

1 existence of that loan in that amount, to the Congressman,
2 change your view regarding the entry on the 1982 Ethics in
3 Government Act form?

4 A. No, sir, the linchpins of my opinion were that he
5 borrowed money for a specific purpose, he executed the purpose
6 of that borrowing, and I think that if there were a rollover in
7 between those two events, it would not be relevant. It would
8 be relevant if he failed to fulfill the commitment that he made
9 to the parties from whom he solicited, bought, borrowed or
10 rented the money.

11 Q. So it would be irrelevant whether that money, in
12 March, or what source that money in March, came to Congressman
13 Hansen from?

14 A. I don't think it would be relevant.

15 MR. LEWIN: Thank you.

16 MR. WEINGARTEN: I have nothing further, Your Honor.

17 THE COURT: You are excused, Mr. McKenna. I would
18 ask you not to discuss your testimony with any other possible
19 witness in this case until this matter is concluded.

20 Ladies and gentlemen of the jury, I understand that
21 your coffee and refreshments have arrived. We are going to
22 take our midafternoon recess at this time. We will be back in
23 about 15 minutes.

24 (Recess)

25 THE COURT: Mr. Lewin, can you give me an idea of

1 what lies ahead, as we call the jury back in?

2 MR. LEWIN: Yes, Your Honor. There are three
3 exhibits that we have omitted really to offer into evidence,
4 which we will be doing, and at that point, the defense will
5 rest.

6 THE COURT: Is there going to be any discussion about
7 those exhibits before the jury comes in or can we see if we can
8 resolve that shortly?

9 MR. LEWIN: It is Exhibit No. 3, which is the
10 calendar for 1981; Exhibit No. 41, which is the photostatic
11 copy of Mr. Runft's page, which he identified. Somehow we did
12 not move it into evidence, or the clerk doesn't show it is
13 there, and then the chart, the blow up of the Jar-Mon
14 memorandum. They are not the subjects of any controversy.

15 THE COURT: I take it there will be no problem with
16 those.

17 Following that, is there going to be some rebuttal?

18 MR. WEINGARTEN: There will be. Mr. Lewin was kind
19 enough to notify us of the decision that he would rest, as soon
20 as he made it. We are, of course, scrambling at this moment.
21 We expect two more witnesses this afternoon.

22 I know we just had a recess, but perhaps if we could
23 have a little more time, I think perhaps we could even get all
24 our rebuttal on today.

25 THE COURT: You mean more time now, or can we start

1 with a rebuttal witness?

2 MR. WEINGARTEN: I think it would be easiest for us
3 and most efficient if we could physically get downstairs and
4 start talking to people.

5 THE COURT: Then we have a critical problem as far as
6 tomorrow and the time difficulties that we have talked about
7 already earlier on as far as counsel are concerned on both
8 sides of the table, and how far we can go with the jury.

9 Let me ask you this up here at the bench. I think
10 that would be more appropriate.

11 (Bench conference)

12 THE COURT: I take it, Mr. Lewin, that no matter what
13 happens tomorrow, that it is appropriate for you to be home at
14 sundown, and you cannot sit on a Saturday?

15 MR. LEWIN: That is correct.

16 THE COURT: There may well be some jurors who
17 couldn't do it on a Sunday or Saturday for that matter. I
18 don't know.

19 My obvious difficulty is that even with the taking of
20 the time to go over the instructions, which obviously we can do
21 after the rebuttal testimony is over, tomorrow if need be, we
22 still have a weekend looming ahead. I cannot see how we can
23 have closing argument and instructions, for example, tomorrow,
24 even if we were lucky, and then keep them sitting all weekend
25 long with nothing to do except pleasure and then come back on

1 Monday and start having them deliberating.

2 We could do that, but it is not the tidliest way of
3 handling the case. Alternatively, we can do the closing and
4 the instructions on Monday morning, until the early part of
5 Monday afternoon, and then just keep them deliberating until a
6 reasonable time on Monday evening, start again on Tuesday and
7 continue from there, if need be. It is a practical problem.

8 It is not just you. Mr. Weingarten has his own
9 problem.

10 MR. LEWIN: Absolutely. It appears to me if in fact
11 we can conclude the evidence today, which the government is
12 indicating, if we stayed tonight to talk about instructions, it
13 is a case which even though it has taken two weeks, I think
14 there are, you know, a couple of critical instructions, I think
15 if we were to get together tomorrow morning even at 9:30, and
16 begin the argument -- I don't know how much time Mr. Weingarten
17 is planning -- I would think we could do argument tomorrow
18 morning, and Your Honor might instruct the jury, and the jury
19 could go out.

20 Let me explain my problem. I cannot, as a matter of
21 conscience, work after sundown on Friday. However, if the jury
22 is instructed and is out, frankly, what I would do is I would
23 take a hotel room downtown. Mr. Campbell and Mr. Braga are
24 around so, just in order to be present, I would be available.
25 I could walk, in terms of the premises, and the jury would be

1 out, and I could consult with them and they could make whatever
2 statements needed to be made in terms of the record.

3 I could not appear in court in that sense, but I
4 could walk to the courtroom.

5 THE COURT: Excuse me. What I was thinking, of
6 course, is what if you have a note from the jury, a question to
7 answer, a re-reading of one of the instructions, I mean, the
8 usual things that happen in any kind of jury case, sometimes
9 critical, sometimes very innocuous, decisions to make during
10 that course and then when the jury comes back and gives its
11 verdict, whatever?

12 MR. LEWIN: Sure.

13 THE COURT: Are you saying that if we got it in some-
14 wise, and I am not certain we can, but if we did get it in some-
15 wise to the jury tomorrow we could not let them deliberate,
16 presuming the time is being used up for going over the
17 instructions, for the closing arguments and for the giving of
18 the instructions, and then we start them deliberating on
19 Saturday morning?

20 MR. LEWIN: Or tomorrow afternoon. If the
21 deliberations continue tomorrow afternoon, I will, as I say,
22 take a hotel room nearby and just be available. If there were
23 anything from the jury, I would walk over here. I might want
24 to consult with Congressman Hansen on that, but I think from
25 discussions I have had with him that that would be acceptable

1 to him. That would enable us not to have the case hang over
2 the weekend without anything.

3 THE COURT: That is true. That would be fine in one
4 way. I already alerted the staff that it might be necessary to
5 open the courthouse on Saturday for this purpose, and I wanted
6 to give them front notice in case we had to do it.

7 On the other hand, we have Mr. Weingarten's situation.
8 And how extensive that is or how long it would take, I don't
9 know. I haven't explored it because I knew he had to leave at
10 a certain time on Friday. I also knew that there was a request
11 that if there would be a closing argument, that he be here to
12 make the closing argument.

13 MR. LEWIN: Absolutely.

14 THE COURT: I want to accommodate both of you and
15 your situations. If necessary, I will keep the jury over the
16 weekend and we will finish it up on Monday.

17 MR. LEWIN: I don't know with the question really is
18 to me. If we get everything done this evening --

19 THE COURT: I am not sure we can finish the
20 instructions, but we might be able to finish the testimony.

21 MR. LEWIN: If we meet early tomorrow morning, even
22 on instructions, if Your Honor meets with counsel, I don't know
23 how that works out, at 8:00 in the morning --

24 THE COURT: It is not going to be 8:00 in the morning.
25 I live 20 miles out. Five inches of snow has been predicted

1 for tomorrow. I have to talk to my marshal about how I am
2 going to get in and out. It was a feat of effort to get here
3 this morning. I got here because I had this jury trial.

4 MR. LEWIN: I understand that. If it were possible
5 for us to meet in the morning and then to have the arguments
6 before, I think Mr. Weingarten said it was about 12:30 he had
7 to leave.

8 MR. WEINGARTEN: My wife's consultation is scheduled
9 for 12:00. She is having tests done. It is possible they are
10 going to say, "We are going to have to cut." If there is going
11 to be surgery tomorrow afternoon, I would like to be there.

12 THE COURT: You should be there. You will be there.

13 MR. LEWIN: Absolutely.

14 THE COURT: You will be there.

15 MR. LEWIN: I have no problem with that.

16 MR. WEINGARTEN: I think our preference, and I guess
17 it is personal and we will accommodate anything, would be
18 perhaps even to recess today, let us put our rebuttal on in the
19 morning. We will refine it, get it down as best we can, and
20 then, if I am back for instructions, great; if I am not, Mr.
21 Cole can certainly handle it. Then we could come in first
22 thing Monday. And take care of the case Monday. I am sure
23 that is heavily influenced by my own personal situation. I am
24 sensitive we have a jury here.

25 THE COURT: You have how many, three rebuttal

1 witnesses, two?

2 MR. WEINGARTEN: I don't know.

3 THE COURT: More than one?

4 MR. WEINGARTEN: Yes.

5 THE COURT: Is it possible to put on at least one
6 today so at least the jury doesn't think they are sitting here
7 losing chunks of days? I also want them to, psychologically,
8 feel we are moving ahead and so forth. I can certainly explain
9 about tomorrow, that there is some technicalities we have to go
10 through, it takes us some time, we are starting early, that
11 kind of thing.

12 I can take a few more minutes recess now if that is
13 critical to the situation, but I would like to see a little
14 testimony tonight and then come back tomorrow morning.

15 What is my schedule tomorrow, free?

16 DEPUTY CLERK: Free.

17 THE COURT: We can start with the testimony at 9:30
18 tomorrow morning. I hesitate to say 9:00. If you look outside
19 now, it is beautiful, but there is a difference between where I
20 live and what it looks like outside here.

21 MR. WEINGARTEN: We will put on Gary Jarmin.

22 THE COURT: He is one of the names you had.

23 MR. WEINGARTEN: We will put him on, and we will
24 proffer David Scott as the expert to return to clarify on
25 espousal for tonight. If we do that and the Court starts at

1 10:00, I am certain that our evidence would be done by the time
2 I would want to leave.

3 THE COURT: Even 9:30, so we are safe?

4 MR. WEINGARTEN: We are talking about bank records.
5 I am sure we will have a fuss over it. We have our custodian.
6 And we will make a proffer. If we get it, we get it in; if we
7 don't, we will call him.

8 THE COURT: After we finish that, can we work with
9 Mr. Cole on instructions?

10 MR. WEINGARTEN: I may be back. The doctor may say
11 it can wait. In that event, I will come back.

12 THE COURT: I know, but you have to find out. In any
13 event, at the very minimum, we will, with someone, go over the
14 instructions tomorrow. How much time are you all going to be
15 asking for your closing?

16 MR. COLE: A day and a half.

17 THE COURT: Well, you are already going to be cut.

18 MR. WEINGARTEN: A total of 90 minutes to do as we
19 see fit and, I am sure we will complete it earlier than that.

20 MR. LEWIN: If we are doing it on Monday, we might as
21 well do that.

22 THE COURT: For a case like this, I think it is
23 important for both sides to have time to wrap it up. I will
24 give you an hour and a half each, pray a little that you don't
25 use it, but if you want to, you can. So that is a commitment I

1 will make to you in that regard.

2 The instructions, it is a rare case that goes without
3 at least half an hour, 35 minutes of instructions. It may be a
4 little longer, the customary plus a few extras. I have been
5 leafing through this, and I certainly see some modifications I
6 will make. But I haven't had time to really look at them.

7 MR. WEINGARTEN: We are going to add a couple.

8 THE COURT: When am I going to see them?

9 MR. WEINGARTEN: Today.

10 THE COURT: How much time do you need me to take now?

11 MR. WEINGARTEN: Quarter after 4:00. We will be done
12 by 6:00.

13 THE COURT: All right. We will tell the jury to
14 stretch a little bit.

15 MR. LEWIN: Should we now discuss the question of Mr.
16 Scott? I gather the government is proffering him again as an
17 expert?

18 THE COURT: He would be on today?

19 MR. LEWIN: I, of course, objected to him as an
20 expert the first time. I thought we were having him as an
21 expert on the language of the statute. What is he testifying
22 to this time?

23 MR. COLE: He will again testify to the statute.
24 There is a substantial issue here as to the reading of the
25 statute and the basis of the statute for support of legal

1 advice, and Mr. Scott will come up to give an explanation to
2 the jury of the legal ramifications of the statute and the
3 basis of those legal ramifications.

4 THE COURT: Will this be rebuttal that will be
5 challenging things that were said by Mr. McKenna and Mr. Runft?

6 MR. COLE: Yes.

7 THE COURT: Rebuttal is exactly that.

8 MR. COLE: That is what it will be.

9 THE COURT: Not a repetition of what we heard earlier?

10 MR. COLE: By no means.

11 MR. LEWIN: Legal arguments are to be submitted to
12 the Court. I don't understand how an expert can put himself in
13 the mind of John Runft or Jim McKenna. He is going to testify
14 as to what the statute says, what he thinks the statute says.
15 Are we then supposed to, in surrebuttal, bring back five people
16 who will testify that they agree with Mr. Runft? I mean, he
17 happens to be a government employee. I can probably find five
18 lawyers off the street who will say, "No, I agree with Mr.
19 Runft and I agree with Mr. McKenna."

20 We will be here all week with lawyers testifying to
21 what they think the law says.

22 MR. WEINGARTEN: Mr. Runft testified he reviewed the
23 legislative history, he studied the statute carefully. Mr.
24 Scott's testimony, at the outset, was very, very general in
25 nature. We think it is perfectly appropriate to hone in

1 specifically on the issue of whether or not a property
2 separation agreement of a couple that is living together is
3 justification for not reporting property pursuant to EIGA.
4 That is what he will testify to.

5 MR. LEWIN: Again, he is a lawyer. He is giving his
6 current legal opinion. He never gave it to Congressman Hansen.
7 The fact that he now comes around and says that is his legal
8 judgment, as I say, that opens the door to our bringing in
9 other legal experts, other lawyers, who are going to testify to
10 the contrary. I don't think that is a proper issue. It is not
11 a factual issue. It is not an issue on which expert testimony
12 was taken.

13 I have never, in terms of law, there are experts on
14 foreign law, who are in courts, but I have never heard of
15 simply somebody getting up and saying, "I am an expert in
16 reading the statute and I will tell you what the statute means."

17 MR. WEINGARTEN: An element of the "advice of counsel"
18 defense is good faith, and that is what we are meeting.

19 MR. BRAGA: Good faith by Mr. Hansen.

20 MR. WEINGARTEN: That is not Mr. Joe Schmoe on the
21 street; he is a law maker. EIGA does not contain one shred of
22 support for that opinion.

23 MR. LEWIN: You have all the liberties, Mr.
24 Weingarten, in cross-examining witnesses of saying there is not
25 one shred of whatever it is, and you have said it. You can

1 make that argument 50 times in your summation.

2 MR. WEINGARTEN: I would like to argue on facts once
3 in awhile.

4 MR. LEWIN: These are legal opinions that you have,
5 and a friend of yours who happens to be in the office of OPM
6 has. I mean, a former colleague has.

7 THE COURT: Former colleague, that is what he said.

8 MR. WEINGARTEN: He is a friend.

9 MR. LEWIN: He is in charge of the executive as far
10 as this is concerned, but he is simply a lawyer expressing a
11 legal opinion. I submit, Your Honor, it carries undue weight
12 with the jury to have a lawyer get up there and say, "I
13 disagree with Mr. Runft."

14 It opens the door for a battle of legal experts.

15 THE COURT: We have instructed the jury before on an
16 expert and that they can choose to believe it or disbelieve it,
17 or accept part of it or reject all of it. If you wish me to, I
18 can give that instruction again.

19 It is true that Mr. Runft and Mr. McKenna came in and
20 they testified to it. It is also true that they have testified
21 that they imparted this knowledge to Mr. Hansen, and presumably
22 that he accepted it.

23 MR. LEWIN: That is right.

24 THE COURT: On the other hand, I think that this is
25 not unfair rebuttal. Let me put it more positively: I think

1 it is fair rebuttal. If that is squarely what Mr. Scott is
2 going to testify to, and not just to be a rehash of what he has
3 earlier testified to, it will be permitted.

4 We will come back at 4:20 now since you have lost
5 those five minutes.

6 MR. COLE: Thank you.

7 (End of bench conference)

8 THE COURT: We are taking a recess, at the request of
9 counsel, to gather together the necessary complements for the
10 conclusion of the case as far as we can go today. The rest of
11 it will be concluded tomorrow. We will be back in about 20
12 minutes.

13 (Recess)

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1 (4:23 P.M.) AFTER RECESS:

2 THE COURT: ARE WE READY FOR THE JURY? ALL RIGHT.
3 BRING IN JURY IN. I BELIEVE YOU STILL HAVE SOME EXHIBITS, MR.
4 LEWIN.

5 (WHEREUPON, AT 4:23 P.M., THE JURY ENTERS.)

6 THE COURT. ALL RIGHT. LADIES AND GENTLEMEN, WE SHALL
7 CONTINUE. MR. LEWIN?

8 MR. LEWIN: YES, YOUR HONOR. AT THIS TIME, WE WOULD
9 LIKE TO OFFER IN EVIDENCE, DEFENDANT'S EXHIBIT 3, WHICH IS THE
10 CALENDAR FOR THE YEAR, 1981.

11 MR. WEINGARTEN: NO OBJECTION, YOUR HONOR.

12 THE COURT: IT IS IN EVIDENCE.

13 (WHEREUPON, DEFENDANT'S EXHIBIT NO.3
14 WAS RECEIVED INTO EVIDENCE.)

15 MR. LEWIN: DEFENDANT'S EXHIBIT 41 WHICH IS A
16 PHOTOGRAPH OF MR. RUNFT'S DIARY WHICH WAS TESTIFIED ALSO.

17 THE COURT: THAT IS IN EVIDENCE ALSO.

18 (WHEREUPON, DEFENDANT'S EXHIBIT NO.41
19 WAS RECEIVED INTO EVIDENCE.)

20 MR. LEWIN: EXHIBIT 45-A, WHICH IS THE LARGE-SIZED
21 BLOWUP OF THE MEMORANDUM OF GINA JARMIN.

22 THE COURT: ALL RIGHT. NO OBJECTION? ALL RIGHT. IT
23 IS IN EVIDENCE.

24 (WHEREUPON, DEFENDANT'S EXHIBIT NO. 45-A
25 WAS RECEIVED INTO EVIDENCE.)

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1 MR. LEWIN: AND THEN, ALSO, I GUESS WE HAVE ALREADY
2 OFFERED IN EVIDENCE THAT CHART. YES, IT IS IN EVIDENCE.

3 THE COURT: I KNOW IT WAS MARKED BUT WAS IT MOVED INTO
4 EVIDENCE? YOU ARE RIGHT. IT IS IN.

5 MR. LEWIN: WITH THOSE MATTERS, YOUR HONOR, THE
6 DEFENSE RESTS.

7 THE COURT: ALL RIGHT. REBUTTAL.

8 MR. COLE: YOUR HONOR, THE GOVERNMENT CALLS GARY
9 JARMIN.

10 THE COURT: THE DEFENSE HAVING RESTED, LADIES AND
11 GENTLEMEN OF THE JURY, THE GOVERNMENT IS NOW CONDUCTING WHAT WE
12 CALL REBUTTAL.
13 WHEREUPON,

14 GARY JARMIN
15 CALLED BY THE GOVERNMENT, HAVING BEEN DULY SWORN, WAS EXAMINED
16 AND TESTIFIED AS FOLLOWS.

17 THE COURT: GOOD AFTERNOON, MR. JARMIN.

18 THE WITNESS: GOOD AFTERNOON

19 DIRECT EXAMINATION

20 BY MR. COLE:

21 Q. MR. JARMIN, STATE YOUR FULL NAME AND SPELL YOUR LAST
22 NAME?

23 Q GARY LEWIS JARMIN.

24 Q. MR. JARMIN, HOW ARE YOU EMPLOYED?

25 A. I'M PRESIDENT OF JAR-MON CONSULTANTS.

1 Q. WHERE IS JAR-MON LOCATED?

2 A. 214 MASSACHUSETTS AVENUE, NORTHEAST, WASHINGTON, D. C..

3 Q. MR. JARMIN, HOW LONG HAVE YOU HAD JAR-MON AS A COMPANY?

4 A. FIRST ESTABLISHED AND INCORPORATED IN 1981.

5 Q. WHAT DOES THE COMPANY DO?

6 A. WE ARE A POLITICAL AND LEGISLATIVE CONSULTANT FIRM
7 PRIMARILY INVOLVED IN LOBBYING CONGRESS.

8 Q. IN THE COURSE OF YOUR WORK WITH JAR-MON ASSOCIATES
9 HAVE YOU COME INTO CONTACT WITH A GROUP KNOWN AS THE
10 ASSOCIATION OF CONCERNED TAXPAYERS?

11 A. YES, I HAVE.

12 Q. IS IT FAIR TO SAY, MR. JARMIN, THAT YOU THOUGHT THAT
13 GROUP UP?

14 A. YES, IT WAS AN ORIGINAL A CONCEPT OF MINE.

15 Q. WHEN DID YOU ORIGINALLY HAVE THAT CONCEPT?

16 A. APPROXIMATELY AROUND MAY OF 1981.

17 Q. DID YOU CONTACT CERTAIN CONGRESSMEN TO TRY TO GET THEM
18 TO BE THE HEADS OF THAT GROUP?

19 A. I HAD APPROACHED ONE CONGRESSMAN, JIM COLLINS, AND I
20 HAD ALSO APPROACHED SENATOR CHUCK GRASSLY.

21 Q. AND WHAT KIND OF RESPONSE DID THEY GIVE YOU?

22 A. JIM COLLINS WAS PLANNING TO RUN FOR THE SENATE; HE DID
23 NOT WANT TO INVOLVE HIMSELF AT THAT TIME. CHUCK GRASSLY WAS
24 CHAIRMAN OF THE SUBCOMMITTEE ON THE INTERNAL REVENUE SERVICE;
25 FELT THAT IT MIGHT BE AT CONFLICT OF INTEREST AND DECLINED FOR

1 THAT REASON.

2 Q. DID YOU ULTIMATELY CONTACT ANOTHER MEMBER OF CONGRESS?

3 A. I ULTIMATELY CONTACTED GEORGE HANSEN, WITH THE SAME
4 IDEA.

5 Q. DID YOU MEET WITH CONGRESSMAN HANSEN ABOUT "ACT" AT
6 ANY TIME?

7 A. YES, I ORIGINALLY SCHEDULED A MEETING IN AUGUST OF
8 1981 TO PRESENT A 4, 5, PAGE PROSPECTUS OUTLINING THE CONCEPT
9 OF THE ORGANIZATION.

10 Q. THIS IS A THIS IS A PROSPECTUS YOU HAD WRITTEN?

11 A. THAT I HAD DRAFTED.

12 Q. IS THIS THE FIRST TIME YOU SAT DOWN AND TALKED TO
13 CONGRESSMAN HANSEN ABOUT THAT?

14 A. DIRECTLY, YES. I HAD NOT TALKED TO HIM BEFORE ABOUT
15 IT. ALTHOUGH WE HAD TALKED IN YEARS BEFORE ABOUT THE I. R. S.
16 BUT NOT SPECIFICALLY ABOUT THIS GROUP.

17 Q. SO IT IS SAFE TO SAY THE FIRST CONTACT YOU EVER HAD
18 WITH CONGRESSMAN HANSEN SITTING DOWN AND DISCUSSING IT WAS IN
19 EARLY AUGUST OF '81?

20 A. YES.

21 Q. AND THAT WAS SPECIFICALLY ABOUT THE ASSOCIATION?

22 A. SPECIFICALLY, ABOUT THE ESTABLISHMENT OF THAT
23 ASSOCIATION.

24 Q. AT THIS MEETING IN AUGUST OF 1981 WHAT WAS CONGRESSMAN
25 HANSEN'S RESPONSE WHEN YOU ASKED HIM TO BE CHAIRMAN OF THE

1 GROUP?

2 A. HIS INITIAL RESPONSE WAS VERY POSITIVE. HE WANTED TO
3 HAVE IF I RECALL SOME WEEKS TO THINK ABOUT IT AND GET BACK TO
4 ME OR I GET BACK TO HIM AND WE WOULD DISCUSS IT FURTHER.

5 Q. WAS THERE ANY INDICATION FROM CONGRESSMAN HANSEN THAT
6 THIS WAS SOMETHING HE HAD BEEN LOOKING FOR OR SOMETHING HE HAD
7 BEEN TRYING TO SET UP ON HIS OWN AT THAT POINT?

8 A. YES AND NO.

9 I MEAN HE HAD BEEN FOR MANY YEARS CONCERNED ABOUT THE
10 I. R. S. AND ITS ABUSES AND SO ON. SO, I ASSUME THAT MAYBE IN
11 THE BACK OF HIS MIND, MAYBE -- I DON'T KNOW -- HE HAD PLANNED
12 TO DO SOMETHING LIKE THIS BUT AS FAR AS I KNOW BASED ON OUR
13 CONVERSATION HE WASN'T LOOKING TO START ONE NECESSARILY.

14 I JUST HAPPENED TO COME TO HIM AT THAT TIME WITH THE
15 IDEA AND HE SEEMED VERY RECEPTIVE.

16 THE COURT: I MISSED. WHICH TIME WAS THAT?

17 THE WITNESS: IN AUGUST WHEN WE MET.

18 THE COURT: THANK YOU.

19 BY MR. COLE:

20 Q. SO, IS IT FAIR TO SAY YOU PLANTED THE SEED IN HIS MIND
21 FOR THE FIRST TIME REGARDING THIS ORGANIZATION?

22 A. REGARDING THE SPECIFIC ORGANIZATION?

23 Q. YES.

24 A. YES.

25 Q. CONGRESSMAN HANSEN DIDN'T GIVE YOU AN ANSWER THAT DAY,

1 IS THAT RIGHT?

2 A. WELL, LIKE I SAID, HIS INITIAL REACTION WAS VERY
3 POSITIVE AND HE WANTED TO GIVE IT SOME MORE THOUGHT TO MAKE A
4 FINAL DECISION, AND THAT EVENTUALLY HAPPENED A FEW WEEKS,
5 SEVERAL WEEKS LATER.

6 Q. WAS, IS IT SAFE TO SAY THAT HAPPENED THE NEXT MONTH?

7 A. YES, I BELIEVE IT WAS SHORTLY AFTER LABOR DAY IN
8 SEPTEMBER.

9 Q. SO IT WAS SEPTEMBER OF 1981 BEFORE CONGRESSMAN HANSEN
10 ACTUALLY CONSENTED TO BE THE CHAIRMAN OF "ACT"?

11 A. THAT IS CORRECT.

12 Q. WHAT DID YOU DO FOLLOWING HIS CONSENT TO BE CHAIRMAN
13 OF "ACT"?

14 A. WELL, WE NOTIFIED ATTORNEYS OF OURS AND ASKED THEM TO
15 DRAFT PAPERS, TO INCORPORATE AN UMBRELLA ORGANIZATION, UNDER
16 WHICH THE ASSOCIATION OF CONCERNED TAXPAYERS WOULD LEGALLY
17 FUNCTION.

18 Q. AND WHEN WAS THIS ORGANIZATION INCORPORATED?

19 A. I BELIEVE IT WAS SEPTEMBER 29, 1981.

20 Q. SO, "ACT" DIDN'T EXIST BEFORE THEN? IS THAT RIGHT?

21 A. THAT IS RIGHT.

22 Q. DID YOU HAVE AN ORGANIZATIONAL MEETING TO SET UP WHAT
23 YOU WERE GOING TO DO AND WHO WAS GOING TO DO IT AROUND DECEMBER
24 OF 1981?

25 A. YES, IT WAS EARLY DECEMBER. I AM NOT EXACTLY SURE OF

1 THE DATE. WE HAD SEVERAL OF US WHO WERE INVOLVED INCLUDING
2 FUND RAISERS AND THE STAFF, GEORGE HANSEN'S STAFF MET, TO PLAN
3 WHAT WE WERE GOING TO DO.

4 Q. THIS WAS BASICALLY THE FIRST ORGANIZATIONAL MEETING OF
5 THE ASSOCIATION?

6 A. I BELIEVE THIS WAS THE FIRST TIME WE MET AS A BOARD
7 AND HAD MINUTES AND CONDUCTED OURSELVES AS A BOARD.

8 Q. DID YOU DISCUSS THE USE OF A BOOK AS A PREMIUM, EITHER
9 AT THIS MEETING OR SHORTLY BEFORE?

10 A. YES, ORIGINALLY I HAD -- WELL IT MIGHT HAVE BEEN
11 BEFORE THE MEETING. IF I RECALL IT WAS BEFORE THE MEETING WE
12 WERE DISCUSSING FUNDRAISING IN GENERAL TERMS, AND I HAD
13 RECOMMENDED THAT, TO CONGRESSMAN HANSEN THAT IT MIGHT BE A GOOD
14 IDEA IF WE USED HIS BOOK AS A PREMIUM IN THE FUNDRAISING
15 PACKAGE.

16 Q. THIS WAS AGAIN YOUR IDEA?

17 A. WELL, IT WAS A SUGGESTION I MADE. I DON'T REMEMBER.
18 SOMEBODY ELSE MIGHT HAVE MADE A SUGGESTION TO HIM OTHER THAN
19 THAT, BUT I REMEMBER I DID MAKE THAT SUGGESTION.

20 Q. AND WHAT WAS HIS REACTION TO THE SUGGESTION OF YOURS?

21 A. WELL, I AM TRYING TO RECALL. I BELIEVE HE HAD ONE --
22 I THINK HE RESPONDED POSITIVELY TO THE SUGGESTION. THE ONLY
23 CAVEATE WAS THAT GEORGE WAS CONCERNED HOW WE HANDLED IT BECAUSE
24 HE DIDN'T WANT TO GIVE THE APPEARANCE THAT THIS BOOK, THAT HE
25 WAS TRYING TO PROMOTE HIS OWN BOOK TO GET ROYALTIES. HE WAS

1 VERY MUCH CONCERNED THAT IT NOT APPEAR TO BE THAT. OTHER THAN
2 THAT HE WAS GENERALLY IN AGREEMENT WITH THE IDEA.

3 Q. SO HE DIDN'T WANT IT TO LOOK LIKE HE WAS PROMOTING HIS
4 BOOK?

5 A. WELL HE DIDN'T WANT IT TO LOOK LIKE HE WAS PROMOTING
6 THE BOOK FOR THE PURPOSE OF GETTING ROYALTIES IF I RECALL
7 CORRECTLY THAT IS WHAT HE INDICATED.

8 Q. DID THERE COME A TIME YOU HAD A CONVERSATION WITH
9 CONGRESSMAN HANSEN ABOUT THE FUNDING OF "ACT," THE INITIAL
10 START-UP?

11 A. BEFORE I TALKED WITH GEORGE I CONSULTED WITH A FUND
12 RAISER, A PERSON WITH WHOM SOME OF MY OTHER CLIENTS DO BUSINESS
13 TO SEE IF HE WOULD BE IN AGREEMENT WITH THE IDEA OF BACKING
14 SUCH AN ORGANIZATION DOING FUNDRAISING. HE INDICATED A VERY
15 POSITIVE INTEREST AND SO WHEN I FIRST WENT AND TALKED WITH
16 GEORGE IN THE COURSE OF ALSO DISCUSSING THE CONCEPT OF THAT I
17 ALSO INFORMED CONGRESSMAN HANSEN THE INTEREST OF THIS
18 PARTICULAR FUNDRAISER IN DOING FUNDRAISING FOR THE ORGANIZATION.

19 Q. NOW THIS FUNDRAISER, WAS HE GOING TO PROVIDE ANY KIND
20 OF FINANCIAL ASSISTANCE TO THE ORGANIZATION?

21 A. WELL BASICALLY WHAT HE WAS GOING TO DO WAS ADVANCE A
22 LINE OF CREDIT WHICH WOULD HAVE ENABLED US TO HAVE GONE INTO
23 THE MAILS WITHOUT HAVING TO PUT ALOT OF MONEY UP FRONT EXCEPT
24 FOR POSTAGE. WE WOULD HAVE HAD TO HAVE RAISED THE POSTAGE
25 MONEY.

1565

1 Q. IS IT SAFE TO SAY THAT THIS FUNDRAISER ULTIMATELY WAS
2 NOT THE FUNDRAISER FOR "ACT."

3 A. YES, ULTIMATELY HE DID NOT DO THE FUNDRAISING.

4 Q. DID CONGRESSMAN HANSEN ULTIMATELY TELL YOU HE HAD
5 OBTAINED MONEY FOR "ACT"?

6 Q YES, EVENTUALLY, AFTER HE HAD MADE THE DECISION TO USE
7 A DIFFERENT FUNDRAISER, HE INFORMED ME. AND MY MEMORY WAS NOT
8 CRYSTAL CLEAR EXACTLY WHEN IT WAS. BUT HE INFORMED ME HE HAD
9 BORROWED A HUNDRED THOUSAND DOLLARS PERSONALLY FOR THE PURPOSE
10 OF USING THIS MONEY TO FUND THE ORGANIZATION AND TO RAISE MONEY
11 FOR THE ORGANIZATION.

12 Q. MAYBE I SHOULD BACK UP HERE. WHAT WAS YOUR POSITION
13 IN "ACT" DURING THIS TIME?

14 A. I WAS A MEMBER OF THE BOARD AND MY OFFICIAL TITLE WAS
15 TREASURER. LEGALLY, I WAS TREASURER OF THE ORGANIZATION AND
16 ALSO ACTING EXECUTIVE DIRECTOR.

17 Q. AS TREASURER, YOU ARE RESPONSIBLE FOR THE FINANCIAL
18 CONCERNS OF THE CORPORATION IS THAT RIGHT?

19 A. LEGALLY, YES.

20 Q. WHEN CONGRESSMAN HANSEN TOLD YOU ABOUT THIS HUNDRED
21 THOUSAND DOLLARS THAT HE HAD GOTTEN DID HE TELL YOU WHERE HE
22 HAD GOTTEN IT?

23 A. HE INDICATED THAT HE HAD A BANK LOAN THAT THAT WAS THE
24 SOURCE.

25 Q. DID HE TELL YOU ANYTHING ABOUT COLLATERAL CONCERNING

1 THAT BANK LOAN AT THE TIME?

2 A. HE INDICATED THAT HE HAD TO PUT HIS HOUSE UP FOR
3 COLLATERAL.

4 Q. DID YOU ASK HIM FOR ANY DETAILS ABOUT THIS LOAN?

5 A. WELL, ONLY -- WHEN HE MENTIONED THAT, MY ONLY CONCERN
6 WAS WHAT THE LEGAL OBLIGATIONS FINANCIALLY WOULD HAVE BEEN TO
7 THE ORGANIZATION. IN OTHER WORDS, WHAT KIND OF A CONTRACT WAS
8 IT? WERE WE OBLIGATED TO PAY THIS OFF IN SIX MONTHS AT 18 PER
9 CENT OR WHAT AND GEORGE ASSURED ME NOT TO WORRY ABOUT THAT
10 BECAUSE IT WAS A PRIVATE PERSONAL LOAN SO ONLY HE NOT THE
11 ORGANIZATION WOULD HAVE BEEN LEGALLY RESPONSIBLE.

12 OTHER THAN ASSURING ME THAT THAT WAS THE CASE, I
13 DIDN'T HAVE ANY OTHER CONCERNS OR QUESTIONS ABOUT IT.

14 Q. DID YOU EVER ASK HIM WHAT THE TERMS OF THE LOAN WERE?

15 A. I AM NOT SURE. YES, I ASKED HIM IN THE CONTEXT IF
16 THERE WERE ANY TERMS TO WHICH THE ORGANIZATION WAS LEGALLY
17 RESPONSIBLE BUT WE NEVER GOT INTO THE SPECIFIC TERMS EXCEPT
18 THAT HE ASSURED ME IT WAS NOTHING FOR ME TO WORRY ABOUT SINCE
19 IT WAS A PERSONAL LOAN TO HIM NOT TO THE ORGANIZATION DIRECTLY.

20 Q. IT WAS A BANK LOAN TO HIM?

21 A. A BANK LOAN TO HIM.

22 Q. AND THERE WAS COLLATERAL IN THAT LOAN OF HIS HOUSE?

23 A. WELL, HE INDICATED, YES, THAT HE HAD TO USE HIS HOUSE
24 AS COLLATERAL, I BELIEVE. IF I RECALL CORRECTLY THAT IS WHAT
25 HE SAID.

1557

1 Q. TAKING YOU NOW TO JULY OF THE FOLLOWING YEAR 1982, DID
2 YOU HAVE ANOTHER CONVERSATION WITH GEORGE HANSEN CONCERNING
3 THAT HUNDRED THOUSAND DOLLARS LOAN?

4 A. YES, I HAD NOT REALLY THOUGHT ABOUT IT MUCH UNTIL THEN.
5 AN ARTICLE APPEARED IN THE WALL STREET JOURNAL I BELIEVE THAT
6 RAISED SOME QUESTIONS ABOUT HIS OWN FINANCIAL CONCERNS AND I
7 WENT BACK TO HIM AND ASKED HIM AGAIN TO BE, IF HE COULD BE A
8 LITTLE MORE SPECIFIC ABOUT THE SOURCE AND THE NATURE OF THE
9 LOAN.

10 Q. WHAT DID HE TELL YOU AT THAT TIME?

11 A. THAT THE LOAN WAS -- ALMOST WHAT HE TOLD ME THE FIRST
12 TIME EXCEPT THAT HE SAID IT WAS PERSONAL FRIENDS WHO WERE
13 BANKERS OR SOME OF THE FRIENDS WHO WERE BANKERS HAD MADE THE
14 LOAN TO HIM PERSONALLY.

15 Q. DID HE TELL YOU WHO THEY WERE?

16 A. I ASKED AND HE DECLINED TO TELL ME ON GROUNDS THAT
17 THEY WANTED TO REMAIN CONFIDENTIAL BECAUSE THEY DID NOT WANT IT
18 KNOWN TO THE IRS THAT THEY WERE MAKING SUBSTANTIAL
19 CONTRIBUTIONS TO A GROUP THAT WAS IN FACT FIGHTING FOR REFORM
20 OF THE IRS.

21 Q. YOU WERE THE TREASURER OF "ACT" AT THIS TIME?

22 A. YES I WAS STILL TREASURER THEN.

23 Q. AND HE WAS NOT TELLING YOU WHERE HE WAS GETTING MONEY
24 FOR "ACT", IS THAT CORRECT?

25 A. JUST WHAT I SAID: HE RECEIVED IT FROM PERSONAL LOANS

1 FROM FRIENDS SOME OF WHOM WERE BANKERS AND THEY WANTED IT TO
2 REMAIN CONFIDENTIAL.

3 Q. DO YOU KNOW WHAT HE DID WITH THAT MONEY, THAT HUNDRED
4 THOUSAND DOLLARS FROM YOUR OWN PERSONAL KNOWLEDGE?

5 A. MY OWN PERSONAL KNOWLEDGE? TO THE BEST OF MY
6 KNOWLEDGE IT WAS SPENT TO RAISE MONEY FOR THE ORGANIZATION.

7 Q. HOW DO YOU KNOW THAT?

8 A. WELL, BECAUSE LARGE VOLUMES OF MAIL WERE GOING OUT AND
9 CHECKS WERE COMING BACK INTO OUR OFFICE SO I GUESS I CAN ONLY
10 ASSUME THAT IT WAS BEING SPENT FOR THAT PURPOSE.

11 Q. DID YOU SEE ANY CHECKS OF A HUNDRED THOUSAND DOLLARS
12 OR CHECKS AMOUNTING TO A HUNDRED THOUSAND DOLLARS WRITTEN TO
13 "ACT"?

14 A. NO.

15 MR. COLE: THANK YOU, MR. JARMIN.

16 THE COURT: CROSS-EXAMINATION.

17 CROSS-EXAMINATION

18 BY MR. LEWIN:

19 Q. GOOD AFTERNOON, MR. JARMIN.

20 A. GOOD AFTERNOON.

21 Q. IT IS A FACT, IS IT NOT, THAT IN THE MIDDLE, OR
22 SOMETIME IN JULY OR AUGUST OF 1932, AN ACCOUNTANTS REPORT WAS
23 DONE OF THE FINANCES OF "ACT", IS THAT RIGHT?

24 A. A FINANCIAL STATEMENT.

25 Q. A FINANCIAL STATEMENT WAS DONE AT THAT POINT. AND

1559

1 THAT STATEMENT DID REFLECT THAT MR. HANSEN HAD LOANED OR HAD
2 PAID APPROXIMATELY 135 THOUSAND DOLLARS WORTH OF BILLS FOR
3 VENDORS, PRINTERS, MAILING FIRMS, POST OFFICE, ET CETERA, IS
4 THAT CORRECT?

5 A. I BELIEVE THAT WAS IN THE REPORT.

6 Q. THAT WAS THIS IN THE REPORT, AND THE UNDERSTANDING WAS
7 THAT THAT HUNDRED 35 THOUSAND DOLLARS WOULD BE PAID BACK OUT OF
8 THE PROCEEDS OF THE MAILINGS?

9 A. YES, AND WE AT THE FIRST MEETING WHEN GEORGE INFORMED
10 ME OF THE LOAN, WE OBVIOUSLY HAD A GENTLEMEN'S AGREEMENT TO TRY
11 TO REPAY HIM FOR THE LOAN WHEN WE COULD AFFORD TO DO SO.

12 Q. AND, IN FACT, THE TOTAL THAT CONGRESSMAN HANSEN PAID
13 WAS I BELIEVE YOU HAVE TESTIFIED -- YOU TESTIFIED BEFORE THE
14 GRAND JURY, DIDN'T YOU?

15 A. YES, I DID.

16 Q. AND YOU TESTIFIED IT WAS ANYWHERE BETWEEN 135 THOUSAND
17 TO 153 THOUSAND?

18 A. I WAS NEVER QUITE SURE OF WHAT THE FIGURE WAS.

19 Q. BUT THAT WAS YOUR BEST ESTIMATE?

20 A. SOMEWHERE IN THAT RANGE.

21 Q. AND YOU TESTIFIED THAT HE DID SAY TO YOU CONSTANTLY
22 DURING THIS PERIOD OF TIME YOU WERE DISCUSSING THIS FINANCING
23 THAT IT HAD BEEN OBTAINED FROM SOME OTHER SOURCE FOR THE
24 PURPOSE OF PAYING THE BILLS OR PAYING THE COSTS OF THE
25 ASSOCIATION OF CONCERNED TAXPAYERS?

1 A. THAT IS CORRECT.

2 Q. NOW, LET'S JUST TALK FOR A MOMENT ABOUT THE ORIGINS OF
3 THE ASSOCIATION. YOUR TESTIMONY IS THAT SOMETIME IN SPRING OF
4 1981, YOU BEGAN THINKING OF THIS IDEA?

5 A. YES, SPECIFICALLY THE IDEA WAS SPARKED BY A PARADE
6 MAGAZINE ARTICLE, A FRONT COVER STORY, THAT APPEARED, I BELIEVE
7 SOMETIME THEREABOUTS.

8 Q. HAD YOU -- BY THE WAY, YOU WERE AT THAT TIME WITH THE
9 AMERICAN CONSERVATIVE UNION, IS THAT CORRECT?

10 A. NO, I HAD LEFT THE AMERICAN CONSERVATIVE UNION IN JULY
11 OF 1979.

12 Q. BUT YOU WERE INTERESTED IN VARIOUS PROJECTS THAT, YOU
13 KNOW, EITHER LEGISLATORS OR OTHERS WHO WERE OF CONSERVATIVE
14 POLITICAL PHILOSOPHY WERE INTERESTED IN?

15 A. OH, YES, CERTAINLY.

16 Q. AND YOU ALWAYS HAVE BEEN?

17 A. AS LONG AS I HAVE BEEN HERE FOR THE PAST 14 YEARS, YES.

18 Q. AND HAD YOU PRIOR TO THAT TIME SEEN OR READ THE BOOK
19 THAT I HAVE BEFORE YOU HERE, DEFENDANTS EXHIBIT 12 IN EVIDENCE?

20 A. YES, I HAVE READ IT. A GOOD BOOK AS A MATTER OF FACT.

21 Q. YOU READ IT. AND YOU READ IT SOON AFTER IT CAME OUT,
22 I MEAN SOMETIME IN 1980?

23 A. I BELIEVE. YES, I CAN'T REMEMBER EXACTLY WHEN BUT I
24 DO RECALL HAVING READ IT.

25 Q. AND DO YOU RECALL THAT THAT BOOK SPECIFICALLY PROPOSED

1 IN SOME OF ITS CONCLUDING CHAPTERS A SPECIFIC RECOMMENDATIONS,
2 LEGISLATIVE RECOMMENDATIONS CONCERNING THE INTERNAL REVENUE
3 SERVICE?

4 A. I BELIEVE THERE WERE SOME IN THERE. I CAN'T REMEMBER.

5 Q. THINGS LIKE THE FLAT RATE TAX FOR EXAMPLE?

6 A. I COULDN'T ANSWER SPECIFICALLY. IN GENERAL, I BELIEVE
7 THERE WERE LEGISLATIVE REMEDIES RECOMMENDED IN THE BOOK. I
8 CAN'T BE TOO CLEAR SPECIFICALLY WHICH ONES.

9 Q WELL IF I TOLD YOU THAT THE FLAT RATE TAX AND WHAT
10 ULTIMATELY WAS CALLED THE TAXPAYER PROTECTION ACT WERE
11 RECOMMENDED IN THE FINAL TWO CHAPTERS OF THIS BOOK, WOULD THAT.
12 CONSISTENT WITH YOUR GENERAL RECOLLECTION?

13 A. YES, THAT WOULD BE CONSISTENT.

14 Q. IN DISCUSSIONS WITH CONGRESSMAN HANSEN YOU LEARNED,
15 DID NOT -- YOU HAD HAD DISCUSSIONS WITH CONGRESSMAN HANSEN
16 BEFORE 1981? I MEAN YOU DIDN'T FIRST MEET HIM IN 1981?

17 A. OH NO. WE HAD KNOWN EACH OTHER SINCE 1976.

18 Q. ON THE WITNESS STAND YOU HAVE BEEN CALLING HIM GEORGE.
19 DO YOU CALL HIM GEORGE?

20 A. USUALLY.

21 Q. YOU HAVE HAD DISCUSSIONS WITH HIM ABOUT LEGISLATIVE
22 MATTERS THAT HE WAS INTERESTED IN?

23 A. YES.

24 Q. AND THE TAXPAYER PROTECTION ACT AND THE FLAT RATE TAX
25 WERE TWO PARTICULAR PIECES OF LEGISLATION HE WAS INTERESTED IN,

1 IS THAT CORRECT?

2 A. YES.

3 Q. IN FACT THE TAXPAYER PROTECTION ACT AND THE FLAT RATE
4 TAX WERE THE VERY FOCUS OF THE ASSOCIATION FOR CONCERNED
5 TAXPAYERS, ISN'T THAT TRUE?

6 A. THAT IS CORRECT.

7 Q. AND THE MATERIALS THAT WERE DISTRIBUTED TO THE PUBLIC
8 ASKED THE PUBLIC TO WRITE IN AND SUPPORT THOSE TWO PARTICULAR
9 PIECES OF LEGISLATION?

10 A. THAT IS CORRECT.

11 Q. SO, YOU WOULDN'T TAKE CREDIT, WOULD YOU, MR. JARMIN,
12 FOR FIRST HAVING THOUGHT UP IN 1981 WHETHER IT WAS IN APRIL OR
13 AUGUST THE IDEA OF PROMOTING THE FLAT RATE TAX OR THE TAXPAYER
14 PROTECTION ACT?

15 A. NO, THE ONLY THING I THOUGHT UP WAS A SPECIFIC
16 ORGANIZATION TO PUSH THEM. TO LOBBY FOR IT.

17 Q. DO YOU THINK THAT CONGRESSMAN HANSEN DID NOT PRIOR TO
18 YOUR MEETING WITH HIM IN THE SUMMER OF 1981 CONSIDER THE
19 POSSIBILITY OF AN ORGANIZATION?

20 MR. COLE: YOUR HONOR, HE IS ASKING FOR A VERY VERY
21 BALD SPECULATION HERE AND I REALLY DON'T SEE WHERE HE IS
22 GETTING AT. HE IS ASKING FOR PURE SPECULATION.

23 THE COURT: THE GENTLEMAN CAN TELL US WHETHER THAT IS
24 THE SITUATION OR NOT. IF THE CONGRESSMAN SAID NO, IT IS MY
25 IDEA; IT ISN'T YOURS.

1573

1 MR. LEWIN: NO, I AM NOT ASKING QUITE THE JUDGE'S
2 QUESTION. BY MR. LEWIN:

3 Q. I AM ASKING WHETHER WHEN YOU MET WITH CONGRESSMAN
4 HANSEN AS YOU TESTIFIED YOU DID IN THE SUMMER OF 1981 WHETHER
5 IT WAS NOT A FACT THAT THE IDEAS WHICH FORMED THE ASSOCIATION
6 OF CONCERNED TAXPAYERS, THE LEGISLATIVE PROPOSALS, HAD
7 PREVIOUSLY BEEN PUBLICALLY ANNOUNCED BY THE CONGRESSMAN?

8 A. WELL, THERE IS NO QUESTION THAT GEORGE HANSEN FOR
9 SEVERAL YEARS PRIOR TO OUR MEETING IN AUGUST HAD BEEN CONCERNED
10 ABOUT THIS AND HAD BEEN PROPOSING LEGISLATIVE REMEDIES, HAD
11 WRITTEN A BOOK ON IT.

12 SO, I MEAN I SUPPOSE I SHOULD ANSWER THE QUESTION THIS
13 WAY. ACTUALLY, I WAS SURPRISED THAT HE PROBABLY HADN'T
14 ACTUALLY STARTED A GROUP PRIOR TO THAT, TO LOBBY FOR THOSE
15 ISSUES.

16 Q. THE FACT OF THE MATTER IS, MR. JARMIN, THAT YOU DIDN'T
17 REALLY KNOW WHEN YOU MET WITH HIM WHAT IDEAS CONGRESSMAN HANSEN
18 HAD PREVIOUSLY DISCUSSED WITH ANYBODY REGARDING THE POSSIBILITY
19 OF HAVING AN ORGANIZATION?

20 A. NO.

21 Q. HE DIDN'T TELL YOU?

22 A. NO, HE DIDN'T HAVE A CONVERSATION WITH ME ABOUT IT.

23 Q. HE DIDN'T TELL YOU ANY IDEAS ABOUT ANYTHING HE HAD
24 PREVIOUSLY DONE THAT, IS THAT YOUR TESTIMONY?

25 A. I AM SORRY. YOU HAVE TO BE MORE SPECIFIC. WHAT IDEAS?

1574

1 Q. HE DID NOT CONVEY TO YOU ANYTHING HE MIGHT HAVE
2 PREVIOUSLY DONE IN ORDER TO GET AN ORGANIZATION HIMSELF, HAD HE?

3 A. NO, I DON'T BELIEVE SO.

4 Q. THAT IS YOUR TESTIMONY JUST THAT HE DIDN'T SAY
5 ANYTHING TO YOU REGARDING IT?

6 A. THAT IS TRUE.

7 Q. O. K. AND IT WAS YOUR CONCLUSION THAT THIS WAS YOUR
8 IDEA THAT YOU HAD THOUGHT OF AND THEREFORE PROPOSED TO HIM?

9 A. WITH RESPECT THE ESTABLISHING A PARTICULAR
10 ORGANIZATION THAT I HAD PROPOSED.

11 Q. NOW, THE FACT IS, MR. JARMIN, THAT ONCE THE
12 ORGANIZATION REALLY DID GET GOING, YOU REALLY RAN INTO PERSONAL
13 DIFFERENCES WITH SOME OTHER PEOPLE WHO WERE INVOLVED IN THE
14 ORGANIZATION?

15 A. THAT IS TRUE.

16 Q. AND YOU WERE REALLY UNHAPPY ONCE THE ASSOCIATION OF
17 CONCERNED TAXPAYERS GOT GOING THAT YOU DID NOT APPEAR TO BE THE
18 HEAD AND IN CONTROL OF THAT ORGANIZATION, ISN'T THIS TRUE?

19 A. WITH RESPECT TO THE LEGAL OBLIGATIONS I HAD AS
20 TREASURER OF THE ORGANIZATION.

21 Q. WAS IT ONLY WITH RESPECT TO THE LEGAL OBLIGATIONS AS
22 TREASURER OR WAS IT WITH RESPECT TO THE OVERALL DIRECTION OF
23 WHAT THE ORGANIZATION FOR CONCERNED TAXPAYERS WAS DOING?

