 remember that he told me to call the radio station and  
7 get it straightened out, which I did, which then led me  
8 to call Stenson's Funeral Home. It wasn't Diggs, then  
9 it was Stenson's Funderal Home at which time I -- whom-  
10 ever I talked with told me then --

11 Q Without getting into this conversation, what,  
12 if anything, did you tell the Congressman after you  
13 made these inquiries?

14 A Well, I told him that I had talked to both  
15 of these people and that the Stenson people weren't  
16 going to pay the bill.

17 Q What, if anything, occurred after that  
18 conversation?

19 A I was instructed to see --

20 Q By whom?

21 A By the Congressman -- Ofield Dukes and Ofield  
22 Dukes paid the bill.

23 Q What did you do?

24 A I went through my normal process advising  
25 Mr. Dukes and informing Mr. Dukes that this bill was to

000255

1 be paid by him.

2 MR. KOTELLY: Government's Exhibit 58 and 57-A  
3 for identification, Your Honor. They have been pre-  
4 marked.

5 THE DEPUTY CLERK: Government's Exhibit 58 and  
6 57-A marked for identification.

7 (Whereupon, Government's  
8 Exhibit No. 58 and 57-A were  
9 marked for identification.)

10 BY MR. KOTELLY:

11 Q Mrs. Stultz, I show you the Government's  
12 Exhibit 58 for identification and ask you if you can  
13 identify that document?

14 A Yes. Yes, I can.

15 Q How do you identify it?

16 A Well, first of all I recognize my own hand-  
17 writing. Secondly, the memo itself jogs my memory.  
18 This, I believe, is a memo which generated that whole  
19 conversation between me and WJLB and somebody at  
20 Stenson's place. There was the question about the  
21 Sunday morning show versus payment of the evening show,  
22 and this memo relates to that.

23 Q And the writing that you have on that docu-  
24 ment in your own hand, what does that writing relate  
25 to?

000256



1           A       It relates to -- it is a question I am asking  
2 Mr. Diggs concerning this bill. It relates to the  
3 House of Diggs.

4           MR. KOTELLY: Your Honor, I believe a  
5 spectator is having some difficulty.

6           THE COURT: The jury may retire to the jury-  
7 room.

8           (Whereupon, at 3:00 o'clock p.m. the jury  
9 retired to the juryroom and the following  
10 proceedings were had:)

11          THE WITNESS: It is my daughter.

12          THE COURT: Adjourn court.

13          THE DEPUTY CLERK: Would the spectators  
14 please leave the courtroom.

15          THE COURT: Do you want to go to your  
16 daughter?

17          THE WITNESS: Yes, I do.

18          MR. POVICH: May we approach the Bench?

19          (At the Bench.)

20          MR. POVICH: Your Honor, Mr. Kotelly advises  
me, he thinks that it should be a half hour more, and  
I don't really wish to cross examine the woman who has  
just experienced that with her daughter. I think the  
examination is going to be very difficult, I should say,  
and I think some of the jurors know that this woman's

000257

1 daughter --

2 THE COURT: They couldn't very well. They  
3 were out of the room.

4 MR. POVICH: The witness said, "That is my  
5 daughter," to the reporter during the time a couple of  
6 them were standing there at the door. Under the  
7 circumstances I know you want to move ahead, but I think  
8 under these unusual circumstances I would like to  
9 adjourn and let her take care of her child and perhaps  
10 let things settle down.

11 THE COURT: Let's check it out after they have  
12 gotten her down to the nurse's station.

13 MR. POVICH: I think the record should reflect,  
14 Your Honor, apparently what has happened is that  
15 Mrs. Stultz' daughter has suffered a seizure of some  
16 sort, and is now --

17 THE COURT: She fainted. I don't know what  
18 the cause of it was.

19 (Whereupon, at 3:05 o'clock p.m. a short  
20 recess was taken at the conclusion of which  
21 the following proceedings were had at 3:10  
22 o'clock p.m.):

23 (At the Bench.)

24 THE COURT: I am informed by the Marshal  
25 that they are taking this girl to the hospital and the

000258

1 mother wants to go with her and I see no reason why I  
2 should turn her down.

3 MR. POVICH: I don't either, Your Honor.

4 THE COURT: So, I think what we had better  
5 do under the circumstances is to adjourn the case for  
6 the day unless you have somebody else that you can put  
7 on at this time.

8 MR. KOTELLY: We do have witnesses we have  
9 available that could be put on, whatever Your Honor  
10 wishes.

11 THE COURT: Well, it is not unusual to take a  
12 witness off in the middle of testimony. We all do that  
13 often for doctors. This is an unusual circumstance,  
14 but I think under the circumstances I better allow the  
15 mother to accompany the daughter to the hospital and  
16 resume with that witness tomorrow morning with what-  
17 ever you have.

18 MR. POVICH: Your Honor, could I make this  
19 suggestion to the Court? Since the two witnesses, I  
20 believe, are out-of-town witnesses, just custodians of  
records, to suggest to the jury that we are taking them  
out of turn because they are from out-of-town.

THE COURT: How do you gentlemen feel about  
the Court making any explanation to the jury as to the  
cause of the interruption?

000259

1 I personally doubt that they know anything  
2 about it, but jurors are just like anybody else and are  
3 curious as to what happens.

4 MR. POVICH: Well, I will think out loud for  
5 a moment, Your Honor, without committing myself. I  
6 suggest perhaps under the circumstances that you could  
7 say that one of the members in the audience felt  
8 badly, became ill, and they had to clear the courtroom  
9 and we now have two out-of-town witnesses who should  
10 be taken care of. We have two out-of-town witnesses  
11 who we could perhaps get on quickly today and be  
12 finished with them and so we will interrupt the  
13 proceedings now and continue with Mrs. Stultz tomorrow.

14 THE COURT: Is that all right with you?

15 MR. KOTELLY: Sure.

16 THE COURT: Is that all right?

17 MR. POVICH: Okay.

18 MR. WATKINS: Sure.

19 THE COURT: Who do you have?

20 MR. MARCY: The custodian of the Bank of the  
21 Commonwealth and from the National Bank of Detroit.

22 THE COURT: Mr. Miller, would you be good  
23 enough to tell the lady that she may accompany her  
24 daughter?

25 MR. MILLER: Of course, I will.

000260

1 THE COURT: She will go on tomorrow morning.

2 THE DEPUTY CLERK: 9:30?

3 THE COURT: 9:30.

4 Bring in the jury.

5 (Whereupon, at 3:15 o'clock p.m. the jury  
6 resumed their seats in the jury box and the  
7 following proceedings were had in open court:)

8 THE COURT: Ladies and gentlemen, a brief  
9 word of explanation. One of the spectators became ill  
10 and had to be sent to the hospital, and I have been  
11 informed by way of program for the rest of the afternoon  
12 that the Government has two out-of-town witnesses that  
13 they would like to put on at this time, so we will  
14 interrupt the testimony of Mrs. Stultz and hear these  
15 out-of-town witnesses at this time.

16 Mrs. Stultz will resume tomorrow morning.

17 All right. You may proceed.

18 MR. MARCY: The Government would call Linda  
19 Allen.

20 Whereupon,

2 LINDA ALLEN

3 was called as a witness by and on behalf of the Govern-  
4 ment and, having first been duly sworn, was examined and  
5 testified as follows:

000261

DIRECT EXAMINATION

BY MR. MARCY:

Q Would you please state your full name?

A Linda Jean Allen.

Q Where do you live?

A In Detroit, Michigan.

Q Who do you work for?

A The Bank of the Commonwealth.

Q What is your job with the Bank of the Commonwealth?

A Secretary, custodian and legal research representative.

Q Could you indicate to us what your responsibilities are in that job?

A Yes. As legal research representative I answer subpoenas, summons and estate inquiries.

Q Are you familiar with the operation of the Bank of the Commonwealth?

A Yes, I am.

Q Are you familiar in the manner in which the Bank of the Commonwealth issues money orders?

A Yes, I am.

Q Would you briefly describe to the ladies and gentlemen of the jury how the Bank of the Commonwealth issues a personal money order?

000262



1 A A personal money order can be purchased by a  
2 customer walking off the street as long as they have  
3 negotiable funds.

4 Okay, cash, a check, okay. Funds that we  
5 know are good.

6 A money order cannot be issued for any more  
7 than \$250, and we cut the amount of the money order  
8 across the face of the check.

9 Q When you say "cut the amount", is that with a  
10 check-writing machine?

11 A Yes, it is.

12 Q When you sell a money order does it have any  
13 other information that is entered by the bank except  
14 for the amount of the money order?

15 A No, only the amount.

16 Q When they are issued they are in blank, other-  
17 wise?

18 A Yes, they are.

19 Q Would you describe how cashier's checks are  
20 issued by the Bank of the Commonwealth?

21 A A customer has to have negotiable funds,  
22 cash or a check or funds that we know are good.

23 He has to fill out a cashier's check or  
24 requisition giving his name, address and the amount of  
25 the check, and then we prepare a cashier's check for

000263

1 him.

2 The bank types in all of the information, the  
3 date, the amount and authorization signer. They put  
4 the remitter's name on the check, that is the person  
5 purchasing the check, and they type in who it is payable  
6 to.

7 Q After a money order or cashier's check is  
8 negotiated, where does it return?

9 A It returns back to the bank that it was  
10 purchased from.

11 MR. MARCY: Your Honor, could I have these  
12 marked as Government's Exhibit 50-A through 50-KK?  
13 They have already been premarked.

14 THE DEPUTY CLERK: What are the numbers, again  
15 sir?

16 MR. MARCY: 50-A through 50-KK.

17 THE DEPUTY CLERK: Government's Exhibits  
18 50-A through KK marked for identification.

19 (Whereupon, Government's  
20 Exhibits Nos. 50-A through  
21 50-KK were marked for  
identification.)

22 BY MR. MARCY:

23 Q Ms. Allen, are you here in response to a  
24 subpoena that was served on your bank?  
25

000264

1 A Yes, I am.

2 Q And you produced certain records today?

3 A Yes.

4 Q Let me show you what has been marked as  
5 Government's Exhibit 50-A through 50-KK and ask you if  
6 you can identify those?

7 A Yes, I can.

8 Q How is it that you can identify those?

9 A Well, on the top of them they have the Bank of  
10 the Commonwealth and then at the bottom they have our  
11 account number, ABA No. 720, giving the area of Detroit,  
12 Michigan, and then our ABA No. 31. That is the Bank of  
13 the Commonwealth number.

14 Q What are those exhibits, Government's 50-A  
15 through 50-KK?

16 A The Bank of Commonwealth's personal money  
17 orders. Yes, they are all the Bank of the Commonwealth  
18 money orders.

19 Q All right. Are those money orders all the  
20 original negotiated copies --

A Yes, they are.

Q -- of the original, negotiated originals?

MR. MARCY: Your Honor, could I have these  
21 marked as Government's Exhibit 51-A through 51-D?  
22 They have also been premarked.

000265

1 THE DEPUTY CLERK: Government's Exhibit 51-A  
2 through D marked for identification.

3 (Whereupon, Government's  
4 Exhibits 51-A through 51-D  
5 were marked for identifica-  
6 tion.)

7 BY MR. MARCY:

8 Q Showing you what has been marked as Govern-  
9 ment's Exhibits 51-A through 51-D, would you describe  
10 what those are?

11 A These are Bank of the Commonwealth cashier  
12 checks, the original part of the negotiable instrument  
13 itself.

14 Q Okay. How is it that you are able to identify  
15 those?

16 A It has the Bank of the Commonwealth's name  
17 written across it and has our ABA number giving the  
18 area of the bank number.

19 Q All of these exhibits, both 50 and 51 are in  
20 your care, custody and control?

21 A Yes.

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

24 THE COURT: Any questions, gentlemen?

25 MR. WATKINS: I have a few, Your Honor.

000266

CROSS EXAMINATION

BY MR. WATKINS:

Q Ms. Allen, is it?

A Yes.

Q Ms. Allen, did you appear here under subpoena?

A Yes, I did.

Q And were you required to produce the documents that you identified under subpoena?

A Yes.

Q Was it a single subpoena or more than one subpoena?

A A -- okay, the information that I brought with me was answering one subpoena.

Q One subpoena. Did you have any other subpoenas to the Bank of the Commonwealth that you answered?

A Do I have any more subpoenas from the Bank of the Commonwealth I answered pertaining to this case?

Q Yes, ma'am.

A No. That is the only one I received. That is the only one I received that I am answering.

Q Do you know whether the bank received the other subpoenas in connection with this case?

A I don't know, personally, because it would be served at our legal department, not me. It would be

000267

served on the legal department and from there it would be forwarded on to various areas, if they want.

Q I am sorry. Are you through?

A I was through.

Q Do you have any reason to believe that there were any other subpoenas served on the Bank of the Commonwealth?

A No, I don't.

MR. MARCY: I object because she said she doesn't know.

THE WITNESS: No, I don't.

BY MR. WATKINS:

Q Ma'am, do you have a copy of the subpoena with you?

A Yes, I do.

Q May I see it?

Ms. Allen, while you are looking through your -- I will wait.

Now, Ms. Allen, I notice you have a very thick file. Is that a result of some correspondence you have had with the United States Attorney about this case?

A I have one letter, okay, that I received from the attorney, okay. It was a postponement. Originally I was served with a subpoena in June, then a letter I received it was postponed until September.

Q Did you have a telephone conversation with the United States Attorney in this case?

000268



A Only as far as if they would be needing me to appear, make arrangements. I talked also with -- I am not sure if this was the United States Attorney or somebody in his office asking us to mail the records instead of bringing them, okay, originally back in June.

Q I see.

So, you have had no conversations at all with the United States Attorney about this case and about the subpoenas that you have produced; is that correct?

A Other than this morning, okay, in his office.

Q Other than this morning.

A I just gave him my background, name, where I was employed and so on.

Q Fine. Thank you.

Now, Ms. Allen, you mentioned that in the processing of cashier's checks you require the name and address of the person purchasing the cashier's checks; is that correct?

A Correct.

Q With regard to money orders, I take it you do not require the person purchasing the money order's name and address; is that right?

A That is correct.

MR. WATKINS: Fine, thank you. Thank you, Ms. Allen. I have no further questions.

THE COURT: Anything else, Mr. Marcy?

000269

MR. MARCY: Just one question, Your Honor, on the cashier's check.

REDIRECT EXAMINATION

BY MR. MARCY:

Q On the cashier's check, is it the name of the purchaser that you have?

A Yes, the person that is purchasing the cashier's check.

Q Is there any identification that is asked for or do you just accept the application?

A You just accept the application.

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

THE COURT: Anything else, Mr. Watkins?

MR. WATKINS: No, Your Honor.

THE COURT: May the witness be excused?

MR. MARCY: Yes.

THE COURT: Thank you. You may be excused.

(Witness excused.)

MR. MARCY: Your Honor, the Government would call Shirley Alfano.

Whereupon,

SHIRLEY ALFANO

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

000270

DIRECT EXAMINATION

BY MR. MARCY:

Q Would you please state your full name?

A Shirley Alfano.

Q Where do you work?

A The National Bank of Detroit.

Q Where do you live?

A In Madison Heights.

Q Is that in Michigan?

A In Michigan.

Q What are your responsibilities with the National Bank of Detroit?

A Supervisor in charge of our official check section, which we do the bookkeeping and reconcilements on official instruments of the bank, like cashier's checks, money orders and certified checks.

Q Would you briefly outline the process in which the National Bank of Detroit issues personal money orders?

A Well, a customer goes into one of our branch offices and purchases a money order and on our money orders they are issued in amounts up to \$500, and the customer gets the money order and a receipt and a registered copy of this money order is sent to my department.

Q What sort of information does the bank put on the front of a personal money order that is sold?

000271

A Well, it says, "Personal Money Order, National Bank of Detroit", and it has our bank numbers on there and the account number of the money order.

Q What is the information that is put on the money order when it is purchased?

A It is the value, amount that was purchased.

Q Is anything else put on, the payee or the person buying it?

A Not the customer, but the payee, purchaser's name.

Q After the money orders are negotiated, do they eventually return to your bank?

A Right.

Q Would you briefly describe how cashier's checks are issued by the National Bank of Detroit?

A A cashier's check, a requisition is filled out by the customer with the date on it, the dollar amount, the person that it is being made payable to, and the remitter, which is the purchaser, and that is also given to the customer along with a file copy and registered copy then is sent to my department.

Q After a cashier's check is negotiated, does it come back to your office?

A Yes, it does.

MR. MARCY: Your Honor, could I have these marked

000272

as Government's Exhibit 47-A through N?

THE DEPUTY CLERK: Government's Exhibit 47-A  
through -- you say 47-N?

MR. MARCY: Yes.

THE DEPUTY CLERK: N like in Nancy marked for  
identification.

(Whereupon, Government's Exhibit  
Nos. 47-A through 47-N were  
marked for identification.)