24 A. WELL IT WAS AGREED-UPON AND UNDERSTOOD THAT I WOULD BE
25 ACTING AS EXECUTIVE DIRECTOR OF THE ORGANIZATION.

1575

1 Q. AND YOU WERE REALLY UNHAPPY THAT ALL THE SHOTS WERE
2 BEING CALLED BY MR. MARTIN RATHER THAN BY YOURSELF?

3 A. EVENTUALLY, THE ROLES BECAME REVERSED IN MY OPINION,
4 YES.

5 Q. WHEN YOU SAY REVERSED, IT WAS TRUE FROM THE OUTSET
6 WASN'T IT MR. JARMIN THAT YOU WERE NOT HAPPY THAT IT WAS MR.
7 MARTIN WHO WAS CONTROLLING THE ORGANIZATION AND ITS FINANCES
8 RATHER THAN YOURSELF?

9 A. WITH RESPECT TO ESTABLISHING THE ORGANIZATION, IT WAS
10 I AND GEORGE HANSEN WHO DISCUSSED IT NOT I AND GEORGE HANSEN
11 AND JIM MARTIN.

12 EVENTUALLY, IT GOT TO THE POINT WHERE I THOUGHT I HAD
13 LITTLE OR NO INFLUENCE IN IT, AND IT WAS AN ORGANIZATION IN
14 WHICH I HAD NO AUTHORITY AND MUCH ROLE TO PLAY.

15 Q. AND YOU RESIGNED?

16 A. AND I RESIGNED.

17 Q. AND YOU WERE UNHAPPY THAT YOU WERE NOT PAID AS MUCH AS
18 YOU REALLY THOUGHT YOU SHOULD BE PAID?

19 A. YES, THAT IS TRUE, I HAD DONE A LOT OF WORK AND I
20 THOUGHT I WAS OWED PAYMENT FOR IT.

21 Q. AND YOU THOUGHT MR. MARTIN WAS BEING PAID AND YOU WERE
22 NOT BEING PAID?

23 A. IN FACT, THAT IS THE CASE, WAS THE CASE.

24 Q. AND YOU THOUGHT THAT THAT WAS BECAUSE MR. MARTIN WAS
25 AN OLD A LONGSTANDING FRIEND OF CONGRESSMAN HANSEN'S?

1 A. NOT NECESSARILY BECAUSE HE WAS AN OLD LONGSTANDING
2 FRIEND OF CONGRESSMAN HANSEN, ONLY BECAUSE THE MONEY CONTROL OF
3 THE ORGANIZATION WAS -- FINANCIAL DECISIONS WERE BEING MADE BY
4 JIM MARTIN WITHOUT MUCH OF AN INPUT FROM ME.

5 Q. THE MATTER OF THE PAYMENT, FOR EXAMPLE, OF ALL THOSE
6 START-UP COSTS, YOU KNEW THAT THE START-UP COSTS HAD BEEN PAID
7 BUT YOU HAD NOT BEEN IN CONTROL OF THEIR ACTUAL PAYMENT, IS
8 THAT RIGHT?

9 A. OR HAD ANY OVERSIGHT OF THOSE PAYMENTS.

10 Q. AND NOW, IT IS YOUR TESTIMONY -- WHEN EXACTLY IS IT
11 THAT YOU HAVE TESTIFIED THAT CONGRESSMAN HANSEN SAID TO YOU
12 THAT THIS WAS A BANK LOAN FOR WHICH HE HAD PUT UP HIS HOUSE AS
13 COLLATERAL?

14 A. I CAN'T REMEMBER PRECISELY THE EXACT TIME WHEN WE HAD
15 THE CONVERSATION. IT WAS EITHER A FEW WEEKS BEFORE OR A FEW
16 WEEKS AFTER THE DECEMBER MEETING, ORGANIZATIONAL BOARD MEETING
17 THAT WE HAD.

18 Q. AND IT'S YOUR TESTIMONY THAT THAT DECEMBER WAS THE
19 FIRST TIME THERE WAS AN ORGANIZATIONAL BOARD MEETING?

20 A. YES.

21 Q. YOU ARE SURE ABOUT THAT?

22 A. WHERE WE CONDUCTED OURSELVES AS A BOARD OF DIRECTORS.

23 Q. IF I SHOWED YOU, MR. JARMIN, A SERIES OF CHECKS WHICH
24 HAVE BEEN IDENTIFIED-- A CHART OF A SERIES OF CHECKS WHICH HAVE
25 BEEN IDENTIFIED.

1577

1 THE COURT: LADIES AND GENTLEMEN, CAN YOU SEE IT? YOU
2 CAN'T? I CAN SEE THE SHAKE OF YOUR HEAD. IS THAT BETTER?
3 VERY GOOD.

4 BY MR. LEWIN:

5 Q. IF I SHOWED YOU WHAT HAS BEEN MARKED IN EVIDENCE A
6 SERIES OF CHECKS MADE OUT BY CONGRESSMAN HANSEN CONCERNING THE
7 PAYMENTS THAT WERE MADE FOR THE ASSOCIATION OF CONCERNED
8 TAXPAYERS, AND IT INDICATES THAT ON NOVEMBER 9, 1981, A 45
9 HUNDRED DOLLAR CHECK WAS PAID FOR TO MARTIN ADVERTISING. ON
10 NOVEMBER THIRD, 1981, AN \$8,000 CHECK TO MARTIN ADVERTISING,
11 WOULD IT REFRESH YOUR RECOLLECTION THAT THIS WAS HELD A LITTLE
12 BIT EARLIER THAN DECEMBER?

13 A. I SAID WE HAD A BOARD MEETING AND ACTUALLY, THIS IS
14 THE FIRST I HAVE EVER KNOWN THERE WAS SUCH A PAYMENT EVER MADE.

15 Q. BUT IN FACT THAT WAS PART OF THE 135 THOUSAND DOLLARS
16 YOU REFERRED TO?

17 A. WELL, I TAKE YOUR WORD FOR IT. I DON'T KNOW.

18 Q. YOU TAKE MY WORD FOR IT? WHO IS GINA JARMIN?

19 A. SHE WAS MY WIFE.

20 Q. AND ISN'T IT A FACT THAT SHE WAS ALSO RUNNING THE
21 VARIOUS BOOKS AND RECORDS OF THE ASSOCIATION OF CONCERNED
22 TAXPAYERS?

23 A. ONLY THE CHECKBOOK.

24 Q. AND SHE ACKNOWLEDGED, DID SHE NOT, THAT THERE WERE --
25 THAT AMOUNT, 135 THOUSAND DOLLARS THAT HAD BEEN PUT IN IN TERMS

1 OF START-UP COSTS?

2 A. WELL, THAT WAS THE FIGURE THAT WE HAD ALWAYS BEEN TOLD
3 SO, YES, WE WERE OPERATING ON THAT FIGURE.

4 Q. SO AS OF APRIL 7, 1982 THAT IS HER MEMORANDUM TO YOU
5 AND CONGRESSMAN HANSEN AND MR. MCKENNA? WHO IS MR. MCKENNA?

6 A. MR. MCKENNA IS THE LEGISLATIVE ASSISTANT TO
7 CONGRESSMAN HANSEN, WHO WAS A MEMBER OF THE BOARD.

8 Q. IN FACT AS OF APRIL 1982 YOU HAD A LIST OF VARIOUS
9 OTHER DEBTS THAT WERE OWING, AND INDICATIONS FROM, THAT W'S
10 JIM MARTIN. THAT J. M. ?

11 A. YES.

12 Q. SO, AS OF THAT TIME, YOUR WIFE ACKNOWLEDGED THAT THOSE
13 WERE AMOUNTS THAT HAD BEEN USED TO START-UP THE ASSOCIATION OF
14 CONCERNED TAXPAYERS, IS THAT RIGHT?

15 A. AND THE MEMORANDUM, YES.

16 Q. NOW, THE FACT OF THE MATTER IS, MR. JARMIN, THAT
17 DURING THIS ENTIRE EXPERIENCE WITH THE ASSOCIATION OF CONCERNED
18 TAXPAYERS YOU DETERMINED THAT YOU WERE REALLY BEING TOLD VERY
19 LITTLE ABOUT WHAT WAS ACTUALLY HAPPENING IN THE ORGANIZATION?

20 A. IN CERTAIN INSTANCES.

21 Q. AND THAT IT WAS REALLY MR. MARTIN WHO WAS IN CONTROL?

22 A. THE FUNDRAISING AND SOME OF THE FINANCIAL MATTERS.

23 Q. RIGHT... AND SO FAR AS ANY DISCUSSIONS WITH CONGRESSMAN
24 HANSEN OR WITH ANYBODY ELSE CONCERNING ANY OF THE DETAILS
25 GOVERNING THE FINANCES, THEY WERE VERY VERY BRIEF DISCUSSIONS,

1 WEREN'T THEY?

2 A. WITH ME, YES.

3 Q. WITH YOU, YES. YOU SAY CONGRESSMAN HANSEN TOLD YOU
4 THE SECOND TIME, YOU ONLY DISCUSSED THE MATTER OF HIS
5 CONTRIBUTIONS TO THE ORGANIZATION ON TWO OCCASIONS, IS THAT
6 RIGHT?

7 A. AT LEAST TWO THAT I RECALL.

8 Q. THOSE ARE THE ONLY TWO THAT YOU RECALL HAVEN'T YOU
9 TESTIFIED TO THAT?

10 A. THOSE ARE THE ONLY TWO I RECALL.

11 Q. YOU TESTIFIED TO THAT EFFECT OR YOU TOLD THAT TO
12 THE F B I WHEN YOU WERE INTERVIEWED BY THE F B I YOU TOLD THEM
13 THOSE WERE THE ONLY TWO OCCASIONS, ISN'T THAT RIGHT?

14 A. YES.

15 Q. WITH REGARD TO THE SECOND OF THOSE, YOUR TESTIMONY IS
16 THAT THERE WAS SOME DISCUSSION OF CONFIDENTIALITY AS BEING THE
17 REASON FOR THE NAMES NOT BEING DISCLOSED?

18 A. YES, WHAT I SAID PREVIOUSLY.

19 Q. WELL, IS IT PRECISELY WHAT YOU SAID PREVIOUSLY OR IS
20 IT THAT THE CONGRESSMAN SAID THAT THOSE NAMES SHOULD BE KEPT
21 CONFIDENTIAL?

22 A. TO THE BEST OF MY RECOLLECTION CONGRESSMAN HANSEN SAID
23 THAT THE DONORS WISHED TO REMAIN CONFIDENTIAL.

24 Q. HE SAID THE DONORS WISHED TO REMAIN CONFIDENTIAL?

25 A. BECAUSE OF THEIR REQUEST, HE WOULD NOT--

1 Q. ISN'T IT A FACT THAT SO FAR AS THE POLICY OF
2 ASSOCIATION OF CONCERNED TAXPAYERS IS CONCERNED IT SAID IN ALL
3 OF ITS LITERATURE THAT IT WOULD NOT DISCLOSE THE IDENTITY OF
4 DONORS?

5 A. YES, BECAUSE WE WERE NOT LEGALLY RESPONSIBLE TO
6 DISCLOSE THAT.

7 Q. I KNOW IT, BUT THAT WAS ONE OF THE REASONS IT WAS SET
8 UP AS AN ORGANIZATION THAT WOULD NOT BE LEGALLY RESPONSIBLE OR
9 REQUIRED TO DISCLOSE ITS DONORS.

10 A. YES.

11 Q. SO THAT THEY SHOULD REMAIN CONFIDENTIAL AND THEY WOULD
12 NOT FEAR REPRISAL FROM THE INTERNAL REVENUE SERVICE?

13 A. ABSOLUTELY.

14 Q. ISN'T IT ALSO A FACT THAT IF YOU DISCLOSE THE NAMES
15 OF SOME DONORS WHETHER OR NOT THEY REQUEST IT OTHER DONORS
16 WOULD BE DETERRED BECAUSE THEY WOULD NOT KNOW WHETHER THE ONES
17 WHOSE NAMES HAD BEEN DISCLOSED WERE DISCLOSED VOLUNTARILY OR
18 NOT?

19 A. YES.

20 Q. IT IS TRUE THAT IF YOU ARE GOING TO HAVE AN
21 ORGANIZATION THAT IS NOT GOING TO DISCLOSE THE IDENTITY OF
22 DONORS, YOU ARE NOT GOING TO DISCLOSE WHETHER THEY ASK TO BE
23 DISCLOSED, WHETHER THEY AGREE TO BE DISCLOSED, OR DON'T AGREE?

24 A. YES. THAT IS CORRECT.

25 Q. BECAUSE IF YOU DISCLOSE ONE, OTHER PEOPLE WILL THINK

1 YOU WILL DISCLOSE THEIR NAMES?

2 A. THAT IS CORRECT.

3 Q. AND WITH REGARD TO THESE DONORS IT WOULD HAVE BEEN
4 TRUE THAT IF THEIR NAMES HAD BEEN DISCLOSED, OTHER PEOPLE WHO
5 WOULD BE CONTRIBUTING TO THE ASSOCIATION OF CONCERNED TAXPAYERS
6 WOULD FEEL THEIR NAMES WOULD SIMILARLY BE DISCLOSED?

7 A. THAT IS A FAIR ASSUMPTION I GUESS.

8 Q. THERE IS NO QUESTION IN YOUR MIND, MR. JARMIN, BUT
9 THAT ON EVERY OCCASION THAT YOU SPOKE TO CONGRESSMAN HANSEN HE
10 MADE IT CLEAR THAT THE MONEY HE HAD SOLICITED WHATEVER AMOUNT
11 IT WAS OR FROM WHEREVER IT CAME HAD BEEN SOLICITED WITH THE
12 UNDERSTANDING THAT IT WOULD GO INTO THE ASSOCIATION OF
13 CONCERNED TAXPAYERS WHEN THAT GROUP WAS OPERATING? IS THAT
14 TRUE?

15 A. TO PAY FOR THE FUNDRAISING OF THAT ASSOCIATION.

16 Q. TO PAY FOR THE FUNDRAISING OF THAT ASSOCIATION?

17 A. THAT IS CORRECT.

18 MR. LEWIN: THANK YOU.

19 THE COURT: MR. COLE?

20 MR. COLE: JUST A FEW QUESTIONS ON REDIRECT.

21 REDIRECT EXAMINATION

22 BY MR. COLE:

23 Q. MR. JARMIN, SOMEBODY DOESN'T SOLICIT A BANK LOAN, DO
24 THEY. SOMEBODY GETS A BANK LOAN?

25 A. I WOULD ASSUME SO.

1 Q. YOU SOLICIT DONATIONS, RIGHT, AND THAT IS WHAT "ACT"
2 DID?

3 A. THROUGH DIRECT MAIL, YES.

4 Q. "ACT," -- THERE IS A LOT OF TALK HERE THAT "ACT" SAYS
5 THEY WOULDN'T DISCLOSE THE NAME OF CONTRIBUTORS. WHO ARE WE
6 TALKING ABOUT DISCLOSING THOSE NAMES TO?

7 A. WELL WE WOULD NOT MAKE THOSE NAMES AVAILABLE TO ANY
8 GOVERNMENT SOURCE.

9 Q. BUT CERTAINLY YOU KNEW WHO THE DONORS TO "ACT" WERE,
10 DIDN'T YOU, YOU KNEW WHO SENT IN CHECKS?

11 A. WELL, YES, OF COURSE, WE HAD A NAME ADDRESS FILE SO WE
12 COULD CONTINUE TO MAIL THEM.

13 Q. YOU NEVER HAD ANY LOAN DOCUMENTS BETWEEN YOU AND
14 CONGRESSMAN HANSEN, YOU AS TREASURER OF "ACT" AND CONGRESSMAN
15 HANSEN, DID YOU?

16 A. NO.

17 Q. AS A MATTER OF FACT I BELIEVE YOU TESTIFIED WHEN
18 LOOKING AT DEFENSE EXHIBIT 37 HERE THAT THIS IS THE FIRST YOU
19 HAVE EVER SEEN OF HOW THE MONEY EVER WENT INTO "ACT", IS THAT
20 RIGHT?

21 A. WELL THIS IS THE FIRST TIME I HAVE EVER SEEN A PAYMENT
22 SCHEDULE LIKE THIS. YES.

23 Q. AND YOU WERE THE TREASURER OF "ACT"?

24 A. YES.

25 Q. NOW, MR. LEWIN SAID THAT YOU HAD SOME TROUBLE WITH JIM

1 MARTIN IN THE COURSE OF WORKING WITH "ACT", IS THAT RIGHT?

2 A. YES, WE DID DEVELOP INTO A RATHER UNCOOPERATIVE
3 RELATIONSHIP.

4 Q. AND DIDN'T THAT HAVE TO DO WITH THE FACT THAT MR.
5 MARTIN WASN'T SENDING BILLS TO "ACT" FOR HIS SERVICES?

6 A. WELL, WHAT I WANTED AND OUR ATTORNEY HAD RECOMMENDED
7 AND OUR ACCOUNTANT HAD RECOMMENDED, THAT SINCE I WAS TREASURER
8 THAT I KEEP COPIES AND RECORDS OF ALL THE INVOICES, DEBTS, AND
9 BILLS THAT WE WERE OWED, IN MY OFFICE FOR FUTURE PURPOSES, FOR
10 AUDITING OR WHATEVER.

11 Q. IN YOUR JOB AS TREASURER?

12 A. YES, RIGHT.

13 Q. AND DIDN'T YOU ASK JIM MARTIN FOR THOSE BILLS ON
14 SEVERAL OCCASIONS?

15 A. YES.

16 Q. AND DID HE EVER GIVE THEM TO YOU WHEN YOU ASKED HIM?

17 A. EVENTUALLY HE DID. NOT THE FIRST SEVERAL TIMES WE
18 ASKED FOR THEM.

19 Q. IT WAS QUITE AWHILE BEFORE HE GAVE YOU THOSE BILLS
20 WASN'T IT.

21 A. YES. THAT IS TRUE.

22 Q. AND YOU HAD TO ACTUALLY GO TO AND COMPLAIN TO
23 CONGRESSMAN HANSEN AND JIM MCKENNA SEVERAL TIMES FOR THEM TO
24 TALK TO JIM MARTIN TO GET THOSE BILLS, ISN'T THAT RIGHT?

25 A. THAT IS CORRECT.

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1 Q. SOME OF THOSE BILLS HAVE TO DO WITH PARTS OF THIS MEMO,
2 ISN'T THAT RIGHT?

3 A. YES.

4 Q. AS A MATTER OF FACT THE MEMO HAS A PLACE HERE FOR SOME
5 BILLS. I KNOW ONE IS AMERICAN MAILING LIST CORPORATION, THAT
6 IS WHO GIVES YOU THE MAILING LISTS, ISN'T THAT RIGHT?

7 A. WE RENT FROM THEM.

8 Q. YOU RENT. AND HERE YOU HAVE AN APPROXIMATE DEBT OF 27
9 THOUSAND DOLLARS ACCORDING TO JIM MARTIN? IS THAT THE J. M.
10 THERE?

11 A. THAT IS CORRECT

12 Q. YOU DON'T HAVE TO PAY FOR MAILING LISTS UP FRONT, DO
13 YOU, MR. JARMIN?

14 A. NORMALLY, NO. YOU PAY THEM EVENTUALLY.

15 Q. AND THERE IS A NUMBER OF INITIALS BY THESE VARIOUS
16 DEBTS THAT ARE UP HERE. IS THAT THE PERSON WHO TOLD YOU WHAT
17 THE DEBTS ARE?

18 A. OR WHO WAS RESPONSIBLE -- YES, I BELIEVE -- NOW THIS
19 IS A MEMO PREPARED BY MY WIFE SO I AM ONLY TRYING TO INTERPRET
20 IT HERE, AS BEING THE INITIALS SYMBOLIZING PEOPLE WHO WERE
21 RESPONSIBLE FOR DEALING WITH THE VENDOR TO WHOM THE DEBTS WERE
22 OWED.

23 Q. IN APRIL 1982, YOU DIDN'T HAVE ANY BILLS IN YOUR
24 POSSESSION ON THAT YET, DID YOU?

25 A. NO. WELL, VERY FEW, VERY FEW.

1 Q. AS A MATTER OF FACT, IT WAS MOSTLY REPRESENTATIONS
2 FROM MR. MARTIN AS TO HOW MUCH WAS OWED, ISN'T THAT RIGHT?

3 A. THAT IS CORRECT.

4 Q. AND AS A MATTER OF FACT, THIS LINE RIGHT HERE THAT
5 GEORGE HANSEN WAS OWED, THAT WAS JUST A REPRESENTATION FROM
6 GEORGE HANSEN AS TO HOW MUCH HE WAS OWED, ISN'T THAT RIGHT?

7 A. THAT IS CORRECT.

8 Q. AND GOING DOWN TO THIS SECOND TO THE LAST PARAGRAPH,
9 OF THIS MEMO, YOU HAVE SEEN THIS MEMO BEFORE, HAVEN'T YOU?

10 A. OH, YES.

11 Q. IT DISCUSSES. WELL, IF WE COULD, I DON'T KNOW IF YOU
12 CAN SEE IT TO READ IT. COULD I HAVE THE EXHIBIT THAT GOES WITH
13 THIS?

14 A. I THINK I CAN READ IT.

15 Q. WOULD YOU READ THAT PARAGRAPH STARTING "AT THIS
16 DATE. "?

17 A. AT THIS POINT, YOU MEAN.

18 Q. AT THIS DATE?

19 A. I AM SORRY. "AT THIS DATE, EXPENSES PAID FROM THE
20 "ACT" CHECKBOOK TOTAL \$90,993. \$78,750 HAS BEEN ISSUED TO
21 MARTIN ADVERTISING. AT THIS POINT IT APPEARS AS THOUGH OVER 85
22 PER CENT OF FUNDS RAISED HAVE GONE TO OUR FUNDRAISER. THE
23 PRESS COULD HAVE A FIELD-DAY WITH THIS. WE ARE NEEDLESSLY LEAVING
24 OURSELVES OPEN FOR HARRASSMENT FROM THE PRESS. THEY ARE VERY
25 CAPABLE OF THIS ON THEIR OWN AND. I DON'T THINK WE NEED TO HELP

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1 THEM. THEREFORE, I THINK WE SHOULD BEGIN BY PAYING OUR VENDORS
2 DIRECTLY NOT THROUGH A SECOND PARTY. "

3 Q. MR. MARTIN IS A FUNDRAISER, IS THAT RIGHT?

4 A. YES. THAT IS CORRECT.

5 Q. AND HE IS AN OLD FRIEND OF GEORGE HANSEN, ISN'T THAT
6 RIGHT?

7 A. YES.

8 Q. HE HAS DONE A LOT OF WORK FOR GEORGE HANSEN IN THE
9 PAST AND CONNIE HANSEN, ISN'T THAT RIGHT?

10 A. I ASSUME, I DON'T KNOW FOR SURE.

11 Q. AND ISN'T IT A FACT THAT WHEN YOU INITIALLY THOUGHT OF
12 "ACT", YOU HAD A FUNDRAISER IN MIND WHO WAS GOING TO EXTEND
13 CREDIT TO THE ORGANIZATION, ISN'T THAT RIGHT?

14 A. EXCEPT FOR POSTAGE. YES.

15 Q. AND CONGRESSMAN HANSEN WHEN HE CAME SAID HE DIDN'T
16 WANT THAT FUNDRAISER ANY MORE AND PUT JIM MARTIN IN INSTEAD,
17 ISN'T THAT CORRECT?

18 A. THAT IS CORRECT.

19 Q. AND ISN'T PART OF THE PROBLEMS YOU HAD FROM JIM MARTIN
20 THAT HE WOULDN'T SEND YOU ANY BILLS, YOU BEING THE TREASURER OF
21 "ACT", AS TO HOW MUCH HE WAS CHARGING "ACT"?

22 A. UNTIL OUR FINANCIAL STATEMENT WAS PREPARED, WE HAD NO
23 IDEA.

24 Q. ISN'T IT A FACT, THAT AS MONEY CAME INTO ACT, MR.
25 MARTIN JUST INSTRUCTED YOU TO WRITE CHECKS OUT FOR ALMOST THE

1 SAME AMOUNT EACH DAY TO HIM?

2 A. THAT BECAME A DAILY PROCEDURE.

3 Q. AND ISN'T IT A FACT THAT MR. MARTIN DECIDED ON HIS OWN
4 HOW MUCH HE WAS GOING TO GET PAID AND WHEN HE WAS GOING TO GET
5 PAID?

6 A. WELL, IF THERE WAS A CONTRACTUAL AGREEMENT BETWEEN HIM
7 AND THE ORGANIZATION, WHAT THE TERMS OF THAT CONTRACT WERE I
8 DON'T KNOW.

9 Q. YOU WERE NEVER INFORMED OF ANY CONTRACT BETWEEN JIM
10 MARTIN AND THE ORGANIZATION WHEN HE WAS DOING FUNDRAISING FOR
11 IT?

12 A. WE NEVER SIGNED ANY SUCH CONTRACT. AT LEAST, I DID
13 NOT. IF HE SIGNED ONE WITH CONGRESSMAN HANSEN OR JIM MCKENNA,
14 I AM NOT AWARE OF IT.

15 Q. AND YOU WERE TREASURER OF THE ORGANIZATION?

16 A. YES. I WAS TREASURER.

17 Q. AND ISN'T IT A FACT THAT JIM MARTIN GOT PAID ALMOST
18 TWICE WHAT A NORMAL FUNDRAISER WOULD GET PAID IN THIS KIND OF
19 SITUATION FOR WHAT HE DID?

20 A. ON THE FACE IT WOULD APPEAR THAT WAY ALTHOUGH IT IS
21 HARD TO KNOW FOR CERTAIN BECAUSE I DON'T KNOW HOW MUCH WAS PAID
22 FOR WHAT.

23 MR. COLE: THANK YOU, MR. JARMIN.

24 THE COURT: ANYTHING FURTHER?

25 RE CROSS EXAMINATION

1 BY MR. LEWIN:

2 Q. MR. COLE HAS ASKED YOU, MR. JARMIN ABOUT THAT LINE
3 THERE THAT HAS THE ARROW, GEORGE HANSEN, 135 THOUSAND DOLLARS,
4 AND IT IS POINTED OUT THAT YOU SAID THAT WAS ONLY
5 REPRESENTATION AS OF THAT TIME. IN FACT, THERE WAS ULTIMATELY
6 AN AUDIT DONE, AND THAT FIGURE WAS BORNE OUT, WASN'T IT?

7 A. THERE WAS NOT AN AUDIT. A FINANCIAL STATEMENT WAS
8 PREPARED.

9 Q. AND THAT INDICATED THAT IN FACT THE AMOUNT THAT HAD
10 BEEN INVESTED OR THE AMOUNT THAT HAD BEEN PUT IN WAS IN FACT
11 THOSE CHECKS FROM GEORGE HANSEN, AT LEAST TO THAT AMOUNT, AND
12 INDEED, YOU SAID TO 153 THOUSAND, POSSIBLY?

13 A. YES. I WAS NOT CLEAR EXACTLY, BUT THOSE FIGURES ARE
14 WHAT WE WERE INFORMED WERE THE DEBT.

15 Q. AND IS IT FAIR TO SAY WITH REGARD TO THE OTHER THINGS
16 MR. COLE HAS ASKED YOU ABOUT THAT THERE WAS A VERY VIGOROUS
17 BATTLE BETWEEN YOURSELF AND MR. MARTIN ABOUT THE TRUTH OR
18 FALSITY OF THESE DIFFERENT ALLEGATIONS THAT MR. COLE HAS
19 ENUMERATED, WHETHER HE WAS GETTING TOO MUCH MONEY, WHETHER HE
20 WAS SPENDING TOO MUCH AND THINGS OF THAT KIND. THERE IS
21 ANOTHER SIDE TO THE COIN?

22 A. THERE WAS AS BATTLE PRIMARILY OVER GETTING INVOICES SO
23 WE COULD DETERMINE THE ANSWER TO THE QUESTIONS YOU RAISED.

24 Q. AND THERE WERE CHARGES AND COUNTERCHARGES, WERE THERE
25 NOT?

1 A. YES, THERE WERE CHARGES AND COUNTERCHARGES.

2 Q. AND MR. MARTIN WAS MAKING SIMILAR ALLEGATIONS AGAINST
3 YOU AS YOU WERE MAKING AGAINST MR. MARTIN?

4 A. WELL, THERE WERE CHARGES BEING MADE, BUT THEY WERE
5 DIFFERENT, NOT EXACTLY THE SAME.

6 MR. LEWIN: THANK YOU.

7 MR. COLE: NOTHING FURTHER.

8 THE COURT: YOU MAY STEP DOWN. I JUST ASK MR. JARMIN
9 THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE
10 WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED

11 (WITNESS EXCUSED.)

12 MR. COLE: THE GOVERNMENT CALLS DAVID SCOTT.

13 WHEREUPON,

14 DAVID SCOTT

15 WITNESS CALLED BY THE GOVERNMENT IN REBUTTAL HAVING BEEN DULY
16 SWORN WAS EXAMINED AND TESTIFIED AS FOLLOWS:

17 THE COURT: GOOD AFTERNOON, MR. SCOTT.

18 THE WITNESS: YOUR HONOR.

19 DIRECT EXAMINATION

20 BY MR. COLE:

21 Q. MR. SCOTT, YOU HAVE TESTIFIED IN THIS CASE BEFORE, IS
22 THAT CORRECT?

23 A. YES, I BELIEVE IT WAS 3 DAYS AGO.

24 Q. JUST FOR THE RECORD BECAUSE IT HAS BEEN A LONG TIME
25 WOULD YOU AGAIN STATE YOUR FULL NAME AND SPELL YOUR LAST NAME?

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1 A. DAVID R. SCOTT. S C O T T.

2 Q. AND AGAIN, JUST FOR THE RECORD, HOW ARE YOU EMPLOYED,
3 SIR?

4 A. I AM THE CHIEF COUNSEL OF THE OFFICE OF GOVERNMENT
5 ETHICS. I WORK FOR THE UNITED STATES GOVERNMENT.

6 Q. AND IN THAT REGARD, MR. SCOTT, YOU ADMINISTER THE
7 EXECUTIVE BRANCHES OFFICE THAT ADMINISTERS THE ETHICS IN
8 GOVERNMENT ACT AND CONCERNS ITSELF WITH FINANCIAL DISCLOSURE OF
9 EXECUTIVE BRANCH OFFICIALS?

10 A. THAT'S CORRECT. AMONG OTHER THINGS

11 MR. COLE: YOUR HONOR, WE HAVE PREVIOUSLY GONE THROUGH
12 MR. SCOTT'S QUALIFICATIONS, AND I WOULD AGAIN SUBMIT HIM AS AN
13 EXPERT ON THE ETHICS IN GOVERNMENT ACT.

14 MR. LEWIN: YOUR HONOR, WE RAISED OUR PRIOR OBJECTION,
15 AND WE CONTINUE TO OBJECT AS PREVIOUSLY STATED.

16 THE COURT: ANYTHING FURTHER ON THAT? ALL RIGHT.
17 OVER THE PRIOR OBJECTION, AGAIN, HE IS QUALIFIED AS AN EXPERT,
18 LADIES AND GENTLEMEN.

19 MR. COLE: THANK YOU, YOUR HONOR.

20 BY MR. COLE:

21 Q. MR. SCOTT, JUST VERY BRIEFLY, THE ETHICS IN GOVERNMENT
22 ACT DOES THAT HAVE SOME SECTIONS IN IT CONCERNING THE REPORTS
23 OF THE SPOUSES OF MEMBERS OF CONGRESS?

24 A. MEMBERS OF CONGRESS, YES IT DOES.

25 Q. DOES IT SPECIFICALLY USE THE TERM, SPOUSE, IN THE

1 STATUTE?

2 A. YES, THAT TERM IS USED THROUGHOUT THE LEGISLATIVE
3 DISCLOSURE PROVISIONS, THE EXECUTIVE BRANCH, AND THE JUDICIAL.

4 Q. AND AGAIN, JUST BY WAY OF REVIEW, THERE ARE REPORTING
5 REQUIREMENTS FOR A SPOUSE, IS THAT NOT CORRECT?

6 A. THAT IS CORRECT.

7 Q. NOW, MR. SCOTT, HOW LONG HAVE YOU BEEN AN ATTORNEY?

8 A. APPROXIMATELY 19 YEARS.

9 Q. IS THERE A LEGAL USE OF THE WORD, SPOUSE? DOES IT
10 HAVE A LEGAL SIGNIFICANCE IN AND OF ITSELF? IS IT A LEGAL TERM?

11 A. YES, IT IS. IT IS USED LEGALLY AND IN THE ETHICS IN
12 GOVERNMENT ACT IT MEANS SOMEONE WHO IS A MARRIED PARTNER, IT IS
13 EITHER HUSBAND OR WIFE.

14 Q. IT SPECIFICALLY MEANS HUSBAND AND WIFE IT MEANS
15 MARRIED PEOPLE, THE INSTITUTION OF MARRIAGE, A LEGAL
16 ARRANGEMENT, IS THAT CORRECT?

17 A. THAT IS CORRECT, AND OF COURSE THAT COULD ULTIMATELY,
18 IN SOME INSTANCES BE A QUESTION OF STATE LAW, BUT THAT IS WHAT
19 IT MEANS.

20 Q. ARE THERE IN THE ACT SECTIONS CONCERNING WHEN YOU
21 DON'T HAVE TO REPORT YOUR SPOUSE'S INCOME OR TRANSACTIONS OR
22 GIFTS?

23 A. ARE YOU SPEAKING ABOUT THE LEGISLATIVE BRANCH?

24 Q. YES.

25 A. YES.

1 Q. AND IS THAT CONTAINED IN SECTION 702 OF THE CODIFIED
2 VERSION OF THE ACT, THE ONE THAT IS IN THE BOOKS THAT PEOPLE
3 LOOK UP?

4 A. THE CODIFIED VERSION WOULD BE 702. YES. IT WOULD BE
5 IN TWO PLACES, (D) (1) (D), AND (D) (2).

6 MR. COLE: I WOULD LIKE TO HAVE THIS MARKED FOR
7 IDENTIFICATION PURPOSES.

8 THE DEPUTY CLERK: GOVERNMENT EXHIBIT 78 MARKED FOR
9 IDENTIFICATION.

10 (WHEREUPON, THE DOCUMENT REFERRED TO

11 ABOVE WAS MARKED GOVERNMENT'S EXHIBIT 78 FOR
12 IDENTIFICATION.)

13 BY MR. COLE:

14 Q. MR. SCOTT I AM GOING TO HAND YOU WHAT HAS BEEN MARKED
15 FOR IDENTIFICATION, GOVERNMENT EXHIBIT 78. IS THAT SECTION
16 702(D) (1) AND (2). ARE THOSE CONTAINED ON THAT PAGE?

17 A. YES.

18 Q. AND THAT IS THE LAW AS IT STANDS CONCERNING WHEN A
19 SPOUSE DOESN'T HAVE TO REPORT, IS THAT CORRECT, OR A SPOUSE'S
20 TRANSACTIONS DON'T HAVE TO BE REPORTED?

21 A. THAT IS CORRECT.

22 Q. NOW, MR. SCOTT, WHEN PEOPLE ARE MARRIED, THEY ARE
23 ESPOUSED, THEY HAVE A LEGAL RELATIONSHIP OF HUSBAND AND WIFE,
24 WHAT SECTION APPLIES, IF ANY, OF THE ETHICS IN GOVERNMENT ACT
25 AS TO WHEN THE SPOUSE'S PROPERTY TRANSACTIONS, THINGS OF THAT

1 NATURE, NEED NOT BE REPORTED? IF THEY ARE MARRIED WHAT SECTION
2 APPLIES?

3 A. WELL, IF I UNDERSTAND YOUR QUESTION, BOTH SECTIONS,
4 (D) (1) (D) AND (D) (2) COULD APPLY DEPENDING ON THE CIRCUMSTANCES.
5 BOTH OF THEM GO, BOTH SECTIONS GO TO WHEN A SPOUSE OF THE
6 GOVERNMENT OFFICIAL -- YOUR HONOR, AGAIN, IF I CAN HAVE
7 PERMISSION. THE GOVERNMENT OFFICIAL IS THE MALE, AND FOR THE
8 SAKE OF SIMPLICITY NOT THAT THAT IS THE WAY THE ACT IS WRITTEN
9 BECAUSE IT CAN GO EITHER WAY. BUT THE SPOUSE IS A
10 NONGOVERNMENT WIFE, THEN EITHER SECTION COULD APPLY DEPENDING
11 UPON THEIR MARITAL SITUATION, AND/OR THEIR KNOWLEDGE, THE
12 BENEFIT THEY ARE GETTING, IF ANY, FROM THE ASSETS AND THE
13 PARTICIPATION THAT THE GOVERNMENT OFFICIAL HAD.

14 Q. MR. SCOTT, THERE HAS BEEN SOME TESTIMONY IN THIS CASE
15 CONCERNING A SPECIFIC SECTION OF THIS ACT. SECTION 702(D) TWO.
16 IS THAT ON A PIECE OF PAPER IN FRONT OF YOU?

17 A. YES, IT IS.

18 Q. WOULD YOU PLEASE READ THAT SECTION?

19 A. IN ITS ENTIRELY?

20 Q. PLEASE?

21 A. "NO REPORT SHALL BE REQUIRED WITH RESPECT TO A SPOUSE
22 LIVING SEPARATE AND APART FROM THE REPORTING INDIVIDUAL WITH
23 THE INTENTION OF TERMINATING THE MARRIAGE OR PROVIDING FOR
24 PERMANENT SEPARATION OR WITH RESPECT TO ANY INCOME OR
25 OBLIGATIONS OF AN INDIVIDUAL ARISING FROM THE DISSOLUTION OF

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1 HIS MARRIAGE OR THE PERMANENT SEPARATION FROM HIS SPOUSE."

2 Q. MR. SCOTT, AS AN EXPERT ON THE ETHICS IN GOVERNMENT
3 ACT COULD YOU PLEASE TELL THE JURY WHAT THAT SECTION BASICALLY
4 MEANS?

5 A. THIS SECTION IS SETTING FORTH IN THE LANGUAGE I HAVE
6 JUST READ IN MY OPINION PLAINLY AND CLEARLY STATES THAT UNDER
7 CERTAIN CIRCUMSTANCES, WHEN THE SPOUSE, THE HUSBAND OR WIFE OF
8 THE GOVERNMENT OFFICIAL IS LIVING SEPARATE AND APART FROM THE
9 GOVERNMENT OFFICIAL AND THEY ARE INTENDING TO GET A DIVORCE, IN
10 OTHER WORDS, THEIR MARRIAGE IS DISSOLVING, EITHER THEY ARE
11 GOING TO BE PERMANENTLY SEPARATED OR THEY ARE TAKING STEPS TO
12 HAVE AN ACTUAL OFFICIAL DIVORCE, THEN IN THOSE CIRCUMSTANCES,
13 THE NONGOVERNMENT SPOUSE, THE WIFE IN MY EXAMPLE, WOULD NOT --
14 THE PROPERTY WOULD NOT HAVE TO BE REPORTABLE.

15 IF YOU HAD ANY OTHER CIRCUMSTANCES, THEN THEY WOULD
16 HAVE TO REPORT IT.

17 Q. SO, IS IT FAIR TO SAY THAT SECTION 702(D)(2) ONLY
18 DEALS WITH DIVORCE OR SEPARATION CONTEMPLATING DIVORCE?

19 A. THAT IS RIGHT. LIVING SEPARATE AND APART WITH THE
20 INTENTION OF GETTING DIVORCED OR WITH THE INTENTION OF GETTING
21 PERMANENT SEPARATION.

22 Q. DOES THIS HAVE ANYTHING TO DO WITH A JUST A MERE
23 ECONOMIC SPLIT OF PROPERTY OR DOES IT HAVE TO DO WITH THE
24 MARRIAGE ITSELF?

25 A. IT DOES NOT HAVE TO DO WITH A MERE ECONOMIC SEPARATION.

1 Q. IF IT HAD TO DO WITH THE MERE ECONOMIC SPLIT OF
2 PROPERTY, MR. SCOTT, IF THE PARTIES JUST DIVIDED THEIR MONEY,
3 WHAT THEY OWNED AND WHAT THEY OWED, THEIR ECONOMIC LIFE,
4 SO-TO-SPEAK,, WOULD SECTION 702(D) (2) APPLY TO THAT?

5 A. NO, IT CLEARLY WOULD NOT BY ITS PLAIN TERMS.

6 Q. IS THERE ANOTHER SECTION THAT WOULD APPLY?

7 A. SECTION 702(D) (1) (D) MIGHT APPLY, WITH THE 3 PRONGED
8 TEST THAT I DESCRIBED 8 DAYS AGO.

9 Q. YOU SAY IT MIGHT APPLY. IT WOULD ONLY APPLY IF ALL 3
10 PRONGS OF THAT TEST WERE MET?

11 A. THAT IS CORRECT. AS I TESTIFIED BEFORE. ALL 3 PRONGS
12 OF (D) (1) (D) MUST BE MET. THAT IS, NO KNOWLEDGE OF THE
13 GOVERNMENT OFFICIAL OF AN ASSET. NO PARTICIPATION OF HAVING
14 THAT ASSET OF THE WIFE COME ABOUT, AND NO ECONOMIC BENEFIT TO
15 THE GOVERNMENT OFFICIAL FROM THAT.

16 Q. MR. SCOTT, YOU STATED AN OPINION HERE, THAT 702(D) (2)
17 DOESN'T APPLY UNLESS PEOPLE ARE GOING TO GET DIVORCED OR ARE
18 DIVORCED. WHAT IS THE SOURCE OF THAT OPINION, MR. SCOTT?

19 A. WELL, AS I HAVE ALREADY INDICATED THERE ARE REALLY TWO
20 SOURCES, ONE AS I WOULD CALL THE PLAIN LANGUAGE THAT I ALREADY
21 READ TO YOU AND TO THE JURORS AND TO JUDGE GREEN.

22 THE SECOND WOULD BE THE LEGISLATIVE HISTORY SUPPORTING
23 THIS PARTICULAR SECTION, AND BY LEGISLATIVE HISTORY, OF COURSE,
24 I MEAN THE REPORTS THAT CONGRESS ISSUED IN REGARD TO FLESHING
25 OUT, WHICH THEY DO IN MOST BILLS, WHAT THEY INTENDED BY THIS

1 LANGUAGE.

2 Q. SO IF SOMEBODY WANTED TO FIND THE INTENT OF 702(D)(2)
3 THE INTENT OF CONGRESS IN PASSING THAT SECTION, THEY WOULD LOOK
4 TO REPORTS THAT CONGRESS WRITES?

5 A. THAT IS CORRECT. THAT IS VERY STANDARD LEGAL RESEARCH.

6 Q. IS THAT SOMETHING YOU BASICALLY LEARN IN YOUR FIRST
7 YEAR OF LAW SCHOOL TO DO SOMETHING LIKE THAT?

8 A. HOPEFULLY.

9 THE DEPUTY CLERK: GOVERNMENT EXHIBIT 79 MARKED FOR
10 IDENTIFICATION.

11 (WHEREUPON, THE DOCUMENT REFERRED TO
12 ABOVE WAS MARKED GOVERNMENT'S EXHIBIT 79 FOR
13 IDENTIFICATION.)

14 BY MR. COLE:

15 Q. MR. SCOTT, I WOULD LIKE TO NOW HAND YOU WHAT HAS BEEN
16 MARKED FOR IDENTIFICATION GOVERNMENT EXHIBIT 79. IS THAT SUCH
17 A REPORT AS THAT? IS THAT A CONGRESSIONAL REPORT?

18 A. YES. THIS IS NOT THE COMPLETE REPORT, BUT THIS IS ONE
19 OF THE REPORTS THAT MADE UP WHAT WAS FINALLY PASSED AS THE
20 ETHICS IN GOVERNMENT ACT, AND IT CONTAINS THE COVER OF THIS
21 REPORT IDENTIFYING WHAT IT IS AND PAGE 123 WHICH IS A PORTION
22 OF THAT REPORT DEALING WITH THE SENATE'S LANGUAGE IN REGARD TO
23 WHAT BECAME SECTION 702(D)(2).

24 IT IS NOT LISTED AS 702(D)(2) HERE.

25 Q. NOW, THIS SECTION SECTION YOU ARE TALKING ABOUT

1 CONCERNS THE SECTION WE ARE TALKING ABOUT HERE, ABOUT DIVORCE,
2 IS THAT RIGHT?

3 A. YES, IT IS ONE OF THE REPORTS THAT WOULD GO TO MAKE UP
4 THE LEGISLATIVE HISTORY BEHIND THIS PARTICULAR SECTION.

5 Q. NOW, THESE REPORTS OF CONGRESS, WHERE CAN YOU FIND
6 THEM? ARE THEY JUST STASHED AWAY IN SOME BASEMENT OVER AT THE
7 CAPITOL?

8 A. PROBABLY, BUT THEY ARE ALSO OTHER PLACES, TOO.

9 Q. WHAT OTHER PLACES WOULD YOU FIND THEM, MR. SCOTT?

10 A. THEY ARE FOUND ROUTINELY IN ALL GOOD LIBRARIES
11 THROUGHOUT THE COUNTRY, AND, OF COURSE, THEY ARE AVAILABLE
12 THROUGH CONGRESSMEN.

13 Q. AND WOULD GOOD LIBRARIES, WOULD EVERY MAJOR CITY IN
14 YOUR OPINION IN YOUR EXPERIENCE HAVE A LIBRARY WITH THESE
15 REPORTS IN THEM?

16 A. YES, ANY LIBRARY THAT WOULD HOLD ITSELF TO HAVING A
17 LEGAL, A LAW COLLECTION, WOULD HAVE REPORTS. BECAUSE AS I SAY
18 THIS IS STANDARD MATERIAL THAT LAWYERS MUST GO TO IF THEY THINK
19 THE ACT IS UNCLEAR OR NEED FURTHER GUIDANCE.

20 Q. MR. SCOTT, I ASK YOU TO TURN TO THE SECOND PAGE OF
21 THIS EXCERPT.

22 MR. COLE: YOUR HONOR AT THIS TIME I WOULD MOVE THIS
23 EXHIBIT INTO EVIDENCE.

24 MR. LEWIN: NO OBJECTION.

25 THE COURT: IT IS IN EVIDENCE.

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(WHEREUPON, GOVERNMENT EXHIBIT NO. 79
WAS RECEIVED INTO EVIDENCE.)

MR. LEWIN: DOES COUNSEL HAVE THE ENTIRE REPORT
AVAILABLE?

MR. COLE: NOT PRESENTLY.

THE WITNESS: I DID NOT BRING IT.

MR. LEWIN: YOU JUST BROUGHT THE ONE PAGE?

THE WITNESS: THAT IS CORRECT.

BY MR. COLE:

Q. WOULD YOU READ FOR THE JURY BEGINNING ON THE LAST
PARAGRAPH, OR THE SECOND TO THE LAST PARAGRAPH, STARTING WITH
THIS SECTION?

A. WHERE YOU HAVE MARKED IT?

Q. YES, PLEASE.

A. READING FROM THE LAST FULL PARAGRAPH ON PAGE 123 OF
THE REPORT. SENATE BILL 555.

MR. COLE:

Q. NOW, THIS THAT YOU ARE GOING TO READ, REFERS TO
702(D)(2)?

A. THAT IS CORRECT. IT BECAME WHEN PASSED 702(D)(2). IT
SAYS STARTING THE SECOND SENTENCE, " THIS SECTION IS INTENDED
TO COVER SITUATIONS WHERE A COUPLE IS LEGALLY SEPARATED, HAS
SIGNED AN AGREEMENT OF SEPARATION, OR ARE LIVING SEPARATE AND
APART, AND HAVE REACHED A DECISION THAT THEY INTEND TO
TERMINATE THE NORMAL RELATIONSHIP OF A MARRIED COUPLE. THIS

1599

1 EXEMPTION IS TO BE CONSTRUED NARROWLY, TO COVER THOSE
2 SITUATIONS WHERE SOME ACTION HAS BEEN TAKEN OR DECISION MADE TO
3 BREAK UP THE MARRIAGE, BUT THERE IS NO REQUIREMENT THAT THERE
4 BE A COURT ORDER OR LEGAL SEPARATION AGREEMENT. "

5 DO YOU WANT ME TO STOP THERE?

6 Q. YES. THE LEGAL SEPARATION AGREEMENT THEY ARE TALKING
7 ABOUT, THAT HAS TO DO WITH MARRIAGE, IS THAT CORRECT?

8 A. THAT IS CORRECT.

9 Q. IT DOESN'T HAVE TO DO WITH PROPERTY, DOES IT?

10 A. THAT IS CORRECT.

11 Q. MR. SCOTT, IF A LAWYER WANTED TO KNOW WHAT THIS
12 SECTION MEANT AND HE WANTED TO RESEARCH IT, YOU SAID HE CAN GO
13 AND READ THIS LEGISLATIVE HISTORY AND AFTER READING THAT
14 LEGISLATIVE HISTORY IF HE STILL HAS A QUESTION IN HIS MIND IS
15 THERE ANOTHER PROVISION IN THE ETHICS IN GOVERNMENT ACT THAT
16 CAN CLARIFY THIS QUESTION FOR HIM AS TO WHAT THIS SECTION MEANS?

17 A. YES, THERE IS.

18 Q. AND WHAT IS THAT PROVISION?

19 A. WELL, THAT PROVISION, IN THE LEGISLATIVE BRANCH --
20 AND NOW THERE IS AN ANALOGOUS ONE IN THE EXECUTIVE BRANCH, YOUR
21 HONOR -- WOULD BE -- AND IN THE LEGISLATIVE BRANCH IT IS
22 SECTION 705 -- WOULD BE TO WRITE TO THE ETHICS OFFICE THAT
23 APPLIED TO THE PARTICULAR BRANCH. IN THIS CASE, THE HOUSE
24 COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, AND BY THE ACT THEY
25 ARE REQUIRED TO GIVE AN ADVISORY OPINION ABOUT THE QUESTION.

1500

1 Q. AND THEY WILL IN ESSENCE GIVE YOU AN ANSWER IF YOU
2 HAVE A QUESTION, IS THAT RIGHT?

3 A. YES.

4 Q. MR. SCOTT, YOU HAVE ALREADY LOOKED AT GOVERNMENT'S
5 EXHIBIT 2, WHICH IS THE INSTRUCTIONS FOR COMPLETING FINANCIAL
6 DISCLOSURE STATEMENTS. I BELIEVE YOU HAVE LOOKED AT THAT IN
7 YOUR TESTIMONY 8 DAYS AGO. THIS IS GOVERNMENT EXHIBIT 2 THAT I
8 AM HANDING YOU. YOU HAVE SEEN THAT BEFORE, HAVEN'T YOU?

9 A. YES.

10 Q. THE SECTION I SHOW YOU HAS TO DO WITH A SPACE ON THE
11 CHARTS CONCERNING WHEN YOU ARE NOT REPORTING TRANSACTIONS OF
12 YOUR SPOUSE'S, IS THAT RIGHT?

13 A. YES.

14 Q. AND DOES IT GIVE AN INDICATION OR INSTRUCTIONS TO A
15 MEMBER OF CONGRESS AS TO WHAT TO DO IF THEY ARE REPORTING
16 THINGS OF THEIR SPOUSE AND THEY ARE NOT CLAIMING THE 3-PART
17 EXEMPTION, THE KNOWLEDGE TEST, THE BENEFIT TEST, AND THE
18 PARTICIPATION TEST THAT WE TALKED ABOUT BEFORE? DOES IT
19 INSTRUCT THEM HOW TO MARK THAT BOX YES OR NO?

20 A. I AM SORRY, I AM NOT SURE I UNDERSTAND YOUR QUESTION.

21 MR. LEWIN: YOUR HONOR, CAN I KNOW WHAT COUNSEL IS
22 REFERRING TO?

23 THE COURT: GOVERNMENT'S TWO?

24 MR. COLE: THE INSTRUCTION MANUAL FROM THE HOUSE OF
25 REPRESENTATIVES.

1601

1 THE WITNESS: IT IS A BOOKLET, COUNSEL, ENTITLED
2 INSTRUCTIONS FOR COMPLETING FINANCIAL DISCLOSURE STATEMENTS
3 REQUIRED BY ETHICS IN GOVERNMENT ACT OF 1978 FOR USE BY MEMBERS
4 OR EMPLOYEES OF THE LEGISLATIVE BRANCH. IT IS DATED FEBRUARY
5 1980.