BY MR. MARCY:

Q Showing you what has been marked as Government's  
Exhibit 47-A through N, can you identify those?

A Yes, these are personal money orders that were  
issued by the National Bank of Detroit.

Q How can you tell that they were issued by the  
National Bank of Detroit?

A It has our bank name on it. It has our ABA routing  
numbers, our bank numbers, and our account number on there.

Q Okay. Are those all microfilmed copies?

A Yes, they are.

Q Can you explain what the difference is between  
47-A through E, and 47-F through M?

A They were microfilmed on different machines.  
One was microfilmed by our bookkeeping department and the  
other copies were from microfilm records from our microfilm

000273

department.

Q Do you have any policy in the National Bank of Detroit of how long you keep the original cashier's checks and money orders?

A Right. Since July 1st of 1972 we keep money orders, the originals, two years, and we keep the microfilm for seven years, and the cashier's checks, our originals are kept for ten years and also have them on microfilm.

MR. MARCY: Your Honor, could I have these marked as Government's Exhibit 48-A through 48-S?

THE DEPUTY CLERK: 48-A through 48-S, Government's exhibits marked for identification.

(Whereupon, Government's Exhibits 48-A through 48-S were marked for identification.)

BY MR. MARCY:

Q Showing you what has been marked as Government's Exhibit 48-A through S, can you identify these?

A Yes. These are personal money orders issued by the National Bank of Detroit.

Q Are those originals?

A Yes, they are original copies.

Q How is it that you can identify those?

A Well, they have our bank name on there. They have our bank number, and also our account number.

000274



MR. MARCY: Your Honor, could I have Exhibit 48-F-1 and F-2 marked for identification? I don't believe these appear on the Court's exhibit list.

THE COURT: All right.

THE DEPUTY CLERK: Government's Exhibit 48-F-1 and F-2 marked for identification.

(Whereupon, Government's Exhibit Nos. 48-F-1 and F-2 were marked for identification.)

BY MR. MARCY:

Q Showing you what has been marked as Government's Exhibit 48-F-1 and F-2, can you identify those?

A Yes. They are personal money orders issued by the National Bank of Detroit.

Q Okay. Did you bring those down today?

A Yes, I did.

Q Okay.

MR. MARCY: Your Honor, could I have Government's Exhibit 49 marked for identification?

THE COURT: Yes.

THE DEPUTY CLERK: Government's Exhibit 49 marked for identification.

(Whereupon, Government's Exhibit No. 49 was marked for identification.)

000275

BY MR. MARCY:

Q Showing you Government's Exhibit 49, can you identify that?

A Yes. That is a cashier's check issued by the National Bank of Detroit.

Q Can you identify it because of the same reason you told us before?

A Yes. It has our bank name on it and our bank number.

Q Would you describe how money orders are sold? That is, can you describe how groups of money orders are sold?

A Each teller is given a certain -- each branch is assigned certain serial number of money orders, and when a customer comes in they purchase money orders and we only issue them in amounts up to \$500 and then a teller, you know, cuts it in for the amount that the purchaser wants to purchase the money order for.

Q Okay. Are the money orders usually sold sequentially?

MR. WATKINS: Objection. Leading.

THE WITNESS: Yes.

THE COURT: Overruled.

BY MR. MARCY:

Q Is there any way to determine when a money order

000276

is sold?

A Yes. We have records of what our branches keep, a record of the serial numbers on the dollar amounts and the dates that they were sold.

Q Okay. Have you been able to determine when Government's Exhibit 48-C through F and F-1 and F-2 were purchased?

A Yes, sir.

Q Showing you 48-C through F and F-1 and F-2, when were those money orders purchased?

A Okay. I can't tell from the dates on these. I do have a list of the numbers with the dates that they actually were issued.

Q Where is that list?

A I have it right here.

MR. MARCY: Your Honor, could I have this marked as Government's Exhibit No. 66?

THE COURT: Yes.

THE DEPUTY CLERK: Government's Exhibit 66 marked for identification.

(Whereupon, Government's Exhibit No. 66 was marked for identification.)

BY MR. MARCY:

Q Let me start off with showing you Government's

000277

Exhibit No. 48-J through 48-O. What are the serial numbers on those?

A 37873085, 86, 87, 88, 89 and 90.

Q Were you able to determine when those were sold?

A No. We just know the date that they were paid, but, you know, if we have to we just have the customer's date on here because we don't date the money orders.

Q But did you go back to your other records and learn when these were sold?

A Are those the same ones on that list there?

Q Showing you what has been marked as Government's Exhibit 66.

A These were the ones that we determined from our branch 26 that they were purchased on November 1st of '76.

Q That is 48-J through 48-O?

A Right.

Q Showing you what has been marked as 48-C through 48-F, and F-1 and F-2, can you identify those?

A Yes. They were all purchased at our branch 26 on September 10th, 1976.

Q Are all of those exhibits sequential, and could you give us the first and last numbers if they are?

A Right. They are No. 7871344 through 1349.

Q Two exhibits which you have just referred to that are sequential, and Government's Exhibits 48-C through 48-F

are originals, and the next two, 48-F-1 and F-2 are micro-film copies.

Can you explain why some of those are originals and some are microfilm?

A Okay. While we do keep the originals for two years and unless, you know, we are not -- and we keep the film for seven years, and for 48 and 49 we were unable to obtain the original copies because they were just destroyed, recently.

Q What is the date on F-1 and F-2, 48-F-1 and F-2?

A September 11th is what the customer wrote on there.

Q Of what year?

A 1976.

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

THE COURT: Mr. Watkins?

CROSS EXAMINATION

BY MR. POVICH:

Q Ms. Alfano, did you receive a subpoena to appear here?

A Yes, I did.

Q Do you need these? Can I look at them?

A All right.

Q Do you have some other correspondence concerning

000279

your appearance here today?

A This one.

Q Now, as I understand it, if you don't have copies of the original at least you have copies of the microfilm of checks; is that correct, for anything that would go back to 1973?

A Right.

Q Money orders or cashier's checks?

A Right. Cashier's checks we keep the originals for ten years and money orders we keep the originals for two years and microfilm for seven years.

Q Did you conduct the search in this case to retrieve either the originals or copies of the money orders or cashier's checks?

A Yes.

Q You did it yourself?

A Yes.

Q Were you asked to do it sequentially so you would pick up checks on both sides of the numbers?

A No.

Q How were you asked to do it?

MR. KOTELLY: I object until he finds out who is asking what, and whether this is hearsay or not.

MR. POVICH: Just tell us what you were asked by the United States Attorney's Office to do.

000280



MR. KOTELLY: I object to hearsay.

THE COURT: Overruled.

THE WITNESS: We were furnished with dates and the serial numbers on these checks, on the money orders and cashier's checks.

BY MR. POVICH:

Q Specific dates and the serial numbers. In other words, they told you they would like a copy from your file of a certain money order, of a certain date with a certain serial number?

A Right.

Q And those are the ones that you provided?

A Right.

Q Now, was this information given to you in the subpoena?

A Yes.

Q All right. Now, in that subpoena it indicated in addition for some people the name of the payee and the amount; is that correct?

MR. KOTELLY: I request, if Mr. Povich is going to refer to documents that at least he have them marked.

THE COURT: Yes.

MR. POVICH: I am sorry, Your Honor.

THE DEPUTY CLERK: Defendant's Exhibit 8 marked for identification.

000281

1 That is Defendant's Exhibit 7, the first group  
2 should have been one through seven instead of six, Madam  
3 Reporter. And Defendant's Exhibit No. 9 marked for identi-  
4 fication and Defendant's Exhibit No. 10 marked for identi-  
5 fication.

6 (Whereupon, Defendant's Exhibits  
7 Nos. 1 through 10 were marked  
8 for identification.)

9 MR. KOTELLY: Your Honor, may we approach the  
10 Bench regarding these documents?

11 THE COURT: Yes.

12 (At the Bench.)

13 MR. KOTELLY: Your Honor, these documents that  
14 are being marked, we strenuously object to the material as  
15 to anything regarding our correspondence with the bank or  
16 regarding the subpoenas that the bank was issued by the  
17 Court in order to produce certain documents. I submit it is  
18 not material to any issue in this case as to what the Govern-  
19 ment requested. It is only material as to what is allowed  
20 in evidence as far as the documents, themselves, from the  
21 custodians and that this whole line of questioning, not only  
22 as to this custodian but as to the earlier custodians, I  
23 submit is improper.