6 BY MR. COLE:

7 Q. MR. SCOTT, IF YOU COULD LOOK AT THAT SECTION?

8 THE COURT: IN THE BOOKLET? BECAUSE WE LOST YOU, MR.
9 COLE. WHEN YOU ARE SOMEWHERE BEHIND THE BOARD.

10 MR. COLE: I AM BACK, YOUR HONOR.

11 THE COURT: YOU ARE BACK. ALL RIGHT.

12 BY MR. COLE:

13 Q. MR. SCOTT, THAT SECTION HAS TO DO WITH -- IF I CAN
14 SHOW YOU WHAT HAS PREVIOUSLY BEEN MARKED GOVERNMENT'S EXHIBIT 5
15 B. CAN YOU SEE THAT, MR. SCOTT?

16 A. YES, I CAN.

17 Q. CAN THE JURY SEE 5 B? THERE IS A SECTION AT THE
18 BOTTOM OF 5 B CALLED ADDITIONAL INFORMATION.

19 A. I AM SORRY. GOING BACK TO YOUR QUESTION THAT I DIDN'T
20 UNDERSTAND. THERE WERE SEVERAL PARTS TO IT AND I DIDN'T KNOW
21 WHICH ONE YOU WANTED ME TO RESPOND TO.

22 Q. LET'S START ALL OVER AGAIN. 5B HAS A SECTION CALLED
23 ADDITIONAL INFORMATION. AND THE FIRST LINE OF THIS IS:- ARE
24 YOU AWARE OF ANY INTEREST IN PROPERTY OR LIAIBILITIES OF A
25 SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE

1 OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY
2 MEET THE 3 STANDARDS FOR EXEMPTION. SEE INSTRUCTIONS.

3 MR. SCOTT, THE PAGE I HAVE SHOWED YOU IN GOVERNMENT
4 EXHIBIT TWO DOES THAT DEAL WITH HOW TO ANSWER THIS QUESTION?

5 A. YES IT DOES.

6 Q. COULD YOU TELL US WHAT IT SAYS AS FAR AS ANSWERING
7 THIS QUESTION?

8 A. O. K.. I HAD, I BELIEVE TESTIFIED ABOUT THIS BEFORE,
9 YOUR HONOR.

10 IT SAYS, " IF THE REPORTING INDIVIDUAL HAS NOT
11 REPORTED INFORMATION CONCERNING A SPOUSE OR DEPENDENT
12 BECAUSE --"

13 MR. LEWIN: I AM AFRAID I CAN'T --

14 THE WITNESS: IT IS PAGE 20. IT IS THE SECOND FULL
15 PARAGRAPH UNDER THE WORD, "INSTRUCTIONS. " SHALL I AGAIN AGAIN?

16 THE COURT: YES.

17 THE WITNESS: "IF THE REPORTING INDIVIDUAL HAS NOT
18 REPORTED INFORMATION CONCERNING A SPOUSE OR DEPENDENT BECAUSE
19 THE 3 STANDARDS FOR EXEMPTION ARE MET, HE OR SHE SHOULD CHECK
20 THE SPACE MARKED YES. "

21 Q. O. K. STOP RIGHT THERE. THAT MEANS IF THE 3
22 EXEMPTIONS ARE MET. THE KNOWLEDGE TEST, THE BENEFIT TEST AND
23 THE INDEPENDENCE TEST, AND THEY ARE NOT REPORTING SOMETHING
24 BECAUSE THEY MET ALL 3 OF THOSE STANDARDS, THEY MARK YES ON
25 THIS BOX RIGHT HERE?

1603

1 A. THAT IS CORRECT AND THAT IS WHAT THE INSTRUCTIONS SAY.

2 Q. COULD YOU PLEASE GO ON WITH THE INSTRUCTIONS?

3 A. "IF THE INDIVIDUAL IS UNMARRIED OR OTHERWISE IS NOT
4 REQUIRED TO REPORT SUCH INFORMATION, HE OR SHE SHOULD INDICATE
5 THAT THIS PROVISION IS NOT APPLICABLE BY MARKING N SLASH A
6 WHICH PARENTHETICALLY MEANS NOT APPLICABLE."

7 Q. NOW, MR. SCOTT, IF SOMEBODY WAS NOT GOING TO BE
8 REPORTING SOMETHING BECAUSE THEY FELT THEY FELL WITHIN
9 701(D)(2), THIS MARITAL SEPARATION, IS THAT WHAT THEY APPLY TO?

10 A. THESE INSTRUCTIONS INDICATE THEY SHOULD MARK N/A.

11 Q. GO ON. IS THERE AN INSTRUCTION WHEN THEY SHOULD MARK
12 NO?

13 A. THE LAST SENTENCE SAYS REFER TO THE EXPLANATION OF
14 REPORTING REQUIREMENTS APPLICABLE TO A SPOUSE AND DEPENDENT
15 CHILDREN ON PAGE FOUR OF THESE INSTRUCTIONS.

16 Q SO BASICALLY A NO HERE MEANS THERE ARE NO EXEMPTIONS
17 APPLICABLE?

18 A. THAT IS CORRECT.

19 MR. COLE: NO FURTHER QUESTIONS AT THIS TIME, YOUR
20 HONOR.

21 CROSS-EXAMINATION

22 BY MR. LEWIN:

23 Q. MR. SCOTT, LET'S JUST TAKE A LOOK AT THAT CHART FOR A
24 MINUTE. YOU READ FROM THAT BOOK ON PAGE 20 OF INSTRUCTIONS THAT
25 YOU SHOULD MARK N/A, IS THAT RIGHT? IF THERE IS ANY OTHER

1504

1 REASON WHY -- IF THE INDIVIDUAL IS UNMARRIED OR OTHERWISE, IS
2 NOT REQUIRED TO REPORT SUCH INFORMATION, HE OR SHE SHOULD
3 INDICATE THAT THE PROVISION IS NOT APPLICABLE BY MARKING N
4 SLASH A. THAT IS WHAT YOU JUST READ?

5 A. CORRECT.

6 Q. AND IT APPEARS AT PAGE 20 OF THIS INSTRUCTION BOOK?

7 A. RIGHT.

8 Q. DOES N SLASH AN APPEAR ON THE FORM, IS THERE A SPACE
9 WHERE YOU CAN WRITE N SLASH A?

10 A. THERE IS NO PRINTED PLACE THAT THE N SLASH A APPEARS.

11 Q. IN FACT, BESIDES BEING A LAWYER, YOU UNDERSTAND
12 ENGLISH, DON'T YOU?

13 A. I HOPE SO.

14 Q. GOOD. THERE'S A QUESTION, ISN'T THERE, ON THAT FORM:
15 ARE YOU AWARE OF ANY INTEREST IN PROPERTY OR LIABILITIES OF A
16 SPOUSE OR DEPENDENT CHILD OR PROPERTY TRANSACTIONS BY A SPOUSE
17 OR DEPENDENT CHILD WHICH YOU HAVE NOT REPORTED BECAUSE THEY
18 MEET THE 3 STANDARDS FOR EXEMPTION?

19 AND IF SOMEONE HAS NOT REPORTED IT, BUT NOT BECAUSE
20 THEY MEET THE 3 STANDARDS FOR EXEMPTION, JUST AS SOMEBODY WHO
21 UNDERSTANDS THE ENGLISH LANGUAGE, WOULD YOU ANSWER THAT
22 QUESTION YES, OR WOULD YOU ANSWER THAT QUESTION NO, IF THAT IS
23 THE ONLY THING ON THE FORM? IS THAT A HARD QUESTION TO ANSWER,
24 MR. SCOTT?

25 A. I AM NOT SURE. IS YOUR QUESTION, SIR: IS THAT A

1605

1 QUESTION ON THE FORM?

2 Q. I AM ASKING YOU WHETHER IT AS HARD QUESTION TO ANSWER,
3 THAT IF YOU ARE NOT REPORTING BUT NOT BECAUSE THEY MEET THE 3
4 STANDARD FOR EXEMPTION BUT FOR SOME OTHER REASON, SIMPLY
5 UNDERSTANDING THE ENGLISH LANGUAGE, IF YOU WERE ASKED THAT
6 QUESTION AND YOU HAD A BOX THAT SAID YES, AND A BOX THAT SAID
7 NO. WOULD YOU ANSWER YES OR NO?

8 A. WELL, I THINK THAT IF YOU READ BOTH QUESTIONS, YOU
9 CERTAINLY -- AND YOU READ THE INSTRUCTIONS, YOU CERTAINLY COME
10 AWAY WITH A CLEAR --

11 Q. DO YOU WANT TO ANSWER MY QUESTION, MR. SCOTT?

12 MR. COLE: HE IS TRYING TO.

13 THE COURT: MR. LEWIN, HE IS TRYING TO ANSWER I THINK.
14 LET'S HEAR WHAT HIS ANSWER IS, AND THEN IF YOU HAVE SOME MORE
15 QUESTIONS TO ASK BY ALL MEANS DO SO.

16 THE WITNESS: I THINK THAT YOU WOULD UNDERSTAND
17 READING THAT THERE IS A QUESTION THAT THEY WANT TO KNOW WHETHER
18 YOU ARE LEAVING SOMETHING OFF THE FORM, AND THEREFORE, TO THE
19 BEST OF MY ABILITY TO ANSWER YOUR QUESTION IS -- YES.

20 Q. YOU WOULD ANSWER YES?

21 A. IF YOU MEET THE 3-PRONGED TEST.

22 Q. YES, BUT ASSUME THAT THE REASON YOU LEAVE IT OFF, ARE
23 FOR REASONS THAT HAVE NOTHING TO DO WITH THE 3-PRONGED TEST,
24 BUT SIMPLY BECAUSE THE HOUSE ETHICS COMMITTEE KNOWS OF A
25 SEPARATE PROPERTY AGREEMENT THAT YOU HAVE ENTERED INTO?

1606

1 AND THAT IS WHY YOU HAVE LEFT IT OFF.

2 MR. COLE: YOUR HONOR, IF HE WANTS TO ARGUE THE CASE.

3 MR. LEWIN: NO, YOUR HONOR. IF THIS MAN IS AN EXPERT,
4 I CAN ASK HIM QUESTIONS.

5 THE WITNESS: SIR, I AM TRYING TO FOLLOW YOUR
6 QUESTION. IF I UNDERSTAND YOUR QUESTION, IN THOSE
7 CIRCUMSTANCES, THE ANSWER WOULD BE NO, BECAUSE THE 3-PRONGED
8 TEST IS NOT --

9 Q. IT IS NOT BEING INVOKED?

10 A. EXACTLY.

11 Q SO, THEN, THE ANSWER WOULD BE NO, AS BETWEEN THE TWO
12 CHOICES ON THE FORM, THE ANSWER WOULD BE NO, WOULD IT NOT?

13 A. THAT IS CORRECT.

14 Q. THANK YOU. MR. SCOTT. YOU SAY, MR. SCOTT, THAT YOU
15 ARE A LAWYER, AND WITH A POSITION WITH THE OFFICE OF PERSONNEL
16 MANAGEMENT. IS IT NOT A FACT THAT LAWYERS OFTEN DIFFER ON THE
17 MEANING OF STATUTES, WHEN THEY SEEM PLAIN TO YOU, IN YOUR
18 EXPERIENCE AS A LAWYER, IT IS NOT SO PLAIN TO OTHER LAWYERS,
19 DOES THAT HAPPEN TO YOU?

20 A. YES, IT HAS.

21 Q. AND YOU HAVE READ STATUTES AND SAID: GEE, THAT LOOKS
22 VERY CLEAR TO ME, AND HAVE FOUND OTHER LAWYERS, WHOM YOU
23 RESPECT AND WHO ARE, HAVE A GOOD BACKGROUND AND WHO SAY IT IS
24 NOT SO PLAIN TO ME AT ALL?

25 A. OF COURSE, THAT HAS HAPPENED, BUT I CERTAINLY HASTEN

1607-1609

1 TO ADD THAT WHEN IT DOES, THAT IF PEOPLE SAY THAT THERE IS A
2 DIFFERENCE OF A CLEAR MEANING OF A STATUTE, THEN OF COURSE, WE
3 HAVE TO GO TO OTHER SOURCES, AND ONE OF THE SOURCES WOULD BE
4 THE LEGISLATIVE HISTORY.

5 Q. DIFFERENCE OF A CLEAR -- WHO TOLD YOU THAT THERE WAS
6 AS DIFFERENCE HERE AS TO A CLEAR MEANING OF A STATUTE? HAVE
7 YOU BEEN TOLD?

8 A. NO. I HAVE SAID, SIR, THAT IN MY OPINION, I THINK
9 THIS STATUTE ITSELF IS CLEAR. I DON'T THINK YOU HAVE TO GO ANY
10 FURTHER THAN THE STATUTE ITSELF. HOWEVER, YOU ARE ASKING ME
11 HAS IT HAPPENED THAT PEOPLE DIFFER FROM MY OPINION. OF COURSE
12 I WOULD HAVE TO ANSWER THE ANSWER IS YES. IF THAT OCCURS THEN I
13 WOULD SAY WE WOULD HAVE TO GO FURTHER AND SEE IN EFFECT WHOSE
14 INTERPRETATION WAS CORRECT.

15 Q. BEFORE WE GET TO THE LEGISLATIVE HISTORY, MR. SCOTT,
16 IT IS A FACT, IS IT NOT, THAT THE POLICY OF A STATUTE IS LOOKED
17 TO IN DETERMINING WHAT WORDS MEAN?

18 A. CERTAINLY, YES.

19 Q. HAVE YOU READ THE OPINION?

20 THE COURT: EXCUSE ME, OUR REPORTER IS ASKING TO MAKE
21 A CHANGE WITH THE OTHER REPORTER. TEN SECONDS.

22
23
24
25

1 BY MR. LEWIN:

2 Q YOU'RE A LEGAL EXPERT, MR. SCOTT. HAVE YOU READ
3 THE OPINION OF THE SUPREME COURT IN CHAPMAN VS. HOUSTON WELFARE
4 RIGHTS ORGANIZATION, 441 U.S. 600?

5 A I HAVE NO INDEPENDENT RECOLLECTION OF IT.

6 Q SO YOU DON'T KNOW WHAT THE SUPREME COURT SAID WHEN
7 IT SAID THAT "THE TASK OF FEDERAL COURTS WHEN ENGAGING IN
8 STATUTORY CONSTRUCTION IS TO INTERPRET THE WORDS OF THE
9 STATUTE IN LIGHT OF THE PURPOSES CONGRESS SOUGHT TO SERVE."
10 BUT YOU HADN'T READ THAT CASE?

11 A MR. LEWIN, I PROBABLY HAVE READ THE CASE. I'VE
12 SAID THAT I HAVE NO INDEPENDENT RECOLLECTION OF CERTAINLY
13 CASES THAT I JUST READ YESTERDAY, OF --

14 Q I SEE. YOU'RE --

15 A WITHOUT --

16 Q GO AHEAD.

17 A WITHOUT GOING THROUGH AS TO THE HOLDINGS, THE FACTS
18 AND EVERYTHING. I HAVE NO INDEPENDENT RECOLLECTION OF IT.

19 Q HAVE YOU READ THE OPINION OF THE SUPREME COURT IN
20 THE CASE OF PHILBROOK VS. BLODGETT?

21 MR. COLE: YOUR HONOR, CAN WE APPROACH THE BENCH?

22 THE COURT: YES. . INDEED, YOU SHOULD.

23 (AT THE BENCH)

24 THE COURT: WHAT IS THE PROFFER AS WE ARE GETTING
25 INTO THE REALM OF CLEAR LAW?

1 MR. LEWIN: WELL, YOUR HONOR, THIS POINTS UP THE
2 ABSURDITY OF PERMITTING THIS MAN TO TESTIFY. IF I AM NOT --
3 IF HE CAN TESTIFY, THEN I'M ENTITLED TO GO INTO THE ENTIRE
4 BASIS OF LEGAL JUDGMENTS THAT HE HAS MADE, POINTING OUT THAT
5 HE IS IGNORANT OF PROPOSITIONS OF LAW WITH REGARD TO LEGISLA-
6 TIVE CONSTRUCTION, TO DEMONSTRATE THAT TO THE JURY.

7 THIS MAN IS SIMPLY A HIRED HAND ON THE PART OF THE
8 PROSECUTION, AND HE GETS UP THERE AND HE SAYS WHATEVER HE
9 WANTS -- WHATEVER THEY WANT, AND ON A QUESTION OF LAW. AND
10 IT IS PERFECTLY INAPPROPRIATE FOR HIM TO TESTIFY. I CAN
11 DEMONSTRATE --

12 THE COURT: MR. LEWIN, I DON'T KNOW WHETHER YOU
13 SHOULD BE IMPUGNING THE INTEGRITY OF THE WITNESS. I HAVEN'T
14 HEARD THE INTEGRITY OF YOUR WITNESSES IMPUGNED IN LIKE MANNER.

15 MR. LEWIN: NO.

16 THE COURT: AND LITERALLY, WITHOUT ANY OTHER BASIS
17 THAN WHAT YOU HAVE JUST SAID, I FIND THAT THAT IS REALLY
18 REPREHENSIBLE.

19 MR. LEWIN: ALL RIGHT, YOUR HONOR.

20 THE COURT: AS FAR AS MR. SCOTT'S TESTIMONY IS
21 CONCERNED, HE HAS NOT DISAGREED WITH YOU THAT LAWYERS DIFFER
22 ON MATTERS OF MOMENT. AND HE HAS INDICATED TO YOU WHAT THEY
23 GO TO TO LOOK TO WHEN THERE ARE DIFFERENCES.

24 CLEARLY, MR. RUNFT TESTIFIED HE WENT TO THE
25 LEGISLATIVE HISTORY, AND HE DID HIS RESEARCH IN SOME LIBRARY,

1 I UNDERSTOOD, IN IDAHO. SO IT IS FAIR TO ASK ABOUT LEGISLATIVE
2 HISTORY, SINCE MR. RUNFT SAID HE WENT TO LEGISLATIVE HISTORY.

3 MR. LEWIN: AND IT'S FAIR TO ASK HIM WHETHER HE
4 KNOWS ABOUT THE PRINCIPLES OF THE SUPREME COURT THAT APPLY
5 WITH REGARD TO THE POLICY OF STATUTES, THAT APPLY WITH
6 REGARD TO NOT READING STATUTES SO AS TO ACHIEVE INCONSISTENT
7 RESULTS. I CAN GO THROUGH THE ENTIRE SEQUENCE, YOUR HONOR.

8 THE COURT: WELL, IN THIS COURTROOM, I WILL TELL
9 YOU RIGHT NOW, MR. LEWIN, YOU ARE NOT GOING TO GO THROUGH
10 SUPREME COURT CASES FOR TOTAL CONFUSION OF THE JURY. YOU
11 CERTAINLY CAN GO AHEAD AND ASK QUESTIONS OF MR. SCOTT TO BRING
12 FORTH WHAT I BELIEVE IS THE PRINCIPLE THAT YOU WISH TO BRING
13 FORTH, AND THAT IS THAT LAWYERS DO DIFFER AS TO VARIOUS
14 MATTERS AND THAT THERE ARE CERTAIN STATUTORY CONSTRUCTIONS
15 TO BE FOLLOWED WHICH ARE LEGAL CONSIDERATIONS.

16 MR. LEWIN: YES.

17 THE COURT: BUT OTHER THAN TRYING TO CONFUSE THE
18 JURY WITH WHAT IS A LEGAL CONSIDERATION, TO SAY HAVE YOU READ
19 SUPREME COURT DECISION SO-AND-SO --

20 MR. LEWIN: YOUR HONOR, IF HE WERE AN EXPERT IN
21 MEDICINE, I COULD ASK HIM WHETHER HE HAS READ MEDICAL TEXTS.

22 THE COURT: OF COURSE YOU COULD.

23 MR. LEWIN: THERE'S NO REASON WHY I CANNOT ASK THIS
24 MAN WHETHER HE HAS READ SUPREME COURT DECISIONS. IF I CAN
25 ASK HIM WHETHER HE HAS READ SOME MEDICAL TEXT, I CAN ASK HIM

1 IF HE HAS READ SUPREME COURT DECISIONS.

2 THE COURT: YOU CERTAINLY CAN ASK HIM IF HE HAS
3 READ SUPREME COURT DECISIONS, CIRCUIT COURT DECISIONS, AND
4 DISTRICT COURT DECISIONS AND LOCAL DECISIONS, WITHOUT
5 SPECIFYING IN THE DECISIONS, "DO YOU REMEMBER THIS DECISION."
6 MR. LEWIN, THERE WOULD BE A TOTAL CONFUSION OF THE JURY AS
7 TO MATTERS THAT ARE CLEARLY IN THE REALM OF LAW.

8 YOU CERTAINLY HAVE THE LATITUDE TO EXAMINE THIS
9 WITNESS AS TO HIS KNOWLEDGE OF THE ACT, AS TO HOW HE HAS CON-
10 STRUED IT, AND TO EMPHASIZE THE FACT THAT LAWYERS DO DIFFER
11 AND MAY COME TO DIFFERENT CONCLUSIONS. CLEARLY, THAT IS
12 FAIRLY WITHIN YOUR PROVINCE ON CROSS-EXAMINATION OF THIS
13 WITNESS. BUT TO CONFUSE THE JURY IS WRONG.

14 MR. LEWIN: YOUR HONOR, I MUST SAY I OBJECT TO YOUR
15 HONOR'S STATING TO ME THAT I CONFUSE THE JURY. I THINK IF
16 I AM -- I SAY AGAIN, I COULD ASK ABOUT SPECIFIC MEDICAL TEXT
17 IF HE WERE A DOCTOR, ABOUT SPECIFIC PSYCHOLOGICAL TEXT IF
18 HE WERE A PSYCHOLOGIST. AND I AM NOT DOING IT TO CONFUSE
19 THE JURY. I AM DOING IT TO DEMONSTRATE THAT THIS MAN IS NO
20 MORE OF AN EXPERT ON THIS PROPOSITION, ON THE QUESTION OF
21 CONSTRUCTION OF STATUTES, THAN ANY OTHER LAWYER IN THE STREET
22 THAT'S PRECISELY THE POINT. AND I COULD DO IT WITH REGARD
23 TO MEDICINE BY SHOWING THAT HE IS IGNORANT OF MEDICAL TEXT;
24 I CAN DO IT WITH REGARD TO STATUTES --

25 THE COURT: YOU HAVE ALREADY BROUGHT FORTH TWO

1 SUPREME COURT CASES, AND THAT'S AS FAR AS IT WILL GO; ALL
2 RIGHT?

3 MR. LEWIN: ALL RIGHT. IF THAT'S YOUR HONOR'S
4 RULING.

5 THE COURT: YOU HAVE MADE YOUR POINT.

6 (IN OPEN COURT)

7 BY MR. LEWIN:

8 Q THERE ARE SUPREME COURT CASES, MR. SCOTT, THAT
9 INDICATE THAT YOU LOOK TO THE POLICY OF THE STATUTE, DON'T
10 YOU, IN ADDITION TO THE LEGISLATIVE HISTORY?

11 A YES, SIR. THERE ARE MANY CASES -- IF I CAN ELABORATE
12 ON THAT -- THAT GO INTO HOW YOU SHOULD GO ABOUT LOOKING AT
13 LEGISLATIVE HISTORY. AND --

14 Q WHAT'S THE --

15 A EXCUSE ME. I DIDN'T MEAN TO SAY LEGISLATIVE
16 HISTORY. I MEANT TO SAY INTERPRETING A STATUTE.

17 THE PLAIN MEANING OF THE -- THE MEANING, IF IT IS
18 PLAIN, OF THE STATUTE, THE POLICY BEHIND THE STATUTE, THE
19 LEGISLATIVE HISTORY; THOSE ARE CERTAINLY THREE OF THE MAIN
20 ONES.

21 Q CAN YOU NAME OTHERS? YOU'RE AN EXPERT. NAME OTHERS.

22 A I'M SURE IF YOU READ ME SOME MORE CASES, I COULD
23 THINK OF OTHER SITUATIONS. MANY TIMES, THE PURPOSE OF A
24 STATUTE IS RIGHT IN THE PREAMBLE. THAT IS MANY TIMES CON-
25 sidered DETERMINATIVE.

1 Q CONSTRUING TWO PROVISIONS OF A STATUTE SO THAT THEY
2 SHOULD BE CONSISTENT? IS THAT A DOCTRINE OF STATUTORY
3 CONSTRUCTION?

4 A I'M SORRY?

5 Q CONSTRUING TWO PROVISIONS OF A STATUTE SO THAT THEY
6 SHOULD BE CONSISTENT WITH EACH OTHER?

7 A CORRECT. THERE ARE MANY OTHERS. YOU SHOULD
8 CONSTRUE THEM SO THAT THEY ARE NOT NULLITIES, THAT THEY ARE
9 NOT CONTRARY TO SOMETHING THAT IS PUBLIC POLICY, THAT IT'S
10 POSSIBLE TO GIVE IT A CONSTITUTIONAL INTERPRETATION. IT
11 COULD GO ON AND ON.

12 Q THERE ARE, IN FACT, A LONG, LONG LINE OF CONSIDERA-
13 TIONS THAT GO INTO HOW ONE CONSTRUES A STATUTE, AND LAWYERS
14 USE THAT; RIGHT?

15 A THAT IS CORRECT.

16 Q AND LAWYERS DIFFER AND THEY DISAGREE BECAUSE SOME
17 LAWYERS THINK ONE OF THOSE FACTORS IS MORE IMPORTANT, ANOTHER
18 LAWYER THINKS ANOTHER ONE OF THOSE FACTORS IS MORE IMPORTANT;
19 IS THAT CORRECT?

20 A THAT CERTAINLY HAPPENS.

21 Q ALL RIGHT. AND THE ONLY THINGS THAT YOU HAVE CITED
22 IN YOUR DISCUSSION WITH MR. COLE HAS BEEN YOUR VIEW OF THE
23 LANGUAGE OF THE STATUTE AND YOUR VIEW OF THE LEGISLATIVE
24 HISTORY OF THE STATUTE. THOSE ARE THE ONLY TWO THINGS.

25 A THAT'S WHAT I WAS ASKED ABOUT. THAT'S CORRECT.

1 Q ALL RIGHT. AND EVEN AS TO THE LEGISLATIVE HISTORY
2 OF THE STATUTE, YOU READ US A SENTENCE, DID YOU NOT, FROM
3 PAGE 123 OF THIS REPORT THAT YOU SAY IS ALL OVER THE COUNTRY,
4 PUBLIC OFFICIALS INTEGRITY ACT OF 1977. THAT'S NOT WHAT
5 THE LAW WAS CALLED, WAS IT? THE PUBLIC OFFICIALS INTEGRITY
6 ACT OF 1977. THAT'S THE COVER.

7 A NO, SIR. THERE WERE SEVERAL, IN FACT, VERSIONS
8 OF THE BILL THAT LATER BECAME CALLED THE ETHICS IN GOVERNMENT
9 ACT. THIS WAS ONE: SENATE BILL 555. THERE WERE OTHERS.

10 Q OH. SO THIS IS NOT EVEN THE REPORT THAT
11 ACCOMPANIES THE FINAL VERSION OF THE ACT. THIS IS SOME LONG
12 REPORT THAT ACCOMPANIES AN EARLIER VERSION OF WHAT ULTIMATELY
13 BECAME THE ETHICS IN GOVERNMENT ACT.

14 A THE OTHER REPORTS ARE CONSISTENT WITH THIS ONE,
15 AND THE OTHER REPORTS, IN EFFECT, MAKE THIS AN AUTHORITATIVE
16 SOURCE.

17 Q I SEE. THEY MAKE THIS AN AUTHORITATIVE SOURCE?

18 A YES. IF YOU WANT, I WILL TRY TO GIVE AN EXPLANATION
19 OF HOW THAT IS.

20 Q THAT'S ALL RIGHT.

21 YOU SAID -- NOW, THIS IS PAGE 123 OF THIS REPORT,
22 IS THAT RIGHT? SO IT'S A PRETTY THICK REPORT.

23 A THAT'S CORRECT.

24 Q AND AT PAGE 123 OF THIS REPORT, YOU READ A SENTENCE
25 THAT SAYS: "THIS SECTION IS INTENDED TO COVER SITUATIONS

1 WHERE A COUPLE IS LEGALLY SEPARATED, HAS SIGNED AN AGREEMENT
2 OF SEPARATION, OR ARE LIVING SEPARATE AND APART AND HAVE
3 REACHED A DECISION THAT THEY INTEND TO TERMINATE THE NORMAL
4 RELATIONSHIP OF A MARRIED COUPLE."

5 ISN'T IT A FACT, MR. SCOTT, THAT ONLY THE THIRD,
6 ONLY THAT LANGUAGE THAT FOLLOWS THE WORD "OR" COVERS THE
7 SITUATION THAT YOU DESCRIBED IN YOUR ANSWER TO MR. COLE WAS
8 THE FULL MEANING OF THIS PROVISION OF THE STATUTE?

9 A AGAIN, SIR, I'M NOT SURE I UNDERSTAND YOUR QUESTION
10 FULLY, BUT THERE IS ANOTHER SITUATION MORE THAN JUST AFTER
11 THE "OR". THERE'S A SITUATION WHERE THEY ARE LIVING SEPARATE
12 AND APART AND GOING TO GET A PERMANENT SEPARATION.

13 Q I UNDERSTAND. BUT -- LET ME GO BACK. IN ANSWER
14 TO MR. COLE, YOU SAID THAT THIS SUBSECTION 2 YOU SAID
15 APPLIES -- AND THAT'S MY RECOLLECTION -- AND THAT ALL THAT IT
16 IS INTENDED TO DO IS IT'S INTENDED TO COVER PEOPLE WHO LIVE
17 SEPARATE AND APART WITH THE INTENTION OF TERMINATING THE
18 MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION. THAT'S WHAT
19 YOU SAID IT'S INTENDED TO COVER.

20 A THAT'S RIGHT. AND THEN I READ FURTHER THAT THERE'S
21 SITUATIONS BETWEEN THE TWO OF THEM IN REGARD TO DISSOLUTION
22 OF THEIR MARRIAGE, AS WELL, WHEN THAT'S DISSOLVING.

23 Q I UNDERSTAND. BUT IN ANSWER TO MR. COLE YOU SAID
24 THAT THAT IS THE SITUATION THAT IS INTENDED TO BE COVERED
25 BY THIS SECTION: PEOPLE WHO LIVE SEPARATE AND APART. THE

1 ONLY --

2 A THAT'S ONE OF THE SITUATIONS THAT -- THE GENERALIZA-
3 TION, SIR, WOULD BE THAT THIS SECTION (D)(2) GOES TO SITUA-
4 TIONS WHERE THE MARRIAGE IS BREAKING UP. IT EITHER IS
5 LEADING TO INTENDED TO BE DIVORCED OR PERMANENT SEPARATION.
6 IT IS THE BREAK-UP OF THE MARITAL SITUATION, IS THE KERNEL
7 OF (D)(2), IN MY OPINION.

8 Q THAT'S YOUR OPINION.

9 NOW, IF YOU LOOK AT THAT LANGUAGE IN THE LEGISLATIVE
10 HISTORY, IT SAYS IT COVERS THREE CASES: LEGALLY SEPARATED,
11 HAS SIGNED AN AGREEMENT OF SEPARATION, OR ARE LIVING SEPARATE
12 AND APART AND HAVE REACHED A DECISION THAT THEY INTEND TO
13 TERMINATE THE NORMAL RELATIONSHIP OF A MARRIED COUPLE. THE
14 SECOND OF THOSE DISJUNCTIVES IN THAT LEGISLATIVE HISTORY
15 SPEAKS ABOUT SIGNED AN AGREEMENT OF SEPARATION, DOES IT NOT?

16 A YES. AND IN MY OPINION, IT'S TALKING ABOUT A
17 SEPARATION WHERE THE MARRIAGE IS DISSOLVING.

18 Q AH! THAT'S YOUR OPINION; IS THAT RIGHT?

19 A YES.

20 Q IS IT POSSIBLE THAT A LAWYER COULD EVEN READ THAT
21 LEGISLATIVE HISTORY AND SAY "AGREEMENT OF SEPARATION" MEANS
22 AN AGREEMENT OF ECONOMIC SEPARATION? IT SPEAKS ONLY OF
23 "AGREEMENT OF SEPARATION."

24 A I THINK THAT YOU'D HAVE TO TAKE IT OUT OF CONTEXT
25 TO REACH THAT CONCLUSION, SIR.

10

1619

1 Q YOU THINK SO. BUT IN TERMS OF DISAGREEMENTS WITH
2 LAWYERS, YOU'VE HAD DISAGREEMENTS WITH LAWYERS WHERE THERE
3 HAS BEEN EQUAL OR GREATER DIFFERENCES BETWEEN YOURSELF AND
4 SOME LAWYER WHO READS A STATUTE DIFFERENTLY THAN YOU DO.
5 ISN'T THAT TRUE? IS THIS AN ENORMOUS GULF AND AN IMPOSSIBLE
6 READING OF THIS LANGUAGE, THAT "AGREEMENT OF SEPARATION"
7 MEANS OF ECONOMIC SEPARATION?

8 A WELL, LET ME ANSWER THIS THE BEST WAY I CAN, SIR.

9 I WOULD NOT, CERTAINLY, SEE HOW THAT COULD BE
10 REACHED FROM THIS LANGUAGE, THAT IT REACHES ECONOMIC SEPARA-
11 TION, WHEN THE WHOLE THRUST OF THE PARAGRAPH THAT WE'RE
12 TALKING ABOUT IS TALKING ABOUT SEPARATIONS IN REGARD TO
13 MARITAL SEPARATIONS.

14 Q BUT YOU WOULDN'T DENY THAT A LAWYER WHO GRADUATED
15 FROM A LAW SCHOOL AND PRACTICES LAW COULD READ THAT LANGUAGE
16 AND SAY IT MEANS AGREEMENT OF ECONOMIC SEPARATION. IT'S
17 DIFFERENT FROM LIVING SEPARATE AND APART. IT SAYS "AGREEMENT
18 OF SEPARATION." IT COULD MEAN AGREEMENT OF ECONOMIC SEPARA-
19 TION, EVEN THOUGH YOU DON'T THINK IT DOES.

20 A WELL, SIR, I CAN ONLY ANSWER THAT BY SAYING YOU
21 HAVE TO TAKE THE WHOLE PARAGRAPH, AND YOU LOOK -- IF THERE
22 IS SOME CONFUSION, YOU LOOK IN OTHER SECTIONS OF THE LEGIS-
23 LATIVE HISTORY, AND I THINK YOU COME TO A CONTRARY ANSWER,
24 THAT IT DOES NOT DEAL WITH ECONOMIC SEPARATION.

25 Q ARE YOU NOT WILLING TO AGREE WITH ME THAT THAT'S

1 LEGALLY ARGUABLE?

2 A SIR, CERTAINLY SOMEBODY COULD DIFFER WITH ME, AND
3 WHAT IS LEGALLY ARGUABLE, I'M NOT TO SAY.

4 Q IT IS LEGALLY ARGUABLE, ISN'T IT?

5 A AS MY LAW PROFESSOR USED TO SAY, ANYTHING IS
6 LEGALLY ARGUABLE. THE QUESTION IS: IS IT CORRECT?

7 Q I AGREE WITH YOUR LAW PROFESSOR. THANK YOU.
8 THE COURT: MR. COLE.

9 REDIRECT EXAMINATION

10 BY MR. COLE:

11 Q MR. SCOTT, MR. LEWIN TALKED A GREAT DEAL ABOUT
12 POLICY IN THE SITUATION, ISN'T THAT RIGHT? THAT'S ONE OF
13 THE WAYS TO FIND OUT WHAT A STATUTE MEANS, IS TO LOOK TO ITS
14 POLICY?

15 A THAT'S ONE OF THE WAYS, YES.

16 Q I WOULD LIKE TO SHOW YOU I BELIEVE IT'S GOVERNMENT'S
17 EXHIBIT 1, WHICH IS THE ETHICS IN GOVERNMENT ACT. AND IN
18 THE BEGINNING THERE IS A STATEMENT OF THE ACT'S POLICY; IS
19 THAT NOT CORRECT?

20 A THAT IS CORRECT.

21 Q AND IF YOU WOULD READ THE PURPOSE OF THE ACT, IS
22 THAT NOT ITS POLICY?

23 A YES. AGAIN, YOUR HONOR, I READ THIS I BELIEVE EIGHT
24 DAYS AGO, BUT IT'S ON PAGE 1 OF THE ETHICS IN GOVERNMENT ACT,
25 AND IT STARTS: "THE PURPOSE OF THIS" -- IT'S THE SECOND

1 SENTENCE. "THE PURPOSE OF THIS ACT IS TO PRESERVE AND
2 PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY OF FEDERAL OFFI-
3 CIALS THROUGH FINANCIAL DISCLOSURE, POST-GOVERNMENT EMPLOYMENT
4 RESTRICTIONS, AND INDEPENDENT INVESTIGATIONS OF ALLEGED
5 WRONGDOING BY GOVERNMENT OFFICIALS."

6 DO YOU WANT ME TO CONTINUE?

7 Q THAT'S ENOUGH, MR. SCOTT.

8 IF TWO PEOPLE, MR. SCOTT, ENTERED INTO A PROPERTY
9 SEPARATION AGREEMENT, AN ECONOMIC AGREEMENT, AND THEN NEVER
10 FULFILLED THE AGREEMENT, THEY NEVER SEPARATED THEIR PROPERTY,
11 THEY CONTINUED TO OWN CARS, TO OWN PROPERTY, TO SELL PROPERTY,
12 TO HAVE DEBTS THAT THEY PAY OFF TOGETHER, WHAT WOULD THAT
13 DO TO THE POLICY IF THEY SAID THEY DIDN'T HAVE TO REPORT?

14 A I AM TO ASSUME THOSE FACTS?

15 Q YES.

16 A IT WOULD DEFEAT IT.

17 MR. COLE: THANK YOU, SIR.

18 THE COURT: MR. LEWIN?

19 MR. LEWIN: NO FURTHER QUESTIONS.

20 THE COURT: ALL RIGHT. YOU ARE EXCUSED, MR. SCOTT.

21 I CONTINUE TO SAY PLEASE DO NOT DISCUSS THE CASE WITH ANY
22 OTHER POSSIBLE WITNESS IN THIS MATTER UNTIL THE MATTER IS
23 CONCLUDED.

24 THE WITNESS: THANK YOU, YOUR HONOR. NOW, THESE
25 ARE EXHIBITS.

1 THE COURT: ANYTHING THAT IS AN EXHIBIT I WOULD
2 ASK THAT YOU LEAVE UP THERE OR GIVE TO THE MARSHAL.

3 MR. COLE: I'LL RETRIEVE ALL THE EXHIBITS, YOUR
4 HONOR. THANK YOU.

5 THE COURT: ALL RIGHT. COUNSEL.

6 (AT THE BENCH)

7 THE COURT: DOES THAT COMPLETE THE WITNESSES WE
8 ARE GOING TO HAVE THIS EVENING? ALL RIGHT.

9 LET ME TELL THE JURY TO BE HERE AT -- SHOULD WE
10 SAY 9:30 TOMORROW MORNING? AND AT THAT TIME WE WILL HAVE
11 THE REST, OR THE REMAINING ONE, WHATEVER IT MAY BE, OF YOUR
12 REBUTTAL WITNESSES. AT THE MOMENT YOU EXPECT MORE THAN ONE?
13 TWO. ALL RIGHT. TWO. BUT THAT CAN BE COMPLETED, AS BEST
14 AS YOU CAN TELL, WITH CROSS, BY 12-ISH OR SO.

15 AT THE MOMENT, DO YOU EXPECT ANY SURREBUTTAL?

16 MR. LEWIN: NO, YOUR HONOR.

17 THE COURT: ALL RIGHT. OF COURSE, IT IS OPEN TILL
18 THIS IS COMPLETED, SO THAT YOU WILL HAVE THAT POSSIBILITY.

19 LET ME JUST TELL THE JURY FOR NOW THAT IT MAY --
20 I THINK I BETTER NOT TELL THEM ANYTHING OTHER THAN WE WILL
21 SEE THEM AT 9:30 TOMORROW MORNING, WITHOUT ANY ADDITION TO
22 IT. WE WILL TAKE IT AS IT COMES TOMORROW MORNING.

23 ALL RIGHT. HAVE A GOOD EVENING.

24 (IN OPEN COURT)

25 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE

14

1623

1 ARE GOING TO RECESS AT THIS TIME AND HAVE THE CONTINUATION
2 OF THE REBUTTAL TESTIMONY TOMORROW MORNING. WE WILL START
3 TOMORROW MORNING AT 9:30. AND WE HOPE THAT YOU CONTINUE TO
4 HAVE A GOOD EVENING AND THAT YOU HAVE A GOOD DINNER WAITING
5 FOR YOU.

6 I HAD A LITTLE WHILE AGO ALERTED THE MARSHALS THAT
7 YOU MIGHT BE LEAVING A LITTLE EARLIER THIS EVENING. IT WAS
8 HARD FOR US TO PREDICT AT THAT TIME. SO, HOPEFULLY, YOUR
9 TRANSPORTATION WILL SOON BE READY, IF IT IS NOT READY AT
10 THIS POINT. AND SIMILARLY FOR YOUR MEAL, TO BE IN CONJUNCTION
11 WITH THE SCHEDULE THAT WE ARE HAVING HERE.

12 IN ANY EVENT, HAVE A GOOD EVENING. DO NOT DISCUSS
13 THE CASE, PLEASE, WITH ANYONE. WE WILL SEE YOU TOMORROW
14 MORNING, AS EVERYONE ELSE IN THE COURTROOM, 9:30 -- EVERYONE
15 ELSE WHO IS A PRINCIPAL IN THE COURTROOM.

16 (WHEREUPON, AT 5:52 P.M., THE TRIAL WAS ADJOURNED,
17 TO RECONVENE AT 9:30 A.M., FRIDAY, MARCH 30, 1984)

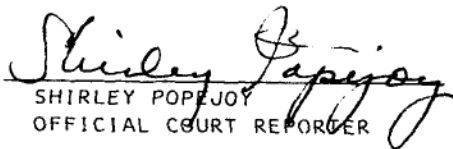
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CERTIFICATE OF REPORTER

I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL
TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER,
AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY
KNOWLEDGE AND ABILITY.



GORDON A. SLODYSKO
OFFICIAL COURT REPORTER



SHIRLEY POPEJOY
OFFICIAL COURT REPORTER



MINDI COLCHICO
OFFICIAL COURT REPORTER

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE DISTRICT OF COLUMBIA

3 - - - - - X
4 UNITED STATES OF AMERICA :
5 VS. : CRIMINAL ACTION
6 GEORGE VERNON HANSEN, : NO. 83-75
7 DEFENDANT : VOLUME NO. 10
8 - - - - - X

9 WASHINGTON, D. C.

10 FRIDAY, MARCH 30, 1984

11 THE ABOVE-ENTITLED MATTER CAME ON FOR FURTHER TRIAL
12 BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES DISTRICT
13 JUDGE, AT APPROXIMATELY 9:30 A.M.

14 APPEARANCES:

15 FOR THE GOVERNMENT:

16 REID WEINGARTEN, ESQ.
17 JAMES COLE, ESQ.

18 FOR THE DEFENDANT:

19 NATHAN LEWIN, ESQ.
20 FRANK A. S. CAMPBELL, ESQ.
21 STEPHEN BRAGA

22
23 GORDON A. SLODYSKO
24 OFFICIAL COURT REPORTER
25 4800-E U.S. COURTHOUSE
WASHINGTON, D. C. 20001
(202) 371-1734

I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>VOIR DIRE</u>	<u>REDIRECT</u>	<u>RECROSS</u>
RICHARD NIELSON	1630	1640 1648	1647	1655	1655
ROBERT G. ROWE, III	1657	1662		1668	

<u>EXHIBIT</u>	<u>FOR IDENTIFICATION</u>	<u>IN EVIDENCE</u>
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GOVERNMENT'S

80	1633
81-A	1634
81-B	1635
81-C	1636
81-D	1656
82 AND 83	1639
84	1640
85	1658
86	1660

DEFENDANT'S

89	1643
90	1663

P R O C E E D I N G S

THE COURT: GOOD MORNING.

MR. LEWIN: COULD WE JUST APPROACH THE BENCH A
MOMENT, YOUR HONOR?

THE COURT: I DON'T KNOW HOW I COULD HAVE STARTED
A DAY WITHOUT AN APPROACH TO THE BENCH BY ONE SIDE OR THE
OTHER. WHY NOT DO IT TODAY. ALL RIGHT.

(AT THE BENCH)

MR. LEWIN: THIS IS JUST ON A PERSONAL MATTER.
I KNOW YOUR HONOR'S PLAN IS TO RECESS AT THE CONCLUSION OF
THE TESTIMONY THIS MORNING OVER THE WEEKEND, UNTIL MONDAY.

THE COURT: UNLESS, OF COURSE, YOU HAD SOME SUR-
REBUTTAL, AND THEN I ASSUMED MR. COLE WOULD STAY FOR THAT.

MR. LEWIN: RIGHT. I DON'T HAVE ANY EXPECTATION
THAT WE WILL. MY REQUEST ONLY IS THAT -- IT IS A COMBINATION
OF FACTORS. OBVIOUSLY, BOTH MR. WEINGARTEN AND MY RELIGIOUS--

THE COURT: I CERTAINLY UNDERSTAND.

MR. LEWIN: AND I WOULD APPRECIATE IT IF YOUR HONOR
WOULD NOT TELL THE JURY THAT THERE WAS ANY MATTER OF RELIGIOUS
COMMITMENT BY COUNSEL.

THE COURT: I DON'T INTEND TO. I DON'T INTEND TO.

MR. LEWIN: O.K. BECAUSE I DON'T WANT THE JURY
TO THINK THAT -- I THINK THEY MIGHT ASSOCIATE IT WITH ME IN
SOME WAY.

THE COURT: I AM NOT GOING TO SAY THAT. I AM JUST

1 GOING TO SAY THERE ARE SOME MATTERS THAT COUNSEL AND THE
2 COURT HAVE TO ADDRESS TOGETHER, WHICH IS CERTAINLY TRUE -- I
3 AM NOT SAYING WHICH COUNSEL -- AND THAT IT IS GOING TO TAKE
4 US SOME TIME TO DO THAT, AND RATHER THAN KEEP YOU HERE AND
5 STOP AND START, WHAT WE PLAN TO DO IS TO, IF WE ARE AT THAT
6 POINT, LET YOU HAVE CLOSING ARGUMENTS ON MONDAY MORNING, SO
7 THAT THEY CAN PLAN THEIR WEEKEND, AND INSTRUCTIONS IMMEDIATELY
8 AFTER LUNCH IF OUR PLANS AND TIME GO ACCORDINGLY, AND YOU WILL
9 HAVE THE CASE HOPEFULLY SOMETIME BETWEEN 2:00 AND 3:00 O'CLOCK
10 TO START YOUR DELIBERATIONS. THIS WAY, THEY CAN PLAN OVER
11 THE WEEKEND THAT IT'S GOING TO END. THAT'S IT.

12 MR. LEWIN: O.K. I JUST DON'T WANT THEM TO THINK
13 THEY ARE BEING HELD OVER THE WEEKEND BECAUSE OF A RELIGIOUS
14 COMMITMENT ON THE PART OF ANY COUNSEL.

15 THE COURT: NO, I OBVIOUSLY WOULDN'T SAY THAT.
16 AND I'M REGRETFUL I HAVE TO DO IT, BUT I THINK
17 IT'S THE ONLY WAY TO DO IT AND NOT TO DO IT PIECEMEAL.

18 MR. LEWIN: I UNDERSTAND.

19 THE COURT: WHICH WOULD NOT BE GOOD FOR EITHER SIDE,
20 TO DO IT PIECEMEAL, AND FOR THE JURY AND FOR ALL OF US.

21 SO I HAVE ALREADY TALKED TO THE MARSHALS TO TELL
22 THEM TO HAVE AN ACCOMMODATION HERE CLOSER TO 12:00 TODAY
23 THAN THEIR USUAL TIME, TO GIVE THEM SOME KIND OF ENTERTAINMENT
24 THIS EVENING, AND DO SOMETHING WITH THEM THAT WILL REALLY
25 KEEP THEM HAPPY AND BUSY THIS WEEKEND. AT LEAST THEY CAN IN

1 THEIR MINDS THINK, I HOPE, THIS IS THE LAST WEEKEND THEY WILL
2 BE WITH US.

3 MR. LEWIN: RIGHT. BUT IN TERMS OF GOING OVER THE
4 WEEKEND, THEY WILL KNOW THAT THAT IS JUST A MATTER OF COURT
5 CALENDAR.

6 THE COURT: DON'T WORRY ABOUT IT. WHATEVER I SAY
7 WILL NOT INVOLVE ANY SPECIFIC COUNSEL. JUST, IN EFFECT,
8 THAT WE HAVE OUR WORK TO DO.

9 MR. LEWIN: GOOD.

10 THE COURT: ALL RIGHT?

11 MR. LEWIN: THANK YOU.

12 THE COURT: GOOD.

13 (IN OPEN COURT)

14 THE COURT: NOW, ARE WE READY FOR THE JURY? I THINK
15 SO. WILL YOU BRING THE JURY IN, PLEASE.

16 MAY WE HAVE QUIET IN THE COURTROOM, PLEASE? THANK
17 YOU.

18 (THE JURY RETURNED TO THE COURTROOM)

19 THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

20 THE JURY (EN MASSE): GOOD MORNING.

21 THE COURT: WE CONTINUE WITH THE TESTIMONY, IN THE
22 REBUTTAL OF THE GOVERNMENT AT THIS MOMENT. AND YOUR NEXT
23 WITNESS -- MR. COLE, IS IT? RIGHT. MR. COLE.

24 MR. COLE: YOUR HONOR, THE NEXT WITNESS IS A
25 STIPULATION.

1 THE COURT: ALL RIGHT.

2 MR. COLE: IF I COULD HAVE THIS MARKED AS THE NEXT
3 STIPULATION IN ORDER.

4 THE COURT: AND WHILE THAT IS BEING DONE, LADIES
5 AND GENTLEMEN OF THE JURY, YOU ARE REMINDED THAT A STIPULATION,
6 OF COURSE, IS AN AGREED-UPON STATEMENT BY AND BETWEEN COUNSEL
7 AND THE DEFENDANT, AND YOU MAY CONSIDER IT AS UNDISPUTED
8 EVIDENCE IN THE CASE.

9 MR. COLE.

10 MR. COLE: STIPULATION NO. 13: "IT IS HEREBY
11 STIPULATED AND AGREED BY THE PARTIES THAT THE ATTACHED
12 RECORDS ENTITLED 'A.C.T. LOANS FROM G.V.H.' IS A RECORD
13 COMPILED AND MAINTAINED BY MARTIN ADVERTISING AGENCY,
14 REFERRED TO ON THIS DOCUMENT AS 'M.A.A.', AND REFLECTS THE
15 ACCOUNTING OF LOANS MADE BY GEORGE V. HANSEN REFERRED TO ON
16 THE DOCUMENT AS CREDITS, AND REPAYMENTS MADE TO GEORGE V.
17 HANSEN REFERRED TO ON THIS DOCUMENT AS DEBITS, AND IS
18 ADMISSIBLE." AND ATTACHED THERETO IS A DOCUMENT OF TWO
19 PAGES REFLECTING THOSE PAYMENTS TO AND REPAYMENTS BY.

20 THE COURT: ALL RIGHT.

21 MR. COLE: THANK YOU, YOUR HONOR.

22 THE COURT: MR. WEINGARTEN?

23 MR. WEINGARTEN: MR. NIELSON, PLEASE.

24 THE COURT: ALL RIGHT.
25

1 RICHARD NIELSON

2 WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN,
3 WAS EXAMINED AND TESTIFIED AS FOLLOWS:

4 THE COURT: GOOD MORNING.

5 THE WITNESS: GOOD MORNING.

6 DIRECT EXAMINATION

7 BY MR. WEINGARTEN:

8 Q YOUR NAME, SIR?

9 A RICHARD NIELSON.

10 Q AND PLEASE SPELL YOUR LAST NAME.

11 A N-I-E-L-S-O-N.

12 Q MR. NIELSON, PLEASE SPEAK INTO THE MICROPHONE SO
13 EVERYBODY CAN HEAR YOU.

14 WHERE DO YOU LIVE, SIR?

15 A IDAHO FALLS, IDAHO.

16 Q AND FOR THOSE OF US WHO ARE NOT FAMILIAR WITH THE
17 GEOGRAPHY OF IDAHO, WHERE IS THAT IN RELATION TO THE MAJOR
18 CITIES?

19 A IT IS IN THE EASTERN PART OF THE STATE, 100 MILES
20 SOUTH OF YELLOWSTONE PARK.

21 Q AND WHERE IS IT IN RELATION TO POCA TELLO?

22 A FIFTY MILES NORTH.

23 Q HOW ARE YOU EMPLOYED, SIR?

24 A I AM EMPLOYED AT THE BANK OF COMMERCE IN IDAHO FALLS.

25 Q AND IN WHAT CAPACITY?

1 A VICE PRESIDENT AND CASHIER.

2 Q OF THE BANK OF COMMERCE?

3 A BANK OF COMMERCE, YES, SIR.

4 Q AND HOW MANY BRANCHES DOES THE BANK OF COMMERCE
5 HAVE?

6 A FIVE BRANCHES.

7 Q AND WHERE WOULD THEY ALL BE LOCATED?

8 A IN THE IDAHO FALLS AREA.

9 Q DO YOU KNOW THE DEFENDANT, MR. HANSEN?

10 A YES.

11 Q IN WHAT CAPACITY, SIR?

12 A I JUST MET HIM AND KNOW HIM, AND HE IS AN
13 ACQUAINTANCE.

14 Q DO YOU KNOW HIM OUTSIDE OF A BANKING, BUSINESS
15 RELATIONSHIP?

16 A THROUGH SOME POLITICAL CONTACTS.

17 Q IS HE A PERSONAL FRIEND?

18 A NO.

19 Q ALL RIGHT. DID THERE COME A TIME WHEN MR. HANSEN
20 DID SOME BANKING AT YOUR BANK?

21 A YES.

22 Q AND WHEN WOULD THAT HAVE BEEN?

23 A FROM MARCH 2ND OF '82 TO --

24 Q ALL RIGHT, LET'S JUST START WITH THE BEGINNING.
25 WHAT WAS THE DATE?

1 A MARCH 2ND OF '82.

2 Q NOW, MR. NIELSON, HOW LONG HAVE YOU BEEN AT THE
3 BANK OF COMMERCE?

4 A TWENTY YEARS.

5 Q AND IS IT FAIR TO SAY THAT PRIOR TO MARCH THE 2ND,
6 1982, MR. HANSEN DID NO BUSINESS AT YOUR BANK?

7 A CORRECT.

8 Q AND WHAT HAPPENED ON MARCH THE 2ND, 1982?

9 A MR. HANSEN OPENED A CHECKING ACCOUNT AND ALSO OBTAINED
10 SOME LOANS.

11 Q ALL RIGHT. MR. NIELSON, I SHOW YOU WHAT HAS BEEN
12 MARKED AS GOVERNMENT EXHIBIT 80 AND ASK YOU IF YOU CAN IDENTIFY
13 IT, SIR.

14 A YES. THAT'S A CHECKING ACCOUNT SIGNATURE CARD FOR
15 THE OPENING OF A NEW ACCOUNT.

16 Q AND WHOSE NAMES ARE ON THOSE ACCOUNTS?

17 A THE NAME OF THE ACCOUNT IS "GEORGE HANSEN A.C.T.
18 ACCOUNT", AND THERE'S SIGNATURES OF GEORGE HANSEN AND
19 JIM OSTLER.

20 Q AND WHEN WAS THAT ACCOUNT OPENED?

21 A MARCH 1ST OF '82.

22 Q ALL RIGHT. DO YOU RECALL IF MR. HANSEN PERSONALLY
23 DID THAT?

24 A I DON'T RECALL.

25 Q IS THERE A SIGNATURE ON THERE?

1 A YES.

2 Q AND WHOSE SIGNATURE IS THAT?

3 A IT'S THE INITIALS OF OUR NEW-ACCOUNTS GIRL. THAT'S
4 THE SIGNATURES OF MR. HANSEN AND MR. OSTLER ON THE CARD.

5 Q AND "A.C.T." IS ON THAT SIGNATURE CARD?

6 A YES.

7 Q AND DO YOU KNOW WHAT THAT IS, SIR?

8 A ASSOCIATION OF CONCERNED TAXPAYERS.

9 Q ALL RIGHT.

10 MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT'S
11 EXHIBIT 80.

12 MR. LEWIN: NO OBJECTION.

13 THE COURT: IT'S IN EVIDENCE.

14 (GOVERNMENT'S EXHIBIT 80 WAS
15 RECEIVED IN EVIDENCE)

16 BY MR. WEINGARTEN:

17 Q DID YOU ALSO TESTIFY, SIR, THAT MR. HANSEN MADE
18 SOME LOANS AT THE BANK IN MARCH OF 1982?

19 A YES, SIR.

20 Q MR. NIELSON, I HAND YOU FIRST WHAT HAS BEEN MARKED
21 GOVERNMENT EXHIBIT 81-A AND ASK YOU, SIR, IF YOU CAN IDENTIFY
22 IT.

23 A YES. IT IS A LOAN FOR \$40,000 DATED MARCH 2ND.

24 Q MARCH 2ND OF WHAT YEAR, PLEASE?

25 A 1982.

1 Q AND WHO IS THE LOAN MADE OUT TO?

2 A GEORGE HANSEN.

3 Q AND WHO WAS THE LOAN MADE BY?

4 A GEORGE HANSEN.

5 Q ALL RIGHT. AND DOES IT HAVE ANY CONNECTION WITH
6 YOUR BANK?

7 A YES. IT WAS ISSUED BY OUR BANK.

8 Q ALL RIGHT. AND JUST SO WE ARE. WHAT DATE
9 WOULD THAT BE, AGAIN, SIR?

10 A MARCH 2ND OF '82.

11 Q AND AGAIN, THE AMOUNT?

12 A \$40,000.

13 Q AND IS THERE A DOCUMENT BELOW THE NOTE THAT IS
14 INCLUDED ON THAT XEROX COPY?

15 A YES. THAT'S A COPY OF THE CASHIER'S CHECK ISSUING
16 THE PROCEEDINGS OF THE LOAN.

17 Q AND WHO ISSUED THE CASHIER'S CHECK?

18 A THE BANK OF COMMERCE.

19 Q AND WHO DID IT ISSUE THE CASHIER'S CHECK TO?

20 A GEORGE HANSEN.

21 MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT
22 EXHIBIT 81-A.

23 MR. LEWIN: NO OBJECTION.

24 THE COURT: IT'S IN EVIDENCE.

25 (GOVERNMENT'S EXHIBIT 81-A WAS
RECEIVED IN EVIDENCE)

1 BY MR. WEINGARTEN:

2 Q MR. NIELSON, 81-B. IDENTIFY THAT, IF YOU WOULD, SIR.

3 A A LOAN TO GEORGE HANSEN BY THE BANK OF COMMERCE

4 IN THE AMOUNT OF \$20,000, DATED MARCH 8TH, '82.

5 Q AND AGAIN, THE LOAN IS MADE BY YOUR BANK?

6 A YES, SIR.

7 Q TO CONGRESSMAN HANSEN?

8 A YES, SIR.

9 Q AND IT'S DATED?

10 A MARCH 8TH, '82.

11 Q AND THE AMOUNT AGAIN?

12 A TWENTY THOUSAND -- OR TEN THOUSAND DOLLARS. EXCUSE

13 ME.

14 Q HOW MUCH IS IT?

15 A TWENTY THOUSAND.

16 Q AND IS THERE A CASHIER'S CHECK BENEATH THE PROMISSORY
17 NOTE THAT REFLECTS THE PROCEEDS?

18 A YES, SIR.

19 Q AND THE CASHIER'S CHECK IS MADE OUT TO WHOM?

20 A GEORGE HANSEN.

21 MR. WEINGARTEN: I MOVE 81-B INTO EVIDENCE.

22 MR. LEWIN: NO OBJECTION.

23 THE COURT: IN EVIDENCE.

24 (GOVERNMENT'S EXHIBIT 81-B WAS
25 RECEIVED IN EVIDENCE)

1 BY MR. WEINGARTEN:

2 Q 81-C, SIR. IDENTIFY IT, PLEASE.

3 A A LOAN TO GEORGE HANSEN ISSUED BY THE BANK OF COMMERCE
4 IN THE AMOUNT OF \$20,000, DATED MARCH 11TH, '82.

5 Q AND JUST AGAIN, IT'S A NOTE FROM YOUR BANK TO
6 CONGRESSMAN HANSEN?

7 A CORRECT.

8 Q AND IS A CASHIER'S CHECK REFLECTED?

9 A THE PROCEEDS OF THE LOAN, YES, SIR, TO GEORGE HANSEN.

10 Q IS THERE ALSO ANOTHER CHECK REFLECTED ON THAT DOCU-
11 MENT?

12 A YES. THE CASHIER'S CHECK WAS FOR 21,000, 20,000
13 PROCEEDS OF THE LOAN AND 1,000 FROM THE A.C.T. ACCOUNT THAT
14 HE HAD AT OUR BANK.

15 Q ALL RIGHT. AND WHAT IS THE DATE OF THE A.C.T. CHECK?

16 A MARCH 11TH.

17 Q AND WOULD THAT BE THE SAME DATE AS THE LOAN?

18 A YES.

19 MR. WEINGARTEN: MOVE INTO EVIDENCE 81-C.

20 MR. LEWIN: NO OBJECTION.

21 THE COURT: IN EVIDENCE.

22 (GOVERNMENT'S EXHIBIT 81-C WAS
23 RECEIVED IN EVIDENCE)

24 BY MR. WEINGARTEN:

25 Q FINALLY, SIR, 81-D. WOULD YOU IDENTIFY THAT?

1 A YES. IT IS A LOAN AGAIN TO GEORGE HANSEN, IN THE
2 AMOUNT OF \$10,000, ISSUED BY OUR BANK ON MARCH 17TH OF '82.

3 Q AND MADE OUT BY YOUR BANK TO CONGRESSMAN HANSEN.

4 A CORRECT.

5 Q AND SIMILARLY, IS THERE A CASHIER'S CHECK BELOW
6 THAT REFLECTS THE PROCEEDS OF THE LOAN?

7 A YES, SIR.

8 Q AND WHO IS THE CHECK MADE OUT TO?

9 A TO GEORGE HANSEN, IN THE AMOUNT OF \$10,000.

10 Q IS IT FAIR TO SAY, MR. NIELSON, THAT BETWEEN MARCH
11 2ND, 1982, AND MARCH 17TH, 1982, YOUR BANK MADE FOUR LOANS
12 TO CONGRESSMAN HANSEN?

13 A CORRECT.

14 Q AND WITHOUT TAXING YOU THIS EARLY IN THE MORNING,
15 CAN YOU ADD UP THE TOTAL AMOUNT OF THE LOANS?

16 A 90,000.

17 Q NOW, IS THERE AN INDICATION ON THOSE DOCUMENTS AS
18 TO WHERE THOSE CASHIER CHECKS WENT?

19 A NOT ON THESE DOCUMENTS, NO, SIR.

20 Q BUT DID YOU PROVIDE THE GOVERNMENT WITH CERTAIN
21 DOCUMENTS WHERE THERE IS SUCH A REFLECTION, PURSUANT TO
22 SUBPOENA?

23 A YES. COPIES OF THE ORIGINAL CASHIER'S CHECKS.

24 THE COURT: COULD I SEE THOSE MATTERS THAT ARE IN
25 EVIDENCE, MR. WEINGARTEN? OR MR. WOOD.. THANK YOU.

1 BY MR. WEINGARTEN:

2 Q MR. NIELSON, I HAND YOU WHAT HAS BEEN MARKED GOVERN-
3 MENT EXHIBITS 82 AND 83 AND ASK YOU, SIR, WHAT THEY ARE.

4 A COPIES OF THE ORIGINAL CASHIER'S CHECKS FOR THE
5 PROCEEDS OF LOANS.

6 Q AND IS THERE AN INDICATION ON THOSE CHECKS WHERE
7 THE MONEY WAS DEPOSITED?

8 A YES. THE MONEY WAS ALL DEPOSITED IN FIRST INTERSTATE
9 BANK.

10 Q FIRST INTERSTATE BANK OF WHAT? OF IDAHO?

11 A OF IDAHO.

12 Q AND THAT IS A SISTER BANK IN YOUR STATE -- OR
13 ANOTHE BANK IN THIS AREA.

14 A THAT'S ANOTHER BANK, YES.

15 Q NOW, IS THERE A FIFTH CASHIER'S CHECK IN THAT GROUP
16 THAT IS NOT THE PROCEEDS OF THE FOUR LOANS THAT YOU MENTIONED?

17 A YES.

18 Q AND WHAT CHECK IS THAT, SIR?

19 A IT IS A CASHIER'S CHECK IN THE AMOUNT OF \$4,900
20 ISSUED TO GEORGE HANSEN. IT IS REMITTANCE OUT OF A CHECK
21 FROM HIS A.C.T. ACCOUNT WITH US.

22 Q SO IS IT FAIR TO SAY THAT THAT CHECK REFLECTS A
23 CASHIER'S CHECK THAT YOUR BANK CUT PURSUANT TO A CHECK FROM
24 CONGRESSMAN HANSEN'S A.C.T. ACCOUNT?

25 A CORRECT.

1 Q AND WHERE WAS THAT CASHIER'S CHECK DEPOSITED?

2 A IT WAS ALSO DEPOSITED IN FIRST INTERSTATE BANK.

3 Q SO THE SUM TOTAL OF THOSE FIVE CASHIER'S CHECKS
4 WAS APPROXIMATELY WHAT?

5 A 94,900.

6 Q I'M SORRY?

7 A 95,900.

8 Q O.K.

9 MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT
10 EXHIBITS 82 AND 83.

11 MR. LEWIN: NO OBJECTION.

12 THE COURT: IN EVIDENCE.

13 (GOVERNMENT'S EXHIBITS 82 AND 83
14 WERE RECEIVED IN EVIDENCE)

15 BY MR. WEINGARTEN:

16 Q DID THE BANK PRODUCE A LOAN REPORT PURSUANT TO
17 THE ISSUANCE OF THESE LOANS?

18 A YES, SIR.

19 Q MR. NIELSON, I HAND YOU WHAT HAS BEEN MARKED GOVERN-
20 MENT EXHIBIT 84 AND ASK YOU IF YOU CAN IDENTIFY IT.

21 A YES. THEY ARE LOAN REPORTS CONCERNING THE LOANS
22 THAT HAVE BEEN MENTIONED.

23 Q IS THERE ANY INDICATION OF WHAT THE PURPOSE OF THOSE
24 LOANS ARE TO BE?

25 A OPERATING EXPENSES.

1 Q MR. NIELSON, HAVE YOU COME TO LEARN WHAT THOSE
2 OPERATING EXPENSES WERE TO BE FOR?

3 A IT'S MY UNDERSTANDING IT WAS FOR THE MASS MAILING
4 OF A LETTER FOR PURPOSES UNKNOWN.

5 Q THANK YOU, SIR.

6 MR. WEINGARTEN: WE MOVE INTO EVIDENCE GOVERNMENT
7 EXHIBIT 84.

8 MR. LEWIN: NO OBJECTION.

9 THE COURT: IT'S IN EVIDENCE.

10 (GOVERNMENT'S EXHIBIT 84 WAS

11 RECEIVED IN EVIDENCE)

12 MR. WEINGARTEN: AND NO FURTHER QUESTIONS.

13 THE COURT: CROSS-EXAMINATION.

14 CROSS-EXAMINATION

15 BY MR. LEWIN:

16 Q GOOD MORNING, MR. NIELSON.

17 A GOOD MORNING.

18 Q WE HAVEN'T MET BEFORE TODAY, BEFORE THIS MORNING.
19 IS THAT RIGHT?

20 A THAT'S CORRECT.

21 Q YOU TESTIFIED IN ANSWER TO MR. -- LET ME JUST ADD
22 TO THAT. WE HAVEN'T MET BEFORE THIS MORNING, NOR HAVE YOU
23 MET OR TALKED TO COUNSEL FOR -- OTHER COUNSEL WHO ARE AT THE
24 TABLE HERE WITH ME, MR. CAMPBELL OR MR. BRAGA.

25 A NO, SIR.

1 Q O.K. YOU TESTIFIED IN ANSWER TO MR. WEINGARTEN'S
2 QUESTIONS ABOUT TWO SPECIFIC TRANSACTIONS THAT OCCURRED AT
3 ABOUT THE BEGINNING OF MARCH, 1982, WITH REGARD TO CONGRESSMAN
4 HANSEN AND YOUR BANK. IS THAT CORRECT?

5 A YES, SIR.

6 Q SPECIFICALLY, ONE WAS THE OPENING OF AN ACCOUNT,
7 A CHECKING ACCOUNT, IN THE NAME OF A.C.T. AT THAT TIME, AND
8 YOU IDENTIFIED THAT SIGNATURE CARD. IS THAT CORRECT?

9 A CORRECT.

10 Q AND THEN YOU TESTIFIED ALSO ABOUT THE FACT THAT
11 AT THAT SAME TIME, OR ABOUT THAT SAME TIME, CONGRESSMAN HANSEN
12 APPLIED FOR AND RECEIVED LOANS WHICH TOTALED ABOUT \$90,000.
13 IS THAT CORRECT?

14 A CORRECT.

15 Q IT'S A FACT, IS IT NOT, THAT THOSE WERE TWO SEPARATE
16 TRANSACTIONS AT YOUR BANK?

17 A CORRECT.

18 Q THE MONEY, THE \$90,000 LOANS THAT HE RECEIVED WERE
19 NOT DEPOSITED IN THE A.C.T. ACCOUNT, WERE THEY?

20 A CORRECT.

21 Q THE \$90,000 LOAN WAS A LOAN WHICH YOU MADE TO
22 CONGRESSMAN HANSEN ON THE BASIS OF HIS APPLICATION WITH OTHERS
23 WHO APPEARED AS GUARANTORS IN SOME WAY; IS THAT CORRECT?

24 A YES. THEY WERE ALL OUTSIDE GUARANTEES.

25 Q ALL RIGHT. AND WITH REGARD TO THAT \$90,000 LOAN,

1 THE PROCEEDS, AS YOU HAVE IDENTIFIED IT TO MR. WEINGARTEN,
2 WENT INTO ANOTHER BANK IN IDAHO CALLED THE FIRST INTERSTATE
3 BANK.

4 A CORRECT.

5 Q NOW, YOU, YOURSELF, WERE NOT INVOLVED, REALLY, AT
6 THE BEGINNING OF MARCH IN THE DISCUSSIONS WITH CONGRESSMAN
7 HANSEN CONCERNING THESE LOANS, WERE YOU?

8 A NO, SIR.

9 Q AND IT WAS IN FACT THE PRESIDENT OF THE BANK WHO
10 WAS INVOLVED, TO THE BEST OF YOUR KNOWLEDGE?

11 A CORRECT.

12 Q AND WHAT'S HIS NAME?

13 A RICHARD ADAMS.

14 Q SO YOU REALLY DON'T KNOW OF YOUR OWN FIRSTHAND
15 KNOWLEDGE WHAT IT WAS THAT CONGRESSMAN HANSEN SAID TO MR.
16 ADAMS WITH REGARD TO THAT LOAN.

17 A CORRECT.

18 Q O.K. AND IT IS ONLY LATER ON THAT YOU WERE TOLD
19 THAT IT HAD SOMETHING TO DO WITH A MASS MAILING.

20 A CORRECT.

21 Q O.K. NOW, YOU SAY THE PROCEEDS WENT INTO THE FIRST
22 INTERSTATE BANK. WHERE IS THE FIRST INTERSTATE BANK LOCATED?

23 A THEY ARE LOCATED THROUGHOUT IDAHO, AND THE ENDORSE-
24 MENT ON THE CHECK DOESN'T INDICATE WHERE. I WOULD ASSUME
25 POCATELLO WAS WHERE HE DID HIS BANKING, BUT THEY HAD A CENTRAL

1 PROCESSING FOR ALL OF EASTERN IDAHO IN IDAHO FALLS, SO IT
2 WOULD NOT INDICATE.

3 Q BUT THEY HAVE A BRANCH IN POCATELLO, IS THAT RIGHT?

4 A CORRECT.

5 Q AND YOU, BEING A BANKER IN IDAHO, YOU ARE FAMILIAR
6 WITH THE APPEARANCE OF CHECKS THAT BEAR THE FIRST INTERSTATE
7 BANK -- CHECKS THAT ARE DRAWN ON THE FIRST INTERSTATE BANK;
8 YOU KNOW WHAT THEY LOOK LIKE.

9 A YES, SIR.

10 Q AND YOU ARE ALSO FAMILIAR WITH CONGRESSMAN HANSEN'S
11 SIGNATURE, ARE YOU NOT?

12 A YES, SIR.

13 Q LET ME PLACE BEFORE YOU --

14 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 89 MARKED
15 FOR IDENTIFICATION.

16 (DEFENDANT'S EXHIBIT NO. 89 WAS
17 MARKED FOR IDENTIFICATION)

18 BY MR. LEWIN:

19 Q -- MR. NIELSON, A DOCUMENT THAT I HAVE MARKED
20 DEFENDANT'S EXHIBIT 89 FOR IDENTIFICATION AND ASK YOU WHETHER
21 THAT IS A CHECK, TO YOUR KNOWLEDGE, OF THE FIRST INTERSTATE
22 BANK OF IDAHO.

23 A CORRECT.

24 Q AND DO YOU RECOGNIZE CONGRESSMAN HANSEN'S SIGNATURE
25 ON THAT?

1 A YES, THAT IS HIS SIGNATURE.

2 MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 81 IN
3 EVIDENCE.

4 MR. WEINGARTEN: MAY WE APPROACH THE BENCH?
5 (AT THE BENCH)

6 MR. WEINGARTEN: YOUR HONOR, I SHOW THE COURT WHAT
7 HAS JUST BEEN OFFERED INTO EVIDENCE. THIS IS AN EXHIBIT THAT
8 DEFENSE COUNSEL, AT LEAST, AT ONE POINT ANTICIPATED INTRODUCING.
9 IT IS A CHECK MADE OUT TO PIEDMONT AIRLINES ON THE DATE OF
10 NOVEMBER 21, 1981. IT IS OBVIOUSLY RELEVANT TO CERTAIN MATTERS
11 IN THIS CASE. THIS IS A TOTALLY INAPPROPRIATE WITNESS TO
12 INTRODUCE THIS EVIDENCE THROUGH.

13 IF THE ONLY POINT IS TO IDENTIFY THE CHECK OF THE
14 FIRST INTERSTATE BANK, THEN WE CAN ELIMINATE THE NOTATION
15 OF PIEDMONT AIRLINES COMPLETELY AND LIMIT THE EVIDENCE TO
16 FIRST INTERSTATE AND THE SIGNATURE. BUT TO INTRODUCE THIS
17 INFORMATION THROUGH THIS WITNESS IS TOTALLY IMPROPER.

18 MR. LEWIN: AS MR. WEINGARTEN HAS INDICATED, IT
19 IS RELEVANT -- IT IS VERY RELEVANT TO THIS CASE. THIS WITNESS
20 CAN IDENTIFY AND AUTHENTICATE IT BY IDENTIFYING THE SIGNATURE
21 AND THE FACT THAT IT IS A CHECK. QUITE FRANKLY, AS HE
22 REALIZES, WE HAD GIVEN HIM A COPY OF THAT EXHIBIT IN ADVANCE.
23 WE HAD INTENDED TO INTRODUCE IT, AND WE HAD NOT HAD A WITNESS
24 WHO WOULD BE ABLE TO AUTHENTICATE IT. HE CAN AUTHENTICATE IT.

25 MR. WEINGARTEN: HE CAN AUTHENTICATE THE SIGNATURE

1 AND HE CAN AUTHENTICATE FIRST INTERSTATE.

2 MR. LEWIN: HE CAN AUTHENTICATE THE CHECK. THE
3 DOCUMENT IS A CHECK SIGNED BY CONGRESSMAN HANSEN WRITTEN IN
4 CONGRESSMAN HANSEN'S HANDWRITING. THE ONLY OBJECTION THAT
5 I HAVE HEARD AND THE ONLY OBJECTION THAT POSSIBLY COULD BE
6 MADE IS THAT IT IS NOT AUTHENTICATED. HE HAS NOW AUTHENTICATED
7 IT.

8 THE COURT: WHAT ABOUT THE DATE, NOVEMBER '81, WHEN
9 WE ARE TALKING ABOUT PROCEEDINGS IN 1982?

10 MR. LEWIN: IT HAS NOTHING DIRECTLY TO DO WITH THE
11 MARCH '82 THING, BUT IT HAS TO DO WITH CONGRESSMAN HANSEN'S
12 TRIP TO SEE MR. MEADE IN VIRGINIA. AND THAT'S WHY IT IS
13 RELEVANT TO THE CASE, AS MR. WEINGARTEN KNOWS. AND ALL THAT
14 WE NEED IN TERMS OF ADMITTING IT IS THE AUTHENTICATION. HE
15 HAS NOW AUTHENTICATED IT, BECAUSE OF HIS FAMILIARITY BOTH
16 WITH THE FORM OF THE CHECK AND WITH THE SIGNATURE. SO IT
17 IS IN EVIDENCE, AND WE CAN USE IT.

18 I MEAN IF THEY PUT ON A WITNESS WHO THEY CAN USE
19 TO AUTHENTICATE A DOCUMENT WITH, WE CAN AUTHENTICATE THE
20 DOCUMENT AND THEN PUT IT IN EVIDENCE AND USE IT FOR WHATEVER
21 PURPOSE.

22 MR. WEINGARTEN: THIS IS A HEARSAY DOCUMENT WITH
23 INFORMATION BELOW AND INFORMATION AT THE TOP. THIS MAN CAN
24 SAY HE RECOGNIZES THE CHECK OF FIRST INTERSTATE AND HE RECOG-
25 NIZES HIS SIGNATURE. IT IS TOTALLY INAPPROPRIATE TO ELICIT

1 HEARSAY INFORMATION FROM THIS WITNESS WITH REGARD TO OTHER
2 MATTERS.

3 MR. LEWIN: COMMERCIAL DOCUMENTS, YOUR HONOR --

4 MR. WEINGARTEN: HE'S NOT FROM FIRST INTERSTATE.

5 MR. LEWIN: HE MAY NOT BE FROM FIRST INTERSTATE
6 BANK, BUT HE HAS PROVIDED SUFFICIENT FOUNDATION FOR AUTHENTI-
7 CATION OF THAT DOCUMENT. THEREFORE, WE SUBMIT IT IS PROPERLY
8 ADMISSIBLE IN EVIDENCE.

9 THERE IS NO POSSIBLE OBJECTION TO IT. IT IS CLEARLY
10 RELEVANT. IF HE WERE ABLE -- IF WE HAD A LETTER OF
11 CONGRESSMAN HANSEN'S THAT WE WANTED TO INTRODUCE AND HE COULD
12 IDENTIFY THE SIGNATURE, HE COULD INTRODUCE IT AS SOMETHING
13 WHICH WAS WRITTEN IN CONGRESSMAN HANSEN'S HANDWRITING. HERE,
14 THEY HAVE PUT THE WITNESS ON. WE OFFER THE DOCUMENT. HE
15 IS ABLE TO AUTHENTICATE IT. IT GOES IN EVIDENCE.

16 MR. WEINGARTEN: I DON'T THINK HE CAN AUTHENTICATE
17 IT AT ALL. HE'S AUTHENTICATED FIRST INTERSTATE AND THE
18 SIGNATURE.

19 MR. LEWIN: HE HAS AUTHENTICATED IT.

20 MR. WEINGARTEN: CAN I VOIR DIRE ON THAT?

21 THE COURT: YOU CAN VOIR DIRE HIM.

22 MR. WEINGARTEN: O.K.

23 (IN OPEN COURT)

24 THE COURT: THERE WILL BE VOIR DIRE ON THIS MATTER
25 FOR A MOMENT. MR. WEINGARTEN.

1 VOIR DIRE EXAMINATION

2 BY MR. WEINGARTEN:

3 Q MR. NIELSON, THE DEFENSE EXHIBIT THAT WAS JUST PRE-
4 SENTED BEFORE YOU, DO YOU HAVE IT, SIR? HAVE YOU EVER SEEN
5 THAT DOCUMENT BEFORE, SIR?

6 A NO.

7 Q WHAT BANK IS INDICATED THERE?

8 A FIRST INTERSTATE BANK, POCATELLO OFFICE, SOUTH
9 MAIN, POCATELLO, IDAHO.

10 Q ARE YOU A REPRESENTATIVE OF THAT BANK, SIR?

11 A NO, SIR.

12 Q HAVE YOU EVER BEEN A REPRESENTATIVE OF THAT BANK?

13 A NO.

14 Q DO YOU HAVE ANY IDEA WHETHER OR NOT THAT IS A
15 LEGITIMATE CHECK FROM THAT BANK?

16 A FROM KNOWLEDGE OF BANKING, I WOULD SAY IT'S A
17 LEGITIMATE CHECK.

18 Q DO YOU HAVE ANY PERSONAL KNOWLEDGE?

19 MR. LEWIN: LET THE WITNESS CONCLUDE HIS ANSWER.

20 THE COURT: HE WILL CONCLUDE HIS ANSWER.

21 THE WITNESS: FROM MY BANKING KNOWLEDGE, I WOULD
22 SAY IT'S A LEGITIMATE CHECK. IT HAS BEEN PROCESSED AND
23 PROPER ENDORSEMENTS ARE ON IT.

24 BY MR. WEINGARTEN:

25 Q WELL, HAVE YOU EVER SEEN THIS CHECK?

1 A NO.

2 Q DID YOU BRING THAT CHECK FROM YOUR BANK?

3 A NO, I DID NOT.

4 MR. WEINGARTEN: I OBJECT AS EVIDENCE. THIS IS
5 NOT THE PROPER CUSTODIAN FOR THIS EVIDENCE.

6 CROSS EXAMINATION (RESUMED)

7 BY MR. LEWIN:

8 Q MR. NIELSON, WITH REGARD TO THE OTHER DOCUMENTS
9 THAT YOU BROUGHT, BEFORE YOU WERE SUBPOENAED FOR THEM, HAD
10 YOU SEEN THAT CASHIER'S CHECK FOR \$40,000?

11 A I POSSIBLY HAD SEEN IT. I DON'T REMEMBER.

12 Q YOU DON'T REMEMBER WHETHER YOU HAD.

13 A NO.

14 Q DO YOU REMEMBER WHETHER YOU HAD SEEN THE NOTE?

15 A NO.

16 Q THESE ARE ALL JUST DOCUMENTS THAT YOU CAN RECOGNIZE
17 AS BEING APPROPRIATE BANK DOCUMENTS THAT ARE IN CORRECT FORM,
18 AND THEY APPEAR TO BE CORRECT. IS THAT RIGHT?

19 A CORRECT.

20 Q AND THE SAME CAN BE SAID WITH REGARD TO THAT CHECK
21 THAT'S BEFORE YOU.

22 A CORRECT.

23 Q IT APPEARS TO BE A PROPER CHECK FROM THE FIRST
24 INTERSTATE BANK OF IDAHO IN POCA TELLO ON THEIR CHECK FORM,
25 WHICH YOU RECOGNIZE, BEARING HANDWRITING WHICH YOU RECOGNIZE

1 A CORRECT.

2 Q IS THAT CORRECT? AND BEARING ON THE BACK OF IT
3 STAMPS WHICH YOU RECOGNIZE AS BEING AUTHENTIC BANK STAMPS
4 INDICATING IT WAS ENDORSED -- OR IT WAS DEPOSITED AND WENT
5 THROUGH THE BANKING PROCESS; IS THAT CORRECT?

6 A CORRECT.

7 MR. LEWIN: WE OFFER THAT DOCUMENT IN EVIDENCE,
8 YOUR HONOR.

9 MR. WEINGARTEN: WE OBJECT, YOUR HONOR. THIS WITNESS
10 DOES NOT --

11 THE COURT: TO THE BENCH, UNLESS YOU HAVE MORE
12 VOIR DIRE.

13 (AT THE BENCH)

14 MR. WEINGARTEN: BY THIS THEORY, ANY BANKER IN AMERICA
15 COULD BE BROUGHT TO A COURTHOUSE TO AUTHENTICATE ANY CHECK
16 IN AMERICA. I THINK THAT IS JUST NOT THE LAW.

17 MR. LEWIN: THAT'S SIMPLY NOT TRUE. THIS MAN KNOWS
18 CONGRESSMAN HANSEN'S HANDWRITING; HE HAS IDENTIFIED IT.
19 HE KNOWS FROM THE DOCUMENT -- HE KNOWS THAT THIS CHECK -- HE
20 SAID HE IS FAMILIAR WITH THE CHECK FORMS OF FIRST INTERSTATE
21 BANK, HE KNOWS THE FORM, HE KNOWS THE HANDWRITING, HE KNOWS
22 THE STAMPS ON THE BACK. HE HAS AUTHENTICATED THAT DOCUMENT,
23 YOUR HONOR.

24 MR. WEINGARTEN: HE CANNOT SAY THAT THIS -- HE CANNOT
25 AUTHENTICATE THIS CHECK. HE CANNOT SAY THAT THIS CAME FROM

1650

1 HIS BANK RECORDS. HE HAS NO IDEA WHERE THIS CHECK CAME FROM
2 EXCEPT FROM MR. LEWIN.

3 THE COURT: ALL RIGHT. IT IS TRUE THAT IT DIDN'T
4 COME FROM HIS BANK RECORDS. IT IS TRUE THAT IT IS A CHECK
5 DRAWN ON A BANK OTHER THAN HIS BANK. WHAT YOU CAN GET,
6 GENTLEMEN, IS A -- YOU CAN'T GET THE CHECK IN, MR. LEWIN,
7 BUT WHAT YOU CAN GET IN IS WHAT YOU HAVE ALREADY IN THE
8 RECORD AND, IF NECESSARY, A STIPULATION TO SUPPORT THAT:
9 THAT THERE IS A CHECK DRAWN ON THE FIRST INTERSTATE BANK OF
10 IDAHO IN POCA TELLO, IDAHO, THE DATE WAS WHATEVER THE DATE
11 WAS, AND THAT HE RECOGNIZES THE SIGNATURE OF MR. HANSEN.

12 OR, ALTERNATIVELY, YOU CAN PUT A TAPE OVER THE PAYEE
13 ON THAT CHECK. HE CAN'T AUTHENTICATE THE CHECK, AS SUCH.
14 IT ISN'T HIS BANK RECORD. YOU CAN BRING IN SOMEONE FROM THE
15 FIRST INTERSTATE BANK OF POCA TELLO, IF YOU WISH TO DO THAT.
16 BUT IT SEEMS TO ME THAT YOU CAN ACCOMPLISH THE SAME BY SOME
17 KIND OF STIPULATION BETWEEN COUNSEL WITHOUT THE LEGEND AS
18 TO THE PAYEE.

19 MR. LEWIN: YOUR HONOR, I'M SORRY. THE POINT --
20 AND MAYBE THAT HAS NOT BEEN MADE CLEAR. IT IS A VERY CRITICAL
21 POINT. CAN I PLEASE HAVE THE COPY, MR. WEINGARTEN?

22 THE REASON FOR IT IS, AS MR. WEINGARTEN WELL KNOWS,
23 THAT ON THE TRIP DOWN TO SEE MR. MEADE AND ON THAT CHECK,
24 CONGRESSMAN HANSEN WROTE "A.C.T.", SPECIFICALLY AT THE TIME
25 THAT IT WAS; HE WAS MAKING THE TRIP FOR THE ASSOCIATION OF

1 CONCERNED TAXPAYERS. AND IT IS IMPORTANT THAT THAT CHECK
2 GO IN. IT HAS BEEN IDENTIFIED AS A DOCUMENT, AND YOUR HONOR -

3 THE COURT: SIR, THE CASE IS NOT OVER YET; YOU ARE
4 WELCOME TO BRING IN SOMEONE FROM POCATELLO TO TESTIFY WITH
5 REFERENCE TO THE RECORDS, AN APPROPRIATE OFFICIAL TO TESTIFY
6 TO THE RECORDS OF THE FIRST INTERSTATE BANK. THE CASE IS
7 NOT OVER YET.

8 MR. LEWIN: YOUR HONOR, THIS IS THE LAST DAY OF
9 TRIAL. I AM NOT GOING TO BRING IN --

10 THE COURT: WELL, WE HOPE IT IS.

11 MR. LEWIN: I'M SORRY. I AM NOT GOING TO GO TO
12 THE EXPENSE OR THE BURDEN OF BRINGING IN A WITNESS WHEN I
13 HAVE ADEQUATE FOUNDATION EVIDENCE FROM THIS WITNESS. AND
14 I THINK, YOUR HONOR, WITH ALL RESPECT, I THINK IF THAT'S YOUR
15 HONOR'S RULING WITH REGARD TO THE FOUNDATION, I HAVE ESTAB-
16 LISHED THE FOUNDATION FOR THAT DOCUMENT, AND I SUBMIT THAT
17 YOUR HONOR IS MAKING AN ERRONEOUS RULING IN EXCLUDING THAT
18 VERY CRITICAL PIECE OF EVIDENCE.

19 THIS WITNESS HAS TESTIFIED WITH REGARD TO ITS
20 REGULARITY. HE HAS ADEQUATELY ESTABLISHED THE FOUNDATION.
21 WE ARE ENTITLED TO HAVE IT IN EVIDENCE TO PRESENT IT TO THE
22 JURY.

23 THE COURT: OBVIOUSLY, WHEN WE MAKE A RULING, WE
24 HOPE IT IS NOT ERRONEOUS, MR. LEWIN.

25 BUT, CERTAINLY, YOU HAVE A RIGHT -- AND I AM NOT

1 PRECLUDING YOU FROM IT, AND I WANT THE RECORD TO BE ABUNDANTLY
2 CLEAR THAT SHOULD YOU CHOOSE TO BRING SOMEONE IN FROM THE
3 FIRST INTERSTATE BANK WHO IS A CUSTODIAN OF THE RECORDS OR,
4 ALTERNATIVELY, IF YOU CAN REACH A STIPULATION WITH REFERENCE
5 TO THAT, FINE; THAT IS CERTAINLY APPROPRIATE, AND WE WILL
6 GIVE YOU THAT OPPORTUNITY.

7 THIS CHECK WILL NOT COME IN IN THIS FASHION THROUGH
8 THIS WITNESS, OVER YOUR CLEAR OBJECTION.

9 (IN OPEN COURT)

10 BY MR. LEWIN:

11 Q MR. NIELSON, WITH REGARD TO THE FUNDS THAT WENT
12 TO THE FIRST INTERSTATE BANK, YOU SAID THEY DID NOT GO THROUGH
13 ANY A.C.T. ACCOUNT IN YOUR BANK.

14 A THAT'S CORRECT.

15 Q THEY WERE IN FACT, WERE THEY NOT, DEPOSITED IN THE
16 FIRST INTERSTATE BANK, AS APPEARS FROM THE REVERSE OF THOSE
17 CASHIER'S CHECKS, ON THE SAME DAY THAT THE CASHIER'S CHECKS
18 WERE DRAWN? I THINK COUNSEL WOULD STIPULATE TO THAT.

19 THE COURT: DOES THAT MEAN YES, THERE IS A STIPULA-
20 TION? I CAN'T TELL.

21 MR. WEINGARTEN: IF THAT'S WHAT IT SAYS AND MR.
22 LEWIN REPRESENTS THAT THAT IS WHAT IT SAYS --

23 MR. LEWIN: OH, MR. WEINGARTEN, I THINK WE HAD A
24 LITTLE DISCUSSION BEFORE IN WHICH YOU INDICATED THAT --

25 THE COURT: DO WE HAVE A STIPULATION OR NOT,

1 GENTLEMEN? AND IF NOT, THEN WE WILL HAVE MORE EXAMINATION.

2 MR. WEINGARTEN: LET ME TALK TO COUNSEL.

3 THE COURT: GENTLEMEN, I CAN HEAR YOU UP HERE.

4 IS THERE A QUESTION PENDING TO THE WITNESS, OR IS
5 THERE A STIPULATION?

6 MR. LEWIN: DO YOU WANT TO LOOK BEFORE YOU STIPU-
7 LATE TO THAT?

8 MR. WEINGARTEN: IF YOU REPRESENT THAT IS THE CASE,
9 SIR, I ACCEPT IT.

10 MR. LEWIN: ALL RIGHT.

11 THE COURT: ALL RIGHT.

12 MR. LEWIN: THEY WERE DEPOSITED IN THE FIRST INTER-
13 STATE BANK -- WELL, YOU STIPULATE THEY WERE DEPOSITED IN THE
14 FIRST INTERSTATE BANK ON THE SAME DAY.

15 MR. WEINGARTEN: IF YOU SO REPRESENT.

16 MR. LEWIN: YES. I HAVE SO REPRESENTED.

17 BY MR. LEWIN:

18 Q THOSE LOANS IN THE AMOUNT OF \$90,000, MR. NIELSON,
19 WERE PAID BACK, WERE THEY NOT?

20 A CORRECT.

21 Q AND THEY WERE PAID BACK BY CONGRESSMAN HANSEN HIMSELF.

22 A YES, SIR.

23 Q THERE WAS NO NEED AT ANY TIME TO CALL ON ANY OUTSIDE
24 GUARANTEE FOR THEM.

25 A NO.

1 Q AND THAT'S BEEN TRUE OF ALL LOANS THAT CONGRESSMAN
2 HANSEN HAS MADE FROM YOUR BANK.

3 A YES.

4 Q THEY'VE BEEN PAID BACK, AND THEY'VE BEEN PAID BACK
5 BY HIM, PERSONALLY, WITHOUT ANY NEED TO CALL ANY OUTSIDE
6 GUARANTORS; IS THAT CORRECT?

7 A YES, SIR.

8 Q MR. NIELSON, YOU SAY YOU HAVE BEEN A BANKER FOR
9 HOW MANY YEARS?

10 A TWENTY YEARS.

11 Q AND DURING THAT PERIOD OF TIME -- ALL THAT TIME
12 IN IDAHO, IS THAT CORRECT?

13 A YES.

14 Q AND DURING THAT PERIOD OF TIME, YOU HAVE KNOWN AND
15 HEARD OF CONGRESSMAN HANSEN?

16 A CORRECT.

17 Q AND YOU HAVE SPOKEN TO PEOPLE WHO HAVE EXPRESSED
18 TO YOU OPINIONS REGARDING CONGRESSMAN HANSEN?

19 A YES, SIR.

20 Q AND HAVE YOU HAD OCCASION TO DISCUSS WITH OTHER
21 PEOPLE CONGRESSMAN HANSEN'S REPUTATION FOR TRUTH AND
22 VERACITY?

23 A YES. TO A DEGREE.

24 Q AND HIS REPUTATION FOR HONESTY, WHETHER HE TELLS
25 THE TRUTH?

1 A CORRECT.

2 Q HAVE YOU HAD THE ABILITY TO FORM AN OPINION OF YOUR
3 OWN ON THE BASIS OF THAT, AS TO WHETHER CONGRESSMAN HANSEN
4 HAS A REPUTATION FOR TELLING THE TRUTH?

5 A YES.

6 Q AND WHAT IS THAT OPINION?

7 A I CONSIDER HIM AN HONORABLE MAN AND TRUTHFUL.

8 Q AND YOU WOULD BELIEVE WHAT HE SAYS.

9 A CORRECT.

10 Q AND HE HAS NOT LIED TO YOU EVER.

11 A NO, SIR.

12 MR. LEWIN: THANK YOU.

13 THE COURT: REDIRECT?

14 REDIRECT EXAMINATION

15 BY MR. WEINGARTEN:

16 Q MR. NIELSON, IF GEORGE HANSEN TOLD YOUR BANK THAT
17 THAT \$95,000 REPRESENTED IN THOSE CASHIER'S CHECKS WENT TO
18 HIS A.C.T. OR HIS FUND-RAISING ORGANIZATION, YOU WOULD BELIEVE
19 THAT, WOULDN'T YOU?

20 A CORRECT.

21 MR. WEINGARTEN: THANK YOU, SIR.

22 THE COURT: ANYTHING FURTHER?

23 RECROSS EXAMINATION

24 BY MR. LEWIN:

25 Q AND IF HE SAID IT WAS TO BE USED FOR A MASS MAILING

1 FOR WHICH FUNDS WERE NEEDED AT THAT TIME, YOU WOULD BELIEVE
2 HIM.

3 A YES, SIR.

4 MR. LEWIN: THANK YOU.

5 THE COURT: ALL RIGHT. THANK YOU FOR YOUR TESTIMONY,
6 MR. NIELSON. YOU ARE EXCUSED. I JUST ASK THAT YOU NOT
7 DISCUSS IT WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL
8 THE MATTER IS CONCLUDED. AND IF YOU WOULD, SIR, THOSE ARE
9 MATTERS THAT HAVE BEEN PRESENTED TO YOU -- I SEE YOU ARE NOW
10 GIVING THEM TO THE MARSHAL. VERY GOOD.

11 MR. WEINGARTEN: MR. ROWE.

12 THE COURT: HOW DO YOU SPELL THAT SURNAME?

13 MR. WEINGARTEN: R-O-W-E.

14 THE COURT: THANK YOU.

15 MR. WEINGARTEN: I INADVERTENTLY FAILED TO MOVE
16 IN 81-D, WHICH IS ONE OF THE NOTES AND ONE OF THE CHECKS.

17 THE COURT: ANY OBJECTION TO 81-D, MR. LEWIN, THAT
18 WAS NOT MOVED IN AT THE TIME?

19 MR. LEWIN: NO OBJECTION.

20 THE COURT: IT'S IN EVIDENCE.

21 (GOVERNMENT'S EXHIBIT 81-D WAS
22 RECEIVED IN EVIDENCE)

23 THE COURT: MR. ROWE, IF YOU WILL COME AROUND HERE,
24 PLEASE, THE OATH WILL BE ADMINISTERED.
25

1 ROBERT G. ROWE, III

2 WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN,
3 WAS EXAMINED AND TESTIFIED AS FOLLOWS:

4 THE COURT: GOOD MORNING, MR. ROWE.

5 THE WITNESS: GOOD MORNING.

6 DIRECT EXAMINATION

7 BY MR. WEINGARTEN:

8 Q YOUR NAME, SIR?

9 A ROBERT G. ROWE, III.

10 Q SPELL YOUR LAST NAME, PLEASE.

11 A R-O-W-E.

12 Q HOW ARE YOU EMPLOYED?

13 A BY THE RIGGS NATIONAL BANK OF WASHINGTON.

14 Q AND DO YOU LIVE AROUND HERE?

15 A I LIVE IN ARLINGTON, VIRGINIA.

16 Q ALL RIGHT. AND WHAT DO YOU DO FOR THE BANK?

17 A I WORK IN A SEMI-LEGAL CAPACITY AND AS CUSTODIAN
18 OF RECORDS.

19 Q AND ARE YOU HERE TODAY AS A CUSTODIAN FOR THE RIGGS
20 BANK?

21 A YES, I AM.

22 Q I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT EXHIBIT
23 85, SIR, AND ASK IF YOU CAN IDENTIFY THAT.

24 A THIS IS A STATEMENT ON A CHECKING ACCOUNT AT THE
25 RIGGS NATIONAL BANK.

1 Q AND WHOSE STATEMENT IS IT, SIR?

2 A THE ACCOUNT IS IN THE NAME OF GEORGE HANSEN, REACH
3 ACCOUNT.

4 Q AND WHAT IS THE MONTH ON THAT ACCOUNT?

5 A MARCH, 1982.

6 Q AND WHAT PERIOD OF TIME DOES IT APPEAR TO COVER?

7 A IT COVERS THE PERIOD FROM THE 26TH OF FEBRUARY,
8 1982, THROUGH THE 31ST OF MARCH, 1982.

9 Q AND FROM WHAT BANK IS IT?

10 A THE RIGGS NATIONAL BANK OF WASHINGTON, D. C.

11 Q YOUR BANK.

12 A MM-HM.

13 MR. WEINGARTEN: ALL RIGHT. WE MOVE THAT EXHIBIT
14 INTO EVIDENCE, YOUR HONOR.

15 MR. LEWIN: NO OBJECTION.

16 THE COURT: IT'S IN EVIDENCE.

17 (GOVERNMENT'S EXHIBIT 85 WAS
18 RECEIVED IN EVIDENCE)

19 BY MR. WEINGARTEN:

20 Q NOW, DOES IT APPEAR FROM GOVERNMENT EXHIBIT 85 THAT
21 CERTAIN DEPOSITS WERE MADE INTO THE RIGGS ACCOUNT DURING MARCH
22 OF 1982?

23 A YES.

24 Q AND DOES IT APPEAR FROM THAT STATEMENT THAT CERTAIN
25 CHECKS WERE WRITTEN ON THAT ACCOUNT IN 1982?

1 A YES, IT DOES.

2 Q AND JUST SO WE ARE PERFECTLY CLEAR, WHAT IS THE
3 NAME ON THAT ACCOUNT, SIR?

4 A GEORGE HANSEN REACH ACCOUNT.

5 Q O.K. AS OF MARCH 31ST, 1982, WHAT WAS THE BALANCE
6 IN THAT ACCOUNT, SIR?

7 A \$10,129.73.

8 Q AT MARCH 1ST? MARCH 1ST.

9 A MARCH 1ST. I'M SORRY. MARCH 1ST, \$22,251.23.

10 Q AND WHAT ARE THE INDICATIONS AFTER THAT?

11 A O.D., WHICH WOULD INDICATE AN OVERDRAFT.

12 Q SO IS IT FAIR TO SAY THE ACCOUNT AS OF MARCH 1ST
13 WAS \$22,000 IN THE HOLE?

14 A YES.

15 Q NOW, I HAND YOU, SIR, WHAT HAS BEEN MARKED
16 GOVERNMENT EXHIBIT 86. I WILL SHOW IT TO COUNSEL FIRST.

17 MR. ROWE, I HAND YOU A BUNDLE OF DOCUMENTS, ALL
18 MARKED GOVERNMENT EXHIBIT 86, AND ASK YOU, SIR, WHETHER OR
19 NOT THEY REPRESENT DEPOSITS INTO THE GEORGE HANSEN REACH
20 ACCOUNT FOR THE MONTH AS REFLECTED BY GOVERNMENT EXHIBIT 85.

21 A YES, THEY DO.

22 Q NOW, I HOPE THEY'RE IN CHRONOLOGICAL ORDER.

23 MR. WEINGARTEN: FIRST, WE MOVE INTO EVIDENCE GOVERN-
24 MENT EXHIBIT 86.

25 MR. LEWIN: NO OBJECTION.

1 THE COURT: IN EVIDENCE.

2 (GOVERNMENT'S EXHIBIT 86 WAS
3 RECEIVED IN EVIDENCE)

4 BY MR. WEINGARTEN:

5 Q ALL RIGHT. WHAT IS THE FIRST DEPOSIT ITEM THAT
6 IS REFLECTED THERE, SIR?

7 A THE FIRST IS A DEPOSIT ITEM FOR MARCH 2ND, 1982,
8 IN THE AMOUNT OF \$23,000.

9 Q AND IS THERE A DOCUMENT SUPPORTING THAT DEPOSIT?

10 A THERE IS A CHECK IN THE AMOUNT OF \$23,000.

11 Q FROM WHERE, SIR?

12 A IT'S DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO,
13 ON AN ACCOUNT BELONGING TO GEORGE HANSEN AND CONNIE HANSEN.

14 Q WHAT IS THE SECOND DEPOSIT ITEM, SIR?

15 A THE SECOND DEPOSIT ITEM IS FROM MARCH 15TH, 1982,
16 DEPOSIT IN THE AMOUNT OF \$10,024.85. SEVEN CHECKS IN THE
17 DEPOSIT.