24 THE COURT: What are you trying to prove?

25 MR. POVICH: I want to find out, Your Honor, what

000282

was received but not put in evidence. I may want to look at it. She may have it. I mean, it seems to me I am entitled to that if a subpoena to appear -- I mean if they subpoenaed a document I ought to see what it is.

MR. KOTELLY: Your Honor, may I respond?

THE COURT: Yes.

MR. KOTELLY: The Government would submit that the requirement of turning over, you know, the documents had been complied with as far as Mr. Povich as to anything that relates to the issues in this case, or any of the parties in this case. Mr. Povich is free to subpoena anything he wishes to.

THE COURT: I am inclined to agree, Mr. Povich.

MR. POVICH: I would also, Your Honor, like to indicate that certain documents here were subpoenaed in an attempt, I assume, to find whether or not there are other documents existing in and around this sequence -- number sequence for the ones which were produced, and if there are no documents, I would like the record to reflect that or if those documents don't reflect to this case I would like the record to reflect it.

THE COURT: Well, they can produce in evidence only those which relate to this case. I don't see the materiality of the documents that don't relate to this case.

MR. POVICH: It would show, Your Honor, other

000283

documents which I suggest could well be material.

THE COURT: No. I think you are entitled to what relates to this case and that only.

MR. POVICH: Well, Your Honor, let me give you an example. On August 18, 1978 in response to the subpoena, Mr. Marcy says after reviewing the materials you had sent to us we had determined that some of them will not be required in the trial and we are therefore returning them to you. These include the original money orders. I have one, two, three, four, five, six and also copies of money orders one, two, three, four, five, six and also copies of money orders one, two, three, four, five and six. Now, I would like to find out what they were.

THE COURT: Those money orders relate to this case?

MR. MARCY: No, Your Honor.

THE COURT: They are not material then.

I have ruled.

(In open court.)

THE COURT: You may proceed.

BY MR. POVICH:

Q Ms. Alfano, we essentially have what you provided today, copies of money orders and cashier's checks; isn't that correct?

A Right.

000284

Q The money orders all contain the name, the name of Mr. Diggs as a payee.

A I am sorry.

Q That is the purchaser, I believe is what is on the money order?

A Yes, they do.

Q And his name appears there. We have one cashier's check, is that all you provided?

A Right.

Q His name appears on the cashier's check as well?

A Right, as the name of the remitter which is the purchaser.

Q The purchaser. Can you purchase a cashier's check in blank?

In other words, with nothing on it except the amount?

A No.

Q So, for the purposes here there is no difference insofar as the information on the check between the cashier's check and the money order; is that correct?

A The only difference is that one, the bank fills in the payee and, you know, the remitter's name and the money order the customer fills it in.

Q Right, but after it was filled in by whoever filled it in, it all came out to be the same person; did

000285

they not?

A Right.

MR. POVICH: I have no further questions.

THE COURT: Anything else?

MR. MARCY: Just one question, Your Honor.

REDIRECT EXAMINATION

BY MR. MARCY:

Q With money orders there is -- they are sold in blank?

A Right.

Q Cashier's checks, all of the information is put on by the bank?

A Right.

Q From the information supplied by the purchaser?

A Right.

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

THE COURT: Anything else, gentlemen?

MR. POVICH: No. Thank you, Your Honor.

THE COURT: All right. May the witness be excused?

MR. MARCY: Yes, Your Honor.

THE COURT: You may be finally excused. Thank you.

THE WITNESS: Thank you.

(Witness excused.)

000286



THE COURT: Gentlemen, please approach the Bench.

(At the Bench.)

THE COURT: Anything else you can put on this afternoon?

MR. KOTELLY: We could put another witness on, but it is not a short witness. We do not have another short witness. We have Mr. Matlock who will be somewhat extensive.

THE COURT: I would prefer to have you go at least until 5:00 because you are going to miss Monday, you know.

MR. KOTELLY: If Your Honor wishes I am certainly prepared to go forward.

MR. POVICH: Your Honor, Mr. Matlock is going to take a lot longer than an hour.

THE COURT: I understand that, but I just don't like to have a gap in time. We lost some time with the incident.

MR. POVICH: I mean by the time you finish with your examination of Mr. Matlock and our cross examination of Mr. Matlock, which I think is going to be equally as long as the direct examination then going back to Mrs. Stultz, I would have no objection continuing if it were a shorter witness or somebody else, or if you want to read some stipulations. Do you have some stipulations that we have stipulated?

Have they been signed?

000287

MR. MARCY: I don't know if they've been signed.  
I gave them to Mr. Watkins.

MR. POVICH: Your Honor, we could read the stipulation. I am just reluctant to put on a major witness in the middle of a major witness.

MR. KOTELLY: It would cause some confusion.

THE COURT: All right.

Now, since I told them what I told them, I am somewhat troubled about the Court making a statement that is a partial explanation only. A witness is always called upon to state the truth, the whole truth and nothing but the truth.

Now, I stated that a spectator became ill and we are putting on two out-of-town witnesses to fill up the time. I have always followed the practice, certainly since I have been a Judge of telling a jury what they could be told. They will find it out anyhow, but I personally don't want the jury to feel that I have short-changed them. So, I think I will just tell them that the reason we haven't been able to resume with Mrs. Stultz is that the witness who -- the person who became ill is related to her.

MR. POVICH: Your Honor, I think that generates an unnecessary amount of sympathy for the witness under these circumstances.

THE COURT: Well, the witness isn't on trial.

000288

MR. POVICH: Well, Your Honor, I have said how I feel about it.

THE COURT: All right.

(In open court.)

THE COURT: Ladies and gentlemen of the jury, we are going to recess at this point. Since you have been sequestered, I think you have a right to know that we are adjourning early because I want to get this case over with as soon as possible, bearing in mind of course the interest of justice.

This spectator who became ill was related to the witness, and for that reason I excused the witness, because the spectator was taken to the hospital. That is the reason why the witness has not been recalled at this point.

We have no other short witnesses that you can hear this afternoon. I thought you were entitled to that explanation, so we will resume tomorrow morning at 9:30. Thank you.

Remember what I have told you. Do not discuss the case among yourselves. Do not let anybody talk to you about it, and do not talk to anybody about it. 9:30 tomorrow morning.

(Whereupon, at 4:00 o'clock p.m. the jury left the courtroom and the following proceedings were had:)

000289

THE COURT: Counsel, come to the Bench.

(At the Bench.)

THE COURT: Gentlemen, is there anything you wish to bring to my attention at this point?

MR. WATKINS: No, Your Honor, not really.

MR. POVICH: No, sir.

THE COURT: Mr. Kotelly?

MR. KOTELLY: No, sir.

THE COURT: All right. We will resume with Mrs. Stultz then at 9:30 tomorrow morning. Do we have any 9:30's?

THE DEPUTY CLERK: Just one arraignment, Robert Oswald.

THE COURT: Oh, yes, the ICC case.

All right. Tomorrow morning at 9:30 a.m.

(In open court.)

THE DEPUTY MARSHAL: All rise.

(Whereupon, at 4:00 o'clock p.m. the above-entitled matter was recessed to reconvene at 9:30 o'clock a.m. on 9/29/78.)

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

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P R O C E E D I N G S

THE CLERK: Crininal case 78-142, case of  
United Stases of America versus Charles Diggs. For the  
Government Mr. John Kotelly, Mr. Eric Marcy. For the  
Defendant Mr. David Povich, Mr. Robert Watkins, Mr. Bernard  
Carl.

MR. KOTELLY: Government is ready to proceed,  
Your Honor.

MR. POVICH: Defendant is ready, Your Honor.

THE COURT: Bring in the witness, please.

Good morning, Mrs. Stultz. I hope your daughter's  
condition has stabilized.

THE WITNESS: Yes, sir. Thank you. She is.

THE COURT: You may bring in the jury.

(The jury returned to the courtroom.)

THE COURT: Good morning, ladies and gentlemen.  
Counsel may proceed.

Whereupon,

JEAN STULTZ

resumed the witness stand, and having been previously sworn  
was further examined and testified as follows:

DIRECT EXAMINATION RESUMED

BY MR. KOTELLY:

Q Mrs. Stultz, when we ended yesterday you were  
testifying regarding payments made by Ofield Dukes to

000292



WJLB. Do you recall that?

A Yes, sir.

MR. KOTELLY: Your Honor, I believe I already had marked 58 and 57-A for identification.

BY MR. KOTELLY:

Q Mrs. Stultz, I show you Government's Exhibit No. 58 for identification and ask you if you can identify that document.

A Yes, I can.

Q How do you identify it?

A I recognize my own handwriting on the document.

Q As far as the printed matter on that document, do you also recognize that?

A Yes, I do.

Q What is Government's Exhibit No. 58 for identification?

A It's a memorandum to me from Mr. Dukes referring a bill from radio station WJLB.

Q And the bill from WJLB was in reference to what, if you know, Mrs. Stultz?

A It had to be in reference to the radio program.

Q I would also show you Government's Exhibit 57-A for identification and ask you if you can identify that document?

A Yes, sir.

000293

1 Q How do you identify it?

2 A It also bears my own handwriting, notes in my own  
3 handwriting.

4 Q Do you recognize the printed form and typing on  
5 that document?

6 A Yes, I do. This is a bill from WJLB radio station  
7 in Detroit.

8 Q The 57-A is addressed to whom?

9 A 57-A is addressed to Ofield Dukes & Associates,  
10 the National Press Building in Washington.

11 Q Mrs. Stultz, when did you first receive Government's  
12 Exhibit 57-A for identification?

13 A In the prosecutor's office?

14 Q No. During the time that you were working for  
15 Congressman Diggs.

16 A Oh, I see what you're saying. This bill was  
17 forwarded to me from Mr. Dukes.

18 Q Did it accompany anything?

19 A With this memorandum.

20 Q Now, after you received Mr. Dukes' memorandum  
21 and that accompanying bill, what did you do with the memoran-  
22 dum and bill?

23 A I placed a note on the memorandum which reads:

24 "To Mr. Diggs, Shouldn't this bill go to HOD".  
25 which was our abbreviation for House of Diggs.

000294

1 Q Mrs. Stultz, why did you put that comment on the  
2 memorandum and send it to Congressman Diggs?

3 A Based on the context of the note, the memorandum,  
4 which says, from Mr. Dukes, which says:

5 "I have received in the mail the enclosed bill  
6 from WJLB. There must be a mistake. The enclosed bill,  
7 I think, is from the Sunday night program. Unless there  
8 is a change I am to pay for the new Sunday morning  
9 program" -- I am sorry -- "the new Sunday morning show.  
10 Please let me know if there is something new that I  
11 should know."

12 Q Mrs. Stultz, are you familiar with the Sunday night  
13 program Mr. Dukes is referring to?

14 A Somewhat familiar. I have never heard the program  
15 but I know that it was on on Sunday nights.

16 Q Do you know whose program was on Sunday night  
17 during that time period on WJLB?

18 A To the best of my knowledge it was the House of  
19 Diggs radio show.

20 Q Mrs. Stultz, after you put the note on Mr. Duke's  
21 memorandum what happened after that?

22 A The note was put -- placed on the Congressman's  
23 desk and I waited for a response.

24 Q Did you have any conversations with Congressman  
25 Diggs regarding the memorandum and the bill?

000295

1           A     The only conversation I can recall is I was  
2 instructed to check it out.

3           Q     And did you check it out?

4           A     Yes, with the radio station.

5           Q     With whom did you check it out?

6           A     I believe it was someone at WJLB. I think it was  
7 Mr. Kotee.

8           Q     Do you remember how to spell his name?

9           A     I'm not sure it's correct. I spelled it K-o-t-e-e.

10          Q     Did you talk with anyone else outside of the  
11 Congressional office about that bill?

12          A     Yes. After speaking with Mr. Kotee I talked with  
13 someone at the -- at that point I talked to someone at the  
14 Stenson Funeral Parlor.

15          Q     After having checked it out as you have stated,  
16 did you have any further conversations with Congressman Diggs?

17          A     Yes. I mentioned to the Congressman what I had  
18 learned in my conversation with the person at Stenson's  
19 Funeral Home.

20          Q     What did you tell Congressman Diggs about the  
21 bill after checking it out?

22          A     That the person at Stenson had said to me that  
23 they would pay --

24               THE COURT: What did you tell Mr. Diggs?

25               THE WITNESS: This is what I told Mr. Diggs.

000296

1 THE COURT: All right. Go ahead.

2 THE WITNESS: I told Mr. Diggs that I had learned  
3 from the person at Stenson's Funeral Parlor that they would  
4 pay the I think it was the November bill and any bills after  
5 that, but they would not pay any bills that had been incurred  
6 prior to the merger.

7 BY MR. KOTELLY:

8 Q And the bill in question that Mr. Dukes had sent  
9 you, was that before or after the merger, did that bill  
10 relate to?

11 A This bill relates to before the merger. Yes. This  
12 is an October bill.

13 Q What, if anything, did Congressman Diggs tell you  
14 after you informed him that Stenson would not pay the bill?

15 A To check with Mr. Dukes.

16 Q Do you recall any conversations with Mr. Dukes  
17 about that WJLB bill?

18 A I cannot really honestly recall any conversation  
19 about it.

20 Q Do either Government's Exhibits 57-A or 58 have  
21 any notations regarding payment of the bill?

22 A Yes. Exhibit 57-A, which is the bill, has a  
23 notation in my handwriting that says, "This is the HOD bill  
24 paid by O.D.", which is the initials for Ofield Dukes,  
25 "12/10/75 check." I have also encircled the amount

000297

1 \$224.40 and have made an additional note, "Paid by O.D.,  
2 12/2/75."

3 Q Mrs. Stultz, yesterday you also referred to a bill  
4 paid by Mr. Dukes for the House recording studio. Do you  
5 recall that testimony?

6 A Yes, I recall that.

7 Q Could you relate to the jury exactly what occurred  
8 that caused Mr. Dukes to pay the House recording studio bill?

9 A We had received the bill, the Congressman's office  
10 had received the bill from the House recording studio for  
11 recording services there. That bill, as I recall, was in the  
12 area of \$1,100. Attached to the bill was a memorandum from  
13 the House recording studio indicating that the Congressman's  
14 charges were in excess of \$750 and based on the House  
15 recording regulations they could no longer give -- extend  
16 recording services until the bill was paid.

17 Q Did you have any conversations with the Congressman  
18 regarding that particular bill?

19 A I'm not sure that there was actual conversation.  
20 I may have made him aware of it simply by note. I don't  
21 recall an actual conversation at that point.

22 Q Did you make any inquiries about the House  
23 recording studio bill?

24 A Oh, I'm sorry. Yes, I did. I did have conversa-  
25 tion. Now that refreshes my memory.

000298



1 I did have conversation because the Congressman  
2 instructed me to find out -- first he wanted to see the bill  
3 and I showed him the bill and he questioned one item on it  
4 which was -- I don't remember exactly what it was right now,  
5 but he asked me to check on it. And I called the House  
6 recording studio and got an explanation as to what that one  
charge was about.

8 He also wanted to know what were the charges for that  
9 particular month and I remember separating that month's  
10 charges from the previous month's and then explained this to  
11 him and then he indicated to me that I should get in touch  
12 with Ofield and make arrangements to have it taken care of.

13 Q Do you recall any conversations that you had with  
14 Mr. Dukes?

15 A Verbatim, no. I do know that I contacted Mr. Dukes  
16 and explained to him the amount of that bill and there was  
17 some comment to Mr. Dukes about the size of it and in any case  
Mr. Dukes indicated that he would take care of it.

18 Q To your knowledge was that House recording studio  
19 bill paid?

20 A Yes, it was.

21 Q Do you have any knowledge as to how it was paid?

22 A It was paid by Mr. Dukes with his check.

23 Q Now, Mrs. Stultz, regarding these expenses that you  
24 have testified about, House recording studio, WJLB and

000293

1 Michigan Chronicle which you testified about yesterday, was  
2 there any manner in which Mr. Dukes was reimbursed?

3 A Yes. Mr. Dukes was reimbursed through an increase  
4 in his salary on the payroll.

5 Q Could you tell the jury how this occurred?

6 A The same as every month when we went over the bills.  
7 The Congressman was made aware by me, based on the listing  
8 of the bills that were due and we would discuss whose salary  
9 could be increased and to what amount. I did a projection to  
10 let the Congressman know how much an employee's salary could  
11 go up to pay whatever he had in mind to pay. After the  
12 Congressman approved it I would go through the normal  
13 procedure of making out the Payroll Authorization Form, have  
14 the Congressman sign it and submit it.

15 Q And after these expenses you have testified  
16 regarding Mr. Dukes, do you know if he was reimbursed for  
17 each of these expenses?

18 A Yes, he was.

19 Q Mrs. Stultz, do you know an individual named  
20 Jeralee Richmond?

21 A Yes, I do.

22 Q How do you know Jeralee Richmond?

23 A My first contact with Mrs. Richmond was when she  
24 was an employee with the House of Diggs Funeral Home and  
25 then later I met her when she came down to Washington.