18 Q O.K. IS THERE ONE CHECK FROM THE FIRST INTERSTATE
19 BANK?

20 A THE FIRST CHECK LISTED ON THE DEPOSIT SLIP IS A
21 CHECK IN THE AMOUNT OF \$9,950, FROM THE FIRST INTERSTATE BANK
22 OF IDAHO, AGAIN ON THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

23 Q ALL RIGHT. WHAT IS THE NEXT DEPOSIT?

24 A THE NEXT DEPOSIT IS DATED MARCH 17TH, 1982, A DEPOSIT
25 IN THE AMOUNT OF \$9,975, AND THAT IS --

1 Q IS THAT SUPPORTED BY A CHECK?

2 A IT'S A CHECK DRAWN ON THE FIRST INTERSTATE BANK
3 OF IDAHO, AGAIN DRAWN ON THE ACCOUNT OF GEORGE AND CONNIE
4 HANSEN.

5 Q ALL RIGHT. IS THERE ANOTHER DEPOSIT ITEM THERE,
6 SIR?

7 A THERE IS A DEPOSIT DATED MARCH 19TH, 1982, IN THE
8 AMOUNT OF \$15,100, IN THE FORM OF A CHECK DRAWN ON THE FIRST
9 INTERSTATE BANK OF IDAHO, DRAWN ON THE ACCOUNT OF GEORGE AND
10 CONNIE HANSEN.

11 Q AND IS THERE ANYTHING ELSE? IS THERE ONE MORE?

12 A THERE ARE THREE MORE.

13 Q O.K. SORRY.

14 A THE NEXT IS A DEPOSIT DATED MARCH 22ND, 1982, IN
15 THE AMOUNT OF \$14,950, IN THE FORM OF A CHECK DRAWN ON THE
16 FIRST INTERSTATE BANK OF IDAHO, DRAWN ON THE ACCOUNT OF GEORGE
17 AND CONNIE HANSEN.

18 THERE IS A DEPOSIT DATED MARCH 23RD, 1982, FOR
19 \$9,975, IN THE FORM OF A CHECK DRAWN ON THE FIRST
20 INTERSTATE BANK OF IDAHO, FROM THE ACCOUNT OF GEORGE AND
21 CONNIE HANSEN.

22 AND FINALLY, THERE IS A DEPOSIT DATED MARCH 26,
23 1982, FOR \$9,875, DRAWN ON THE FIRST INTERSTATE BANK OF IDAHO
24 FROM THE ACCOUNT OF GEORGE AND CONNIE HANSEN.

25 Q WHO SIGNED ALL THOSE CHECKS THAT WERE DEPOSITED

1 INTO YOUR BANK FROM THE FIRST INTERSTATE BANK OF IDAHO?

2 A THEY APPEAR TO HAVE ALL BEEN SIGNED BY GEORGE
3 HANSEN -- G. H. HANSEN.

4 Q WOULD YOU CHECK AND MAKE SURE, SIR?

5 A WITH THE EXCEPTION OF THE DEPOSITS OF MARCH 15TH.
6 THERE ARE SIX DEPOSITS NOT DRAWN ON THAT ACCOUNT.

7 Q ALL RIGHT. JUST THE CHECKS FROM THE FIRST INTERSTATE
8 BANK.

9 A THEY APPEAR TO ALL BE SIGNED BY G. H. HANSEN.

10 Q MR. ROWE, WITHOUT BURDENING YOU WITH THE OBLIGATION
11 OF DOING HIGHER MATH AT THIS TIME, CAN YOU IN ROUND FIGURES
12 TELL US HOW MUCH MONEY WAS DEPOSITED BY GEORGE HANSEN INTO
13 YOUR BANK, INTO THE REACH ACCOUNT, FROM THE FIRST INTERSTATE
14 BANK OF IDAHO BETWEEN MARCH THE 2ND AND MARCH THE 26TH?

15 A APPROXIMATELY \$93,000.

16 Q THANK YOU, SIR.

17 MR. WEINGARTEN: NO FURTHER QUESTIONS.

18 THE COURT: CROSS-EXAMINATION.

19 CROSS-EXAMINATION

20 BY MR. LEWIN:

21 Q MR. ROWE, JUST LOOKING AT THOSE DOCUMENTS YOU HAVE
22 BEFORE YOU, MARCH THE 2ND THERE'S A DEPOSIT OF \$23,000, IS
23 THAT RIGHT?

24 A THAT IS CORRECT.

25 Q AND MARCH THE 8TH, A DEPOSIT OF \$11,250?

1 A ACCORDING TO THE STATEMENT, YES.

2 Q AND WHAT DID THAT MARCH -- LET'S SEE. THAT
3 MARCH THE 8TH DEPOSIT, WHERE WAS THAT FROM?

4 A I DO NOT HAVE THAT DOCUMENTATION IN FRONT OF ME.

5 Q YOU DON'T HAVE THE DOCUMENTATION IN FRONT OF YOU
6 WHERE THE MARCH 8TH DEPOSIT WAS FROM?

7 A NO, I DO NOT.

8 Q HOW COME? DID YOU PRODUCE IT PURSUANT TO SUBPOENA?

9 A I WOULD HAVE TO GO BACK AND LOOK AT THE SUBPOENA
10 TO SEE EXACTLY WHAT DOCUMENTS WERE PRODUCED.

11 MR. LEWIN: WAS IT PRODUCED, MARCH THE 8TH?

12 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 90 MARKED
13 FOR IDENTIFICATION.

14 (DEFENDANT'S EXHIBIT 90 WAS
15 MARKED FOR IDENTIFICATION)

16 BY MR. LEWIN:

17 Q SHOWING YOU DEFENDANT'S EXHIBIT 90 FOR IDENTIFICA-
18 TION, THAT'S A DEPOSIT OF \$11,250 ON MARCH THE 8TH?

19 A YES, IT IS.

20 Q AND THAT DOES NOT COME FROM THE FIRST INTERSTATE
21 BANK OF IDAHO, DOES IT?

22 A NO. THAT COMES FROM THE SERGEANT-AT-ARMS, HOUSE
23 OF REPRESENTATIVES.

24 Q IT'S A SERGEANT-AT-ARMS, HOUSE OF REPRESENTATIVES
25 ACCOUNT MAINTAINED IN THE NAME OF --

1 A GEORGE HANSEN.

2 Q SO IT'S A BANK ACCOUNT WHICH A CONGRESSMAN HAS AT
3 A BANK AT THE HOUSE IN HIS OWN NAME.

4 A THAT IS WHAT IT APPEARS TO BE, YES.

5 Q RIGHT. SO THAT -- WHERE WE STAND AS OF MARCH THE
6 8TH IS YOU HAVE A DEPOSIT OF \$23,000 FROM THE FIRST INTER-
7 STATE BANK AND A DEPOSIT OF \$11,250 FROM A TOTALLY DIFFERENT
8 SOURCE. IS THAT CORRECT?

9 A THAT'S CORRECT.

10 Q IF I TOLD YOU, MR. ROWE, THAT \$40,000 HAD BEEN
11 DEPOSITED IN THE FIRST INTERSTATE BANK OF IDAHO ON MARCH THE
12 2ND, WOULD IT BE FAIR TO SAY, THEN, THAT YOU COULD NOT SAY
13 THAT THAT \$40,000 WAS WITHDRAWN FROM THE FIRST INTERSTATE
14 BANK ON OR ABOUT MARCH THE 2ND AND DEPOSITED IN YOUR BANK?

15 MR. WEINGARTEN: EXCUSE ME. I'M GOING TO OBJECT
16 TO THE FORM OF THAT QUESTION.

17 MR. LEWIN: WHY? THAT'S EXACTLY --

18 THE COURT: CAN YOU ANSWER THE QUESTION AS IT IS
19 ADDRESSED TO YOU?

20 THE WITNESS: NO, I CANNOT.

21 BY MR. LEWIN:

22 Q O.K. LET ME REPHRASE IT. MAYBE IT WAS FRAMED THE
23 WRONG WAY.

24 THERE'S A \$23,000 DEPOSIT ON MARCH THE 2ND FROM
25 THE FIRST INTERSTATE BANK IN IDAHO, IS THAT RIGHT?

1 A YES. THAT'S CORRECT.

2 Q NOW, ASSUME WITH ME FOR A MINUTE -- YOU ARE FAMILIAR
3 WITH BANKING PRACTICE AND ALL THAT.

4 A YES, I AM.

5 Q O.K. ASSUME WITH ME FOR A MOMENT THAT AN INDIVIDUAL,
6 GEORGE HANSEN BY NAME, TAKES OUT A LOAN AND PUTS
7 THE PROCEEDS, THE \$40,000, IN THE FIRST INTERSTATE BANK IN
8 IDAHO.

9 MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE
10 BENCH?

11 THE COURT: ALL RIGHT.

12 (AT THE BENCH)

13 MR. WEINGARTEN: I OBJECT TO THESE QUESTIONS. THIS
14 IS ARGUMENTATIVE. THIS WITNESS IS A CUSTODIAN. HE DOESN'T
15 HAVE TO ASSUME ANYTHING. HE KNOWS WHAT THE RECORDS REFLECT,
16 AND THAT'S ALL HE KNOWS ABOUT THIS CASE. I SUBMIT MR. LEWIN
17 IS MAKING CLOSING ARGUMENT RIGHT NOW.

18 MR. LEWIN: I AM NOT. I AM JUST -- WHAT MR.
19 WEINGARTEN IS TRYING TO IMPLY TO THE JURY IS THAT THE AMOUNT
20 THAT WAS PUT IN THE FIRST INTERSTATE BANK IN IDAHO WAS TRANS-
21 FERRED RIGHT TO THE RIGGS ACCOUNT. I SUBMIT THE DATES ARE
22 QUITE COINCIDENTAL IN THAT REGARD; THAT IN FACT THAT WAS NOT
23 TRUE, AND THAT IN FACT THAT 23,000, IF YOU LOOK AT IT, WAS
24 NOT TRANSFERRED TO THE RIGGS ACCOUNT. AND I AM ENTITLED TO
25 ASK THIS MAN, WHO IS FAMILIAR WITH BANKING PRACTICE, WHETHER

1 THAT WAS A WITHDRAWAL OF A \$40,000 DEPOSIT IN THE FIRST
2 INTERSTATE BANK.

3 THE COURT: IF HE CAN TELL FROM THE RECORDS.

4 MR. LEWIN: HE HAS THE RECORDS BEFORE HIM, AND FROM
5 HIS KNOWLEDGE OF BUSINESS PRACTICE. I DON'T KNOW WHY I
6 CAN'T ASK HIM THAT.

7 MR. WEINGARTEN: IT'S PURELY ARGUMENTATIVE. HE
8 IS ASKING THE WITNESS QUESTIONS THAT ARE IMPOSSIBLE TO BE
9 WITHIN THE KNOWLEDGE OF THIS WITNESS.

10 MR. LEWIN: HE IS A BANKER; I CAN ASK HIM WHETHER
11 IT'S TRUE. HE IS TRYING TO DRAW INFERENCES WHICH HE IS
12 TRYING TO DRAW SIMPLY FROM DOCUMENTS. I AM ENTITLED TO ASK
13 THIS MAN, WHO IS A BANKER, WHETHER THOSE INFERENCES ARE
14 PROPER.

15 MR. WEINGARTEN: THEN WHY DON'T YOU SHOW HIM THE
16 FIRST INTERSTATE BANK ACCOUNT?

17 MR. LEWIN: BECAUSE YOU HAVE OBJECTED TO ANYBODY
18 WHO IS NOT FROM THE FIRST INTERSTATE BANK TESTIFYING ABOUT
19 THINGS THAT HAVE TO DO WITH THE FIRST INTERSTATE BANK. I
20 DON'T HAVE TO SHOW HIM ANY STATEMENTS AT ALL FROM THE FIRST
21 INTERSTATE BANK.

22 THE COURT: LET'S SEE IF HE IS ABLE TO ANSWER THAT
23 FROM THE RECORDS HE HAS IN FRONT OF HIM. IF HE IS UNABLE
24 TO, WE WILL NOT PURSUE IT. IF HE IS, FINE.

25 (IN OPEN COURT)

1 THE COURT: MR. LEWIN.

2 BY MR. LEWIN:

3 Q YOU HAVE BEFORE YOU A STATEMENT FROM YOUR BANK,
4 RIGHT? -- THE RIGGS BANK, INDICATING A DEPOSIT OF \$23,000
5 ON MARCH 2.

6 A THAT'S CORRECT.

7 A FROM THE FIRST INTERSTATE BANK. AND I ASK YOU,
8 MR. ROWE, WHETHER IF AN INDIVIDUAL HAD DEPOSITED \$40,000 ON
9 MARCH 2, 1982, IN THE IDAHO STATE BANK AND WITHDREW IT ALL
10 AND DEPOSITED IT IN YOUR BANK, WOULD THERE BE AN INDICATION
11 THAT THERE WAS ONLY A \$23,000 DEPOSIT?

12 A NO, THERE WOULD NOT.

13 Q THE \$23,000 DEPOSIT INDICATES THAT THERE WAS A
14 WITHDRAWAL OF ONLY \$23,000 AS TO THAT.

15 A THAT IS CORRECT.

16 Q AND, INDEED, THE \$11,250 DEPOSIT FROM ANOTHER SOURCE
17 INDICATES THAT ANY CHECKS CHARGED AGAINST THE REMAINING
18 BALANCE WERE CHARGED IN PART AGAINST THE DEPOSIT FROM THE
19 HOUSE OF REPRESENTATIVES SERGEANT-AT-ARMS ACCOUNT; IS THAT
20 CORRECT?

21 A THAT IS CORRECT.

22 Q ALL RIGHT. THANK YOU.

23 IN FACT, LET ME ASK YOU BEYOND THAT, MR. ROWE: CAN
24 YOU TELL FROM THE RECORDS THAT YOU HAVE BEFORE YOU PRECISELY
25 FROM WHICH FUNDS OR WHICH DEPOSITS AT THE FIRST INTERSTATE

1 BANK IN IDAHO THESE CHECKS THAT WERE DEPOSITED TO THE ACCOUNT
2 IN THE RIGGS BANK WERE MADE?

3 A THE ONLY THING I CAN TELL FROM THE DOCUMENTS I HAVE
4 IN FRONT OF ME IS THAT -- IF WE ARE STILL TALKING ABOUT
5 MARCH 2ND -- \$23,000 WAS DRAWN ON WHAT APPEARS TO BE GEORGE
6 AND CONNIE HANSEN'S ACCOUNT AT FIRST INTERSTATE. THE SOURCE
7 OF THE FUNDS BEFORE THEY GET TO THE FIRST IDAHO, I CANNOT
8 DETERMINE.

9 Q AND THAT SAME HOLDS TRUE WITH REGARD TO EACH OF
10 THE OTHER ENTRIES THAT APPEAR UNDER DEPOSITS AND CREDITS ON
11 YOUR STATEMENT. ISN'T THAT TRUE?

12 A I CAN DETERMINE WHERE THEY WERE -- WHAT BANK THEY
13 ORIGINATED FROM WHEN THEY WERE DEPOSITED TO RIGGS.

14 Q BUT YOU CAN'T DETERMINE WHAT DEPOSITS AND IN WHAT
15 AMOUNTS WERE MADE INTO THAT BANK THAT RESULTED IN A BALANCE
16 WHICH PERMITTED THE DEPOSITS IN YOUR BANK.

17 A THAT'S CORRECT.

18 MR. LEWIN: THANK YOU. I HAVE NO FURTHER QUESTIONS.

19 THE COURT: ANYTHING FURTHER?

20 REDIRECT EXAMINATION

21 BY MR. WEINGARTEN:

22 Q MR. ROWE, IS IT FAIR TO SAY THAT ALL YOU CAN TESTIFY
23 TO FROM THOSE RECORDS IS THAT BETWEEN MARCH THE 2ND, 1982,
24 AND MARCH THE 26TH, 1982, APPROXIMATELY \$93,000 WAS DEPOSITED
25 IN THE GEORGE HANSEN REACH ACCOUNT FROM THE FIRST INTERSTATE

1 BANK IN IDAHO?

2 A THAT'S CORRECT.

3 MR. WEINGARTEN: THANK YOU, SIR.

4 THE COURT: ALL RIGHT. THANK YOU, MR. ROWE. YOU
5 ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY
6 WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THIS MATTER
7 IS CONCLUDED.

8 THE WITNESS: YES, MA'AM.

9 MR. WEINGARTEN: GOVERNMENT RESTS.

10 THE COURT: ALL RIGHT. MR. LEWIN?

11 MR. LEWIN: NO SURREBUTTAL ON THE PART OF THE
12 DEFENSE, YOUR HONOR.

13 THE COURT: ALL RIGHT, COUNSEL. MAY I SEE YOU UP
14 HERE FOR A MOMENT BEFORE I ADDRESS SOME MATTERS TO THE JURY.

15 (AT THE BENCH)

16 THE COURT: I JUST WANT TO MAKE CERTAIN THAT ALL
17 DOCUMENTATION IS IN, EVERYTHING IS DONE BEFORE I LET THIS
18 JURY GO, HERE AT THE BENCH.

19 MR. LEWIN: YES, YOUR HONOR.

20 AT THIS POINT, WE WOULD LIKE TO MOVE, AT THE CONCLU-
21 SION OF ALL THE EVIDENCE, FOR THE ENTRY OF A JUDGMENT OF
22 ACQUITTAL BASED ON ALL THE EVIDENCE IN THE CASE.

23 WE SUBMIT THAT ON THE EVIDENCE AS IT NOW STANDS,
24 THERE IS INSUFFICIENT EVIDENCE TO PERMIT A REASONABLE PERSON
25 TO DECIDE BEYOND A REASONABLE DOUBT THAT CONGRESSMAN HANSEN

1 DID NOT HAVE GOOD FAITH ADVICE OF COUNSEL WHEN HE FILLED OUT
2 THE ETHICS IN GOVERNMENT ACT FORMS THAT WERE SUBMITTED AND
3 ARE THE BASIS OF THE COUNTS IN THE INDICTMENT. THE EVIDENCE
4 IS, I SUBMIT, UNDISPUTED THAT ATTORNEYS WHO HE RELIED ON SPOKE
5 TO HIM AND TOLD HIM ON ALL OCCASIONS WITH REFERENCE TO EACH
6 OF THE FOUR COUNTS IN THE INDICTMENT THAT HE DID NOT HAVE
7 TO INCLUDE THE PARTICULAR ENTRIES THAT ARE CHARGED IN THE
8 INDICTMENT, OR THOSE KINDS OF ENTRIES, ON THE ETHICS IN
9 GOVERNMENT ACT FORM; AND CONSEQUENTLY, WE SUBMIT THAT ON THAT
10 BASIS, IN ADDITION TO WHATEVER GROUNDS HAVE PREVIOUSLY BEEN
11 ARGUED, THERE IS INSUFFICIENT EVIDENCE TO SUBMIT THIS CASE
12 TO THE JURY, BECAUSE A REASONABLE JUROR COULD NOT FIND GUILT
13 BEYOND A REASONABLE DOUBT.

14 MR. WEINGARTEN: I DON'T THINK -- THE RESPONSE COULD
15 BE ONE SECOND OR ONE HOUR. I WILL MAKE IT BRIEF.

16 I THINK THE EVIDENCE CLEARLY GETS US TO THE JURY.
17 AS FAR AS THE GOOD FAITH DEFENSE, I THINK IT IS 100 PERCENT
18 CLEAR FROM THE EVIDENCE THAT CONGRESSMAN HANSEN DID NOT DISCLOSE
19 CRUCIAL INFORMATION TO HIS LAWYERS WHO WERE COUNSELING HIM;
20 MOST PARTICULARLY, THE ULTIMATE BENEFIT OF ALL THE MONIES.
21 AND I THINK THE EVIDENCE IS CERTAINLY CLEAR IN THIS CASE THAT
22 HE WAS THE BENEFICIARY OF ALL OF THESE TRANSACTIONS, AND THAT
23 IN AND OF ITSELF GETS US TO THE JURY.

24 THE COURT: ANYTHING FURTHER?

25 MR. LEWIN: NO. THAT'S ALL, YOUR HONOR.

1 THE COURT: ALL RIGHT. YOUR MOTION FOR JUDGMENT
2 OF ACQUITTAL IS DENIED. THE EVIDENCE IS SUFFICIENT FOR A
3 REASONABLE PERSON TO CONCLUDE BEYOND A REASONABLE DOUBT --
4 THIS REASONABLE PERSON BEING A JUROR, TO CONCLUDE BEYOND A
5 REASONABLE DOUBT THAT THE MATTER HAS BEEN PROVED.

6 THE JURY WILL BE ADVISED, AS WE HAD TALKED EARLIER,
7 AS TO OUR PLANS FOR THE FUTURE. IT IS EARLY TO LET THEM GO,
8 I KNOW. I AM TRYING TO THINK HOW I AM GOING TO PHRASE THIS
9 TO THEM, HOWEVER INARTFULLY EXPRESSED.

10 MR. WEINGARTEN: COURT BUSINESS WITH COUNSEL.

11 THE COURT: I KNOW THAT. WE HAVE A LOT OF BUSINESS.
12 AND I WOULD SUGGEST I HAVE OTHER THINGS TO DO; AND I'M CONFIDENT
13 YOU HAVE OTHER THINGS TO DO. I WANT TO GO OVER THE
14 PROPOSED INSTRUCTIONS, SOME OF WHICH HAVE COME IN THIS
15 MORNING. SPEAKING OF WHICH, I KNOW THE GOVERNMENT SAID YESTER-
16 DAY THERE WOULD BE SOME SUPPLEMENTAL.

17 MR. COLE: WE HAVE THEM HERE FOR YOU, TODAY.

18 MR. LEWIN: I HAVE NOT FILED ANY FORMAL OBJECTIONS,
19 AND I DON'T THINK THEY HAVE FILED ANY FORMAL OBJECTIONS TO
20 OURS. WILL WE HAVE A CONFERENCE IN WHICH WE WILL BE ABLE
21 TO STATE OUR OBJECTIONS?

22 THE COURT: OF COURSE. AND I AM JUST TRYING TO
23 THINK OF THE BEST TIME TO DO THAT. I THINK WE SHOULD GET
24 TOGETHER AT 1:30 THIS AFTERNOON TO TAKE CARE OF THOSE MATTERS.
25 THAT SHOULD BE AMPLE TIME TO HAVE EVERYONE DISPERSED. AND

1 MR. COLE WILL BE HERE.

2 MR. WEINGARTEN: I MAY BE BACK, IF THE NEWS IS GOOD.

3 THE COURT: IF YOU'RE BACK, YOU'RE BACK. I MEAN
4 I AM HOPING THAT.

5 LET ME TELL THE JURY IN MY OWN INARTFUL WAY WE WILL
6 SEE THEM ON MONDAY. IS 9:00 A.M. ON MONDAY AGREEABLE?

7 MR. LEWIN: THAT'S AGREEABLE, YOUR HONOR.

8 THE COURT: LET'S DO THAT.

9 (IN OPEN COURT)

10 THE COURT: LADIES AND GENTLEMEN OF THE JURY, THE
11 EVIDENCE IN THE CASE HAS BEEN CONCLUDED. THE EXHIBITS THAT
12 WILL GO WITH YOU SUBSEQUENTLY TO THE JURY ROOM ARE IN
13 EVIDENCE, AND WHAT REMAINS NOW FOR THE COURT AND THE COUNSEL
14 ARE CONSIDERABLE MATTERS THAT WE HAVE TO GO OVER THAT WILL
15 TAKE US A SUBSTANTIAL AMOUNT OF TIME TO CLARIFY TO THE POINT
16 THAT IT CAN BE PRESENTED TO YOU IN SOME TRANSLATABLE FASHION.
17 THESE ARE THE TECHNICAL MATTERS THAT COME WITH EVERY CASE,
18 AND THIS CASE IS NO MORE UNUSUAL IN THAT MANNER THAN ANY OTHER
19 CASE, THAT COUNSEL AND THE COURT HAVE TO GO OVER THESE MATTERS.

20 WHAT WILL OCCUR -- AND IT WILL BE IMPOSSIBLE FOR US
21 TO FINISH ALL THESE OTHER REMAINING MATTERS TO BE DELIVERED
22 TO YOU UNTIL MONDAY MORNING. SO, WHAT WILL HAPPEN IS THAT
23 WE ARE RECESSING YOU AT THIS TIME. SUSPECTING THAT WE MIGHT
24 GET CLOSER TO THE LUNCH HOUR TODAY AND NOT BEYOND BEYOND IT,
25 I HAD ALREADY ALERTED THE MARSHALS THAT YOU SHOULD GET A

1 VERY GOOD LUNCHEON TODAY AND THAT THEY SHOULD MAKE SOME PLANS
2 FOR YOUR SPECIAL ENTERTAINMENT THIS EVENING, SATURDAY AND
3 SUNDAY.

4 WE WILL START ON MONDAY MORNING WITH YOU. WE HAVE
5 OUR OWN WORK CUT OUT FOR US IN THE NEXT DAY OR TWO. WE WILL
6 START ON MONDAY MORNING WITH YOU AT 9:00 O'CLOCK IN THE
7 MORNING, AT WHICH TIME THERE WILL BE THE CLOSING ARGUMENTS
8 OF COUNSEL WHICH YOU WILL HEAR FROM BOTH SIDES OF THE TABLE,
9 FROM THE GOVERNMENT AND FROM THE DEFENSE COUNSEL, AND FOLLOW-
10 ING WHICH THERE WILL PROBABLY BE A LUNCHTIME RECESS AT THIS
11 TIME. IT'S VERY HARD TO PREDICT THESE THINGS, BUT THAT'S
12 WHAT WE ESTIMATE. PROBABLY THERE WILL BE A LUNCHTIME RECESS,
13 THEN, AND THEN IMMEDIATELY AFTER LUNCH TIME, THE INSTRUCTIONS
14 WILL BE DELIVERED TO YOU WHICH YOU MUST CARRY WITH YOU AS
15 PART OF THE CASE.

16 IMMEDIATELY AFTER THE INSTRUCTIONS -- AND WE ESTIMATE
17 THAT THAT SHOULD BE SOMEWHERE BETWEEN 2:00 AND 3:00 O'CLOCK
18 ON MONDAY -- THE CASE WILL BE DELIVERED TO YOU FOR YOUR DETER-
19 MINATION SO THAT YOU CAN START DELIBERATING AND THEN MAKING
20 YOUR DETERMINATION.

21 WE THOUGHT IT WAS IMPORTANT THAT WE ADVISE YOU
22 NOW OF WHAT IS GOING TO BE OUR SCHEDULE ON MONDAY, SO YOU
23 KNOW THAT THAT WILL BE THE DAY UPON WHICH YOU CAN START YOUR
24 ACTUAL DELIBERATIONS IN THIS CASE -- ALL THINGS WILLING, WITH
25 WEATHER AND ALL OTHER FACTORS THAT MIGHT BE BEYOND OUR CONTROL.

1 BUT THAT IS ACTUALLY WHAT WE ANTICIPATE.

2 SO WE HOPE THAT YOU HAVE A VERY GOOD WEEKEND. WE
3 WILL CONTINUE -- AND I WOULD ASK THAT COUNSEL WAIT FOR A MOMENT
4 OR TWO AFTER THE JURY HAS LEFT. WE WILL CONTINUE TO WORK
5 ON OUR MATTERS THROUGHOUT THE COURSE OF THE DAY AND THEREAFTER.

6 SEE YOU MONDAY, 9:00 O'CLOCK. THE MARSHALS HAVE
7 INSTRUCTIONS IN THAT REGARD TO HAVE YOU HERE BRIGHT, EARLY,
8 AND READY TO CONTINUE YOUR WORK FOR WHATEVER LENGTH OF TIME
9 IT MIGHT BE. HAVE A GOOD WEEKEND.

10 (THE JURY WAS EXCUSED AT 10:40 A.M. UNTIL 9:00 A.M.,
11 MONDAY, APRIL 2, 1984)

12 (FURTHER PROCEEDINGS WERE HELD WHICH ARE NOT
13 TRANSCRIBED IN THIS VOLUME)

14

15

16

17

18

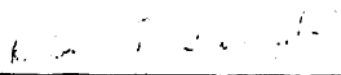
CERTIFICATE OF REPORTER

19 I HEREBY CERTIFY THAT THE FOREGOING IS THE OFFICIAL
20 TRANSCRIPT OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER,
21 AND THAT IT IS COMPLETE AND ACCURATE, TO THE BEST OF MY
22 KNOWLEDGE AND ABILITY.

23

24

25


GORDON A. SLODYSKO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

VS.

GEORGE VERNON HANSEN,

DEFENDANT

CRIMINAL ACTION
NO. 83-75

VOLUME NO. 11

WASHINGTON, D. C.

MONDAY, APRIL 2, 1984

THE ABOVE-ENTITLED MATTER CAME ON FOR FURTHER TRIAL
BY JURY BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED STATES
DISTRICT JUDGE, AT APPROXIMATELY 9:00 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA

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I N D E XPAGE

CLOSING ARGUMENT ON BEHALF OF THE GOVERNMENT
BY MR. WEINGARTEN

1807

CLOSING ARGUMENT ON BEHALF OF THE DEFENDANT
BY MR. LEWIN

1842

REBUTTAL ARGUMENT ON BEHALF OF THE GOVERNMENT
BY MR. WEINGARTEN

1907

JURY CHARGE BY THE COURT

1934

VERDICT

1978

P R O C E E D I N G S

(JURY NOT PRESENT)

THE COURT: GOOD MORNING. ARE COUNSEL READY TO
PROCEED?

MR. WEINGARTEN: YES, YOUR HONOR.

THE COURT: MR. LEWIN?

MR. LEWIN: YOUR HONOR, THERE ARE JUST TWO SMALL
MATTERS WITH REGARD TO JURY INSTRUCTIONS THAT I WOULD LIKE TO
RAISE BEFORE THE JURY COMES IN. ONE IS A MATTER THAT I THINK
HAD BEEN LEFT OPEN IN OUR CONFERENCE THAT WE HAD THE OTHER
DAY, AND I THINK IT WAS JUST OVERLOOKED AT THE END OF THE
CONFERENCE, AND THAT IS THE LOCATION OF THE CHARACTER TESTI-
MONY. AND I JUST WOULD REQUEST THAT THAT BE PUT NOT TOGETHER
WITH THE CREDIBILITY OF WITNESS INSTRUCTIONS, BUT AT SOME
LATER POINT.

THE COURT: IT WILL BE.

MR. LEWIN: THANK YOU.

THE OTHER MATTER, WHICH I GUESS I DID NOT RAISE,
BUT I WOULD SUGGEST TO YOUR HONOR, IS THAT IN CERTAIN CIRCUITS,
I KNOW THE SEVENTH CIRCUIT REQUIRES IT AND OTHERS PERMIT IT
OR RECOMMEND IT -- IS THAT THE MATTER OF YOUR HONOR'S JURY
INSTRUCTIONS IN WRITTEN FORM BE SENT INTO THE JURY TOGETHER
WITH THE EXHIBITS. I DON'T KNOW WHAT YOUR HONOR'S USUAL
PRACTICE IS, BUT I WOULD REQUEST THAT THAT BE DONE.

THE COURT: IT COULDN'T POSSIBLY BE DONE AT THIS
LAST MOMENT, WITH ALL OF THE INTERLINEATIONS AND CHANGES AND

1 ADDITIONS THAT WE MADE ON LATE FRIDAY, MR. LEWIN, WHEN WE
2 ALL SAT TOGETHER AND WORKED OVER THOSE INSTRUCTIONS. IT
3 WASN'T MENTIONED AT THAT TIME , AS YOU KNOW, AS YOU HAVE JUST
4 SAID. AND IT ISN'T FREQUENTLY DONE IN THIS CIRCUIT, AS YOU
5 PROBABLY ALSO APPRECIATE, ALTHOUGH IT WELL MAY BE DONE IN
6 OTHER CIRCUITS.

7 I AM NOT SAYING THAT I DISAGREE THAT IT MAY BE A
8 GOOD IDEA TO DO IT IN AN APPROPRIATE CASE. BUT IT COULD NOT
9 POSSIBLY BE PREPARED IN TIME NOW, THIS ONE-HALF INCH THICK
10 GIVING OF INSTRUCTIONS, TO HAVE IT IN ANY TRANSLATABLE FORM
11 SO THAT THE JURY CAN SEE IT WITHOUT THE EDITINGS THAT WE HAVE
12 PUT ON THEM. SO THAT IN ORDER THAT THEY CAN HAVE A CLEAR
13 RENDITION, WE WOULD HAVE TO DO IT THIS WAY.

14 I HAVE ONE OTHER SUGGESTION THOUGH, AND THAT IS
15 I DO HAVE A TAPE RECORDING MADE OF THE INSTRUCTIONS AS THEY
16 ARE BEING DELIVERED, CONTEMPORANEOUSLY WITH THE DELIVERY OF
17 THOSE INSTRUCTIONS, WITH ALL THE COUGHINGS AND THE CHANGES
18 OF AN "A" TO A "THE" OR WHATEVER IT MAY BE. AND IF IT IS
19 AGREEABLE WITH COUNSEL, WE COULD SEND THAT TAPE RECORDING
20 IN TO THE JURY.

21 MR. LEWIN: THAT'S A POSSIBILITY, IF I COULD JUST
22 THINK ABOUT THAT UNTIL SUCH TIME AS THE INSTRUCTIONS ARE GIVEN.

23 THE COURT: IT WILL BE MADE IN ANY EVENT, AND THEN
24 YOU CAN THINK ABOUT IT, COUNSEL. AND IT WILL BE MADE, AND
25 THAT WILL TAKE CARE OF THE MATTER THAT YOU ARE REFERENCING.

1 MR. LEWIN: THANK YOU.

2 THE COURT: AND AS FAR AS THE INDICTMENT GOING IN
3 TO THE JURY, WHAT IS THE COUNSEL'S PLEASURE?

4 MR. WEINGARTEN: YES.

5 THE COURT: THAT IS CUSTOMARILY DONE, AND I ASSUMED
6 THAT YOU KNEW IT WAS, BUT I DIDN'T WANT ANYTHING TO COME AS
7 A SURPRISE TO YOU.

8 MR. LEWIN: YES, YOUR HONOR.

9 THE COURT: ALL RIGHT. FINE. LET'S CALL IN THE
10 JURY. REMEMBER, YOU EACH HAVE AN HOUR-AND-A-HALF, HOWEVER
11 YOU WANT TO ALLOCATE IT. I HOPE WE CAN COMPLETE THE ARGUMENT
12 BEFORE THE LUNCHTIME RECESS, AND PERHAPS TAKE A FIVE OR
13 TEN-MINUTE BREAK IN BETWEEN. IF COUNSEL WOULD GIVE ME AN
14 IDEA WHEN IS A GOOD TIME TO TAKE A BREAK, WE'LL DO IT THEN.
15 IT IS ALWAYS DIFFICULT TO INTERRUPT THE FLOW OF ANYONE'S
16 CLOSING ARGUMENT.

17 MR. LEWIN: JUST THE ONE THING THAT I JUST HAVE
18 IN MIND IS JUST AT THE CONCLUSION OF MR. WEINGARTEN'S ARGUMENT,
19 I MAY NEED TWO OR THREE MINUTES JUST TO BRING THINGS AROUND
20 AND PUT THE EXHIBITS DOWN, IF THAT'S ALL RIGHT. I DON'T KNOW
21 WHETHER IT MAKES SENSE TO HAVE A RECESS THEN.

22 THE COURT: MAYBE THAT IS A GOOD TIME, THEN, TO
23 TAKE OUR QUICK RECESS, BECAUSE WE DO WANT THEM TO LISTEN TO
24 MOST OF YOUR ARGUMENT UNINTERRUPTEDLY.

25 FINE. GOOD. WE'RE READY.

1 (THE JURY RETURNED TO THE COURTROOM)

2 THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

3 THE JURY (EN MASSE): GOOD MORNING.

4 THE COURT: COUNSEL MAY HAVE A SEAT; MR. HANSEN,
5 YOU MAY HAVE A SEAT.

6 WE COME NOW TO THE CLOSING CHAPTERS -- STILL SOME
7 REMAINS, OF COURSE -- OF THE CASE. AND AS IS CUSTOMARY, WE
8 BEGIN THE CLOSING ARGUMENT WITH THE GOVERNMENT COUNSEL. WE
9 THEN GO TO DEFENSE COUNSEL, AND THEN WE COME BACK AT THE VERY
10 END TO GOVERNMENT COUNSEL.

11 AS I INDICATED TO YOU ON FRIDAY WHEN WE RECESSED,
12 FOLLOWING THE ARGUMENTS OF COUNSEL, WE WILL PROBABLY HAVE
13 REACHED THE LUNCHTIME RECESS. WE WILL THEN TAKE THAT LUNCH-
14 TIME RECESS, AND RIGHT AFTER LUNCHTIME RECESS, IF THE PLANS
15 GO AS WE ANTICIPATE, I WILL BE GIVING YOU THE INSTRUCTIONS
16 IN THIS CASE. AND IMMEDIATELY FOLLOWING THAT, YOU WILL RETIRE
17 TO COMMENCE UPON YOUR DELIBERATIONS.

18 PLEASE REMEMBER, UNTIL I DO GIVE YOU THOSE MAGIC
19 WORDS, THOUGH, YOU WILL NOT BE DISCUSSING THE CASE WITH ANYONE,
20 NOR WILL YOU COMMENCE YOUR DELIBERATIONS.

21 AND NOW, CLOSING ARGUMENT, BEGINNING WITH GOVERN-
22 MENT COUNSEL. MR. WEINGARTEN.

23 MR. WEINGARTEN: THANK YOU, YOUR HONOR.

24 GOOD MORNING, LADIES AND GENTLEMEN.

25 THE JURY (EN MASSE): GOOD MORNING.

1 MR. WEINGARTEN: THE EVIDENCE IS IN; THE JOB OF
2 THE ATTORNEYS IS COMING TO A CLOSE. SOON YOU 12 JURORS --
3 AND, OF COURSE, JUST 12, NOT 14 -- YOU 12, UNTRAINED IN THE
4 LAW BUT, NO DOUBT, RICH IN INTELLIGENCE, EXPERIENCE AND COMMON
5 SENSE, WILL HAVE TO DETERMINE THE GUILT OR INNOCENCE OF
6 CONGRESSMAN HANSEN. THE JOB NOW IS TO SUMMARIZE THE EVIDENCE.
7 THIS IS JUST ANOTHER STEP IN THE LONG, ARDUOUS PROCESS THAT
8 BEGAN WITH YOUR SELECTION AND CONCLUDES WITH YOUR VERDICT --
9 A PROCESS THAT HAS JUST ONE PURPOSE IN MIND: A FAIR AND
10 JUST VERDICT. YES, EVERYTHING WE DO, FROM SEQUESTERING YOU
11 TO ARGUING ABOUT EVIDENCE, TO PRESENTING EVIDENCE, TO CROSS-
12 EXAMINING WITNESSES, TO INTRODUCING DOCUMENTS -- EVERYTHING
13 WE DO HAS ONE PURPOSE IN MIND: A FAIR AND JUST VERDICT.

14 LADIES AND GENTLEMEN, WE ALL LOSE IF DEFENDANTS
15 DON'T GET FAIR TRIALS. WE ALL LOSE IF INNOCENT PEOPLE ARE
16 FOUND GUILTY AT THE END OF JURY TRIALS. AND WE ALL LOSE IF
17 PEOPLE WHO COMMIT CRIMES ARE ACQUITTED AT THE CONCLUSION OF
18 A TRIAL.

19 NOW, THESE ARE FINE-SOUNDING WORDS, AND WHAT DO
20 THEY MEAN? I THINK THEY MEAN, FOR YOUR PURPOSES, THAT YOU
21 MUST GET AT THE TRUTH. YOU CANNOT ARRIVE AT A FAIR AND JUST
22 VERDICT WITHOUT KNOWING THE TRUTH, WITHOUT KNOWING ALL THE
23 TRUE CIRCUMSTANCES THAT SURROUND THIS CASE. IT'S NOT SO EASY,
24 NOT SO EASY TO DO. YOU HAVE A LOT OF EXHIBITS, YOU HAD OVER
25 20 WITNESSES; YOU HAVE TWO WEEKS OF TESTIMONY. AND YOUR ONLY

1 TOOLS ARE YOUR INTELLIGENCE, YOUR EXPERIENCE FROM LIVING IN
2 THE DISTRICT OF COLUMBIA, AND YOUR COMMON SENSE. BUT SUBSTAN-
3 TIAL TOOLS THEY ARE. SUBSTANTIAL TOOLS THEY ARE. YOUR INTELLI-
4 GENCE TO KNOW WHEN AN INDIVIDUAL GOES TO HIS FAVORITE LAWYER
5 TO EVADE THE LAW. YOUR INTELLIGENCE TO KNOW THAT YOU CAN'T
6 SPEND THE SAME MONEY TWICE, AND YOUR COMMON SENSE TO KNOW
7 WHEN SOMEONE IS TRYING TO PULL ONE OVER ON YOU.

8 WHATEVER YOU DO, LADIES AND GENTLEMEN, DON'T LEAVE
9 YOUR EXPERIENCE, YOUR INTELLIGENCE, AND YOUR COMMON SENSE
10 OUTSIDE OF THE JURY ROOM.

11 NOW, WHAT IS THE TRUTH IN THIS CASE? THE CASE
12 BEGINS ON CAPITOL HILL. THE DEFENDANT, GEORGE HANSEN, HAS
13 BEEN A CONGRESSMAN FROM 1965 TO 1969 AND FROM 1975 TO PRESENT,
14 ABOUT FOURTEEN YEARS. AND NATURALLY, YOU ARE NOT GOING TO
15 HOLD THAT AGAINST HIM. THE FACT HE'S A CONGRESSMAN IS NOT
16 TO BE USED AGAINST HIM. AND SIMILARLY, HE IS NOT TO GET SPECIAL
17 FAVORS BECAUSE HE IS A CONGRESSMAN. HE IS A CONGRESSMAN,
18 AND IT'S RELEVANT TO THE CASE BECAUSE IT MAKES HIM SUBJECT
19 TO THE ETHICS IN GOVERNMENT ACT.

20 AFTER THE WATERGATE SCANDAL, LADIES AND GENTLEMEN,
21 CONGRESS PASSED A LAW THAT HAD AS ITS PURPOSE THE RESTORATION
22 OF THE PEOPLE'S FAITH IN THE HONESTY IN GOVERNMENT. A MAJOR
23 COMPONENT OF THAT ACT WAS FINANCIAL DISCLOSURE, SO THAT THE
24 PUBLIC COULD KNOW ABOUT THE FINANCIAL AFFAIRS OF ITS OFFICIALS
25 AND SO THAT CONFLICTS OF INTEREST COULD BE PREVENTED.

1 WHAT IS A CONFLICT OF INTEREST? A CONFLICT OF
2 INTEREST IS A PUBLIC OFFICIAL DOING SOMETHING IN HIS OFFICIAL
3 CAPACITY, LIKE LOBBYING THE PENTAGON, FOR EXAMPLE, AND AT
4 THE SAME TIME BENEFITING PERSONALLY, LIKE LOBBYING THE PENTAGON
5 AND RECEIVING MONIES FROM PRIVATE INDIVIDUALS.

6 THE FINANCIAL DISCLOSURE PORTIONS OF THE ETHICS
7 IN GOVERNMENT ACT REQUIRE YOU TO REPORT YOUR FINANCES, INCLUD-
8 ING YOUR LOANS, INCLUDING YOUR COMMODITIES TRANSACTIONS. AND
9 WHAT ABOUT COMMODITIES TRANSACTIONS AND LOANS IN YOUR WIFE'S
10 NAME? YOU MUST REPORT THEM, WITH TWO EXCEPTIONS. THE FIRST
11 EXCEPTION IS IF IN FACT THERE IS A REAL AND LEGITIMATE SEPARA-
12 TION BETWEEN YOU AND YOUR WIFE, THEN YOU DON'T HAVE TO REPORT
13 THE TRANSACTION. BUT BEFORE YOU CAN REACH THAT POINT, YOU
14 HAVE TO PASS A THREE-PRONGED TEST. AND THAT, OF COURSE, IS
15 THE CHART THAT WAS A GOVERNMENT EXHIBIT.

16 LET ME SAY THAT AGAIN; IT'S IMPORTANT. IF IN FACT
17 YOUR WIFE IS TRULY SEPARATE FROM YOU, HER AFFAIRS ARE TRULY
18 APART FROM YOURS, YOU DON'T HAVE TO REPORT THE TRANSACTIONS
19 IF YOU MEET THIS TEST. CONGRESS CONSIDERED IN THE ETHICS
20 IN GOVERNMENT ACT THAT THERE MAY BE OCCASIONS WHERE A CONGRESS-
21 MAN'S WIFE DOES ENACT BUSINESS TOTALLY SEPARATE FROM HIM.
22 THAT'S O.K. BUT BEFORE YOU CAN EXCLUDE THOSE TRANSACTIONS,
23 YOU HAVE TO MEET THIS TEST. YOU MUST HAVE NO KNOWLEDGE OF
24 THE TRANSACTION; YOU MUST HAVE NO PARTICIPATION IN THE TRANS-
25 ACTION; AND YOU MUST NOT BENEFIT FROM THE TRANSACTION. IF

1 YOU CAN'T MEET ALL THREE PARTS OF THAT TEST, YOU GOT TO
2 REPORT THE TRANSACTIONS IN YOUR WIFE'S NAME.

3 THE SECOND PART -- THE SECOND EXCEPTION, THE SECOND
4 TIME, AND THE ONLY TIME -- THE ONLY OTHER TIME YOU DON'T HAVE
5 TO REPORT YOUR WIFE'S BUSINESS IS IF THE SPOUSE IS LIVING
6 SEPARATE AND APART AND THE INTENTION IS TO TERMINATE THE
7 MARRIAGE. IN OTHER WORDS, IF THE MARRIAGE IS KAPUTE, THE
8 MARRIAGE IS OVER, THE WIFE IS OUT OF THE HOUSE, THEN YOU DON'T
9 HAVE TO REPORT THE WIFE'S TRANSACTIONS.

10 ON THE FORM ITSELF THERE ARE PROVISIONS TO INDICATE
11 IF YOU HAVE MET EITHER OF THESE TWO EXCEPTIONS. IF IN FACT
12 YOU MET THE THREE-PART TEST, IF YOUR WIFE IS LEGITIMATELY
13 SEPARATE FROM YOURS AND YOU DON'T REPORT HER TRANSACTIONS,
14 YOU MUST SO INDICATE ON THIS PART OF THE FORM HERE: "ARE YOU
15 AWARE OF ANY INTERESTS IN PROPERTY OR LIABILITIES OF A SPOUSE
16 WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE
17 STANDARDS OF EXEMPTION?" IN OTHER WORDS, IF YOUR WIFE IS
18 TRULY SEPARATE FROM YOU AND YOU ARE NOT REPORTING HER BUSI-
19 NESS, YOU HAVE TO PUT "YES" HERE. IF, IN FACT, YOUR WIFE
20 DOESN'T LIVE WITH YOU, THE MARRIAGE IS OVER, THE INSTRUCTIONS
21 FROM THE HOUSE OF REPRESENTATIVES THAT GO TO ITS MEMBERS SAY
22 YOU ARE TO PUT "N/A", SO THERE IS A MESSAGE TO THE PEOPLE
23 WHO REVIEW THESE FORMS THAT THERE IS IN FACT PROPERTY IN THE
24 WIFE'S NAME THAT IS NOT BEING INCLUDED ON THIS FORM.

25 THE INTENT OF THE ETHICS IN GOVERNMENT ACT IS TO

1 RESTORE CONFIDENCE IN THE INTEGRITY OF PUBLIC OFFICIALS. ITS
2 MAJOR COMPONENT IS FINANCIAL DISCLOSURE. IF A CONGRESSMAN
3 CAN DUMP HIS FINANCIAL AFFAIRS IN HIS WIFE'S NAME AND THEN
4 HIDE THEM FROM PUBLIC VIEW, THE INTENT OF THE ACT WOULD BE
5 DESTROYED.

6 THE INDICTMENT IN THIS CASE CHARGES THAT CONGRESSMAN
7 HANSEN FILED FALSE FINANCIAL STATEMENTS THE FIRST FOUR YEARS
8 THE ETHICS IN GOVERNMENT ACT WAS LAW. THE INDICTMENT READS
9 CHRONOLOGICALLY, BUT BACKWARDS. IT BEGINS WITH THE STATEMENT
10 HE FILED IN 1982 AND GOES BACKWARDS. THERE ARE FOUR COUNTS:
11 1982, 1981, 1980, AND 1979. FOR PURPOSES OF PRESENTING THE
12 FACTS, I WILL GO CHRONOLOGICALLY IN THE RIGHT ORDER. I THINK
13 IT IS MORE UNDERSTANDABLE, AND I KNOW YOU WILL UNDERSTAND
14 THE INDICTMENT WHEN YOU SEE IT.

15 THE CASE BEGINS WITH NELSON BUNKER HUNT. WHO IS
16 HE? WELL, HE'S A TEXAS OILMAN, A MILLIONAIRE. YOU RECALL
17 HIS BANKER, SAM HENRY, REPORTING HIS NET WORTH AS OF 1977,
18 \$139 MILLION. I ASKED HIM WHETHER OR NOT HE HAS ANY INTERESTS
19 IN IDAHO. HE SAYS, "WELL, I HAVE A FEW FEDERAL OIL AND GAS
20 LEASES, BUT, YOU KNOW, WE PROBABLY HAVE OIL AND GAS LEASES
21 IN THIRTY STATES."

22 THERE'S MANY, MANY INTERESTS THAT ARE PROFOUNDLY
23 AFFECTED BY WHAT GOES ON ON CAPITOL HILL. HE'S A CAMPAIGN
24 CONTRIBUTOR TO GEORGE HANSEN. HE HAS VERY SIMILAR PHILOSOC-
25 PHICAL VIEWS AS GEORGE HANSEN.

1 AND BY THE WAY, GEORGE HANSEN HAS BEEN HELD OUT
2 TO YOU AS A CONSERVATIVE. YOU MAY BE CONSERVATIVE; YOU MAY
3 BE LIBERAL. WHATEVER YOUR VIEWS, IT IS ABSOLUTELY IRRELEVANT
4 TO THIS CASE WHAT YOU THINK ABOUT CONSERVATISM. THAT IS NOT
5 THE CASE. THIS CASE IS FINANCIAL AFFAIRS.

6 THERE CAME A TIME WHEN CONGRESSMAN HANSEN ASKED
7 NELSON BUNKER HUNT FOR SOME MONEY BECAUSE HE SAID HE HAD
8 THREE HUNDRED TO FOUR HUNDRED THOUSAND DOLLARS IN LEGAL BILLS
9 FROM A POLITICAL FIGHT WITH WAYNE HAYS, AND HE WANTED A CONTRI-
10 BUTION FROM HUNT. HUNT SAID HE WAS SYMPATHETIC TO THIS
11 REQUEST, BUT HE DIDN'T DIG RIGHT INTO HIS POCKET, BECAUSE
12 HE WAS CONCERNED ABOUT THE LEGAL PROBLEMS THAT WOULD BE CAUSED
13 BY SIMPLY REACHING INTO HIS POCKET AND GIVING CONGRESSMAN
14 HANSEN SOME MONEY. HE THOUGHT ABOUT TRYING TO HELP HIM MAKE
15 SOME MONEY. AND THEN, HE HAD SECOND THOUGHTS ABOUT THAT,
16 TOO. AND HIS ANSWER: "AND THEN AS I THOUGHT ABOUT IT
17 FURTHER, I FELT THAT IT MIGHT NOT LOOK GOOD FOR ME, YOU KNOW,
18 TO BE TRYING TO HELP A CONGRESSMAN MAKE MONEY. SOMEBODY MIGHT
19 BE SUSPICIOUS ABOUT IT."

20 WELL, AT THAT POINT, CONGRESSMAN HANSEN SAID, "NO
21 PROBLEM, NO PROBLEM. I SEPARATED MY AFFAIRS FROM MY WIFE'S."
22 THIS IS HOW NELSON BUNKER HUNT DESCRIBED IT: "HE SAID"-- AND
23 HE'S TALKING ABOUT CONGRESSMAN HANSEN. "HE SAID THEY HAD
24 SEPARATE ACCOUNTS. I DON'T KNOW WHETHER IT WAS TAX ACCOUNTS
25 OR BANK ACCOUNTS OR JUST WHAT, BUT HE SAID THAT THERE WERE

1 LEGAL ACCOUNTS BETWEEN HE AND HIS WIFE."

2 NELSON BUNKER HUNT THOUGHT THAT WAS A FINE IDEA.
3 HE WAS PERFECTLY PREPARED TO HELP PAY CONGRESSMAN HANSEN'S
4 THREE TO FOUR HUNDRED THOUSAND DOLLARS IN LEGAL FEES BY GOING
5 THROUGH MRS. HANSEN. HE SAID, "EVENTUALLY, I RECOMMENDED
6 TO HER THAT SHE BUY SOME SOYBEANS."

7 WE PREPARED SOME CHARTS TO ASSIST YOU IN UNDERSTAND-
8 ING THESE TRANSACTIONS. THESE CHARTS ARE JUST SKELETONS.
9 THERE'S MUCH, MUCH MORE EVIDENCE SURROUNDING EACH TRANSACTION.
10 SIMPLY USE THESE CHARTS TO GET YOUR BEARINGS AND PROVIDE YOU
11 WITH HARD FACTS UPON WHICH YOU CAN RELY COMFORTABLY.

12 NOW, THE SOYBEAN SITUATION. I AM SURE THAT IF YOU
13 DON'T KNOW ANYTHING ABOUT THE COMMODITIES MARKET, YOU ARE
14 OVERWHELMED BY THE COMPLEXITY OF ALL THE EVIDENCE THAT CAME
15 ABOUT COMMODITIES. DON'T WORRY ABOUT IT. YOU SIMPLY MUST
16 RECALL THE WORDS OF OWEN NICHOLS: THE HORRIBLE UP-AND-DOWN
17 WORLD OF THE COMMODITIES MARKET, WHERE THOUSANDS AND THOUSANDS
18 OF DOLLARS CAN BE WON AND LOST IN A MATTER OF MINUTES.

19 THE CHART REFLECTS WHAT HAPPENED. NICHOLS ORDERS
20 PURCHASE OF 50 SOYBEAN CONTRACTS, VALUE: ABOUT TWO-AND-A-
21 HALF MILLION DOLLARS. THAT ORDER CAME ON AN INSTRUCTION FROM
22 WHO? FROM MRS. HANSEN? NO. FROM NELSON BUNKER HUNT. THE
23 CONTRACTS PLACED IN ACCOUNT OPENED FOR MRS. HANSEN. WHEN?
24 AFTER THE MARKET WENT UP AND A PROFIT WAS ASSURED. NELSON
25 BUNKER HUNT GETS ON THE PHONE TO NICHOLS, "TRANSFER THOSE

1 CONTRACTS INTO AN ACCOUNT FOR MRS. HANSEN."

2 CONTRACTS SOLD THAT DAY; NICE PROFIT, OVER \$50,000.
3 THEN, AND ONLY THEN, DID OWEN NICHOLS TALK FOR THE FIRST TIME,
4 AND ONLY TIME, WITH CONNIE HANSEN.

5 TWO DAYS LATER, NICHOLS ORDERS PURCHASE OF 20 SOY-
6 BEAN CONTRACTS FOR ACCOUNT OF MRS. HANSEN; VALUE: A COOL
7 MILLION DOLLARS. CONTRACTS SOLD, EVEN. 25TH, MORE CONTRACTS,
8 \$2 MILLION; SOLD, A LOSS OF \$85,000.

9 LADIES AND GENTLEMEN, THE POINT HERE IS THAT EVERY
10 DECISION MADE BY NICHOLS IN THESE COMMODITIES TRANSACTIONS
11 WERE MADE BY HUNT. NICHOLS HAD NO DISCRETION, PURSUANT TO
12 THE EVIDENCE THAT YOU HAVE RECEIVED, TO MAKE ANY DECISIONS
13 HIMSELF WITHOUT ANY INSTRUCTIONS. AND IT WAS NICHOLS' TESTI-
14 MONY -- AND I SUBMIT NICHOLS IS A NEUTRAL PROFESSIONAL WHO
15 HAS NO AXE TO GRIND IN THIS CASE -- THAT HE NEVER SPOKE TO
16 CONNIE HANSEN AFTER THE FIRST CALL ON APRIL THE 20TH.

17 EVERY DECISION MADE BY HUNT. NO DISCRETION BY
18 NICHOLS TO DO ANYTHING WITHOUT HUNT'S ORDERS. THE CONTRACTS
19 WERE PERCEIVED BY NICHOLS TO BE GUARANTEED BY HUNT TO PROTECT
20 HIM FROM A LOSS.

21 THE POINT TO ALL THIS IS THAT NELSON BUNKER HUNT
22 WAS TRYING TO PUT MONEY IN GEORGE HANSEN'S POCKET NOT BY
23 SIMPLY HANDING THE MONEY, BUT COMING UP WITH A COMMODITY
24 SCHEME WITH CONNIE HANSEN'S NAME UP FRONT. SHE, OBVIOUSLY,
25 HAD NOTHING WHATEVER TO DO WITH THESE TRANSACTIONS.

1 OF COURSE, THIS PARTICULAR TRANSACTION DIDN'T WORK
2 OUT TOO WELL. EVEN NELSON BUNKER HUNT CAN'T CONTROL THE COM-
3 MODITIES MARKET. AND THEY STAYED IN THE MARKET A BIT TOO
4 LONG AND WOUND UP WITH A \$33,000 LOSS.

5 WHAT DID THEY DO ABOUT THE LOSS? WELL, RIGHT DOWN
6 TO DALLAS TO BORROW \$50,000 FROM THE FIRST NATIONAL BANK.
7 THAT BANK WOULD NEVER HAVE MADE THAT LOAN WITHOUT NELSON BUNKER
8 HUNT'S GUARANTEE. \$50,000 LOAN CHECK DEPOSITED IN THE ACCOUNT
9 OF GEORGE AND CONNIE HANSEN AT THE ARLINGTON TRUST. BOTH
10 GEORGE AND CONNIE HANSEN WRITE CHECKS ON THIS ACCOUNT, AND
11 THOSE CHECKS HAVE BEEN RECEIVED INTO EVIDENCE.

12 MRS. HANSEN ISSUES A CHECK FROM THE ACCOUNT OF
13 GEORGE AND CONNIE HANSEN TO PAY FOR THE SOYBEAN LOSS. SHE
14 WAS SO IGNORANT ABOUT THE PARTICULAR SOYBEAN TRANSACTION THAT
15 SHE DIDN'T EVEN KNOW HOW MUCH MONEY SHE HAD LOST. SHE WROTE
16 A CHECK TO THE COMMODITIES HOUSE FOR \$40,000, NOT \$33,000.
17 AND THE COMMODITIES HOUSE HAD TO SEND A CHECK BACK TO HER
18 FOR OVER \$6,000.

19 OF COURSE, CONNIE HANSEN DID GO TO DALLAS AND TALK
20 TO THE DALLAS BANKER. THEREAFTER, EVERY CONTACT BETWEEN THE
21 DALLAS BANK AND THE HANSENS WAS WITH GEORGE HANSEN. HE TOOK
22 OVER COMPLETELY THE HANDLING OF THIS LOAN. GEORGE HANSEN
23 CALLS SAM HENRY, THE BANKER, IN RESPONSE TO A REQUEST FOR
24 PAYMENT OF OVERDUE INTEREST. HE WAS THE ONE HANDLING THIS
25 LOAN. OF COURSE, WHAT DID GEORGE HANSEN SAY TO SAM HENRY?

1 "I HAVE A CHECK IN THE MAIL." DID THE CHECK EVER COME? OF
2 COURSE NOT.

3 \$50,000 TO MRS. HANSEN FROM THE DALLAS BANK IS
4 RENEWED AND BACK-DATED TO MAY 26, 1978; RENEWED LOAN IS
5 GUARANTEED BY HUNT, AND EVENTUALLY HUNT HAS TO PAY THE NOTE
6 OFF WHEN THE HANSENS FORFEIT ON IT. MRS. HANSEN PAID ABOUT
7 A THOUSAND DOLLARS WORTH OF INTEREST ON THE \$50,000 LOAN,
8 ONCE. THAT IS IT. FROM MAY, 1977, UNTIL JUNE, 1980, SHE
9 PAID \$1,000 ON A \$50,000 NOTE, AND NELSON BUNKER HUNT WAS
10 FORCED TO PAY IT OFF.

11 THE QUESTION, THE THREE-PART TEST: DID GEORGE
12 HANSEN HAVE KNOWLEDGE OF THIS LOAN? OF COURSE HE HAD KNOWLEDGE
13 OF THESE LOANS. HE WAS THE ONE DEALING WITH HUNT; HE WAS
14 THE ONE DEALING WITH SAM HENRY.

15 WERE THESE LOANS INDEPENDENT OF GEORGE HANSEN? OF
16 COURSE NOT. HE WAS THE ONE DEALING WITH THE DALLAS BANK;
17 HE WAS THE ONE DEALING WITH NELSON BUNKER HUNT AT ALL TIMES.

18 WAS THERE BENEFIT TO GEORGE HANSEN BECAUSE OF THESE
19 LOANS? THE \$50,000 WENT INTO A JOINT ACCOUNT, UPON WHICH
20 HE WROTE THE CHECKS. THE \$50,000 CHECK WAS ENDORSED BY BOTH
21 NAMES, AND YOU RECALL THAT WHEN IT WAS DEPOSITED IN THE
22 ARLINGTON BANK ON MAY 27TH, 1977, \$5500 IN CASH WAS TAKEN
23 BACK. MRS. HANSEN HAD NO IDEA ABOUT THAT \$5500 IN CASH WHEN
24 SHE TESTIFIED. GUESS WHO PUT THAT \$5500 CASH IN HIS POCKET
25 WHEN HE WALKED OUT OF THAT BANK?

1 OF COURSE, THE SOYBEAN LOSS IS DEDUCTED FROM
2 CONGRESSMAN HANSEN'S JOINT TAX RETURN. WHEN IT'S TO HIS BENE-
3 FIT, OF COURSE, THE SOYBEAN TRANSACTION IS HIS. WHEN IT IS
4 NOT A BENEFIT TO HIM, OF COURSE, IT'S HIS WIFE'S.

5 WHEN WE INTERVIEWED HIM AFTER THIS INVESTIGATION
6 BEGAN, CONGRESSMAN HANSEN REFERRED TO THE SOYBEAN TRANSACTION
7 AS A, QUOTE, FINANCIAL BATH. THIS IS THE FINANCIAL BATH.
8 THERE WAS A \$33,000 SOYBEAN LOSS, A \$50,000 LOAN TO COVER
9 IT. THE LOAN HAS NEVER BEEN PAID BACK. AS WE SIT HERE,
10 SEVEN YEARS AFTER THE SOYBEAN LOSS, THIS MAN IS FIFTEEN --
11 AT LEAST \$15,000 TO THE GOOD. THAT'S SOME FINANCIAL BATH.
12 IT SOUNDS TO ME MORE LIKE A BUBBLE BATH.

13 COURT 4 IS THE DALLAS LOAN, NEVER REPORTED, NEVER
14 INDICATED ON HIS FINANCIAL DISCLOSURE FORM.

15 COUNT 2 IS THE NELSON BUNKER HUNT LOAN. NEVER
16 INDICATED, NEVER INDICATED ON THE BOX THAT HE IS NOT REPORTING
17 IT BECAUSE HE MEETS THE THREE-PART TEST; NEVER INDICATED
18 "NOT APPLICABLE" BECAUSE HE IS SEPARATE FROM HIS WIFE. SIMPLY
19 NOT REPORTED.

20 COULD IT BE, LADIES AND GENTLEMEN, THAT HE NEVER
21 WANTED THAT, QUOTE, UNQUOTE, FINANCIAL BATH TO SEE THE LIGHT
22 OF DAY?

23 SILVER TRANSACTION, NEXT CHART. IN SUMMARY, BACK
24 IN THE COMMODITIES MARKET IN SILVER. 125 CONTRACTS OF SILVER
25 PURCHASED, JANUARY 16TH, 1979, SOLD TWO DAYS LATER FOR A NICE

1 \$87,000 PROFIT. IT'S INTERESTING. JANUARY 16TH, 1979, NELSON
2 BUNKER HUNT CALLS HIS BROKER, LES MING, IN OKLAHOMA CITY.
3 YOU RECALL MING. MING IS THE GUY WHOSE BUSINESS IS 90 TO
4 100 PERCENT HUNT-DOMINATED BUSINESS. CALLS HIM UP AND FORGETS
5 THE CHARADE -- FORGETS THE CHARADE THAT THIS IS SUPPOSED TO
6 BE CONNIE HANSEN'S TRANSACTION. SAYS TO MING -- AND BECAUSE
7 IT'S IMPORTANT TESTIMONY, I THINK I'LL QUOTE IT. SAYS TO
8 MING -- I ASKED MR. MING ON THE WITNESS STAND, "WHAT EXACTLY
9 DID MR. HUNT SAY?" "JUST CALL GEORGE HANSEN. HE'S A
10 CONGRESSMAN FROM IDAHO. I THINK HE HAS SOME INTEREST IN
11 SILVER. THAT IS ALL. IF HE WANTS THESE, HE CAN HAVE THEM.
12 IF HE DOESN'T WANT THEM, GO AHEAD AND BUY THEM FOR ME AND
13 I'LL TAKE THEM."

14 "SO WE ARE CLEAR ON YOUR RELATIONSHIP TO MR. HUNT,
15 HAD HE EVER MADE SUCH A REQUEST TO YOU BEFORE?" "YEAH."

16 "WITH WHOM?" "WITH MEMBERS OF HIS FAMILY."

17 "WITH ANYONE OUTSIDE OF HIS FAMILY?" "NO, BECAUSE
18 I DON'T TRADE WITH ANYONE OUTSIDE OF HIS FAMILY."

19 "JUST SO WE ARE CLEAR: NEVER WITH A CONGRESSMAN?"
20 "NEVER."

21 NELSON BUNKER HUNT FORGOT HIS CHARADE. HE TOLD
22 MING TO CALL GEORGE HANSEN, BECAUSE THAT'S WHO NELSON BUNKER
23 HUNT WANTED TO HELP.

24 THAT CALL THAT WE HAVE JUST DESCRIBED TOOK PLACE
25 ABOUT 8:55 IN THE MORNING. BY 10:10 IN THE MORNING, MING HAD

1 BOUGHT 125 CONTRACTS OF SILVER VALUED AT CLOSE TO FOUR
2 MILLION DOLLARS IN FIVE DIFFERENT PURCHASES, WHICH WOULD HAVE
3 MEANT AT LEAST TEN CALLS BETWEEN HIM AND NEW YORK, THE FLOOR.
4 THERE ARE OTHER CALLS ON HIS TOLLS. THERE ARE OTHER CALLS
5 TO NELSON BUNKER HUNT. THE FIRST CALL ON LES MING'S TOLL
6 RECORDS TO THE HANSENS IS AT 10:49 A.M., AFTER ALL THE SILVER
7 HAD BEEN PURCHASED. THE FIRST TIME HE TALKS TO THE HANSENS,
8 PURSUANT TO HIS TOLL RECORDS, FOR MORE THAN A MINUTE IS THE
9 AFTERNOON, AFTER THE MARKET IS CLOSED, AND AFTER THE MARKET
10 HAS GONE UP.

11 LADIES AND GENTLEMEN, IT IS SIMPLY AN INSTANT REPLAY
12 OF THE SOYBEAN TRANSACTION. HUNT CALLS THE SHOT -- CALLED
13 EVERY SHOT IN THIS TRANSACTION. THE BROKER SPOKE TO THE
14 HANSENS ONLY AFTER THE CONTRACTS HAD BEEN PURCHASED, ONLY
15 AFTER THE MARKET HAD GONE UP. THE CONTRACTS WERE CHANGED
16 FROM NELSON BUNKER HUNT'S ACCOUNT TO CONNIE HANSEN'S ACCOUNT
17 ONLY AFTER THE MARKET HAD GONE UP. MR. MING WAFFLES ON THAT.
18 THAT'S WHY WE PUT ON STUART GOLDBERG AT THE END OF ONE DAY,
19 THE LITTLE FELLOW FROM CHICAGO. HE SAID, "YEAH. IN THE
20 AFTERNOON, LES MING CALLED ME UP AND TOLD ME TO CHANGE THOSE
21 CONTRACTS." HE HAD PURCHASED ALL 125 BY 10:10 IN THE MORNING.
22 THESE WERE HUNT-GUARANTEED CONTRACTS THAT WERE PUT IN CONNIE
23 HANSEN'S NAME ONLY AFTER THE MARKET WENT UP.

24 NOW, OF COURSE, MING'S STORY THAT HE CONTACTED CONNIE
25 HANSEN AND HAD A NICE CONVERSATION AND IN TEN MINUTES EXPLAINED

1 ALL THE RISKS OF THE MARKET IS KIND OF SILLY. IT'S KIND OF
2 SILLY, LADIES AND GENTLEMEN. HE SAYS FROM THAT CONVERSATION
3 IT WAS HIS IMPRESSION THAT SHE WAS WORTH OVER A QUARTER OF
4 A MILLION DOLLARS. AND CONNIE HANSEN SAID FROM THAT CONVERSA-
5 TION SHE HAD COMPLETE FAITH IN DR. MING. COMPLETE FAITH
6 WITH A TOTAL STRANGER HALF WAY ACROSS THE UNITED STATES TO
7 GO OUT IN THE MARKET AND PUT HER IN THE HOLE FOR A POSSIBLE
8 \$3.8 MILLION WORTH OF SILVER? YOU ESTABLISH THAT KIND OF
9 CONFIDENCE IN TEN MINUTES? OF COURSE NOT. THE ANSWER IS
10 OBVIOUS. THIS IS ANOTHER ATTEMPT BY NELSON BUNKER HUNT TO
11 PUT MONEY IN GEORGE HANSEN'S POCKET BY USING HIS WIFE AS A
12 FRONT. THIS ONE, OF COURSE, WAS A LITTLE BIT MORE SUCCESSFUL
13 THAN THE SOYBEANS.

14 THE REST OF THE CHART DEALS WITH THE MARGIN MONEY.
15 THE HANSENS HAD TO COME UP WITH \$125,000 FOR A SHORT PERIOD
16 OF TIME BEFORE THE \$87,000 WORTH OF PROFIT COULD BE FREED
17 UP. GEORGE HANSEN, WHEN WE ASKED HIM ABOUT IT, SAID HE WAS
18 SIMPLY ACTING AS A BOY SCOUT -- BOY SCOUT, TO HELP FREE UP
19 HIS WIFE'S PROFIT. THE BOY SCOUT INSTRUCTED HIS BANKER IN
20 IDAHO TO WRITE A \$125,000 CHECK ON AN ACCOUNT THAT HAD \$300.
21 I'M NOT SURE THAT'S HOW BOY SCOUTS OPERATE.

22 THE REAL QUESTION, THOUGH, LADIES AND GENTLEMEN,
23 IS WHAT HAPPENED TO THE \$87,000. IT'S ONE OF THE MOST
24 ILLUSTRATIVE QUESTIONS OF THIS CASE. WAS IT USED TO PAY BACK
25 THE HUNT LOAN, THE \$50,000 HUNT LOAN? NO. WHY WOULD THEY

1 USE MONEY GENERATED BY BUNKER HUNT TO PAY BACK BUNKER HUNT
2 FOR THE PRIOR LOSS? WHY WOULD THEY DO THAT?

3 WE ASKED CONGRESSMAN HANSEN DURING HIS INTERVIEW
4 AT HIS OFFICE: WHAT HAPPENED TO THE \$87,000? AND I QUOTE
5 HIS ANSWER: "I SURE COULDN'T TELL YOU, BUT I AM SURE THAT
6 SHE HAD PLENTY OF DEBTS."

7 WAS HE BEING TRUTHFUL AT THAT TIME? HE KNEW THAT
8 WE HAD COME TO HIS OFFICE TO TALK TO HIM ABOUT THE SILVER,
9 AND HE COULD HAVE REASONABLY ANTICIPATED THAT ONE OF OUR QUES-
10 TIONS WOULD HAVE BEEN "WHAT HAPPENED TO THE PROFIT." AND
11 HE SAID, "I SURE COULDN'T TELL YOU, BUT SHE SURE HAD PLENTY
12 OF DEBTS." WAS THAT TRUTHFUL?

13 THE EVIDENCE YOU HEARD IS THAT THAT \$87,000 WENT
14 INTO THE FIRST SECURITY BANK OF POCA TELLO, IDAHO. WITHIN ONE
15 OR TWO DAYS, GEORGE HANSEN WROTE FOUR CASHIER'S CHECKS, FOR
16 \$43,000, \$30,000, \$30,000, AND \$28,000, TO HIMSELF, AND DEPOS-
17 ITED THOSE CHECKS IN A BANK 235 MILES AWAY IN IDAHO, IDAHO
18 STATE BANK OF GLENNS FERRY. WITHIN ONE WEEK OF THOSE DEPOSITS,
19 HE HAD WRITTEN TEN CHECKS FOR BETWEEN \$9,000 AND \$10,000 TO
20 HIMSELF ON THAT ACCOUNT.

21 IS THAT HOW MRS. HANSEN PAYS THE FAMILY DEBTS? DID
22 CONGRESSMAN HANSEN HAVE KNOWLEDGE OF THESE SILVER TRANSACTIONS?
23 I THINK THE ANSWER IS OBVIOUS. DID HE PARTICIPATE IN IT?
24 OF COURSE. HE WAS THE BOY SCOUT. AND DID HE BENEFIT IN THOSE
25 TRANSACTIONS? HE BENEFITED TO THE TUNE OF \$87,000. AND DID

1 HE REPORT THE TRANSACTIONS? NO, HE DIDN'T. AND DID HE INDI-
2 CATE ON HIS FORM THAT HE WAS EXEMPTED BECAUSE OF HIS WIFE'S
3 INDEPENDENT STATUS? NO, HE DIDN'T. AND DID HE EVER SAY,
4 "NOT APPLICABLE BECAUSE I'M SEPARATE FROM MY WIFE"? NO, HE
5 DIDN'T.

6 TURN TO THE VIRGINIA LOANS. THIS IS THE FIRST
7 COUNT IN THE INDICTMENT, MOVING BACKWARDS. IN 1981, IN JULY,
8 AUGUST AND NOVEMBER, HE RECEIVES \$25,000, \$60,000, AND \$50,000
9 FROM SOME BOYS IN VIRGINIA NAMED MCAFEE, ROGERS AND MEADE.
10 THESE WERE UNSECURED LOANS, SECURED ONLY BY HIS SIGNATURE,
11 FROM FELLOWS 350 MILES FROM WASHINGTON AND MUCH, MUCH FURTHER
12 FROM HIS CONSTITUENCY IN IDAHO. OF COURSE, THE LOANS IN THE
13 BEGINNING ARE FROM A MAN NAMED MCAFEE, WHO WAS HIS FRIEND
14 AND SHARED AN INTEREST IN FREEING THE HOSTAGES IN IRAN. NO
15 DOUBT ABOUT THAT. BUT IT IS DISINGENUOUS TO SUGGEST THAT
16 MR. MCAFEE WAS MAKING THOSE LOANS PERSONALLY TO CONGRESSMAN
17 HANSEN BECAUSE OF HIS FRIENDSHIP FOR CONGRESSMAN HANSEN,
18 BECAUSE MCAFEE DIDN'T HOLD ONTO THAT NOTE AFTER GIVING A
19 CHECK OF \$25,000 AND \$60,000 FOR VERY LONG. WITHIN DAYS,
20 HE'S DOWN TO HIS FRIENDLY BANKER, JOHN MEADE, GETTING A LOAN
21 OF LIKE AMOUNT AND GIVING THE BANK CONGRESSMAN HANSEN'S NOTES.
22 FOR ALL INTENTS AND PURPOSES, THE FIRST TWO LOANS WERE IN
23 MCAFEE'S NAME; THE MONEY CAME FROM THE MINERS AND MERCHANTS
24 BANK OF VIRGINIA, AND THAT'S THE BANK OF OUR FRIEND JOHN
25 MEADE, BANK SWINDLER, LIAR, AND CON MAN.

1 TO UNDERSTAND THESE LOANS, YOU HAVE TO UNDERSTAND
2 JOHN MEADE'S CON AT THIS TIME. HE WAS INTERESTED IN A CAR
3 THAT WAS ALLEGEDLY BEING DEVELOPED IN AUSTRALIA THAT RUNS
4 ON WATER. HE WANTED TO BE ABLE TO SELL THE RIGHTS TO THAT
5 CAR TO INVESTORS IN THE UNITED STATES. AND HE OFFERED TO
6 PAY SCIENTISTS TO GO OVER TO AUSTRALIA TO TAKE A LOOK AT
7 THAT CAR. AND, IN FACT, HE OFFERED THE SCIENTISTS A PIECE
8 OF THE ACTION IF THEY WOULD GO OVER THERE AND WORK WITH HIM.
9 HE PERSISTED IN HIS PROJECT, EVEN AFTER HE WAS TOLD THAT THE
10 PROJECT WAS A HOAX; THAT A PERSON WOULD DIE IN ONE SECOND
11 IF THERE WAS EVER HYDROGEN FUSION ABOARD A CAR. YOU MAY
12 INFER FROM THAT FACT, LADIES AND GENTLEMEN, THAT WHAT HE
13 WANTED TO DO WAS TELL WOULD-BE INVESTORS THAT HE HAD GOTTEN
14 THE ARMY INTERESTED IN THIS PROJECT. BUT THE ARMY WASN'T
15 INTERESTED, NOT INTERESTED AT ALL. THEY KNOW A HOAX WHEN THEY
16 SEE ONE.

17 AND THAT'S WHERE GEORGE HANSEN CAME IN. GEORGE
18 HANSEN SET UP THE MEET AT THE PENTAGON WITH THE SECRETARY
19 OF THE ARMY ON JULY 23RD. AND WHAT A COINCIDENCE -- WHAT
20 A COINCIDENCE: THE SAME DAY THE \$25,000 IS CASHED.

21 AUGUST 14TH, THE DAY THE NOTE IS SIGNED FROM GEORGE
22 HANSEN TO MCAFEE AND ROGERS, MCAFEE AND MEADE ARE ON THEIR
23 WAY TO AUSTRALIA TO LOOK INTO THE WATER CAR, AFTER THE PENTAGON
24 HAD TOLD THEM THAT THE THING HAD NO CHANCE OF WORKING. AND
25 ISN'T IT INTERESTING THAT CARL MCAFEE, THE MAKER OF THE NOTE,

1 THAT LAWYER FROM SOUTHWESTERN VIRGINIA, HAS NO RECOLLECTION
2 OF MAKING THAT \$60,000 LOAN. IS THAT CREDIBLE? IS THAT NOT
3 A MAN TRYING TO HIDE SOMETHING? A MAN MAKES A \$60,000 NOTE
4 TO A UNITED STATES CONGRESSMAN AND HE FORGETS ALL ABOUT IT?

5 THEN CAME A VERY INTERESTING POINT IN THE CASE.

6 THE LOANS -- TWO LOANS WERE MADE: \$25,000 JULY 23RD; \$60,000
7 AUGUST 14TH. INTEREST COMES DUE ON SEPTEMBER 30TH. THERE'S
8 A GOVERNMENT EXHIBIT, LADIES AND GENTLEMEN, OF AN INTEREST
9 PAYMENT. AND HOPEFULLY, YOU WILL TAKE A CAREFUL LOOK AT IT.
10 GOVERNMENT EXHIBIT 51. IT'S AN INTEREST PAYMENT SIGNED BY
11 JOHN MEADE. IT SAYS ON THE NOTE IT'S THE INTEREST ON THE
12 HANSEN LOAN. JOHN MEADE, THE BANKER, WAS PAYING CONGRESSMAN
13 HANSEN'S INTEREST. IF YOU HAVE ANY QUESTION ABOUT THIS --
14 THE NATURE OF THESE VIRGINIA LOANS, ASK YOURSELF, WHEN WAS
15 THE LAST TIME YOU HEARD OF SOMEONE GETTING A LOAN FROM A BANK
16 AND THEN THE BANKER PAYS HIS INTEREST? THAT'S WHAT WAS
17 HAPPENING HERE.

18 OF COURSE, OCTOBER 15TH CONGRESSMAN HANSEN IS ON
19 THE PHONE FORCEFULLY TELLING NORWOOD, THE BLACK SCIENTIST
20 FROM THE PENTAGON, "SEND YOUR PEOPLE TO AUSTRALIA." OF COURSE,
21 NOVEMBER 23RD HE'S BACK ON THE PHONE WITH AMARETTA HOEVER
22 FROM THE PENTAGON ON THE WATER CAR. NOVEMBER 23RD, THE DAY
23 HE GETS BACK FROM JOHN MEADE'S HOUSE WITH \$50,000 OF MEADE'S
24 MONEY.

25 WHOSE LOANS WERE THESE? WHOSE NAME WAS ON THE

1 PAPER? GEORGE HANSEN. WHO PAID IT BACK? WELL, AN INTEREST-
2 ING THING ABOUT THAT. APRIL '82 ROLLS ALONG. NO INTEREST
3 IS PAID BETWEEN JOHN MEADE PAYING GEORGE HANSEN'S INTEREST
4 AND APRIL ROLLS ALONG, AND THE EXAMINERS COME TO THE BANK,
5 AND JOHN MEADE IS IN BIG TROUBLE, AND HE KNOWS IT. AND HE
6 CALLS GEORGE HANSEN AND SAYS, "WE'VE GOT TO HAVE SOME INTEREST."
7 THAT IS THE FIRST TIME GEORGE HANSEN PAYS INTEREST ON THIS
8 NOTE.

9 OF COURSE, HE EVENTUALLY PAYS MCAFFEE HIS \$60,000
10 IN AUGUST, 1982, AFTER THE FBI CONTACTS MCAFFEE. OF COURSE,
11 HE PAYS THE \$25,000 BACK AFTER THE INDICTMENT IN THIS CASE
12 AND EVERYTHING IS PUBLIC. OF COURSE, HE PAYS THE \$50,000
13 BACK TO MEADE THREE YEARS LATER, TWO YEARS LATE, RIGHT ON
14 THE EVE OF THIS TRIAL.

15 HIS ACCOUNTS ARE STRAIGHT WITH THE VIRGINIA BOYS,
16 BUT ISN'T THE TIMING INTERESTING? BUT HE PAYS IT BACK. HE
17 TOOK THE LOANS, HE SIGNED THE NOTES, HE PAYS THE MONEY BACK.
18 HE DECLARES THE INTEREST ON HIS TAX RETURN. AND WHO SPENDS
19 THE MONEY? WHO SPENDS THE MONEY? THERE'S A STIPULATION,
20 STIPULATION NO. 11. TAKE A LOOK AT IT. "IT IS HEREBY
21 STIPULATED AND AGREED BY THE PARTIES" -- AND NO ONE FORCES
22 A DEFENDANT TO STIPULATE. THIS IS WHAT HE AGREES TO. HE
23 ADMITS THAT WITHIN ONE WEEK OF THE RECEIPT OF ALL THREE CHECKS,
24 HE WROTE CHECKS UNRELATED TO THE ASSOCIATION OF CONCERNED
25 TAXPAYERS AND THE MONEY WAS GONE. HE SPENT THE MONEY; THEY
WERE HIS NOTES; HE PERSONALLY PAID IT BACK. BUT, OF COURSE,

1 THEY WERE NOT REPORTED. AND YOU MAY INFER FROM THAT THAT
2 HE CERTAINLY DIDN'T WANT PEOPLE TO KNOW THAT HE WAS RECEIVING
3 MONEY FROM THESE VIRGINIA BOYS AT THE SAME TIME HE WAS LOBBY-
4 ING FOR THEIR WATER CAR.

5 NOW, WHAT DOES THE DEFENSE SAY TO ALL OF THIS?
6 ESSENTIALLY, THE DEFENSE IS, AS TO THE HUNT TRANSACTIONS:
7 THERE WAS A PROPERTY SEPARATION AGREEMENT IN 1977 THAT ALLOWED
8 HIM NOT TO REPORT. AS TO THE VIRGINIA LOANS: THIS MONEY
9 WAS LENT TO THE ASSOCIATION OF CONCERNED TAXPAYERS, NOT TO
10 ME.

11 LET'S TAKE A LOOK AT THE PROPERTY SEPARATION AGREE-
12 MENT FIRST. IT'S 1977. HANSEN CLAIMS THAT HE HAS DEBTS
13 CAUSED BY A POLITICAL SPAT WITH WAYNE HAYS. HE WANTS TO SEND
14 OUT A MASS MAILING ASKING PEOPLE TO GIVE HIM MONEY TO PAY
15 OFF THESE DEBTS. THE FEDERAL ELECTION COMMISSION SAYS, "IT'S
16 NOT OUR BUSINESS SO LONG AS THE MONEY IS NOT USED FOR YOUR
17 CAMPAIGN." THEN HE ASKS THE HOUSE ETHICS COMMITTEE. IN THE
18 COURSE OF HIS RELATIONSHIP WITH THE HOUSE ETHICS COMMITTEE,
19 HE TELLS THE COMMITTEE IT'S A MATTER OF BASIC FINANCIAL
20 SURVIVAL. HIS LAWYER REFERRED TO HIM AT THAT TIME AS A MAN
21 OF MODEST MEANS.

22 BEFORE WE GET TO THE ETHICS COMMITTEE RESPONSE,
23 LET'S TAKE A LOOK AT HIS FINANCIAL STATEMENT OF 1977 SUBMITTED
24 TO A BANK TO GET A LOAN AND SEE IF HE WAS A MAN OF MODEST
25 MEANS AND WHETHER OR NOT THIS WAS A QUESTION OF BASIC FINANCIAL

1 SURVIVAL. WELL, HE LISTS FOUR AUTOMOBILES; HE LISTS CASH
2 ON HAND OF OVER \$30,000; HE LISTS REAL ESTATE VALUED AT
3 \$391,000. HE LISTS DEBTS OF \$275,000. HE LISTS A NET WORTH
4 OF ABOUT A QUARTER OF A MILLION DOLLARS. HE LISTS AN INCOME
5 OF \$72,000. HIS REAL ESTATE ASSETS INCLUDE A HOME IN IDAHO,
6 PROPERTY IN ARKANSAS, A HOME IN VIRGINIA, PROPERTY IN IDAHO,
7 AND A BUSINESS IN IDAHO. HE LISTS LIFE INSURANCE IN HIS
8 WIFE'S NAME OF \$290,000.

9 IS THIS A MAN OF MODEST MEANS? IS THIS A MAN FACING
10 BASIC FINANCIAL SURVIVAL IN 1977? WELL, YOU ALL KNOW AT THIS
11 POINT THAT THE HOUSE OF REPRESENTATIVES TURNED HIM DOWN COLD.
12 NEITHER A MEMBER NOR HIS SPOUSE CAN DIRECTLY SOLICIT FUNDS
13 FOR PERSONAL USE BY A FUND-RAISING TECHNIQUE SUCH AS A MASS
14 MAILING. OF COURSE, ESSENTIALLY, WHAT THEY SAID: YOU CAN'T
15 SOLICIT MONEY. YOU'RE A CONGRESSMAN. YOUR WIFE CAN'T SOLICIT
16 MONEY ON YOUR BEHALF. YOU CANNOT USE A MASS MAILING.

17 OF COURSE, THE HANSENS WEREN'T HAPPY WITH THAT
18 RESPONSE. THEY WANTED TO SEND OUT THEIR FUND-RAISER, AND
19 THEY CAME UP WITH THEIR ANSWER: THE PROPERTY SEPARATION AGREE-
20 MENT. MRS. HANSEN COMMUNICATED WITH THE HOUSE ETHICS COMMITTEE
21 SOON AFTER THEIR RULING, JUNE '77. SHE SAYS MANY THINGS, BUT
22 INCLUDED IS THE FOLLOWING: "NOW, LET ME INFORM YOU THAT I
23 DON'T INTEND TO STAND BY AND LET A COMMITTEE OF CONGRESS OR
24 ANYONE ELSE DEPRIVE ME OF THE BASIC RIGHTS OF A CITIZEN OF
25 THIS NATION TO PAY MY BILLS AND PROTECT MY HOME."

1 NOBODY WAS PREVENTING MRS. HANSEN FROM PAYING HER
2 BILLS. NO ONE WAS PREVENTING HER FROM GOING OUT AND GETTING
3 A JOB. WHAT THEY WERE TELLING HER THAT SHE COULDN'T DO WAS
4 ONLY THIS: YOU CAN'T SOLICIT MONEY FROM STRANGERS TO PAY
5 OFF YOUR DEBT.

6 MRS. HANSEN SAYS, "I DO WHAT I MUST. LET ME ADVISE
7 YOU THAT AS A MATTER OF PERSONAL AND FAMILY SURVIVAL, I PLAN
8 TO RAISE FUNDS AT AN EARLY DATE TO PAY MY HALF OF THE DEBTS
9 IN A PROPER AND LEGAL FASHION. YOUR ARBITRARY RULES MAY
10 EXTEND TO MY HUSBAND AS A MEMBER OF CONGRESS, BUT I DO NOT
11 BELONG TO THAT BODY. I AM A FREE AGENT, WITH RIGHTS AND
12 RESPONSIBILITIES OF MY OWN."

13 AND, IN FACT, SHE DID START FUND-RAISING. SHE SENT
14 OUT A LETTER THAT ASKED FOR MONEY, AND CONCLUDED, QUOTE:
15 "I PROMISE THAT I WILL DEPOSIT YOUR DONATION PROMPTLY IN
16 A SPECIAL BANK ACCOUNT THAT I HAVE SET UP TO PAY OFF THESE
17 DEBTS."

18 A GOVERNMENT EXHIBIT, A CHECK FOR \$4700 -- I DON'T
19 HAVE IT RIGHT HERE. IT MUST BE IN THE EXHIBITS. IT'S A CHECK
20 DATED JULY 11TH -- IT'S A DEPOSIT FROM THE CONNIE HANSEN
21 SPECIAL FUND, THE FUND THAT WAS RECEIVING THESE CONTRIBUTIONS
22 -- IT WAS A DEPOSIT RIGHT INTO THEIR JOINT ACCOUNT IN
23 ARLINGTON. WITHIN TWO MONTHS AFTER CONGRESS TOLD HER THAT
24 SHE COULDN'T RAISE FUNDS WITH A MASS MAILING FOR HER HUSBAND,
25 SHE WAS TAKING FUNDS THAT SHE HAD RECEIVED FROM A MASS MAILING

1 AND PUTTING THEM DIRECTLY INTO A JOINT ACCOUNT THAT SHE AND
2 HER HUSBAND SHARED.

3 I HATE TO GET DOWN ON MRS. HANSEN. I AM SURE THAT
4 SHE IS A WONDERFUL MOTHER, A NICE LADY. BUT, LADIES AND
5 GENTLEMEN, YOU MUST BE SOMEWHAT SKEPTICAL WHEN YOU HEAR ON
6 THE ONE HAND THE WOMAN IS THE ADMINISTRATIVE ASSISTANT FOR
7 THE ENTIRE OFFICE, SHE RUNS THE OFFICE, AND ON THE OTHER HAND,
8 HAS NO IDEA WHETHER OR NOT SHE HAS TWO, FIVE, OR TEN BANK
9 ACCOUNTS.

10 THE PROPERTY SEPARATION AGREEMENT IS THE LINCHPIN
11 TO THE ENTIRE DEFENSE OF THE NELSON BUNKER HUNT LOANS. I
12 AM REMINDED OF A TIME I WAS AT MY GRANDMOTHER'S HOUSE. I
13 SAW A BOWL OF FRUIT ON THE TABLE. I REACHED IN TO GRAB A
14 LUSCIOUS-LOOKING APPLE. TO MY SHOCK, IT TURNED OUT TO BE
15 PLASTIC. IT WAS NOT AN APPLE AT ALL. IT APPEARED TO BE AN
16 APPLE; IT LOOKED LIKE AN APPLE. BUT WHEN YOU TOUCHED IT,
17 EXAMINED IT, TOOK A CAREFUL LOOK AT IT, IT WAS A PHONY.

18 AT FIRST GLANCE AT THIS DOCUMENT, IT APPEARS TO
19 BE A VERY, VERY SOLEMN, LEGAL AGREEMENT. IT'S GOT NINE
20 PAGES, IT'S TYPED, IT'S NOTARIZED, IT'S DATED, IT'S SIGNED.
21 WHEN YOU TOUCH IT, WHEN YOU EXAMINE IT, WHEN YOU LOOK AT IT,
22 YOU REALIZE IT'S A PHONY.

23 PARAGRAPH 3: "FROM THE COMMUNITY PROPERTY OF THESE
24 PARTIES, THE WIFE SHALL HAVE AS HER SOLE AND SEPARATE PROPERTY,
25 FREE AND CLEAR OF ANY RIGHT, TITLE AND INTEREST OF THE HUSBAND,

1 THE FOLLOWING ITEMS." AND IT LISTS REAL ESTATE, IT LISTS
2 CARS. THOSE TITLES WERE NEVER CHANGED, LADIES AND GENTLEMEN.
3 GEORGE HANSEN REGULARLY PUT THIS PROPERTY ON HIS FINANCIAL
4 STATEMENTS THAT HE WAS SUBMITTING TO BANKS FOR LOANS. THERE
5 IS NOTHING SEPARATE AND SOLE ABOUT THIS PROPERTY. AND THERE
6 WAS NOTHING SEPARATE AND SOLE ABOUT THIS PROPERTY AFTER THIS
7 DOCUMENT WAS WRITTEN.

8 NO. 4 -- PARAGRAPH 4, DEBTS: "FROM THE COMMUNITY
9 DEBTS, THE HUSBAND SHALL ASSUME AS HIS SOLE AND SEPARATE DEBTS,
10 FROM WHICH THE WIFE SHALL BE FREE OF ANY LIABILITY OR
11 OBLIGATION" -- AND THEY LIST THE MORTGAGES AND THE BANK LOANS.
12 SHE WAS NEVER FREE FROM ANY OF THESE LIABILITIES. THE BANK
13 COULD HAVE GONE AFTER BOTH GEORGE AND CONNIE HANSEN AFTER
14 THIS AGREEMENT WAS SIGNED, JUST THE WAY THEY COULD HAVE BEFORE
15 HAND. THE LIABILITIES WERE NEVER TRANSFERRED FROM HER NAME
16 TO HIS NAME. THIS IS LIKE THAT PLASTIC APPLE, LADIES AND
17 GENTLEMEN.

18 PARAGRAPH 13 OF THIS DOCUMENT: "EACH OF THE PARTIES
19 HERETO AGREES TO EXECUTE, SIGN AND DELIVER OVER TO THE OTHER
20 PARTY ANY AND ALL DOCUMENTS, CERTIFICATES, TITLES AND DEEDS
21 AND OTHER INSTRUMENTS AS MAY BE NECESSARY TO CONVEY AND TRANS-
22 FER THE HEREINABOVE LISTED REAL AND PERSONAL PROPERTY." NOTHING
23 WAS TRANSFERRED; NOTHING WAS EXCHANGED. THE TITLES REMAINED
24 EXACTLY AS THEY WERE BEFORE THIS DOCUMENT WAS WRITTEN.

25 PARAGRAPH 14: "IT IS FURTHER AGREED THAT ANY AND

1 ALL PROPERTY ACQUIRED FROM AND AFTER THE EFFECTIVE DATE OF
2 THIS AGREEMENT SHALL BE THE SOLE AND SEPARATE PROPERTY OF
3 THE ONE SO ACQUIRING." THEY BOUGHT THREE HOUSES AFTER THIS
4 DOCUMENT WAS SIGNED. IT WASN'T THE SOLE AND SEPARATE PROPERTY
5 OF ANYBODY. IT WAS BOUGHT JOINTLY.

6 PARAGRAPH 17: "EACH AGREES THAT HE OR SHE WILL
7 NOT INCUR ANY LIABILITY ON BEHALF OF THE OTHER." WE INTRODUCED
8 EVIDENCE OF AT LEAST EIGHT JOINT MORTGAGES THAT WERE TAKEN
9 OUT ON THE PROPERTY THEY BOUGHT. LIABILITY OF ONE? OF COURSE
10 NOT. THESE ARE JOINT LIABILITIES.

11 AND, OF COURSE, THERE'S PARAGRAPH 5. I SUBMIT THE
12 PURPOSE, AND THE ONLY PURPOSE, OF THIS DOCUMENT WAS TO GET
13 AROUND THE HOUSE ETHICS COMMITTEE RULING SO THAT CONNIE
14 HANSEN COULD GO OUT AND SOLICIT FUNDS. IF YOU NEED PROOF
15 OF THAT, LADIES AND GENTLEMEN, TAKE A LOOK WHEN YOU ARE BACK
16 IN THE JURY ROOM AT PARAGRAPH NO. 5. THAT PURPORTS TO LIST
17 THE LOANS THAT WERE TAKEN BY CONNIE HANSEN. PARAGRAPH 4,
18 ALL THE LOANS THAT GEORGE HANSEN TOOK. AND NO DOUBT THOSE
19 LOANS THAT GEORGE HANSEN TOOK ARE REAL. THEY ARE LISTED.
20 THEY ARE LISTED WITH THE EXACT FIGURES, THE BANKS, THE MORTGAGE
21 COMPANIES. THOSE ARE REAL, AND THERE ARE SUBSTANTIAL DEBTS
22 THERE. BUT WHAT DOES CONNIE HANSEN TAKE? SHE TAKES THE
23 \$50,000 LOAN FROM THE DALLAS NATIONAL BANK, THE LOAN, OF
24 COURSE, THAT CONGRESSMAN HANSEN DEALT WITH MR. HENRY ABOUT
25 AND THE LOAN THAT CONGRESSMAN HANSEN SAID THE CHECK WOULD BE

1 IN THE MAIL, AND ALSO PERSONAL LOANS IN THE SUM OF \$372,750.
2 WHAT DEBTS? WHAT DEBTS MAKE UP THE \$372,000? WELL, I ASKED
3 MRS. HANSEN, AND SHE SAID JUST -- OR SHE TESTIFIED ON DIRECT
4 EXAMINATION, JUST HONEST, COMMON, EVERYDAY PEOPLE LOANED
5 \$372,000. I WANTED IT A LITTLE MORE SPECIFIC; SHE COULDN'T
6 TELL ME RIGHT NOW.

7 I ASKED MR. RUNFT, THE AUTHOR OF THIS DOCUMENT.
8 HE HAD NO PRESENT RECOLLECTION OF THE AMOUNTS OR THE PEOPLE.

9 MR. MCKENNA, THEIR LAWYER, THEIR COMRADE, THEIR
10 WORKMATE FOR SIX YEARS, HE HAD NO SPECIFICS ABOUT THESE LOANS.

11 THEY KNEW, ALL THREE WITNESSES, THAT THE VALIDITY
12 OF THIS DOCUMENT WAS A CENTRAL ISSUE, AND YET, THERE IS NOT
13 ONE SHRED OF CREDIBLE EVIDENCE THAT THAT DEBT ACTUALLY
14 EXISTED. IN FACT, THERE IS POWERFUL EVIDENCE TO THE CONTRARY.

15 CONNIE HANSEN SAID THAT HER FUND-RAISER RAISED
16 ABOUT \$100,000. IF IN FACT THAT MONEY WAS APPLIED TO THE
17 \$372,000, THAT WOULD REDUCE THE DEBT TO LET'S SAY A QUARTER
18 OF A MILLION DOLLARS -- WE'LL BE GENEROUS. WAS ANY INTEREST
19 PAID ON THAT DEBT? LADIES AND GENTLEMEN, INTRODUCED INTO
20 EVIDENCE WAS A PORTION OF THE TAX RETURN, THE TAX RETURN
21 WHERE THE INTEREST IS LISTED FOR 1979. YOU WOULD THINK, IF
22 YOU HAD A DEBT OF \$250,000, THAT YOU WOULD PAY INTEREST ON
23 IT. AND YOU WOULD THINK IF YOU PAID INTEREST ON IT, YOU WOULD
24 INCLUDE IT IN YOUR TAX RETURN AS A DEDUCTION. IN 1979, THE
25 HANSENS DID DEDUCT THEIR INTEREST. HOME MORTGAGE, OVER

1 \$16,000. CREDIT CARDS, 724. BANKS, OVER \$10,000. AND OTHERS,
2 \$818. \$818 WORTH OF INTEREST FOR A DEBT OF A QUARTER OF A
3 MILLION DOLLARS? TEN PERCENT INTEREST, THAT WOULD BE \$25,000;
4 FIVE PERCENT INTEREST, 12.5 THOUSAND DOLLARS. ONE PERCENT --
5 THEY WERE PAYING LESS THAN ONE PERCENT INTEREST ON THIS QUARTER
6 OF A MILLION DOLLAR DEBT?

7 HOW MANY PEOPLE DO YOU KNOW THAT GET A QUARTER OF
8 A MILLION DOLLARS WORTH OF DEBTS AND PAY NO INTEREST ON IT?
9 CONTRARY TO COMMON EXPERIENCE.

10 IN ADDITION, CONGRESSMAN HANSEN TOLD NELSON BUNKER
11 HUNT THREE TO FOUR HUNDRED THOUSAND DOLLARS WORTH OF LEGAL
12 BILLS. THE LEGAL BILLS ARE LISTED IN THIS PROPERTY SEPARA-
13 TION AGREEMENT: \$4,999 -- NOT THREE TO FOUR HUNDRED THOUSAND
14 DOLLARS.

15 WHAT CAN WE SAY ABOUT THIS DOCUMENT? WE CAN SAY
16 THAT ITS SOLE PURPOSE WAS TO EVADE THE HOUSE ETHICS COMMITTEE.
17 WE CAN SAY IT'S A DOCUMENT THAT CONTAINS FALSE INFORMATION.
18 WE CAN SAY IT'S A DOCUMENT THAT THE HANSENS DID NOT OBSERVE
19 FOR ONE SECOND. AND WHAT IS THE PHONIEST PART OF THE DOCU-
20 MENT? THE DESCRIPTION OF JOHN RUNFT: "THE ECONOMIC LIFE OF
21 THESE PEOPLE HAS BEEN SEPARATED," HE SOLEMNLY SAID. WHO IS
22 HE KIDDING? WHAT'S BEEN SEPARATED? "MRS. HANSEN PURSUED HER
23 OWN SEPARATE LIFE AND PAID HER OWN SEPARATE DEBTS." WHO IS
24 HE KIDDING?

25 MR. RUNFT IS THE SAME LAWYER THAT PREPARED THAT

1 QUITCLAIM DEED OF THE ARLINGTON HOUSE WHERE THEY USED TO LIVE,
2 TRANSFERRING ALL RIGHT AND TITLE AND INTEREST OVER TO MRS.
3 HANSEN. THAT'S THAT ARLINGTON HOUSE THAT THEY USED TO LIVE
4 IN THAT WAS SOLD IN 1979. IT WAS SOLD WITH GEORGE HANSEN
5 ON THE TITLE. GEORGE HANSEN PUT THAT HOUSE FROM THAT QUIT-
6 CLAIM DEED ON HIS FINANCIAL STATEMENT THAT HE USED TO GET
7 LOANS. AND IN THE TAX RETURN THAT THEY FILED, IT ASKED AFTER
8 A SALE OF PROPERTY, IS IT THE HUSBAND'S PROPERTY, IS IT THE
9 WIFE'S PROPERTY, OR IS IT BOTH YOUR PROPERTY? AND, OF COURSE,
10 THE HANSENS PUT "BOTH." EITHER THE QUITCLAIM DEED IS A
11 FRAUD OR THEY WEREN'T TELLING THE TRUTH ON THEIR TAX RETURN.
12 I THINK YOU KNOW THE ANSWER TO THAT QUESTION.

13 THE PROPERTY SEPARATION AGREEMENT WAS SIGNED IN
14 SEPTEMBER '77. TWO YEARS LATER, APPROXIMATELY TWO YEARS
15 LATER, CONGRESSMAN HANSEN HAD TO FILL OUT HIS FIRST FINANCIAL
16 DISCLOSURE FORM PURSUANT TO THE ACT. HE CALLS MR. RUNFT, THE
17 AUTHOR OF THE PROPERTY SEPARATION AGREEMENT AND THE QUITCLAIM
18 DEED. WHAT DOES MR. RUNFT SAY GEORGE HANSEN WANTED?