000300

1 Q Do you recall when you first had contact with  
2 Mrs. Richmond?

3 A I can't absolutely recall the date.

4 Q Would you recall which year it was?

5 A At House of Diggs, I guess it would have must  
6 have been around '74.

7 Q Did you have contact with Mrs. Richmond after you  
8 first met her or talked to her?

9 A I'm not sure I understand your question.

10 Q After you first had contact with Mrs. Richmond  
11 and became aware of her, did you have later contacts with  
12 her?

13 A Yes, I did. We talked on the telephone and then  
14 she -- at one point she came down to Washington.

15 Q How frequently during the period of 1974, 1975  
16 did you have contact with Mrs. Richmond?

17 A By telephone it was not -- initially it wasn't too  
18 often, maybe a couple of times a month. Later after she was  
19 placed on the Congressional payroll I had a good bit more  
20 contact with her on a more regular basis.

21 Q What was the purpose of your contacts with  
22 Mrs. Richmond?

23 A Well, my first contacts with Mrs. Richmond regarded  
24 whatever was happening at the House of Diggs because there  
25 was no Congressional work that she was doing, to my knowledge.

000301

1 After, I think, around late '75 or maybe early '76 there was  
2 some plans of having her work and after the merger there  
3 were some plans of having her work in the Congressional  
4 offices, one of the Congressional offices.

5 Then my contact became more contact with her.

6 Q And these later contacts were about what matters?

7 A One in particular I can remember.

8 Q Without specifics, what general type of matters?

9 A There were both House of Diggs and Congressional  
10 matters at sometime.

11 Q You mentioned the merger just a few moments ago.  
12 What merger were you referring to?

13 A The merger between the Diggs -- House of Diggs  
14 Funeral Home and the Stenson Funeral Home.

15 Q Mrs. Stultz, did there come a time when Jeralee  
16 Richmond was placed on the Congressman's Congressional staff?

17 A Yes, yes.

18 Q Do you recall when that was?

19 A The exact date I don't recall. Again, I believe  
20 this was in -- let's see. The merger took place, I think,  
21 in '75. It was probably in early '75 or late '74. I'm not  
22 sure.

23 Q Would there be any documents which would refresh  
24 your recollection as to when Jeralee Richmond was put on the  
25 payroll?

000302

1 A The Payroll Authorization Form would.

2 MR. KOTELLY: Your Honor's indulgence for a  
3 moment.

4 THE COURT: Yes.

5 BY MR. KOTELLY:

6 Q Mrs. Stultz, I show you 13-A through 13-G which  
7 previously have been identified as Payroll Authorization  
8 Forms and ask you if that would refresh your recollection as  
9 to when Jeralee Richmond began work.

10 A Yes, sir.

11 Q Could you tell the jury, based on your refreshed  
12 recollection, as to when that was?

13 A July 1, 1974.

14 Q Could you tell the jury how it came to be that  
15 Jeralee Richmond was placed on the Congressional payroll in  
16 July of 1974?

17 A Yes. The Congressman instructed me to -- I'm not  
18 sure whether to mail Jeralee the appointment form, that  
19 employment appointment form, application forms, or to give  
20 them to him, but in any case Jeralee Richmond was supplied  
21 a set of the appointment forms which she completed, and at  
22 the time I made out the payroll authorizations one was made  
23 for her placing her on the payroll with the Congressman's  
24 signature. Also at that time Mrs. Richmond was not  
25 physically located in the Congressional office. She was still

000303

1 with the House of Diggs.

2 Q Now, Mrs. Stultz, after having placed Mrs. Richmond  
3 on the payroll were there any increases immediately after  
4 that for Mrs. Richmond?

5 A Yes. I believe it was either her next check -- I  
6 think it was either a second or third check. I'm not sure  
7 which. She did receive an increase in salary and this was  
8 because the Congressman told me that he owed her some back  
9 pay and, of course, I didn't question that. I just followed  
10 his instructions and increased her salary.

11 Q Do you recall how you were able to increase  
12 Mrs. Richmond's salary?

13 A Through our normal procedure, going through the  
14 projection for the payroll, making the necessary adjustments  
15 where possible, completing the Payroll Authorization Forms,  
16 having the Congressman sign it and submit it. That was the  
17 standard practice.

18 Q As to Jeralee Richmond, do you recall what type of  
19 adjustments that you had to make to give her the increased  
20 salary?

21 A It had to be an upward adjustment.

22 Q But do you recall any adjustments in the rest of the  
23 staff in order to give this upward adjustment to Jeralee  
24 Richmond?

25 A I don't remember specifically what other employees

000304



1 may have been affected, but in order to increase her salary  
2 another employee's salary would have had to be either  
3 reduced or an employee would have had to be removed from the  
4 payroll.

5 Q Mrs. Stultz, do you recall how long it was for how  
6 long a period that Mrs. Richmond's salary was increased to pay  
7 for the money owed by Congressman Diggs?

8 A I can't recall. I would have to refer to the  
9 documents. I cannot recall right now.

10 Q Now, Mrs. Stultz, do you know an individual named  
11 George Johnson?

12 A Yes, sir.

13 Q How long have you known George Johnson?

14 A Let's see. I believe I first met Mr. Johnson in  
15 maybe late -- I believe it was in '74, in 1974, probably  
16 around the beginning of the year.

17 Q How did you first have contact with Mr. Johnson?

18 A My first contact with him came about around tax  
19 time when I was instructed to prepare listings of the  
20 Congressman's tax liabilities, his contributions and that  
21 kind of thing that could be listed on his income tax, and then  
22 I first met Mr. Johnson who instructed me just what he was,  
23 the information that he needed to prepare the Congressman's  
24 taxes.

25 Q Who is George Johnson?

000300

1 A He is an accountant. He is an accountant in  
2 Detroit.

3 Q Do you know Mr. Johnson's business relationship with  
4 Mr. Diggs, if there was one, during that period when you first  
5 met him?

6 A I knew him as being the Congressman's accountant.

7 Q How frequently did you have contact with Mr. Johnson  
8 after you first met him?

9 A I guess after I first met him I was probably in  
10 touch with him at least two or three times a week because I  
11 needed his guidance on preparing material for the Congressman's  
12 taxes.

13 Q Did you have any contacts with Mr. Johnson  
14 regarding any legislative matters or any matters relating  
15 to the business of Congressman Diggs?

16 A Not legislative matters, no, sir. My contact with  
17 him was strictly concerning the Congressman's taxes.

18 Q Mrs. Stultz, did there come a time when Mr. Johnson  
19 was placed on Congressman Diggs' congressional staff?

20 A Yes, there was.

21 Q Would you state to the jury the circumstances  
22 surrounding Mr. Johnson being placed on the staff?

23 A Well, the Congressman was incurring bills with  
24 Mr. Johnson, and apparently the bills were not -- they were  
25 coming in and they weren't being paid as Mr. Johnson wanted

000306

1 them. So the Congressman, in doing one of our monthly  
2 payroll reviews, instructed me to work out a projection to  
3 see where Mr. Johnson could go on the payroll. And I remember  
4 he said, "See if I can cut the spill down."

5 I followed the Congressman's instructions. I don't  
6 remember what figure he told me to place him on at, but in  
7 any case I made the necessary adjustments and we worked some-  
8 thing out in the payroll and Mr. Johnson was placed on the  
9 Congressional office payroll.

10 Q Was there any variation in Mr. George Johnson's  
11 salary after he was placed on the staff?

12 A I'm pretty sure there were fluctuations in his  
13 salary. Mr. Johnson and two other employees' salaries -- one  
14 other employee's specifically -- salaries would fluctuate.  
15 If the Congressman needed to add another person or make  
16 an adjustment on somebody else's salary it was usually  
17 Mr. Johnson's salary that would fluctuate or the other  
18 employee's.

19 Q For how long a period did Mr. Johnson remain on  
20 the Congressional staff?

21 A I would say at least a year. There again I can't  
22 quote the exact dates, but I would say at least a year.

23 Q Would there be any documents which would refresh  
24 your recollection as to the period of time Mr. Johnson was  
25 on the staff?

000307

1           A     The only documents that I could go by were the  
2 Payroll Authorization Forms.

3           MR. KOTELLY:   Would the Court indulge me one  
4 moment?

5           THE COURT:   Yes.

6 BY MR. KOTELLY:

7           Q     Mrs. Stultz, I show you what's been entered into  
8 evidence 16-A through 16-T and ask you if that can refresh  
9 your recollection as to when Mr. Johnson started and termin-  
10 ated his employment with the Congressman?

11          A     Yes.

12          Q     Mrs. Stultz, I would ask you now that your  
13 recollection has been refreshed as to what period of time  
14 did Mr. Johnson work for Congressman Diggs on his staff?

15          A     From July 1, 1973 to I believe December of 1974.

16          Q     During that period of time that Mr. Johnson was  
17 on the Congressional staff, do you know whether Mr. Johnson  
18 had any offices in the District Office of Congressman Diggs  
19 in Detroit?

20          A     Not to my knowledge.

21          Q     Did he ever have any office space at your offices  
22 here in Washington, D.C.?

23          A     No, sir.

24          Q     During that period of time, did you discuss with  
25 Mr. Johnson any Congressional matters?

000308

1 A No, sir.

2 Q Do you recall how it occurred that Mr. Johnson  
3 was terminated from Congressman Diggs' employment?

4 A Mr. Johnson, through his own request in conversation  
5 with me --

6 MR. POVICH: Objection.

7 BY MR. KOTELLY:

8 Q Without going into the conversation itself,  
9 Mrs. Stultz, it was through Mr. Johnson that -- Well, who  
10 requested the termination of Mr. Johnson?

11 MR. POVICH: Objection, Your Honor.

12 THE COURT: Overruled.

13 BY MR. KOTELLY:

14 Q Who requested the termination of Mr. Johnson?

15 A Mr. Johnson requested it himself.

16 Q Thank you, Mrs. Stultz.

17 Mrs. Stultz, yesterday you testified regarding the  
18 payment of expenses at the District Office in Detroit. Were  
19 there any methods of obtaining reimbursement for expenses  
20 paid in the District Office?

21 A Yes.

22 Q How were these reimbursements obtained?

23 A The House of Representatives has a standard  
24 procedure. They give an allowance, but at the time I left  
25 I think it was \$500 a quarter for reimbursement of district

000309

1 office expenses.

2 Q What procedure would you follow?

3 A During each quarter I would submit a voucher to the  
4 House Finance Office for the maximum amount allowable for  
5 the district office expenses and the Congressman would be  
6 reimbursed for those expenses through a check.

7 Q What kind of a check?

8 A It's a U.S. Treasury check.

9 Q Who was that check made out to?

10 A The check was made out to the Congressman.

11 Q Do you recall the amount of the quarterly allowance  
12 that you would ask for?

13 A Towards the end of my time in the office the amount  
14 was \$500. Prior when I first went on board I think it was  
15 a lesser amount. I don't remember exactly.

16 Q Who would sign these requests or these vouchers  
17 for the reimbursement of district office expenses?

18 A The request for reimbursement may either have been  
19 signed by the Congressman or myself.

20 Q Mrs. Stultz, I show you what is in evidence as  
21 Government's Exhibit 21-A through 21-F which are United States  
22 vouchers and ask you if you can identify each of those  
23 documents.

24 A Yes, sir.

25 Q How can you identify them?

000310



1           A     I recognize them as being the voucher forms that's  
2 used for reimbursement of House district office expenses.  
3 And I also recognize my signature as well as the Congressman's  
4 signature.

5           Q     Could you indicate on each one of those exhibits  
6 which one is the Congressman's signature and which one is  
7 your writing?

8           A     All right. Exhibit 21-A the Congressman has signed  
9 it. Do I need to identify it further?

10          Q     No.

11                21-B?

12          A     21-B carries the Congressman's name which I signed.  
13                21-C carries the Congressman's name which I  
14 recognize as my writing.

15                21-D is the Congressman's own signature.

16                21-E is the Congressman's own signature.

17                21-F is the Congressman's signature.

18          Q     And as to each of these documents, 21-A through  
19 21-F, were these vouchers -- who were these vouchers  
20 prepared by?

21          A     They were prepared by me.

22          Q     And submitted to whom after signature?

23          A     Submitted to the House Finance Office.

24          Q     Mrs. Stultz, did you have a regular practice in the  
25 Congressman's office regarding the obtaining of any checks as

00031i

1 reimbursement for the vouchers that were submitted, 21-A  
2 through 21-F?

3 A Yes. Each quarter those vouchers were routinely  
4 submitted.

5 Q What, if anything, was returned back to the office  
6 of Congressman Diggs after those vouchers were submitted?

7 A A check usually in the full amount allowable was  
8 issued in the Congressman's name and the check would either  
9 come by mail or I would pick it up at the time I submitted  
10 the voucher, and the check would be given to the Congressman.

11 Q To your personal knowledge what, if anything, was  
12 done with these checks that were given to the Congressman  
13 as reimbursement for the district office expenses?

14 A In most instances the Congressman would endorse  
15 them and ask me to cash them and I would return the cash to  
16 him. In some instances he would simply take the check and  
17 keep it himself, and I don't know what would have happened  
18 to the money on that.

19 Q During the time you were the office manager for  
20 Congressman Diggs, did you receive any cash money from  
21 Congressman Diggs to pay for any office expenses?

22 A I don't recall receiving any cash money, no.

23 Q Mrs. Stultz, I show you Government's Exhibit 22-A  
24 and 22-D and ask you to look at the front and the back and  
25 ask you if you can identify those documents?

000312

1 A Yes.

2 Q Do you recognize any of the handwriting on either  
3 of those documents?

4 A Yes. On the back of both documents I recognize the  
5 endorsements.

6 Q As to 21-A for identification, whose writing do  
7 you recognize on there?

8 A 22-A?

9 Q I'm sorry. 22-A.

10 A The Congressman has signed it, and then I recognize  
11 under that my signature with my bank account number.

12 Q And 22-D for identification, whose signatures appear  
13 on that?

14 A The Congressman's signature appears first and my  
15 signature appears next.

16 MR. KOTELLY: Your Honor, there are a number of  
17 payroll forms that I wish to show Mrs. Stultz to ask her to  
18 identify the signature on them. They are not going to be in  
19 order.

20 THE COURT: All right.

21 BY MR. KOTELLY:

22 Q Mrs. Stultz, I show you each one of these documents  
23 and ask you if you can identify the signature on each of these  
24 documents, Government's Exhibit 1-E in evidence, Payroll  
25 Authorization Form for Jean Stultz.

000313

1 A This is the Congressman's signature.  
2 Q And the effective date on that document?  
3 A October 1, 1973.  
4 Q 1-F in evidence, can you identify the signature on  
5 that?  
6 A The Congressman's signature.  
7 Q The effective date and the employee?  
8 A May 1, 1974 and it's my -- I am the employee.  
9 Q 1-H in evidence, whose signature appears on that  
10 document?  
11 A This is also the Congressman's signature. The  
12 effective date is October 1, 1974 . I am the employee.  
13 Q 1-I in evidence, whose signature appears on that  
14 document?  
15 A The Congressman's signature appears on this one.  
16 October 1, '75 is the date, and I am the employee.  
17 Q 4-D in evidence, whose signature appears on that  
18 document?  
19 A The Congressman's signature also appears on this  
20 one.  
21 Q The effective date and the employee, please?  
22 A August 1, 1974. The employee is Jean Stultz.  
23 Q And 7-L in evidence, whose signature appears on  
24 that document?  
25 A The Congressman's signature appears on this document

000314

1 The date is August 1, 1975. Felix Matlock is the employee.

2 Q 7-M in evidence, whose signature appears on that  
3 document?

4 A Congressman Diggs' signature appears. September 1,  
5 1975 is the date and Felix Matlock is the employee.

6 Q 7-O in evidence, whose signature appears on that  
7 document?

8 A Congressman Diggs' signature. November 1, 1975;  
9 Felix Matlock is the employee.

10 Q 7-Q in evidence, whose signature appears on that?

11 A Congressman Charles C. Diggs, March 1, 1976.  
12 Felix Matlock.

13 Q 10-N in evidence, whose signature appears on that  
14 document?

15 A Congressman Diggs' signature appears, November 1,  
16 1975. Ofield Dukes.

17 Q 10-O in evidence, whose signature appears?

18 A Congressman Diggs' signature. December 1, 1975.  
19 Ofield Dukes.

20 Q 13-A in evidence, whose signature appears on that?

21 A Congressman Diggs' signature, July 1, 1974.  
22 Jeralee Richmond is the employee.

23 Q 13-C, whose signature appears on that document?

24 A Congressman Diggs' signature, August 1, 1974.  
25 Jeralee Richmond is the employee.

000315

1 Q 13-E in evidence, whose signature appears on that  
2 document?

3 A Congressman Diggs' signature, January 1, 1975.  
4 Jeralee Richmond.

5 Q 16-A in evidence, whose signature appears on that?

6 A Congressman Diggs' signature. July 1, 1973.  
7 George Johnson.

8 Q 16-C in evidence, whose signature appears on that?

9 A This is Congressman Diggs' signature. The date is  
10 9/1/73. George Johnson.

11 Q 16-E in evidence, whose signature?

12 A Congressman Diggs' signature, November 1, 1973.  
13 George Johnson.

14 Q 16-F in evidence, whose signature?

15 A Congressman Diggs' signature, December 1, 1973.  
16 George Johnson.

17 Q 16-G in evidence, whose signature is that?

18 A Congressman Diggs' signature, January 1, 1974.  
19 George Johnson.

20 Q 16-P in evidence, whose signature?

21 A Congressman Diggs' signature, September 1, 1974.  
22 George Johnson.

23 Q 16-R in evidence, whose signature?

24 A Congressman Diggs' signature, November 1, '74.  
25 George Johnson.

000316



1 Q Mrs. Stultz, you have testified regarding paying  
2 for expenses of Mr. Diggs out of the special account. Were  
3 there any occasions when you spent your own money for  
4 Congressman Diggs that was not from the special account?