19 "CONGRESSMAN HANSEN ASKED ME -- ACTUALLY, BOTH MR.
20 AND MRS. HANSEN ASKED ME, UNDER THE NEW ACT, WAS THERE A
21 REASONABLE INTERPRETATION AVAILABLE UNDER THE ACT THAT WOULD
22 ALLOW CONGRESSMAN HANSEN TO CONTINUE NOT TO REPORT MRS.
23 HANSEN'S INCOME?" YEAH. THE ETHICS IN GOVERNMENT ACT CAME
24 ALONG, AND NO MATTER WHAT ITS OBVIOUS INTENT, CONGRESSMAN
25 HANSEN DIDN'T WANT TO REPORT THE TRANSACTIONS THAT HE HAD

1 BURIED IN HIS WIFE'S NAME. AND HE ASKED HIS FAVORITE LAWYER
2 TO FIND HIM A WAY OUT. AND HIS LAWYER, OF COURSE, CAME UP
3 WITH THE PROPERTY SEPARATION AGREEMENT. THE SEPARATION AGREE-
4 MENT OF CONVENIENCE. IT'S SEPARATE WHEN THEY WANT TO SEND
5 OUT A FUND-RAISING LETTER; IT'S SEPARATE WHEN THEY WANT TO
6 HIDE THE HUNT TRANSACTION. IT'S JOINT, OF COURSE, WHEN THEY
7 FILE THEIR TAX RETURN, WHEN IT'S TO THEIR ADVANTAGE. THE
8 PROPERTY IS JOINT WHEN THEY SUBMIT FINANCIAL STATEMENTS TO
9 THE BANK TO GET LOANS.

10 OF COURSE, MR. RUNFT SAID THE PART IN THE ACT ABOUT
11 WHEN THE MARRIAGE IS DISSOLVED, THEY ARE TALKING ABOUT
12 ECONOMIC SEPARATION THERE. I SUBMIT TO YOU, LADIES AND
13 GENTLEMEN, MR. RUNFT'S EXPLANATION ABOUT THE ACT IS CONTRARY
14 TO COMMON SENSE. A LAWYER IS NOT PERMITTED TO READ A SENTENCE
15 AND IF THE SENTENCE SAYS THE SKY IS BLUE, HE CAN'T TURN AROUND
16 TO HIS CLIENT AND SAY THE SKY IS WHITE. HE'S TALKING ABOUT
17 THE STATEMENT, "NO REPORT SHALL BE REQUIRED WITH RESPECT TO
18 A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING
19 INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE
20 OR PROVIDING FOR A PERMANENT SEPARATION."

21 YOU CAN'T TWIST LANGUAGE TO SUIT YOUR FANCY, TO
22 SUIT YOUR PURPOSE. THAT'S NOT THE WAY AN HONEST AND AN ETHICAL
23 LAWYER OPERATES. AND, OF COURSE, CONGRESSMAN HANSEN DIDN'T
24 TELL ALL THE FACTS TO HIS LAWYER, MR. RUNFT. RUNFT, HIMSELF,
25 TESTIFIED THAT HE HAD NO IDEA ABOUT THE HANSEN'S FINANCIAL

1 AFFAIRS AFTER 1977. HE KNEW NOTHING ABOUT THE NELSON BUNKER
2 HUNT SOLICITATION. HE DIDN'T KNOW THAT GEORGE HANSEN USED
3 THE DALLAS LOAN. HE DIDN'T KNOW WHAT HAPPENED TO THE \$87,000.
4 YOU CAN ONLY RELY ON LEGAL ADVICE FROM YOUR COUNSEL IF YOU
5 OWN UP TO ALL THE FACTS OF A TRANSACTION. HANSEN NEVER TOLD
6 HIM ABOUT THESE TRANSACTIONS THAT HE WANTED TO HIDE BY MAKING
7 USE OF THE PROPERTY SEPARATION AGREEMENT. HE SIMPLY USED
8 RUNFT AS A COVER, IF ANYONE EVER CALLED HIM UP ON THE HUNT
9 TRANSACTIONS.

10 HE ASKED FOR LEGAL ADVICE FROM RUNFT TO EVADE THE
11 ETHICS IN GOVERNMENT ACT. RUNFT READ THE LAW TO SUIT HIS
12 CLIENT'S PURPOSE WITHOUT READING THE LAW FAIRLY. GEORGE
13 HANSEN DID NOT MAKE A GOOD FAITH EXPOSURE OF THE FACTS TO
14 JOHN RUNFT. A COMBINATION OF THOSE FACTS, LADIES AND GENTLE-
15 MEN, DOES NOT PERMIT HIM TO COME UP HERE BEFORE YOU AND USE
16 LEGAL COUNSEL'S ADVICE AS AN EXCUSE FOR NOT REPORTING HIS
17 TRANSACTIONS.

18 AND, OF COURSE, WHAT ABOUT A.C.T.? A.C.T. IS
19 GEORGE HANSEN'S ORGANIZATION TO FIGHT THE IRS AND TO PROMOTE
20 A FLAT TAX RATE. YOU MAY BE FOR GEORGE HANSEN'S PROGRAM;
21 YOU MAY BE AGAINST GEORGE HANSEN'S PROGRAM. THAT IS NOT THE
22 ISSUE. THE ISSUE IS: WAS THE \$135,000 USED BY GEORGE HANSEN
23 OR WAS IT MONEY THAT WAS LENT TO A.C.T.? THE ANSWER IS
24 OBVIOUS. ISN'T IT INTERESTING. HE NEVER TOLD THE BOYS IN
25 VIRGINIA THAT THE MONEY WAS TO BE USED FOR THE ASSOCIATION OF

1 CONCERNED TAXPAYERS. THOSE BOYS FROM VIRGINIA WERE HOSTILE
2 GOVERNMENT WITNESSES, TRYING TO HELP GEORGE HANSEN AS MUCH
3 AS THEY COULD, AND YET, THEY COULDN'T SAY ANYTHING ABOUT THE
4 ASSOCIATION OF CONCERNED TAXPAYERS. THEY BEST THEY COULD
5 COME UP WITH, HE WAS USING THE MONEY TO PROMOTE A BOOK.

6 THE BOOK WAS HIS. HE WAS CLAIMING DEDUCTIONS ON
7 HIS TAX RETURN FOR THE EXPENSES OF HIS BOOK. HE TOLD THE
8 BANK IN AUGUST 1981 THAT PROCEEDS OF THE BOOK WERE GOING TO
9 BE USED TO PAY OFF A PERSONAL LOAN. IF IN FACT THE 135 DID
10 GO TO USE OF THE BOOK, HE STILL HAD TO REPORT THE LOANS,
11 BECAUSE THAT WAS PURELY A PERSONAL VENTURE. IT WAS ONLY WHEN
12 THE BOOK DIDN'T SELL THAT THEY DUMPED IT INTO THE A.C.T.
13 MAILING, LONG AFTER THE LOANS WERE MADE IN THE SUMMER OF 1982.

14 GARY JARMIN, THE TREASURER, DID HE EVER TELL GARY
15 JARMIN THAT THESE LOANS FROM THE VIRGINIA BOYS WERE MONIES
16 THAT THE A.C.T. ORGANIZATION COULD USE? OF COURSE NOT.

17 THE MONEY WAS ALL GONE, THE MONEY WAS LONG GONE
18 BEFORE THE A.C.T. OPERATION GOT UNDER WAY.

19 STIPULATION NO. 11, LOOK AT IT WHEN YOU GO BACK
20 IN THE JURY ROOM. YOU CAN'T SPEND MONEY TWICE. AND I THINK
21 WHAT'S SO CRYSTAL CLEAR IS THAT WE KNOW WHAT MONIES GEORGE
22 HANSEN USED FOR A.C.T.

23 MR. LEWIN'S CHART, IT'S A DEFENSE EXHIBIT,
24 DEMONSTRATES CLEARLY THAT FROM MARCH 15TH TO MARCH 24TH, LONG
25 AFTER THE VIRGINIA LOANS WERE MADE, ABOUT \$95,000 OF GEORGE

1 HANSEN'S WAS PUT INTO THE A.C.T. ACCOUNT. WHERE DID THAT
2 MONEY COME FROM? THE LAST TWO GOVERNMENT WITNESSES IN THE
3 REBUTTAL CASE MAKE THAT ABUNDANTLY CLEAR. ON MARCH THE 2ND,
4 1982, HE GOES TO A BANKER IN IDAHO AND OPENS AN A.C.T. ACCOUNT
5 BORROWS \$90,000, TAKES ANOTHER \$5,000 FROM HIS CHECKING
6 ACCOUNT, AND PUTS IT INTO ANOTHER IDAHO ACCOUNT. IN THE SAME
7 MONTH, HE WITHDRAWS \$93,000 FROM THE SECOND IDAHO ACCOUNT
8 AND PUTS IT IN THE RIGGS ACCOUNT. AND THAT IS THE MONEY THAT
9 WAS USED FOR A.C.T.; NOT THE MONEY FROM THE VIRGINIA BOYS.
10 THAT MONEY WAS LONG GONE. YOU CAN'T SPEND THE SAME MONEY
11 TWICE, LADIES AND GENTLEMEN.

12 RELYING ON JIM MCKENNA'S ADVICE NOT TO REPORT THE
13 VIRGINIA LOANS -- TALK ABOUT A MAN BEING IN THE DARK. HE
14 NEVER KNEW ABOUT THE IDAHO ACCOUNT, NEVER KNEW ABOUT THE A.C.T.
15 ACCOUNT, EVEN THOUGH HE WAS THE NO. 2 MAN IN THE ORGANIZATION.
16 HE NEVER KNEW ABOUT THE VIRGINIA MONEY WHEN THE VIRGINIA MONEY
17 WAS RECEIVED. WOULDN'T IT HAVE BEEN A NORMAL THING FOR GEORGE
18 HANSEN TO GO UP TO HIS WORKMATE, THE NO. 2 MAN IN A.C.T.,
19 IN THE SUMMER OF '81 AND SAY, "OH, GREAT NEWS. I JUST GOT
20 \$135,000 FROM THESE VIRGINIA BOYS AND WE CAN USE THAT MONEY
21 IN OUR TAX PROGRAM." HE NEVER DID THAT. HE NEVER TOLD GEORGE
22 -- GEORGE HANSEN NEVER TOLD JIM MCKENNA ABOUT THAT 135 UNTIL
23 IT WAS TIME TO REPORT THE MONEY AND HE WAS LOOKING FOR A LEGAL
24 EXCUSE NOT TO DO IT. AND I SUBMIT THE REASON HE DIDN'T TELL
25 JIM MCKENNA ABOUT THE 135 HAD A LOT TO DO WITH THE FACT THAT
HE WAS LOBBYING THE WATER CAR AT THE SAME TIME FOR THE SAME

1 PEOPLE AT THE PENTAGON.

2 JIM MCKENNA'S LEGAL ADVICE IS THE ADVICE OF A MAN
3 WHO IS ON THE PAYROLL AND IS A MAN -- IT IS THE ADVICE OF
4 A MAN WHO IS IN THE DARK. YOU CAN'T RELY ON LEGAL ADVICE
5 IF YOU DON'T LEVEL WITH YOUR ATTORNEY.

6 THE LAW IN THIS CASE AND THE ISSUES IN THIS CASE
7 ALL COME DOWN TO ONE THING: WHAT WAS GEORGE HANSEN'S INTENT
8 WHEN HE DIDN'T REPORT THE HUNT DEALS AND THE VIRGINIA LOANS?
9 WAS IT SIMPLY A MISTAKE? WAS IT AN ACCIDENT? WAS HE ACTING
10 IN GOOD FAITH? I SUBMIT TO YOU, LADIES AND GENTLEMEN, THE
11 EVIDENCE IS OVERWHELMING. IT WAS NO MISTAKE; IT WAS NO ACCI-
12 DENT; THERE WAS NO GOOD FAITH. THESE TRANSACTIONS, WHEN
13 OPENED TO THE FRESH AIR, WHEN YANKED OUT OF JOHN RUNFT'S
14 OFFICE -- AND I SUBMIT JOHN RUNFT NEVER THOUGHT THAT PROPERTY
15 SEPARATION AGREEMENT WOULD SEE THE LIGHT OF DAY -- WHEN
16 YANKED OUT OF MING'S TOLL RECORDS, MCAFEE'S MEMORY, MEADE'S
17 BANK, IDAHO BANKS, AND MANY OTHER PLACES, EMIT AN ODOR THAT
18 CAN BE PICKED UP ALL THE WAY IN POCA TELLO, IDAHO. AND IT'S
19 NOT THE ODOR OF SPRING FLOWERS; IT IS THE STENCH OF POLITICAL
20 CORRUPTION.

21 GEORGE HANSEN WENT TO GREAT LENGTHS TO HIDE THAT
22 STENCH, TO HIDE IT FROM HIS PEERS ON THE HILL, TO HIDE IT
23 FROM THE PRESS, TO HIDE IT FROM HIS CONSTITUENTS, THE GOOD
24 PEOPLE OF IDAHO, AND TO HIDE IT FROM THE LAW.

25 MR. L. IN: YOUR HONOR, I OBJECT TO THE REMARKS

1 ABOUT POLITICAL CORRUPTION AND STENCH.

2 THE COURT: COUNSEL TO THE BENCH, MR. LEWIN.

3 (AT THE BENCH)

4 THE COURT: WHATEVER THE PROBLEM, I DON'T WANT TO
5 HAVE IT SAID IN FRONT OF THE JURY, MR. LEWIN. YOU UNDERSTAND
6 THAT.

7 MR. LEWIN: YES. THAT IT SEEMS TO ME JUST WENT BEYOND
8 THE NARROW TERMS OF ARGUMENT. YOU KNOW, I TRIED NOT TO INTER-
9 FERE WITH HIS CLOSING ARGUMENT, BUT WHEN HE STARTS TALKING
10 ABOUT STENCH OF POLITICAL CORRUPTION IN A CASE OF THIS KIND,
11 I JUST THINK THAT GOES TOO FAR. THAT IS SIMPLY INTENDED TO
12 INFLAME THE JURY. AND I REQUEST THE JURY BE INSTRUCTED THAT
13 THAT WAS AN IMPROPER REMARK THAT SHOULD NOT HAVE BEEN MADE,
14 AND I WANT IT WITHDRAWN.

15 MR. WEINGARTEN: IT'S A PERFECTLY LEGITIMATE ARGU-
16 MENT.

17 MR. LEWIN: I'M SORRY. IT IS NOT PROPER ARGUMENT.

18 THE COURT: IT IS ARGUMENT, PERHAPS A LITTLE STRONGER
19 THAN SOME OF THE ARGUMENTS THAT CAN BE MADE. I CAN'T SAY
20 THAT IT IS AN UNTOWARD ARGUMENT IN THE LIGHT OF THE EVIDENCE
21 THAT WE HAVE HEARD IN THIS CASE. BUT I WOULD ASK THAT, OF
22 COURSE, MR. WEINGARTEN NOT REPEAT THAT AND LET IT GO AT THIS
23 ONE TIME.

24 MR. LEWIN: ALL RIGHT. I OBJECT TO THAT, YOUR HONOR.

25 THE COURT: OF COURSE, WE HAVE YOUR OBJECTION NOTED.

1 (IN OPEN COURT)

2 THE COURT: YOU MAY CONTINUE.

3 MR WEINGARTEN: THE BOTTOM LINE, LADIES AND
4 GENTLEMEN: CONGRESSMAN HANSEN WANTED TO HIDE THESE TRANS-
5 ACTIONS FROM THE CONGRESS, FROM THE PEOPLE OF IDAHO, FROM
6 THE PRESS, FROM THE PUBLIC, AND FROM THE LAW. THE FIRST FOUR
7 YEARS THE ETHICS IN GOVERNMENT ACT WAS ON THE BOOKS, THE MAN
8 FILED FALSE STATEMENTS. THE ONLY VERDICT -- THE ONLY VERDICT
9 CONSISTENT WITH THE EVIDENCE IS GUILTY AS CHARGED.

10 THANK YOU.

11 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE
12 ARE GOING TO TAKE A TEN-MINUTE RECESS AT THIS TIME. OF COURSE,
13 I ASK THAT YOU NOT DISCUSS THE CASE AMONG YOURSELVES OR WITH
14 ANYONE. AND THEN, HOPEFULLY, WE WILL BE ABLE TO COMPLETE
15 THE ARGUMENTS FROM THE DEFENSE NEXT AND THEN FROM MR. WEINGARTEN
16 OR MR. COLE LAST BEFORE YOUR LUNCHTIME RECESS. SO PLEASE
17 PREPARE FOR A SITTING OF PERHAPS UP TO TWO HOURS OR SO. ALL
18 RIGHT?

19 THE JURY IS EXCUSED FOR THE NEXT TEN MINUTES.

20 (SHORT RECESS TAKEN FROM 10:02 A.M. UNTIL 10:14 A.M.)

21 (JURY NOT PRESENT)

22 THE COURT: ARE YOU READY, MR. LEWIN, OR DO YOU
23 NEED ANOTHER MINUTE?

24 MR. LEWIN: YES, YOUR HONOR, I'M READY.

25 THE COURT: VERY GOOD. SHALL WE BRING THE JURY IN.

1 (THE JURY RETURNED TO THE COURTROOM)

2 THE COURT: ALL RIGHT, LADIES AND GENTLEMEN OF THE
3 JURY. WE ARE NOW TO HEAR FROM MR. LEWIN, THE DEFENSE COUNSEL
4 IN THIS CASE, AND HIS CLOSING ARGUMENT. MR. LEWIN.

5 MR. LEWIN: THANK YOU, YOUR HONOR.

6 LADIES AND GENTLEMEN OF THE JURY. YOU WILL RECALL
7 I GUESS IT WAS TEN DAYS AGO WHEN I INTRODUCED MYSELF TO YOU
8 AND TOLD YOU THAT AT THAT POINT I WOULD TRY TO GIVE YOU, IN
9 ADVANCE, THE OUTLINES -- THE TRUE OUTLINES OF THE PICTURE
10 THAT SHOULD BE ON THE COVER OF THAT JIGSAW PUZZLE BOOK --
11 JIGSAW PUZZLE BOX, RATHER. THAT'S WHAT MR. COLE HAD REFERRED
12 TO IT IN OPENING ARGUMENT, AND I THOUGHT IT WAS AN APPROPRIATE
13 ANALOGY. AND I STILL THINK IT IS. AND IT IS KIND OF INTEREST-
14 ING, REALLY, THAT THE GOVERNMENT COUNSEL HAS NOT EVEN TALKED
15 ABOUT IT IN THOSE TERMS, BECAUSE I THINK WHAT THE TRIAL HAS
16 SHOWN YOU OVER THE COURSE OF THESE TEN DAYS IS THAT THERE
17 WERE LOTS OF PIECES OF THAT JIGSAW PUZZLE, LOTS OF ELEMENTS
18 THAT WERE NEVER DESCRIBED TO YOU IN ADVANCE BY THE GOVERNMENT,
19 THAT WERE NEVER SUGGESTED TO YOU, AND THAT IN FACT REALLY
20 MAKE UP THE TRUE PICTURE. AND I THINK THAT'S EVEN TRUE AS
21 OF TODAY, AS WE LOOK BACK AT THE EVIDENCE.

22 BEFORE PROCEEDING WITH THAT, LET ME FIRST THANK
23 YOU, BECAUSE IT HAS CERTAINLY STRUCK ME, AND ALL MY COLLEAGUES
24 AT THE DEFENSE TABLE, THROUGHOUT THIS ENTIRE TRIAL, THAT
25 YOU'VE BEEN AN EXTRAORDINARILY ATTENTIVE GROUP OF JURORS, AND

1 THAT ALTHOUGH THERE HAVE BEEN TIMES IN THE COURSE OF THIS
2 TRIAL WHERE THERE HAVE BEEN DOCUMENTS THAT HAVE BEEN INTRODUCED
3 IN EVIDENCE IN SEQUENCE AND THINGS THAT HAVE SORT OF BEEN
4 DULL AND DREARY, THAT YOU HAVE ALWAYS SAT THROUGH AND LISTENED
5 CAREFULLY, BECAUSE I THINK YOU RECOGNIZE, AS WE DO, THAT THIS
6 IS A VERY, VERY SERIOUS MATTER THAT YOU ARE CONSIDERING; THAT
7 THE REPUTATION, THE HONOR, THE VERY LIFE OF A CONGRESSMAN
8 IS AT STAKE BEFORE YOU IN THIS CASE.

9 I SHOULD ALSO, IN CASE I HAVE IN ANY WAY OFFENDED
10 YOU IN SOME WAY -- I MEAN AT TIMES I HAVE OBJECTED. MAYBE
11 I APPEARED TO BE EXERCISED. I'D RUN UP TO THE BENCH. WE'VE
12 HAD A CONFERENCE WITH HER HONOR UP AT THE BENCH. IF YOU HAVE
13 GOTTEN ANGRY AT ME FOR ANY OF THE THINGS THAT I HAVE DONE IN
14 THE COURSE OF THIS TRIAL, I ASK YOU, PLEASE, NOT TO HOLD IT
15 AGAINST CONGRESSMAN HANSEN. I'VE BEEN TRYING TO DO THE BEST
16 I COULD IN TERMS OF BRINGING THE FACTS BEFORE YOU, IN TERMS
17 OF CROSS-EXAMINING THE WITNESSES. AND THOSE MATTERS ARE LEFT,
18 REALLY, ENTIRELY TO MY JUDGMENT, AND IT IS MY ACTIONS WHEN
19 I TAKE THEM, AND HE HAS NO RESPONSIBILITY FOR THEM.

20 THE PROSECUTOR TOLD YOU IN SUMMATION THAT WHAT WE
21 TELL YOU AS LAWYERS IS NOT EVIDENCE. AND THAT'S REALLY VERY
22 IMPORTANT TO BEAR IN MIND, AND I THINK PARTICULARLY SO THIS
23 MORNING, BECAUSE I THINK WHAT YOU'VE HEARD SO FAR THIS MORNING
24 HAS BEEN CERTAINLY A VERY HIGH-PITCHED, OUTRAGED, ANGRY
25 PROSECUTOR TELLING YOU, IN THE MOST EXTREME TERMS, ABOUT WHAT

1 TERRIBLE THINGS HAVE BEEN DONE. BUT THE CASE -- THE CASE
2 BEFORE YOU, THE EVIDENCE IS NOT TO BE JUDGED ON THE BASIS
3 OF THE ANGER OF THE PROSECUTOR, ON THE BASIS OF HOW LOUDLY
4 HE CAN MAKE HIS POINTS, OR HOW MUCH HE CAN WAVE HIS ARMS OR
5 POUND ON THE TABLE. THE IMPORTANT THING FOR YOU TO DO IS
6 VERY CALMLY, VERY COOLY JUST LOOK AT THE EVIDENCE, SEE WHAT
7 IS THERE -- SEE WHETHER THERE IS ANYTHING THERE.

8 THE PROSECUTOR TALKED AT THE CLOSE OF HIS SUMMATION
9 -- USED WHAT I THOUGHT WAS AN OBJECTIONABLE WORD, THE WORD
10 "STENCH". MAYBE WE'LL GET TO IT BEFORE I CONCLUDE. IT'S A
11 WORD I WOULD LIKE TO RESERVE FOR A WHILE.

12 BUT I THINK, REALLY, WHAT YOU HAVE SEEN IN THIS
13 TRIAL AND WHAT YOU HEARD THIS MORNING CAN MAYBE BE DESCRIBED
14 MORE SPECIFICALLY AS A SMOKESCREEN. LITERALLY, THE WORD
15 "SMOKESCREEN". WHAT IT MEANS IS YOU CREATE A LOT OF SMOKE,
16 A LOT OF SMOKE, SO IT'S A SCREEN, SO NOBODY CAN LOOK THROUGH
17 IT AND SEE WHAT THERE REALLY IS, IF ANYTHING, BEHIND IT. AND
18 I SUBMIT TO YOU THAT IF WE GO THROUGH THE EVIDENCE AND WE
19 GO THROUGH IT CALMLY AND WE GO THROUGH IT WITHOUT ANGER, WITH-
20 OUT TRYING A LOT OF EXTREME ADJECTIVES, I THINK YOU WILL SEE
21 THAT WHAT THE CASE INVOLVES AND WHAT HAS BEEN PRESENTED TO
22 YOU BY THE PROSECUTION REALLY IS EXACTLY THAT: A SMOKESCREEN.

23 BEFORE I PROCEED WITH THAT, LET ME MAKE JUST ONE
24 MORE PRELIMINARY POINT, BECAUSE IT'S IMPORTANT. AND THERE
25 IS ALWAYS A DANGER IN A CRIMINAL TRIAL THAT PEOPLE FORGET.

1 HER HONOR WILL INSTRUCT YOU, AS SHE DID AT THE VERY BEGINNING
2 OF THE TRIAL, THAT IN OUR COUNTRY, UNDER OUR SYSTEM OF JUSTICE,
3 ANYBODY WHO STANDS ACCUSED OF A CRIMINAL OFFENSE HAS A PRESUMP-
4 TION OF INNOCENCE THAT GOES FROM THE BEGINNING OF THE TRIAL
5 ALL THE WAY THROUGH TO THE VERY END, TO THIS VERY MOMENT,
6 INTO THE JURY ROOM, UNTIL YOU LOOK AT THAT EVIDENCE. THE
7 DEFENDANT IS PRESUMED TO BE INNOCENT. AND THERE'S A BURDEN.
8 THERE'S A BURDEN ON THE GOVERNMENT OF PROVING GUILT BEYOND
9 A REASONABLE DOUBT.

10 I WILL TELL YOU THE REASONS, AND WE'LL GO THROUGH
11 IT, I THINK THAT THIS IS A CASE WHERE YOU DON'T EVEN HAVE
12 TO THINK IN TERMS OF REASONABLE DOUBT. BUT AS WE GO THROUGH
13 IT, LET ME JUST POINT UP REASONABLE DOUBTS TO YOU AS WE GO
14 THROUGH THE EVIDENCE. BUT THE STANDARD THAT HER HONOR WILL
15 EXPLAIN TO YOU IS THAT ON EVERY ELEMENT OF THE OFFENSE THAT
16 IS CHARGED, YOU CAN ONLY FIND THE DEFENDANT GUILTY IF YOU
17 ARE SATISFIED BEYOND A REASONABLE DOUBT THAT THE DEFENDANT
18 IS GUILTY. AND A REASONABLE DOUBT MEANS EXACTLY WHAT IT SOUNDS
19 LIKE. IT MEANS A DOUBT FOR WHICH YOU CAN STATE A REASON:
20 LOOK, I WONDER ABOUT THIS BECAUSE; I DON'T THINK IT'S RIGHT
21 BECAUSE. THAT'S A REASONABLE DOUBT. AND THE QUESTION ON
22 EVERY COUNT OF THIS INDICTMENT IS: HAS CONGRESSMAN HANSEN
23 BEEN PROVED GUILTY WITHOUT ANY REASONABLE DOUBT WHATEVER.
24 SO YOU'VE GOT TO BEAR THAT IN MIND.

25 LET ME START OFF, BEFORE WE GO INTO GREAT DETAILS --

1 LET'S JUST USE EXACTLY WHAT THE PROSECUTOR HAS TALKED OVER
2 AND OVER AGAIN: YOUR COMMON SENSE. USE YOUR COMMON SENSE,
3 BECAUSE THAT'S THE MOST IMPORTANT THING YOU BRING TO ALL THIS.
4 AND IF YOU USE YOUR COMMON SENSE AND PUT ASIDE THE SMOKESCREEN
5 FOR A MINUTE, THINK ABOUT WHAT IT IS THAT CONGRESSMAN HANSEN
6 HAS BEEN CHARGED WITH AND THINK, IN TERMS OF COMMON SENSE,
7 WHETHER IT REALLY MAKES COMMON SENSE.

8 THERE ARE A LOT OF TREES -- THERE ARE A LOT OF DOCU-
9 MENTS, THERE ARE CHARTS, THERE'S CHECKS, THERE'S ALL SORTS
10 OF THINGS, AND PARTICULAR TESTIMONY. BUT STAND BACK FROM
11 THAT FOR A MOMENT. STAND BACK FROM THE TREES AND LOOK AT
12 THE WHOLE FOREST.

13 WHAT IS THE CHARGE? CONGRESSMAN HANSEN IS BEING
14 CHARGED WITH HAVING COMMITTED CRIMES IN EACH OF FOUR YEARS
15 IN THAT, THE GOVERNMENT SAYS, HE DELIBERATELY FALSIFIED THESE
16 FORMS, THE ETHICS IN GOVERNMENT ACT FORMS.

17 NOW, LOOK. THERE ARE CERTAINLY REASONS WHY PEOPLE
18 MIGHT DELIBERATELY FALSIFY AN ETHICS IN GOVERNMENT ACT FORM.
19 IF SOMEBODY WHO'S A CONGRESSMAN OR SOMEBODY IN THE EXECUTIVE
20 BRANCH ACTUALLY TAKES A BRIBE, ACTUALLY HAS A CONFLICT OF
21 INTEREST, ACTUALLY AT THE TIME THAT HE SUBMITS THAT FORM
22 WANTS TO HIDE SOMETHING, THERE MIGHT BE A MOTIVE. BUT THE
23 AMAZING THING IS, LADIES AND GENTLEMEN, IF YOU STAND BACK
24 FOR A MINUTE, WONDER ABOUT YOURSELF -- WONDER, YOURSELF, FOR
25 A MINUTE: DOES A MOTIVE, HERE REALLY MAKE SENSE? LOOK AT THE

1 FORMS. THE GOVERNMENT BLEW UP IN LARGE SIZE PORTIONS OF
2 THOSE FORMS.

3 TAKING THE FIRST ONE, WHICH IS REALLY FOR COUNT 4
4 OF THE INDICTMENT. AND I TRIED TO POINT OUT WITH THE FIRST
5 WITNESS, YOU WILL RECALL, WITH THE FBI AGENT -- THIS IS THE
6 PART OF THE STATEMENT THAT THE GOVERNMENT THOUGHT WAS RELEVANT
7 THAT WAS FILED FOR THAT FIRST YEAR IN 1979. AND HERE IS WHERE
8 THE GOVERNMENT SAYS CONGRESSMAN HANSEN DELIBERATELY LIED,
9 BECAUSE HE DIDN'T PUT SOMETHING IN ON THAT FORM. IF HE HAD
10 PUT IN ON MAY 15TH, 1979, WHAT THE GOVERNMENT SAYS THAT THEY
11 WANTED HIM TO PUT IN OR WHAT HE SHOULD HAVE PUT IN, WHAT WOULD
12 HAVE BEEN WRITTEN IN HERE WOULD HAVE BEEN "FIRST NATIONAL
13 BANK" -- IT MIGHT NOT EVEN HAVE SAID "FIRST NATIONAL BANK
14 OF DALLAS". THIS IS THAT LOAN THAT WAS TAKEN THAT MRS. HANSEN
15 TOOK AFTER THAT TERRIBLE SOYBEAN TRANSACTION. YOU WILL NOTICE
16 IT SAYS "FIRST BANK AND TRUST" UP THERE. IT DOESN'T EVEN
17 SAY WHERE. JUST THE NAME OF THE BANK. "FIRST SECURITY BANK."
18 CONGRESSMAN HANSEN, IF HE HAD DISCLOSED WHAT THE GOVERNMENT
19 WANTS HIM TO DISCLOSE, WOULD HAVE WRITTEN "FIRST NATIONAL
20 BANK", ROMAN NUMERAL III. THAT'S WHAT THE VERY FIRST WITNESS
21 TESTIFIED TO, THAT FBI AGENT.

22 DOES IT MAKE SENSE TO YOU, JUST COMMON SENSE --
23 STAND BACK FROM ALL THE TREES, JUST LOOK AT THE FOREST. DOES
24 IT MAKE SENSE, WITHOUT ANY BACKGROUND, THAT A CONGRESSMAN
25 SAYS TO HIMSELF, "I'M NOT GOING TO WRITE ON THAT FORM FIRST

1 NATIONAL BANK, ROMAN NUMERAL III, BECAUSE -- BECAUSE WHAT'S
2 GOING TO HAPPEN? NOTHING'S GOING TO HAPPEN IF HE WRITES IT
3 ON THERE. THERE ARE REASONS WHY IT WASN'T ON THERE, AND YOU'VE
4 HEARD THOSE, AND WE'RE GOING TO SUMMARIZE THOSE IN A MINUTE.
5 BUT THE MOTIVE ISN'T THERE. IF YOU REALLY LOOK AT THE CHARGE,
6 IT MAKES NO SENSE WHATEVER.

7 LOOK AT THE SECOND FORM. THIS IS THE OFFENSE, LADIES
8 AND GENTLEMEN. NOT THE OFFENSE THAT THEY CHARGE, NOT WHETHER
9 THERE WAS 125,000 IN A MARGIN ACCOUNT, NOT WHETHER THE MONEY
10 WAS USED FROM THE SILVER TRANSACTION. THE OFFENSE IS NOT
11 PUTTING IN WHAT THE GOVERNMENT SAYS HAD TO BE IN THERE.

12 ASSUME IN 1980 THERE HAD BEEN A LINE THERE THAT
13 HAD SAID "SILVER COMMODITIES" -- THAT'S WHAT THEY'RE TALKING
14 ABOUT, RIGHT? THE SILVER PURCHASE. "SILVER COMMODITIES."
15 ASSUMING IT WOULD HAVE SAID JANUARY 1979. AND THEN ASSUMING
16 IT WOULD HAVE SAID IN THE PROPER CATEGORY -- IT DOESN'T HAVE
17 IT LISTED HERE, BUT I THINK THE PROPER CATEGORY WOULD HAVE
18 BEEN "C" OR "D". WHAT WOULD HAVE HAPPENED? WHAT WOULD HAVE
19 HAPPENED?

20 IS THIS A CASE WHERE SOMEBODY IS CONCEALING SOME-
21 THING IN ORDER TO GET SOMETHING? YOU KNOW, A FRAUD? YOU
22 CONCEAL ON AN APPLICATION FOR, YOU KNOW, SOMETHING, OR A FRAUD
23 THAT YOU PUT ON YOUR TAXES BECAUSE YOU WANT TO REDUCE YOUR
24 TAXES? THAT'S NOT WHAT WE ARE TALKING ABOUT. WHAT WE'RE
25 TALKING ABOUT IS A LITTLE THING ON THERE THAT WOULD SAY

1 "SILVER COMMODITIES" WITH A LETTER NEXT TO IT. NOBODY WOULD
2 HAVE DONE ANYTHING. NOBODY WOULD HAVE KNOWN ABOUT ANYTHING.
3 IT WOULD HAVE MADE NO DIFFERENCE.

4 BUT THAT'S WHAT THE GOVERNMENT -- THAT'S THE FIRST
5 THING THE GOVERNMENT IS TRYING TO GET YOU TO NOT LOOK AT WITH
6 THAT SMOKESCREEN.

7 YOU CAN GO THROUGH EACH OF THOSE FORMS. I AM NOT
8 GOING TO TAKE THE TIME NOW TO PUT THEM EACH UP, BUT THE NEXT
9 ONE HAS GOT A WHOLE GROUP -- MAYBE I WILL PUT IT UP. IT'S
10 GOT A WHOLE GROUP OF LIABILITIES. WHAT WOULD HAVE HAPPENED
11 IF, IN ADDITION TO ONE, TWO, THREE, FOUR, FIVE, SIX LIABILITIES
12 CONGRESSMAN HANSEN HAD WRITTEN ON THERE -- THIS IS THAT SAME
13 FIRST NATIONAL BANK LOAN AGAIN, REMEMBER? NOW, THIS IS FOR
14 THE YEAR 1980. NOW, YOU WILL RECALL -- AND IT'S A LITTLE
15 DIFFICULT TO TRACE, AND MAYBE WE'LL GO BACK THROUGH IT.
16 YOU WILL RECALL THAT IN 1980, NELSON BUNKER HUNT PAID OFF
17 THAT LOAN. BUT IT WASN'T UNTIL 1981, IN THAT MEETING AFTER
18 THE BLACKMAIL LETTER, THAT MRS. HANSEN ACTUALLY SIGNED THE
19 NOTE TO NELSON BUNKER HUNT. SO, FROM 1980, REALLY, NO NOTE
20 HAD BEEN SIGNED TO NELSON BUNKER HUNT. AGAIN, WHAT WOULD
21 HAVE HAPPENED IN TERMS OF LIABILITIES, IT WOULD HAVE SAID
22 "FIRST NATIONAL BANK". MAYBE IT WOULD HAVE SAID "FIRST
23 NATIONAL BANK OF DALLAS". AND IT WOULD HAVE SAID, WHAT?
24 "C". SO WHAT?

25 EVEN ASSUMING -- TAKE THE WORST. SAY, HEY, HE SHOULD

1 HAVE PUT DOWN "N. B. HUNT, C". WHAT WOULD HAVE HAPPENED?
2 WOULD A CONGRESSMAN COMMIT A CRIME -- HE IS NOT GETTING ANY
3 MONEY IN HIS POCKET AS A RESULT OF THAT. DOES HE WANT TO
4 HIDE THE FACT THAT HE KNOWS MR. HUNT? MR. HUNT TESTIFIED
5 HE CONTRIBUTED TO HIS CAMPAIGN, WHICH MAKES HIM, IN TERMS
6 OF PUBLIC NOTICE, A SUPPORTER OF CONGRESSMAN HANSEN.

7 MR. HUNT TESTIFIED, "I AND CONGRESSMAN HANSEN ARE
8 THE SAME IN TERMS OF OUR CONSERVATIVE POLITICAL PHILOSOPHIES."
9 IT WAS NO SURPRISE THAT THE TWO OF THEM HAD SIMILAR VIEWS.
10 HE WASN'T HURTING HIMSELF IN ANY WAY WITH ANY VOTERS, WITH
11 ANY OTHER CONGRESSMEN, WITH ANYBODY, EVEN IF IT HAD SAID
12 "N. B. HUNT." WHAT'S THE MOTIVE? THERE'S NO MOTIVE FOR
13 THE OFFENSE, THE VERY OFFENSE THAT THE GOVERNMENT IS CHARGING.

14 AND THE FINAL THING, ON THE LIABILITIES FROM
15 SEVERAL VIRGINIA PEOPLE WHO MR. WEINGARTEN LIKES TO CALL
16 "THE VIRGINIA BOYS" -- THERE'S NO REASON, REALLY, FOR THAT
17 DISPARAGEMENT. MR. MCAFEE IS A RESPECTED ATTORNEY WHO HAS
18 HAD VERY WELL-KNOWN CLIENTS IN THE PAST. NO BASIS FOR SAYING
19 "VIRGINIA BOYS."

20 HE SAYS MR. MEADE HAS GOT A CRIMINAL CONVICTION.
21 ABSOLUTELY RIGHT. MR. MEADE COMMITTED CRIMES. YOU HEARD
22 MR. MEADE ON THE WITNESS STAND. IF YOU HADN'T KNOWN THAT
23 MR. MEADE HAD A CRIMINAL RECORD, WOULD YOU REALLY HAVE THOUGHT
24 HE WAS A MAN YOU COULDN'T TRUST? CONGRESSMAN HANSEN DIDN'T
25 KNOW MR. MEADE'S CRIMINAL RECORD, DIDN'T KNOW WHAT HE WAS

1 DOING. HE DEALT WITH HIM JUST AS YOU HEARD HIM ON THE WITNESS
2 STAND. HE SEEMED LIKE A PERFECTLY DECENT FELLOW, GOOD, GOOD
3 POSITION, GOOD REPUTATION, PRESIDENT OF A BANK. SO, HE WOULD
4 HAVE PUT ON THAT FORM THAT'S STILL LYING THERE -- IN ADDITION
5 THERE TO EIGHT LOANS, HE WOULD HAVE PUT TWO MORE. HE WOULD
6 HAVE PUT C. MCAFEE AND O. ROGERS, AND HE WOULD HAVE PUT
7 J. MEADE, WITH A LETTER AFTER IT. AND WHAT WOULD HAVE
8 HAPPENED? WOULD THE SKY HAVE COME FALLING DOWN? WOULD HE
9 HAVE BEEN CAUGHT? WOULD HE HAVE BEEN THROWN OUT OF OFFICE?
10 OBVIOUSLY NOT. THERE IS NO MOTIVE. THERE'S NO MOTIVE FOR
11 THE CRIME. AND THAT'S THE FIRST THING THE GOVERNMENT TRIES
12 TO MAKE YOU NOT SEE WITH THEIR SMOKESCREEN. AND THAT, LADIES
13 AND GENTLEMEN, IS AN ENORMOUS REASONABLE DOUBT. IT'S MORE
14 THAN A REASONABLE DOUBT. IT SEEMS TO ME IT ALMOST ENDS THE
15 CASE RIGHT THERE, BECAUSE YOU DON'T EVEN HAVE TO LOOK AT ALL
16 THE OTHER FACTS IF YOU LOOK AT WHAT WAS REALLY THE OFFENSE.

17 LET'S GO TO THE ACTUAL FACTS. LET'S GO BACK TO
18 REALLY THE BEGINNING, IF WE CAN. MR. WEINGARTEN HAS SAID
19 TO YOU THE CASE BEGINS WITH NELSON BUNKER HUNT. THAT'S WHAT
20 HE SAID IN HIS SUMMATION THIS MORNING. BUT I SUBMIT TO YOU
21 THAT ALTHOUGH THAT'S THE COVER OF THE JIGSAW PUZZLE THAT THE
22 PROSECUTOR TRIED TO TELL YOU ABOUT AT THE BEGINNING OF THE
23 TRIAL, YOU'VE HEARD ENOUGH TO KNOW THAT THE CASE DID NOT BEGIN
24 WITH NELSON BUNKER HUNT.

25 THIS CASE BEGAN WELL BEFORE NELSON BUNKER HUNT

1 APPEARED ON THE SCENE. IT BEGAN WITH CONGRESSMAN HANSEN'S
2 AND MRS. HANSEN'S EFFORTS TO DEAL WITH AN ENORMOUS PERSONAL
3 LIABILITY WHICH THEY HAD, WHICH APPEARS IN THE PROPERTY
4 SETTLEMENT IN TERMS OF LOANS, AS PERSONAL LOANS. THAT'S FROM
5 PEOPLE -- NOT BANKS, BUT FROM INDIVIDUALS, IN THE AMOUNT OF
6 \$372,000, THAT GREW OUT OF RECENT POLITICAL ATTACKS AND GREW
7 OUT OF THE EXPENSES THAT A COUPLE OF MODEST MEANS HAS WHEN
8 THEY GO INTO PUBLIC SERVICE AND THEY HAVE A HOME IN IDAHO
9 AND THEY'VE GOT TO LIVE IN IDAHO AND THEY'VE GOT TO LIVE IN
10 WASHINGTON AND THEY'VE GOT ALL THOSE EXPENSES. YOU HEARD
11 THE DETAILS FROM MRS. HANSEN ABOUT HOW THEY STRUGGLED THROUGH
12 THE YEARS, THROUGH THE TIMES THAT THE CONGRESSMAN WAS IN THE
13 SERVICE, THROUGH THE TIMES THAT THEY WENT BACK TO IDAHO, THAT
14 HE BECAME A PUBLIC SCHOOL TEACHER; THAT HE WENT BACK TO SCHOOL
15 PRIOR TO BECOMING A PUBLIC SCHOOL TEACHER. ALL THESE THINGS,
16 ORDINARY, AVERAGE PERSON -- NOT SOMEBODY BORN INTO GREAT
17 WEALTH.

18 MRS. HANSEN TOLD YOU SHE WAS BORN DAUGHTER OF A
19 SHARECROPPER, ONE OF TEN CHILDREN, GREW UP, TAUGHT IN A ONE-
20 ROOM SCHOOLHOUSE, THE ONLY MEMBER OF THE FAMILY WHO GRADUATED
21 HIGH SCHOOL.

22 THIS IS A FAMILY, MODEST MEANS, RAISING FIVE
23 CHILDREN, COMING UP WITH AN ENORMOUS DEBT. NOW, I DON'T KNOW.
24 MR. WEINGARTEN MAY BE SUGGESTING TO YOU IN HIS SUMMATION --
25 AND IT STRIKES ME AS QUITE EXTRAORDINARY -- THAT MAYBE THAT

1 DEBT DIDN'T EXIST; THE WHOLE THING HAS ALL BEEN MADE UP. WELL,
2 YOU'VE HEARD TESTIMONY (A) THAT THERE WAS ENORMOUS ADVERSE
3 PUBLICITY IN IDAHO ABOUT THE DEBT. MRS. HANSEN, BECAUSE SHE
4 TRIED TO MAKE EFFORTS TO COLLECT FOR IT, WAS CALLED "TIN CUP
5 CONNIE." LAWYERS, MR. RUNFT ON BEHALF OF THE CONGRESSMAN,
6 WORKED UP A WHOLE EFFORT UNDER WHICH LEGALLY FUNDS COULD BE
7 SOLICITED TO PAY OFF THAT DEBT. THE DEBT KEPT BEING THE BASIS
8 FOR THE CONGRESSMAN'S EFFORTS AND PROBLEMS. DOES ONE MAKE
9 UP A DEBT OF THAT KIND?

10 YOU KNOW, MR. WEINGARTEN SAYS HE ASKED MR. PUNFT
11 AND HE ASKED MR. MCKENNA TO NAME WHO IT IS WHO HAD LENT THE
12 MONEY. HE SLIPPED INTO HIS SUMMATION THAT HE ASKED MRS.
13 HANSEN, BUT YOU CAN GO THROUGH THAT ENTIRE TRANSCRIPT, AND
14 I CHALLENGE HIM ON REBUTTAL TO POINT OUT WHERE IN THE TRANS-
15 CRIPT HE ASKED MRS. HANSEN TO NAME A SINGLE PERSON WHO HAD
16 LENT THE MONEY, BECAUSE MRS. HANSEN, MUCH AS SHE WOULD HAVE
17 HATED TO, WOULD HAVE NAMED PEOPLE WHO HAD LENT THE MONEY.
18 SHE WAS NOT ANXIOUS TO DISCLOSE THE NAMES OF THE PEOPLE WHO
19 HAD BEEN KIND TO HER. BUT IF SHE HAD BEEN ASKED BY MR.
20 WEINGARTEN ON THE STAND, SHE WOULD HAVE GIVEN HIM NAMES.
21 SHE SAID THEY WERE ORDINARY PEOPLE. BUT HE NEVER ASKED HER,
22 AS HE DID MR. RUNFT AND MR. MCKENNA, "CAN YOU NAME SOMEONE."
23 THEY DIDN'T KNOW, THAT'S TRUE. THE HANSENS THOUGHT THIS WAS
24 A PRIVATE MATTER WITH REGARD TO FRIENDS AND OTHERS, ORDINARY
25 PEOPLE WHO HAD LENT THEM MONEY TO RESOLVE THEIR PROBLEMS,

1 AND THAT THEY HAD TO PAY THOSE PEOPLE BACK.

2 IT'S NOT A CRIME TO HAVE A BIG DEBT. INDEED, IN
3 THIS COUNTRY, I'M SURE YOU KNOW, THERE ARE LAWS THAT IF YOU'VE
4 GOT A BIG DEBT, YOU CAN SORT OF WIPE IT OUT. YOU CAN GO INTO
5 A BANKRUPTCY COURT AND YOU CAN SAY, "GEE, I JUST DON'T HAVE
6 THE MONEY," AND THEN THE BANKRUPTCY COURT TRIES TO ARRANGE
7 YOUR ASSETS IN SOME WAY. BUT THE MORE HONORABLE WAY IS TO
8 SAY, "O.K., I'LL PAY BACK THE PEOPLE WHO LENT ME THE MONEY."
9 AND ONE WAY OR ANOTHER, THAT'S WHAT THE HANSENS WERE TRYING
10 TO DO.

11 SO THE CASE DOESN'T BEGIN WITH BUNKER HUNT. IT
12 BEGINS WITH THE ENORMOUS PERSONAL DEBT THAT THE HANSEN FAMILY
13 HAD IN 1976. AND WHAT HAPPENS WITH REGARD TO THAT? YOU'VE
14 HEARD TESTIMONY. WHAT HAPPENS IN 1976 IS THAT CONGRESSMAN
15 HANSEN TURNS TO HIS LONGSTANDING LAWYER -- MR. WEINGARTEN
16 SAYS HIS "FAVORITE LAWYER." WELL, I'LL TELL YOU SOMETHING.
17 I DON'T KNOW HOW YOU REACT. I THINK IT IS NOT UNREASONABLE,
18 SEEING JOHN RUNFT AND HEARING HIM, FOR HIM TO BECOME SOMEBODY'S
19 FAVORITE LAWYER. JOHN RUNFT, A MEMBER OF THE IDAHO BAR FOR
20 MANY YEARS, SENIOR PARTNER IN A LAW FIRM IN BOISE, CASES --
21 HIS FIELD IS CONSTITUTIONAL LAW, COMMERCIAL LAW; A VERY WELL-
22 RESPECTED ATTORNEY IN IDAHO. MR. WEINGARTEN MIMICS HIM AND
23 MAKES FUN OF HIM AND BELITTLES HIM, BECAUSE MR. RUNFT'S VIEWS
24 DON'T AGREE WITH MR. WEINGARTEN'S, AND WHAT MR. RUNFT DID
25 IS SOMETHING THAT MR. WEINGARTEN DOESN'T LIKE BECAUSE IT REALLY

1 HARMS THE CASE AND THE PICTURE THAT HE'S TRIED TO DRAW FOR
2 YOU. BUT THERE WAS CERTAINLY NOTHING WRONG WITH TURNING TO
3 JOHN RUNFT WHEN YOU HAD THAT ENORMOUS DEBT AND SAYING TO HIM,
4 "JOHN, HOW CAN WE DEAL WITH THIS PROBLEM? MAYBE WE CAN
5 SOLICIT PEOPLE PRIVATELY, BUT IS THERE A WAY OF DOING IT
6 CONSISTENT WITH THE FEDERAL ELECTION LAWS?" AND YOU HEARD
7 JOHN RUNFT TESTIFY: YES. HE SAW THE PROBLEM. HE TRIED TO
8 WORK OUT THE MOST STRAIGHTFORWARD WAY ONE COULD WORK OUT IN
9 ORDER TO DEAL WITH THAT PROBLEM. A DIRECT SOLICITATION TO
10 ORDINARY CITIZENS, OUTSIDE OF IDAHO, SO IT WOULD NOT BE
11 INVOLVED WITH THE ELECTION CAMPAIGN, BUT A DIRECT SOLICITATION
12 SAYING, "WE HAVE THIS ENORMOUS DEBT; CAN YOU CONTRIBUTE,
13 UNDER \$100." AND THE STATEMENT WOULD HAVE TO BE MADE BY THE
14 CONTRIBUTOR IT'S ONLY BEING GIVEN FOR PERSONAL PURPOSES, NOT
15 FOR CAMPAIGN PURPOSES, AND ALL KINDS OF OTHER RESTRICTIONS.
16 AN 11-POINT PROGRAM, CAREFULLY THOUGHT OUT. THIS IS A CAREFUL
17 LAWYER. THIS ISN'T A FELLOW WHO YOU -- YOU KNOW, YOU'VE GOT
18 SITTING THERE WITH A LAW DEGREE WHOM YOU CAN PULL OUT AND
19 WHO WILL SAY ANYTHING YOU WANT. HE'S CLEARLY A MAN WHO TAKES
20 QUESTIONS THAT ARE PRESENTED TO HIM SERIOUSLY AND DEALS WITH
21 THEM SERIOUSLY.

22 SO, THE APPLICATION IS SUBMITTED TO THE FEDERAL
23 ELECTION COMMISSION. AND AT THE SAME TIME, THE DOCUMENTS
24 THAT YOU HAVE WILL SHOW YOU AT THE SAME TIME THAT THE FEDERAL
25 ELECTION COMMISSION IS CONSIDERING THE QUESTION, THE

1 CONGRESSMAN, WITH MR. RUNFT'S ASSISTANCE, WRITES A LETTER
2 TO THE HOUSE ETHICS COMMITTEE, BECAUSE THEY KNOW THIS THING
3 HAS GOT TO BE APPROVED BY THE HOUSE ETHICS COMMITTEE IF IT'S
4 GOING TO WORK. THEY WRITE A LETTER TO THE HOUSE ETHICS
5 COMMITTEE, THEY SAY, "LOOK, WE'VE APPLIED FOR THIS REQUEST,
6 THIS PROCEDURE." AND THEN THE FEDERAL ELECTION COMMISSION
7 SAYS, "O.K. UNDER THE FEDERAL ELECTION LAWS, IT'S ALL RIGHT.
8 OF COURSE, THAT MEANS IT IS ONLY ALL RIGHT UNDER THE FEDERAL
9 ELECTION LAWS. WE SAY IT DOESN'T VIOLATE THE FEDERAL ELECTION
10 LAWS. YOU'VE GOT TO LOOK TO THE HOUSE RULES TO SEE WHETHER
11 IT IS PERMISSIBLE."