5 A A loan. I made a loan for him.

6 Q Would you relate to the jury the circumstances  
7 surrounding the loan for Congressman Diggs'?

8 A The Congressman had what I suppose was a second  
9 trust or some kind of trust with the persons whom I believe  
10 he purchased his house from and for a couple of years the  
11 first -- I think the first couple of years I was there he used  
12 to just pay the interest. I would call these people and they  
13 would give him permission to just pay the interest on the  
14 loan rather than the full principal. However, this particular  
15 year the Congressman instructed me to call the lady and get  
16 permission for him to pay the interest and she said that she  
17 could not permit that.

18 Q Without getting into the conversation of any  
19 individuals, tell us what happened.

20 A All right. It wasn't allowed, so I had to contact  
21 the officer at the bank. Apparently this had been turned over  
22 to the bank and it was at the point of foreclosure. The bank  
23 had said they would not hold up any longer. It was \$1,500  
24 that needed to be paid to stop the foreclosure on his house  
25 and we sat down and talked about it and couldn't think --

000317

1 Q Who is "we"?

2 A The Congressman and I talked about it trying to  
3 think of some sources to get this money. It was in that  
4 conversation that I said to him, "Let me see what I can do."  
5 I called a person at the bank where he had one of his loans.  
6 This person and I had built up a pretty good rapport based  
7 on my contact with his loan and I asked her if I could make  
8 a loan. I needed it right away. So, she said to come down.  
9 She told me a person to talk with at the bank.

10 I went down that morning at 10:00. I applied for  
11 \$1,000 loan. Around 2:00 that afternoon I picked up the  
12 money, came back, and the Congressman knew that I had the  
13 money.

14 In the interim before I picked up the money the  
15 Congressman was very much aware of this. He knew that I had  
16 made application for the loan because he asked me a couple of  
17 times had I heard from the bank.

18 Q During what time period was this, Mrs. Stultz?

19 A I believe that loan was made November or December  
20 of '75 -- yes, '75.

21 Q From what bank did you obtain this loan?

22 A From Union -- let's see. I think it's Union  
23 First on G Street between 13th and 14th.

24 Q Was it known as Union First at that time?

25 A I don't know. They merged with Union Trust and I ar

000318

1 trying to think. It had another name before it was Union  
2 Trust. I can't remember.

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000319

1 trying to think. It had another name before it was  
2 Union Trust. I can't remember.

3 Q What were the terms of repayment of your  
4 personal loan, how long a period?

5 A Six months.

6 Q Ms. Stultz, in what form did you receive this  
7 \$1,000 from Union First?

8 A I received it from them in a check.

9 Q What did you do with it?

10 A I went up there to their outdoor teller and  
11 cashed the check right then.

12 Q What did you do after you cashed the check?

13 A I came back to the office and I let the  
14 Congressman know I had the money but I would not turn  
15 the money over to him because someone was coming in the  
16 office later that day to pick up the payment.

17 Q Do you remember what you did with the \$1,000  
18 in cash?

19 A I purchased money orders to make the payment  
20 along with other money.

21 Q What did you do with these money orders that  
22 you purchased with the \$1,000 loan?

23 A Turned them over to the gentleman that came to  
24 pick up the total \$1,500.

25 Q Do you recall who that gentleman was?

000320

1 A Yes. Mr. Clarence Robinson.

2 Q Mrs. Stultz, did you have any discussions with  
3 Congressman Diggs about the repayment of this loan?

4 A Yes, I did.

5 Q What arrangements, if any, did you make with  
6 Congressman Diggs?

7 A That he would pay the loan each month; that  
8 it would come from the special account money which he  
9 agreed to; and that's what was done. That was taken  
10 into consideration each month when we went over the  
11 special accounts or when we went over the accounts, I  
12 should say. However, the last payment I think the  
13 Congressman asked me to call the bank and see if I could  
14 call the bank and just pay the interest, and I refused.  
15 I said, "No, this was my credit and I would not do it  
16 that way." So, I ended up paying that last one myself,  
17 but I was reimbursed for it.

18 Q Do you recall how you were reimbursed for the  
19 last payment on your loan?

20 A Yes. Mr. -- from the extra monies or from the  
21 special account monies that Mr. Matlock had.

22 Q What form of payments did you receive?

23 A In a money order from Mr. Matlock.

24 Q I show you Government's Exhibit 50-N for  
25 identification which was identified yesterday as a money

000321

1 order from the Bank of the Commonwealth and ask you if  
2 you can identify that document?

3 A Yes, I can.

4 Q How do you identify it?

5 A Well, it's made payable to me and it also  
6 carries my endorsement on the back.

7 Q From whom did you receive that money order?

8 A From Mr. Matlock.

9 Q In what amount?

10 A \$177.

11 Q How did that corrolate with the final payment  
12 on your loan?

13 A This was the final payment on my loan.

14 Q Ms. Stultz, other than this loan that you have  
15 just testified about, were you repaid for any of the  
16 other monies that you spent out of this special account  
17 on behalf of Mr. Diggs?

18 A No, sir.

19 Q Ms. Stultz, I show you Government's Exhibit  
20 No. 51-B for identification which was identified  
21 yesterday as a cashier's check in the Bank of the  
22 Commonwealth and ask you if you can identify that  
23 document?

24 A Yes, sir. This document carries my endorsement  
25 on the back.

000322



1 Q What is that document?

2 A It's a money order made payable to me for  
3 \$288.59. Mr. Matlock's name is the remitter.

4 Q Do you recall what, if anything, you did with  
5 that cashier's check?

6 A Just looking at this check right now. I can't  
7 recall. I am sorry.

8 Q To your knowledge, was that for you personally?

9 A No, not to my knowledge.

10 Q What was it to be used for, for what general  
11 purpose?

12 A I can't really recall right now. I am sorry.  
13 I just cannot recall at the moment.

14 Q You cannot recall what the general purpose  
15 was rather than a specific purpose?

16 MR. POVICH: Objection, Your Honor. She said  
17 she can't recall.

18 THE COURT: It is a new question. Overruled.

19 THE WITNESS: The general purpose I would say  
20 was to cover some kind of expense or a bill but which  
21 one specifically, I could not remember.

22 BY MR. KOTELLY:

23 Q Some expense or bill for whom?

24 A For the Congressman.

25 Q Ms. Stultz, I am going to show you a number of

000323

1 money orders and cashier's checks that I wish you just  
2 to identify, if possible, the writing on these documents.

3 I show you Government's Exhibit 48-F for  
4 identification which is a money order from the National  
5 Bank of Detroit and ask you if you can identify any of  
6 the writing on that document?

7 A I recognize this as the Congressman's writing  
8 on the face of the document.

9 Q What portion of the writing on the face?

10 A I recognize all of the handwriting, the date,  
11 the name of the payee and the signature of the purchaser.

12 Q Who is the name of the payee on that document?

13 A Ruth Rox.

14 Q Who is Ruth Rox?

15 A Ruth Rox is an employee with the Congressman's  
16 office in Detroit.

17 Q I show you 48-E and ask you if you can  
18 identify the writing on that document?

19 A Yes, sir. I recognize all of this as being  
20 the Congressman's writing.

21 Q Who is the payee on that money order?

22 A The payee is Ruth Rox.

23 Q I show you 48-F(1) for identification, another  
24 money order, and ask you if you can identify the writing  
25 on that document?

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