12 AND THE HOUSE THEN TURNS AROUND AND SAYS, "NO, YOU
13 CAN'T DO IT." NOW, THAT IS SOMETHING VERY SUDDEN. THAT IS
14 NOT SOMETHING THAT IS EXPECTED, BECAUSE WHAT A DOCUMENT IN
15 EVIDENCE WILL SHOW YOU -- WHAT A DOCUMENT IN EVIDENCE WILL
16 SHOW YOU IS THAT THE CHAIRMAN OF THE HOUSE ETHICS COMMITTEE,
17 IN ANSWER TO MRS. HANSEN'S LETTER WRITTEN IN JUNE OF 1977,
18 SAYS -- AND THIS IS EXHIBIT 37 -- "THE CODE OF ETHICS ADOPTED
19 BY THE HOUSE ON MARCH 2 RESULTED DIRECTLY FROM SUSTAINED
20 PUBLIC CRITICISM OF SOME MEMBERS' ACTIONS PRIOR TO THAT DATE.
21 YOUR STATEMENT" -- THIS IS WHAT MRS. HANSEN HAD SAID IN HER
22 LETTER TO HIM IN JUNE OF '77. "YOUR STATEMENT THAT MEMBERS
23 CONVERTED CAMPAIGN CONTRIBUTIONS TO PERSONAL USE BEFORE THE
24 ETHICS CODE WAS ADOPTED IS ENTIRELY CORRECT. IT IS ALSO TRUE
25 THAT SUCH CONVERSION WAS NOT PROHIBITED BEFORE MARCH 2, AS IT

1 IS NOW." IN OTHER WORDS, IN MARCH OF 1977 -- BEFORE MARCH
2 OF 1977, CONGRESSMEN WERE EVEN TAKING CAMPAIGN MONEY AND
3 USING IT TO PAY PERSONAL DEBTS.

4 SO, ALONG COMES MARCH OF 1977, AND THE HOUSE TOTALLY
5 SWITCHES AROUND ITS STANDARDS, SAYS YOU CAN'T DO THIS, YOU
6 CAN'T DO THAT, YOU CAN'T DO THE OTHER THING. AND WHO'S CAUGHT
7 IN THE MIDDLE? WHO'S CAUGHT IN THE MIDDLE? GEORGE HANSEN,
8 CONGRESSMAN GEORGE HANSEN.

9 NOW, WHAT DOES HE DO? HE AND MR. RUNFT AND MRS.
10 HANSEN TALK ABOUT WHAT ALTERNATIVES ARE LEFT TO THEM. AND
11 WHAT THEY DO -- WHAT THEY DO, AND WHAT MR. RUNFT DOES AT THAT
12 POINT, HE SAYS, "LOOK, THE WAY YOU CAN DO SOMETHING THAT WILL
13 BE LAWFUL AND STILL COLLECT FUNDS IS BY WAY OF THIS PROPERTY
14 SETTLEMENT AGREEMENT."

15 NOW, MR. WEINGARTEN HAS A WAY WHEN HE TALKS ABOUT
16 THESE THINGS OR ASKS QUESTIONS -- AND YOU HEARD IT REPEATEDLY
17 DURING THE TRIAL: "THAT WAS DONE ONLY TO GET AROUND WHAT THE
18 HOUSE DID." YOU KNOW, THE WORD "GET AROUND" -- I THINK IT
19 WAS MR. MCKENNA, FINALLY, WHO CAUGHT HIM UP. HE SAID, "YOU
20 KNOW, I AGREE WITH EVERYTHING YOU SAY EXCEPT THE WORDS 'GET
21 AROUND.'" YOU KNOW, "GET AROUND" IS A SMOKESCREEN WORD. IT'S
22 A WORD THAT MAKES YOU THINK THERE IS SOMETHING DEVIOUS WHEN
23 THERE'S NOTHING DEVIOUS ABOUT IT.

24 WHAT DID HE DO? THE CONGRESSMAN WENT TO HIS LAWYER
25 AND SAID, "LOOK, WHAT CAN WE DO WITHIN THE LAW? WHAT CAN

1 WE DO WITHIN THE LAW THAT WILL PERMIT US TO DEAL WITH THIS
2 PROBLEM?" AND THE LAWYER SAYS, "I KNOW WHAT. IDAHO IS A
3 COMMUNITY PROPERTY STATE, AND SO FAR AS THE LAW IS CONCERNED,
4 IT ONLY MAKES SENSE -- IT ONLY MAKES SENSE WHEN A HUSBAND
5 AND A WIFE HAVE RIGHTS IN EACH OTHER'S PROPERTY."

6 NOW, LET ME -- YOU KNOW, THE UNFORTUNATE THING IS
7 LAWYERS GO THROUGH THREE YEARS OF LAW SCHOOL TO UNDERSTAND
8 LEGAL TERMINOLOGY AND, YOU KNOW, TO REALLY BE TO KIND OF
9 COME TO FINE LINES. AND THEN IN THIS CASE YOU, AS JURORS --
10 AND I DON'T THINK ANY OF YOU HAVE A LEGAL EDUCATION, ANY HAVE
11 GONE TO LAW SCHOOL AT ALL -- ARE EXPECTED TO COMPREHEND
12 EXACTLY THE FINE LINES THAT THE LAWYERS DRAW. BUT I WANT
13 TO TRY JUST FOR THREE MINUTES, MAYBE, TO EXPLAIN IT TO YOU
14 IN A WAY THAT I HOPE -- MR. RUNFT TRIED TO EXPLAIN IT, I THINK
15 MR. MCKENNA DID. I THINK THEY DID FINE JOBS. LET ME TRY,
16 ALSO, TO EXPLAIN IT TO YOU.

17 THE LAW IN A COMMUNITY PROPERTY STATE SAYS THAT
18 EVERY INCOME THAT THE HUSBANDS GETS OR THE WIFE GETS, THE
19 OTHER PARTY HAS AN ABSOLUTE RIGHT TO HALF OF THAT, AUTOMATICALLY
20 WHETHER THEY LIKE IT OR NOT. THE HUSBAND MAKES SOME MONEY,
21 THE HUSBAND BORROWS SOME MONEY, THE WIFE HAS GOT HALF OF THAT,
22 GOOD OR BAD. ALL RIGHT. THAT'S BECAUSE THE LAW SAYS SO.

23 IF THE LAW DIDN'T SAY SO, THEN THE TWO PEOPLE, FOR
24 PURPOSES OF THE LAW, WOULD BE LIKE ANY TWO PEOPLE WHO MIGHT
25 BE LIVING TOGETHER. THEY MIGHT GIVE THEIR PROPERTY TO EACH

1 OTHER, BUT THEY WOULDN'T HAVE A RIGHT TO THE OTHER PERSON'S
2 PROPERTY. THE HUSBAND WOULDN'T HAVE A RIGHT TO THE WIFE'S
3 PROPERTY AND THE WIFE WOULDN'T HAVE A RIGHT TO THE HUSBAND'S
4 PROPERTY.

5 SO, WHAT DOES MR. RUNFT SAY? AND IT'S REALLY
6 SENSIBLE, INTELLIGENT, APPROPRIATE. IT'S NOT A SHAM. MR.
7 RUNFT SAYS, "LOOK, LET'S ELIMINATE THIS AUTOMATIC RIGHT THAT
8 THE HUSBAND HAS IN THE WIFE'S PROPERTY AND THE WIFE HAS IN
9 THE HUSBAND'S PROPERTY. WE CAN DO IT BY AN AGREEMENT. THAT'S
10 THE WAY THEY DO IT IN IDAHO. AND IF THAT'S ELIMINATED" --
11 AND HE SAID IT SEVERAL TIMES FROM THE WITNESS STAND -- "THE
12 TWO OF YOU, EVEN THOUGH YOU'RE MARRIED, WITHIN THE CHURCH" --
13 AND YOU HEARD THAT THEY ARE CHURCH MEMBERS. "YOU'RE MARRIED
14 WITHIN THE CHURCH AND YOU'RE MARRIED FOR RELIGIOUS PURPOSES
15 BETWEEN YOURSELVES AND YOU VIEW YOURSELVES AS HUSBAND AND
16 WIFE. BUT THE RIGHT THAT A HUSBAND HAS TO THE WIFE'S PROPERTY
17 AND THE RIGHT THAT A WIFE HAS TO THE HUSBAND'S PROPERTY IS
18 GONE, BECAUSE WE'VE SIGNED THAT AGREEMENT." AND IT'S ONLY
19 BECAUSE OF THAT LEGAL RIGHT THAT THE CONGRESS CAN SAY TO GEORGE
20 HANSEN: "LOOK. WHATEVER LIABILITIES YOUR WIFE HAS OR WHATEVER
21 YOUR WIFE GETS IS SOMETHING YOU'VE GOT TO PUT ON A FORM,
22 BECAUSE IT'S THE LAW THAT GIVES YOU A RIGHT IN YOUR WIFE'S
23 PROPERTY OR YOUR WIFE'S LIABILITY." ONCE WE HAVE ELIMINATED
24 THAT, THEY CAN'T SAY THAT. THEY CAN'T TAKE THE WIFE'S PROPERTY
25 AND SAY IT BELONGS TO THE HUSBAND BY OPERATION OF LAW. IT'S

1 A VERY SENSIBLE, PROPER, REASONABLE SOLUTION. NOTHING WRONG
2 WITH IT. IT DOESN'T REQUIRE -- YOU SEE, AGAIN, PART OF THE
3 SMOKESCREEN, MR. WEINGARTEN SAYS, "GEE, THEY DIDN'T IMMEDIATELY
4 SET UP SEPARATE BANK ACCOUNTS. GEE, THEY DIDN'T IMMEDIATELY
5 SET UP SEPARATE TAX RETURNS." THEY DIDN'T HAVE TO.

6 MR. RUNFT SAID IT TIME AND TIME AGAIN, AND MR.
7 MCKENNA SAID IT TIME AND TIME AGAIN. IF TWO PEOPLE LIVE
8 TOGETHER, THEY HAVE NO LEGAL RIGHT TO EACH OTHER'S PROPERTY.
9 BUT THEY CAN GIVE TO EACH OTHER ALL THEY WANT. THEY CAN HAVE
10 JOINT BANK ACCOUNTS ALL THEY WANT. THEY CAN JOINTLY OWN THE
11 HOUSE IN WHICH THEY LIVE. WE ALL KNOW THAT. WE JUST READ
12 THE PAPERS WHEN THEY REPORT ON REAL ESTATE TRANSACTIONS, AND
13 YOU FIND TWO PEOPLE -- LOTS OF CASES WHERE TWO PEOPLE WHO
14 ARE NOT MARRIED WHO JOINTLY OWN A PIECE OF PROPERTY. SO,
15 FOR PURPOSES OF THE LAW, CONNIE HANSEN AND GEORGE HANSEN JOINTLY
16 OWNED THEIR REAL ESTATE BECAUSE THEY CHOSE TO. NOT BECAUSE
17 THE LAW FORCED THEM. AND THAT IS WHAT THE SEPARATE PROPERTY
18 AGREEMENT DID.

19 AND THEN WHAT HAPPENS? THE SEPARATE PROPERTY AGREE-
20 MENT IS PUT INTO EFFECT AND THE HOUSE ETHICS COMMITTEE IS
21 TOLD ABOUT IT. THERE IS A DETAILED LETTER. OF COURSE, THE
22 SETTLEMENT AGREEMENT ITSELF WAS NOT DISCLOSED; NOT UNTIL THIS
23 CASE HAS IT BEEN DISCLOSED. MR. RUNFT WAS THERE ON THE WITNESS
24 STAND. I ASKED HIM -- BECAUSE MR. WEINGARTEN HAD ASKED ME.
25 HE SAID, "LOOK, I WANT TO SEE THE ORIGINAL OF THAT PROPERTY

1 SETTLEMENT AGREEMENT," AND I SAID TO MR. RUNFT, "BE SURE TO
2 BRING IT WHEN YOU COME ON THE WITNESS STAND." AND HE BROUGHT
3 IT. IT WAS IN AN ENVELOPE WHICH HE HAS KEPT UNTIL THIS TRIAL,
4 BECAUSE THE HANSENS THOUGHT -- AND I SUBMIT TO YOU IT IS A
5 PERFECTLY PROPER AND RIGHT THING TO THINK -- THAT WHAT IS
6 IN THAT PROPERTY SETTLEMENT AGREEMENT IS PRIVATE. AND IT'S
7 A TRAGEDY, A MINOR TRAGEDY, BUT A TRAGEDY THAT BECAUSE OF
8 THE CHARGES THAT HAVE BEEN FILED AGAINST HIM, WHICH ARE BASE-
9 LESS, AS THIS EVIDENCE SHOWS, THIS MATERIAL, WHICH IS PRIVATE,
10 HAS NOW BECOME PUBLIC RECORD FOR EVERYBODY TO SEE: WHAT IS
11 THE AMOUNT OF THEIR LIFE INSURANCE PROCEEDS AND WHAT DO THEY
12 HAVE IN SAVINGS ACCOUNTS, WHAT DO THEY HAVE IN TERMS OF CARS,
13 WHAT WERE THEIR HOUSES WORTH.

14 WOULD YOU -- WOULD EACH OF YOU REALLY LIKE TO HAVE
15 THAT FILED IN A COURT OF LAW AND KNOWN PUBLICLY? I SUBMIT
16 TO YOU YOU WOULDN'T. AND IT WAS PERFECTLY REASONABLE FOR
17 THE CONGRESSMAN, PARTICULARLY IN A PUBLIC POSITION, TO SAY,
18 "LOOK, THAT'S PRIVATE INFORMATION. I AM NOT GOING TO FILE
19 THAT OF RECORD UNLESS I HAVE TO." AND HIS LAWYER SAYS TO
20 HIM, "YOU DON'T HAVE TO." SO HE CHOSE NOT TO FILE IT. AND
21 IT DOES NOT BECOME PUBLIC UNTIL, IN ORDER TO DEFEND HIMSELF
22 IN THIS CASE, HE HAS TO GO AND FILE IT PUBLICLY.

23 ALL RIGHT. 1977. NOW, BUNKER HUNT HAS COME ON
24 THE SCENE -- WE WILL GET BACK TO BUNKER HUNT -- BY 1977, BY
25 THE TIME OF THE PROPERTY SETTLEMENT AGREEMENT. AND WE'LL GET

1 BACK TO THAT TRANSACTION IN A MINUTE. BUT THE POINT -- ONE
2 POINT WITH REGARD TO BUNKER HUNT THAT HAS TO BE BORNE IN MIND
3 IS THAT IN THAT 1977 PROPERTY AGREEMENT, THE LOAN, THE VERY
4 LOAN THAT THE GOVERNMENT SAYS SHOULD HAVE BEEN ON THE 1979
5 RETURN -- I DON'T KNOW WHERE I'VE GOT THE 19 -- I GUESS IT'S
6 HIDDEN BEHIND THERE. THE LOAN TO THE FIRST NATIONAL BANK
7 OF DALLAS SHOULD HAVE BEEN -- THAT LOAN IS IN THE PROPERTY
8 SETTLEMENT AGREEMENT. IT IS VERY SPECIFICALLY LISTED THERE --
9 IT IS VERY SPECIFICALLY LISTED THERE UNDER PARAGRAPH 5(A)
10 AS A LOAN FROM THE FIRST NATIONAL BANK OF DALLAS IN THE SUM
11 OF \$50,000, WHICH WAS MRS. HANSEN'S LOAN, IN 1977, AFTER THAT
12 OBLIGATION WAS INCURRED.

13 BUT WHAT'S EVEN MORE IMPORTANT IS WHAT HAPPENS THE
14 FOLLOWING YEAR, BECAUSE THAT SETS THE PATTERN. WHAT HAPPENS
15 THE FOLLOWING YEAR, MAY OF 1978. NOW, YOU'VE HEARD TESTIMONY
16 HERE THAT THE ETHICS IN GOVERNMENT ACT WAS FIRST ENACTED IN
17 1978. IT TOOK EFFECT -- THAT WAS THE FIRST YEAR THEY HAD
18 FORMS: 1979. BUT IN 1978, THE HOUSE ETHICS COMMITTEE
19 REQUIRED MEMBERS OF THE HOUSE TO LIST ASSETS AND LIABILITIES
20 IN A SIMILAR FORMAT TO WHAT HAD BEEN -- WHAT WAS LATER REQUIRED
21 IN THE ETHICS IN GOVERNMENT ACT. AND A WHOLE FLAP ENSUED
22 OVER CONGRESSMAN HANSEN'S FAILURE TO LIST "TIN CUP CONNIE'S"
23 ASSETS, AND LIABILITIES, MAINLY. IT HAD ALL BEEN IN THE
24 PAPERS, "TIN CUP CONNIE." SHE WAS THE ONE WHO HAD GONE OUT
25 AND COLLECTED ALL THIS MONEY BECAUSE OF THE LIABILITIES, AND

1 THOSE LIABILITIES WERE NOT ON THE ETHICS IN GOVERNMENT ACT
2 FORM FOR 1978. AND IT WAS SUBSTANTIAL PRESS. YOU HEARD MR.
3 MCKENNA TESTIFY ABOUT IT. MR. MCKENNA WASN'T YET EMPLOYED
4 IN CONGRESSMAN HANSEN'S OFFICE, BUT HE WAS CALLED IN TO HELP
5 ADVISE ABOUT THAT AT THAT TIME. AND HE AND MR. RUNFT TESTIFIED
6 THAT EXACTLY WITH REGARD TO THAT QUESTION, THEY SAID, LOOK --
7 THEY WERE ASKED, THEY SAID IT DOESN'T BELONG ON THE FORM.
8 WHY? THINK ABOUT IT FOR A MOMENT.

9 AND THIS IS WHERE--YOU KNOW, THE BEGINNINGS OF WHAT
10 IS REALLY, I SUBMIT, AN OUTRAGEOUS CHARGE IN THIS CASE REALLY
11 BEGINS, BECAUSE CONGRESSMAN HANSEN THEN IS IN A CATCH-22
12 SITUATION. HE HAS COME, AND WITH HIS LAWYERS' ADVICE, AND
13 SAID, "O.K., MY WIFE CAN SOLICIT AND CAN TAKE THESE OBLIGATIONS
14 UNDER THE SEPARATE PROPERTY AGREEMENT." AND THEN THE CONGRESS
15 SAYS, "O.K. HERE ARE THESE FORMS WHICH YOU OUGHT TO FILL OUT."

16 AT THE TIME OF THE PROPERTY SETTLEMENT AGREEMENT,
17 NOBODY WAS THINKING ABOUT FORMS. THEY WERE THINKING ABOUT,
18 LOOK, AS MRS. HANSEN EXPLAINED, "HOW CAN I BE INDEPENDENT
19 SO THAT I CAN TAKE CARE OF MY OWN FAMILY IN SOME WAY, SO I'M
20 NOT BOUND BY THE RULES THAT TIE UP MY HUSBAND, THE CONGRESSMAN?"

21 THEY WEREN'T TALKING ABOUT REPORTING. BUT THE FOLLOW-
22 ING YEAR, IT ALL COMES UP WITH A QUESTION OF A REPORT. BUT
23 IF THE CONGRESSMAN WERE REQUIRED -- IF THE CONGRESSMAN ACTUALLY
24 PUT THE DEBTS OF MRS. HANSEN ON HIS FORM IN 1978, HE WOULD
25 BE SAYING "THOSE ARE MY DEBTS", AND THEY'RE NOT. UNDER THE

1 SEPARATION OF PROPERTY AGREEMENT, AS A MATTER OF LAW, IF THEY
2 WERE TRANSFERRED TO MRS. HANSEN, THEY'RE HERS.

3 SO, THE LAWYERS SAW RIGHT THEN THAT YOU COULDN'T
4 PUT THOSE THINGS ON THE FORM CONSISTENTLY WITH EVERYTHING
5 THAT THEY HAD PREVIOUSLY ADVISED. AND THEY TOLD CONGRESSMAN
6 HANSEN, AND YOU HEARD THEIR TESTIMONY -- AND THEY'RE HONEST
7 AND UPSTANDING AND UPRIGHT LAWYERS, NO MATTER WHAT MR. WEINGARTEN
8 SAYS. AND THEY SAID, "NO, YOU CAN'T PUT THOSE ON THE FORM.
9 THOSE DON'T BELONG ON THE FORM. THEY'RE MRS. HANSEN'S AFTER
10 THE PROPERTY SETTLEMENT AGREEMENT," IN MAY OF 1978, BEFORE
11 THERE WAS EVEN AN ETHICS IN GOVERNMENT ACT. HE SAID, "O.K."
12 HE DIDN'T PUT IT ON THE FORM. THERE WAS THIS ENORMOUS FLAP,
13 AND THERE WAS A LETTER WRITTEN AT THAT POINT TO THE CHAIRMAN
14 OF THE HOUSE ETHICS COMMITTEE, WITH COPIES SENT TO MEMBERS
15 OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT, INDEED
16 TO ONE PERSON WHO IS STILL THE SENIOR MEMBER NOW, SENIOR
17 MINORITY MEMBER OF THE COMMITTEE ON STANDARDS OF OFFICIAL
18 CONDUCT, IN WHICH CONGRESSMAN HANSEN SAID, "LOOK, THAT PRIOR
19 TO ARRANGING MY AFFAIRS, IN ORDER TO SATISFY THE REQUIREMENTS
20 OF MY SITUATION," HE SAYS, "YOUR COMMITTEES WERE KEPT ADVISED
21 AT ALL TIMES OF THE MANNER IN WHICH I PLANNED TO PROCEED,
22 AND THEN OF MY WIFE'S INTENDED COURSE OF ACTION AND THE
23 DETAILS OF HER DECISION."

24 AND THEN HE WENT ON TO TALK ABOUT THE SPECIFIC
25 PROPERTY DIVISION AGREEMENT, WHICH WAS EFFECTIVE IN JUNE OF

1 1977. AND HE SAID, IN ADDITION, THE VERY LANGUAGE THAT MR.
2 MCKENNA, I THINK, TOLD YOU ABOUT ON THE WITNESS STAND.
3 MR. MCKENNA SAID: "LOOK, I THOUGHT NOT ONLY WAS THERE A
4 PROBLEM -- NOT ONLY WAS HE ENTITLED NOT TO REPORT IT, BUT,"
5 MR. MCKENNA SAID, "LOOK, I THOUGHT IT MIGHT EVEN BE AN
6 INVASION OF HIS WIFE'S PRIVACY IF HE WENT OUT AND REPORTED
7 IT." AND THAT'S WHAT HE SAYS IN THE LETTER.

8 AND THEN HE SAYS, "I AM CONFIDENT THAT MY FILING,
9 DONE CAREFULLY WITH ADVICE OF LEGAL COUNSEL, IS COMPLETELY
10 IN ACCORD WITH THE APPROPRIATE RULES OF THE HOUSE AND IN
11 ACCORD WITH THE COURSE OF ACTION OF WHICH WE HAVE KEPT YOUR
12 OFFICE COMPLETELY ADVISED. AT THIS TIME, I RESPECTFULLY REQUEST
13 CONFIRMATION OF THE VALIDITY OF MY REPORT."

14 NOW, THAT, THE HOUSE ETHICS COMMITTEE WAS FULLY
15 ON NOTICE EXACTLY WHAT HAD HAPPENED, EXACTLY THE FACT THAT
16 THESE VERY, VERY SAME -- WE ARE NOT EVEN TALKING ABOUT SIMILAR.
17 WE ARE TALKING ABOUT THE SAME OBLIGATION OF MRS. HANSEN TO
18 THE FIRST NATIONAL BANK OF DALLAS, WAS NOT ON THAT FORM IN
19 1978, AND THE CONGRESSMAN SAYS, "HERE ARE MY REASONS FOR IT,"
20 AND WHAT HAPPENS? DOES HE HEAR FROM THE HOUSE COMMITTEE,
21 "LOOK, THAT'S NOT PROPER, THAT'S NOT RIGHT. THE SEPARATE
22 PROPERTY AGREEMENT IS NO GOOD," MAYBE FOR THE REASONS THAT
23 MR. SCOTT, WHO IS AN EXPERT -- AND WE WILL TALK ABOUT HIM
24 IF WE HAVE SOME TIME -- WHO WAS THE EXPERT WHO TESTIFIED,
25 FOR THE REASONS THAT MR. SCOTT SAYS? NO. THE HOUSE COMMITTEE

1 ACCEPTS IT, KNOWS IT; THAT'S FINE.

2 AND THEN ALONG COMES THE ETHICS IN GOVERNMENT ACT.

3 THE ETHICS IN GOVERNMENT ACT WAS A LAW WHICH, AS MR.

4 WEINGARTEN SAYS, HAD CERTAIN STANDARDS IN IT FOR WHEN YOU

5 REPORT A WIFE'S INCOME. AND HE READ TO YOU AND HAS PREPARED

6 A CHART OF THE THREE-PRONGED TEST, AS HE CALLS IT. BUT THAT'S

7 PART OF THE SMOKESCREEN, TOO, BECAUSE FROM THE VERY BEGINNING

8 OF THE CASE, LADIES AND GENTLEMEN, I THINK FROM MY OPENING

9 STATEMENT, IT WAS CLEAR THAT THE CONGRESSMAN WAS NOT RELYING

10 ON THAT THREE-PART TEST. IN FACT, THE QUESTION, WHENEVER

11 IT WAS ON THE FORM, "ARE YOU AWARE OF ANY INTERESTS IN PROPERTY

12 OR LIABILITIES OF A SPOUSE OR DEPENDENT CHILD BY A SPOUSE

13 WHICH YOU HAVE NOT REPORTED BECAUSE THEY MEET THE THREE

14 STANDARDS FOR EXEMPTION?" THE CONGRESSMAN HAD SAID "NO."

15 AND MR. SCOTT, WHEN HE WAS ON THE WITNESS STAND, HAD TO ADMIT

16 THAT THAT'S THE RIGHT ANSWER. IF YOU'RE NOT CLAIMING AN

17 EXEMPTION BASED ON THIS, QUOTE, THREE-PART TEST, YOU'VE GOT

18 TO ANSWER "NO" TO THAT QUESTION.

19 NOW, THERE IS A BOOK, HE SAYS, AND THE BOOK SAYS

20 ON PAGE 20, "LOOK, IF THERE'S SOME OTHER REASON, DON'T SAY

21 YES AND DON'T SAY NO, BUT WRITE IN N/A." THAT'S AN ORDINARY

22 QUESTION IN ORDINARY ENGLISH, AND THE ANSWER IS THE RIGHT

23 ANSWER. ALL THAT THE BOOK SHOWS IS THAT, CONTRARY TO WHAT

24 THE PROSECUTION SAYS, PEOPLE DID THINK OF THE POSSIBILITY

25 THAT THERE MIGHT BE SITUATIONS WHERE YOU WOULD NOT REPORT

1 A SPOUSE'S INCOME, BUT NOT BECAUSE IT DOESN'T MEET THE THREE
2 STANDARDS FOR EXEMPTION, BUT FOR TOTALLY OTHER REASONS. AND
3 IT WAS THOSE OTHER REASONS THAT MR. RUNFT RELIED ON AND MR.
4 MCKENNA RELIED ON.

5 YOU HEARD TESTIMONY HERE FROM THE WITNESS STAND
6 BY BOTH MR. RUNFT AND MR. MCKENNA THAT THEY TOLD CONGRESSMAN
7 HANSEN THAT THERE WAS NO REQUIREMENT FOR HIM TO REPORT MRS.
8 HANSEN'S INCOME OR OBLIGATIONS UNDER THE ETHICS IN GOVERNMENT
9 ACT BECAUSE--THEY BOTH AGREED THAT ONE FACTOR WAS THAT THERE
10 HAD BEEN A WHOLE HISTORY OF CORRESPONDENCE WITH THE HOUSE
11 ETHICS COMMITTEE IN WHICH THE HOUSE ETHICS COMMITTEE WAS TOLD
12 WHAT THIS WAS ALL ABOUT AND WHAT HAD BEEN HAPPENING IN THE
13 PROPERTY SETTLEMENT AGREEMENT. AND THAT REASON, THAT FACTOR,
14 LADIES AND GENTLEMEN, IS SPECIFICALLY ONE OF THE FACTORS THAT
15 MR. RUNFT RELIED ON AND APPEARS IN HIS DIARY. I MEAN, YOU
16 KNOW, THE INTERESTING THING ABOUT ALL THIS REALLY IS, YOU
17 KNOW -- MR. WEINGARTEN REALLY IMPUGNS MR. RUNFT'S INTEGRITY
18 IN ALL SORTS OF WAYS OVER HERE AND IS TRYING TO SUGGEST TO YOU
19 THE WHOLE THING IS SORT OF HOKED UP IN SOME WAY. BUT THE
20 AMAZING THING IS, YOU KNOW, IN CASES OF THIS KIND, WHEN YOU
21 LOOK AT THE PAPER, LOOK AT THE DOCUMENTS THAT WERE DONE AT
22 THE TIME, THERE'S NO WAY YOU CAN CHANGE THAT. IN MAY OF 1978,
23 JOHN RUNFT'S BILL TO CONGRESSMAN HANSEN FOR SERVICES REPORTED
24 ON THE CONVERSATIONS HE HAD HAD WITH CONGRESSMAN HANSEN AND
25 WITH JIM MCKENNA ABOUT THESE VERY ISSUES. NOBODY HAS MADE

1 UP THOSE CONVERSATIONS. THEY HAPPENED, BECAUSE THEY WERE IN
2 A BILL THAT HE SENT BACK IN MAY OF 1978.

3 AND THEN MAY OF 1979, THE ETHICS IN GOVERNMENT ACT.
4 YOU SAW JOHN RUNFT HAD HIS DIARY THERE, AND IN EVIDENCE IS
5 THE PICTURE FROM THE DIARY. AND THERE IT IS. THERE IT IS.
6 IT'S SOMEWHAT REDUCED. WE DON'T HAVE THE ORIGINAL DIARY;
7 HE HAS TAKEN IT BACK. BUT IF YOU LOOK AT IT RIGHT THERE,
8 "RESEARCH 1978, ETHICS IN GOVERNMENT ACT. KEEP COMMITTEE
9 ADVISED ON BASIS OF PREVIOUS LETTER RE PROPERTY SETTLEMENT
10 AGREEMENT THAT CONNIE HANSEN'S FINANCIAL AFFAIRS WILL NOT
11 BE REPORTED."

12 THAT WAS WHAT JOHN RUNFT WROTE IN HIS BOOK IN MAY
13 OF 1979 ON THE BASIS OF RESEARCH THAT HE DID THEN, NOBODY
14 IS MAKING THAT UP. THAT'S DONE THEN. IT'S DONE AT THE TIME.

15 SO ALONG COMES THE ETHICS IN GOVERNMENT ACT, AND
16 THE LAWYERS ON WHOM CONGRESSMAN HANSEN CAN AND SHOULD RELY --
17 HIS FAVORITE LAWYERS? I SUPPOSE THEY'RE HIS FAVORITE
18 LAWYERS. EVERYBODY RELIES ON HIS FAVORITE LAWYERS. YOU ONLY
19 HIRE A LAWYER YOU TRUST; YOU PAY A LAWYER YOU TRUST. A
20 RESPECTABLE LAWYER? DEFINITELY. TWO LAWYERS: MR. RUNFT
21 AND MR. MCKENNA. MR. MCKENNA IS A MEMBER OF THE STAFF. MR.
22 MCKENNA SPENT MANY YEARS UP IN NEW YORK, HE TOLD YOU, AS
23 SURETY COUNSEL; HE WAS COUNSEL FOR THE HERITAGE FOUNDATION;
24 HE WAS COUNSEL FOR A PUBLIC INTEREST LAW FIRM HERE. YOU SAW
25 HIM. HE'S A GRUFF, PLAIN-SPEAKING MAN, NO QUESTION ABOUT

1 THAT. THEY'RE TWO DIFFERENT -- YOU KNOW, THEY'RE TWO DIFFERENT
2 KINDS OF ATTORNEYS, TWO DIFFERENT KINDS OF PEOPLE. YOU KNOW,
3 THE NICE THING ABOUT BEING A JUROR IS YOU SEE REALLY A
4 CROSS-SECTION OF HUMANITY, AND YOU SEE TWO DIFFERENT KINDS
5 OF PEOPLE. BUT DO YOU REALLY HAVE ANY DOUBT ABOUT THE
6 INTEGRITY OF JOHN RUNFT AND OF JIM MCKENNA? AND THEY TOLD
7 YOU THAT AT THAT TIME, IN 1979, THE CONGRESSMAN SAID TO THEM,
8 AS I SUPPOSE YOU WOULD HAVE HAD TO EXPECT THE CONGRESSMAN
9 TO SAY -- LISTEN, HE'S BEEN IN ENORMOUS PUBLIC DISPLAY IN IDAHO
10 OVER THIS WHOLE BUSINESS, EVERYBODY KNOWS ABOUT HIS DEBT,
11 EVERYBODY KNOWS ABOUT THE FACT THAT HE HAS ASKED THE FEDERAL
12 ELECTION COMMISSION, EVERYBODY KNOWS ABOUT THE FACT THAT THEY'VE
13 SENT OUT THIS "TIN CUP CONNIE" LETTER AND THEY'VE COLLECTED
14 \$100,000 FOR A \$372,000 DEBT, SO IT PAYS OFF A LITTLE BIT
15 OF THAT. IS THERE ANY DOUBT IN YOUR MIND THAT SOMEBODY IN
16 THE CONGRESSMAN'S POSITION AT THAT POINT, AFTER HE HAS CON-
17 SULTED WITH HIS LAWYERS IN '77 AND IN '78, IS GOING TO CONSULT
18 WITH HIS LAWYERS IN '79? AND HE SAYS TO THEM, "WHAT SHOULD
19 WE DO ABOUT MRS. HANSEN'S DEBTS OR ASSETS?" AND THEY SAY
20 TO HIM WHAT THEY'VE BEEN SAYING ALL ALONG: "IT'S NOT YOURS
21 UNDER THE PROPERTY SETTLEMENT AGREEMENT; AS A MATTER OF LAW
22 IT'S NOT YOURS; DON'T REPORT IT." AND HE DOESN'T REPORT IT.
23 AND IN COMES THE GOVERNMENT AND SAYS IT'S A CRIME BECAUSE
24 HE TRIED TO DECEIVE SOMEBODY. NOW, COME NOW.

25 THE JUDGE WILL INSTRUCT YOU AS A MATTER OF LAW THAT

1 SOMEONE IS ENTITLED TO RELY ON ADVICE OF AN ATTORNEY IF HE
2 GIVES THE ATTORNEY ALL THE RELEVANT FACTS. IT'S INTERESTING.
3 MR. WEINGARTEN, WHEN HE SAID THAT TO YOU THIS MORNING, SKIPPED
4 THE WORD "RELEVANT." RELEVANT FACTS. WHAT IS IT THAT WAS
5 RELEVANT AT THE TIME? THEY KNEW THAT THERE HAD BEEN A
6 SEPARATE PROPERTY AGREEMENT; THEY KNEW THAT MRS. HANSEN WAS
7 HAVING SEPARATE ASSETS AND LIABILITIES. DID THEY HAVE TO
8 KNOW THAT IT GREW OUT OF A SOYBEAN TRANSACTION? SOYBEANS
9 WERE IRRELEVANT. WHETHER IT WAS THE DALLAS BANK OR THE FIRST
10 SECURITY BANK OF IDAHO OR SOME OTHER BANK, THAT MADE NO
11 DIFFERENCE; THAT'S NOT A RELEVANT FACT.

12 SO, THE LAWYERS KNEW THE RELEVANT FACTS AND THEY
13 SAID, "YOU DON'T REPORT IT ON YOUR RETURN."

14 I HAVEN'T EVEN USED THE WORD "REASONABLE DOUBT",
15 AND I'M REALLY FEELING BADLY, BECAUSE I'VE GONE THROUGH ALL
16 THESE VARIOUS THINGS, AND EVERY STEP OF THE WAY, LADIES AND
17 GENTLEMEN, IS A REASONABLE DOUBT. EVERY STEP OF THAT WAY
18 OUGHT TO GIVE YOU REASONABLE DOUBT TO BELIEVE WHETHER THE
19 CONGRESSMAN HAD BAD INTENT.

20 THE JUDGE WILL INSTRUCT YOU, THIS IS A CASE WHERE
21 YOU CAN FIND SOMEBODY GUILTY ONLY IF THE PERSON DELIBERATELY,
22 WILLFULLY, KNOWINGLY, WITH SPECIFIC INTENT TO VIOLATE THE LAW,
23 DROPPED THAT OUT OF THAT FORM. ONLY IF THE CONGRESSMAN
24 DROPPED IT OUT NOT ON THE ADVICE OF A LAWYER, BUT OMITTED
25 IT BECAUSE HE WANTED TO DECEIVE THE HOUSE OF REPRESENTATIVES --

1 -- DECEIVE THE HOUSE OF REPRESENTATIVES? THE HOUSE OF REPRESENTATIVES
2 HAD GOTTEN A STACK OF LETTERS FROM HIM ABOUT THIS.
3 WHO WAS DECEIVING WHAT? HOW WAS HE DECEIVING THE HOUSE OF
4 REPRESENTATIVES BY NOT PUTTING THAT IN THE FORM FOR 1979?

5 ALL RIGHT. LET'S GO BACK FOR A MOMENT, THEN, ONCE
6 WE'VE GOTTEN TO 1979, AND LET'S LOOK AT THE FACTS THAT LED
7 UP TO IT. AND HERE WE BEGIN TO SEE -- HERE WE BEGIN TO SEE
8 THE SMOKESCREEN. MR. WEINGARTEN AND THE GOVERNMENT HAS GONE
9 THROUGH A SUBSTANTIALLY ELABORATE EFFORT NOT TO FOCUS ON WHAT
10 WAS ON THAT RETURN, BUT, INSTEAD, TO HAVE YOU CONCLUDE THAT
11 THERE MUST BE SOMETHING IMPROPER BECAUSE OF WHAT NELSON BUNKER
12 HUNT DID IN 1977. AGAIN, I ASK YOU FOR A MINUTE, WHEN YOU
13 ARE LOOKING AT 1977, TO STAND BACK FROM THOSE TREES AND LOOK
14 AT THE FOREST. THE FOREST IS THAT IN 1977, WHATEVER NELSON
15 BUKER HUNT DID, HE LEFT MRS. HANSEN WITH A LIABILITY TO PAY
16 THE FIRST NATIONAL BANK OF DALLAS \$50,000 PLUS SUBSTANTIAL
17 INTEREST WHICH HE, NELSON BUNKER HUNT, NEVER FORGAVE, IS
18 STILL SEEKING TO COLLECT, AND, AS MR. MCKENNA HAS TESTIFIED,
19 WILL PROBABLY COLLECT ONCE THE TRIAL IS OVER.

20 WHAT KIND OF A FAVOR WAS MR. HUNT DOING? BUT THE
21 WHOLE QUESTION OF A FAVOR, LADIES AND GENTLEMEN, HAS GOT TO
22 BE IRRELEVANT. YOU KNOW -- I'LL DISCUSS IT BECAUSE THERE'S
23 BEEN SO MUCH EVIDENCE ON IT. AND, YOU KNOW, THE GOVERNMENT
24 GOES TO SO MUCH -- SO TO SOME EXTENT, I GET CONCERNED THAT --
25 ALTHOUGH I RELY ON YOUR GOOD SENSE AND I RELY ON YOUR GOOD

1 JUDGMENT AND I RELY ON THE FACT THAT YOU ARE NOT GOING TO
2 BE LED THROUGH EACH ONE OF THESE SILLY BY-WAYS THAT THE GOVERN-
3 MENT IS TRYING TO GO THROUGH. BUT, STILL, YOU KNOW, WE GET
4 CONCERNED: ARE PEOPLE GOING TO THINK, "GEE, THERE MUST HAVE
5 BEEN SOMETHING WRONG, THERE MUST HAVE BEEN SOMETHING SUSPI-
6 CIOUS." THERE WAS NOTHING WRONG, THERE WAS NOTHING SUSPICIOUS.
7 THE GOVERNMENT TRIES TO MAKE IT APPEAR THAT WAY, AND THEY
8 DO IT WITH ALL SORTS OF ELABORATE THINGS.

9 YOU ARE GOING TO GET AN INSTRUCTION FROM THE JUDGE,
10 AND THE JUDGE WILL INSTRUCT YOU THAT WITH REGARD TO A CHART,
11 THE CHART IS JUST DESIGNED TO BE HELPFUL. IF IT IS INACCURATE
12 IN ANY WAY, YOU CAN CHOOSE TO DISREGARD IT. IT IS NOT, IN
13 ITSELF -- THE EVIDENCE ARE THE DOCUMENTS, THE NOTES, ALL THOSE
14 SORTS OF THINGS. THE GOVERNMENT PURPORTS TO PUT UP A CHART
15 THAT'S HELPFUL. IS THAT CHART HELPFUL? WELL, IT'S INFLAMMA-
16 TORY. IT IS DESIGNED TO MAKE YOU THINK, "MY GOD, THERE'S
17 SOMETHING TERRIBLE AFOOT."

18 "NICHOLS ORDERS PURCHASE OF 50 SOYBEAN CONTRACTS:
19 VALUE, \$2,489,700." THAT'S A STAGGERING AMOUNT. TWO-AND-
20 A-HALF MILLION DOLLARS. "MY GOD, WHAT'S GOING ON HERE?
21 THERE'S A CONGRESSMAN WHO IS ENORMOUSLY IN DEBT AND HE'S
22 GETTING TWO-AND-A-HALF MILLION DOLLARS IN SOYBEAN CONTRACTS."
23 BUT YOU HEARD FROM THE WITNESS STAND, FROM EVERY WITNESS WHO
24 HAD ANY KNOWLEDGE OF IT, FROM MR. MING, FROM MR. HUNT, THAT
25 FIGURE IS MEANINGLESS. TWO-AND-A-HALF MILLION DOLLARS? NO,

1 IT WASN'T TWO-AND-A-HALF MILLION DOLLARS. IT WAS A CONTRACT
2 TO BUY SOMETHING -- TO BUY, OR TO HAVE SOYBEANS DELIVERED
3 IN THE FUTURE. IT WAS LIMITED BY WHATEVER YOU WOULD MAKE
4 OR LOSE WHEN YOU SOLD THAT CONTRACT. BUT PEOPLE DON'T BUY
5 SOYBEAN CONTRACTS SO AS TO HAVE ALL THOSE BUSHEL'S SHOW UP.
6 REMEMBER, MR. COLE ON OPENING STATEMENT TOLD YOU -- AND HE
7 WAS VERY GRAPHIC ABOUT IT. I REMEMBER HIM STANDING HERE
8 SAYING, "YOU CAN HAVE 250,000 BUSHEL'S OF SOYBEANS SHOW UP
9 AT YOUR DOOR." WHAT DOES THAT HAVE TO DO WITH THIS CASE?
10 WHAT DOES THAT HAVE TO DO WITH THIS CASE? NOBODY WAS HAVING
11 250,000 BUSHEL'S OF SOYBEANS SHOW UP.

12 WHAT HAPPENED? WHAT HAPPENED AT THE TIME? WHAT
13 ACTUALLY HAPPENED IN '77? YOU HEARD MRS. HANSEN TESTIFY TO
14 THE BEST OF HER RECOLLECTION AS TO WHAT HAPPENED. YOU HEARD
15 MR. NICHOLS. HIS TESTIMONY WAS DIFFERENT IN ONE RESPECT,
16 WHICH I THINK IT IS IMPORTANT, BUT IT IS, I SUBMIT TO YOU --
17 WITH ALL HIS APPARENT PRECISION, HE WAS JUST WRONG, BUT HE
18 HAD WEDDED HIMSELF INTO A POSITION ON THAT. WHAT HAPPENED
19 IN 1977 WAS THAT NELSON BUNKER HUNT, AFTER HAVING HEARD OF
20 THE PLIGHT OF THE HANSENS, SAID, "O.K., I CAN HELP, BUT I
21 WILL ONLY HELP MRS. HANSEN." THIS WAS TRUE THROUGHOUT HIS
22 TESTIMONY, THROUGHOUT EVERYTHING YOU HAVE HEARD ABOUT HIM.
23 WHEN MR. IRWIN TESTIFIED ABOUT WHAT MR. HUNT TOLD HIM, IT
24 WAS ALWAYS THAT IT WAS MRS. HANSEN HE WAS HELPING. HE WAS
25 VERY CAREFUL, VERY PRECISE. AND WHAT HE DID IS HE ARRANGED,

1 WHETHER BY CALLING MRS. HANSEN FIRST, WHETHER BY CALLING
2 MR. NICHOLS, THAT THERE SHOULD BE ADVICE AND THERE SHOULD
3 BE PURCHASES OF SOYBEAN FUTURES WHICH MAYBE MRS. HANSEN WOULD
4 BENEFIT BY SO THAT THEY WOULD BE ABLE TO RESOLVE PART OF THEIR
5 FINANCIAL PROBLEM. THAT WAS HIS WAY OF HELPING.

6 WAS HE GIVING THEM MONEY? NO. WAS HE GIVING THEM
7 THE SOYBEAN CONTRACTS? THE PROOF OF THE PUDDING, AS THE SAYING
8 GOES, IS IN THE EATING. SHE DIDN'T GET ANYTHING; SHE ATE.
9 SHE ATE THE LIABILITY, IS WHAT SHE ATE. MR. HUNT DID NOT SAY --
10 AFTER THOSE SOYBEAN CONTRACTS WENT BAD, MR. HUNT DID NOT SAY,
11 "WELL, GEE, THAT WAS TOO BAD; I WAS TRYING TO HELP THIS POOR
12 LADY, SO I'M GOING TO WRITE OUT A CHECK, CALL MR. NICHOLS
13 AND SAY, 'LOOK, I'LL PAY FOR THIS.'" WHAT DID MR. HUNT SAY?
14 "COME ON OUT, LITTLE LADY, TO DALLAS, AND YOU CAN SIGN A NOTE
15 FOR \$50,000 AT PREVAILING RATES OF INTEREST. I WILL GUARANTEE
16 IT, SO YOU DON'T WORRY ABOUT THAT, BECAUSE I GOT YOU INTO THIS
17 FIX, BUT YOU OWE THE \$50,000." AND SHE WENT OUT TO DALLAS,
18 NOT CONGRESSMAN HANSEN. WHENEVER MR. WEINGARTEN WANTS TO
19 MAKE IT, YOU KNOW, APPEAR TO BE SOME KIND OF JOINT ACTION,
20 HE SAYS, "WELL, THE HANSENS DID THIS." WITH REGARD TO DALLAS
21 AND WITH REGARD TO CHICAGO, WHERE MRS. HANSEN HAD TO TRAVEL
22 ALL BY HERSELF, OUT TO DALLAS, OUT TO CHICAGO TO PAY IT, HE
23 DIDN'T MENTION THAT IT WAS MRS. HANSEN WHO TRAVELED TO DALLAS
24 AND SIGNED THE NOTE. AND YOU HEARD MR. HENRY TESTIFY THAT IT
25 WAS SHE WHO WAS OUT THERE, AND SHE TESTIFIED THAT IT WAS SHE

1 WHO WAS THERE, AND SHE TESTIFIED THAT SHE PAID THE BROKER
2 IN CHICAGO. SO ALL THAT WAS MRS. HANSEN'S OBLIGATION.

3 "AH," SAYS MR. WEINGARTEN. "THE EXCESS OVER THE
4 AMOUNT THAT WAS LOST IN THE SOYBEAN TRANSACTION, CONGRESSMAN
5 HANSEN USED IT." AND THE ANSWER TO THAT IS: SO WHAT? OF
6 COURSE HE DID. OF COURSE HE DID. YOU KNOW, THAT COMES BACK
7 TO THE FACT THAT THE PROPERTY SETTLEMENT AGREEMENT DIDN'T
8 FORBID THESE PEOPLE, WHO HAVE BEEN HAPPILY MARRIED ALL THESE
9 YEARS, SINCE 1952, WHO HAVE FIVE CHILDREN, WHO HAVE GONE THROUGH
10 THICK AND THIN TOGETHER -- IT DIDN'T SAY TO THESE PEOPLE,
11 "LOOK, MRS. HANSEN. IF YOU MANAGE TO GET A LOAN UNDER WHICH
12 YOU GET \$17,000 MORE THAN WHAT YOU'VE LOST, YOU'VE GOT TO
13 GO OUT AND BUY YOURSELF A FUR COAT WITH THAT OR YOU'VE GOT
14 TO GO OUT AND DO SOMETHING WHICH WILL ONLY BENEFIT YOU."
15 THAT'S NOT WHAT THE PROPERTY SETTLEMENT AGREEMENT WAS DESIGNED
16 TO DO. THAT'S NOT WHAT ANYBODY REMOTELY SUGGESTED IT DID
17 DO OR SHOULD DO, EXCEPT MR. WEINGARTEN. HE WANTS TO READ
18 IT THAT WAY.

19 AND THEN HE SAYS TO YOU, "HEY, THEY DIDN'T CARRY
20 OUT WHAT I THINK THEY SHOULD HAVE CARRIED OUT UNDER THE
21 PROPERTY SETTLEMENT AGREEMENT." BUT THAT'S NOT WHAT THE
22 LAWYER, THAT'S NOT WHAT MR. RUNFT SAID THEY SHOULD HAVE DONE
23 UNDER THE PROPERTY SETTLEMENT AGREEMENT. THAT'S WHAT MR.
24 WEINGARTEN THINKS OUGHT TO BE DONE UNDER THAT AGREEMENT.

25 SO WHAT WAS WRONG WITH THE TRANSACTIONS IN 1977?

1 AGAIN, IT WASN'T MILLIONS. THE ONLY DIFFERENCE -- AND IT
2 IS AN IMPORTANT DIFFERENCE IN TERMS OF APPEARANCE, I SUPPOSE.
3 MR. NICHOLS TESTIFIES -- AND THE QUESTION IS DO YOU BELIEVE
4 IT. I MEAN THIS IS BACK IN '77 -- HE HAD ONE CONVERSATION
5 WITH MRS. HANSEN AND MAYBE HE DIDN'T EVEN HAVE THAT, BECAUSE
6 HE SAID MAYBE SOMEBODY ELSE TOOK DOWN ALL THIS INFORMATION
7 ABOUT HER ADDRESS AND SOCIAL SECURITY NUMBER. AND THEN,
8 ALTHOUGH THE TRANSACTIONS TOOK PLACE OVER A PERIOD OF A WEEK-
9 AND-A-HALF, APRIL 20TH, APRIL 22ND, APRIL 25TH TO 29TH, HE
10 NEVER TALKED TO HER AGAIN.

11 NOW, MRS. HANSEN TESTIFIED THAT SHE DISTINCTLY
12 RECALLED MR. NICHOLS AND RECALLED HIS NAME. AND SHE TESTIFIED
13 SHE TALKED TO HIM SEVERAL TIMES.

14 AND MR. NICHOLS WAS IN A VERY DIFFICULT POSITION,
15 I PUT TO YOU, BECAUSE HE HAD TOLD THE GOVERNMENT, AND THE
16 GOVERNMENT WAS TRYING TO MAKE A BIG ISSUE ABOUT IT, THAT
17 HE HAD ONLY TALKED TO MRS. HANSEN ONCE, SO THAT IT APPEARED
18 AS IF BUNKER HUNT WAS DOING EVERYTHING. BUT IT WASN'T REALLY
19 UNTIL HE GOT ON THE WITNESS STAND, I THINK, THAT HE REALIZED
20 THAT IF HE DID THAT, THEN WHAT HAPPENED IS HE HAS BEEN TRADING
21 IN MRS. HANSEN'S MONEY FOR A FULL WEEK, FROM APRIL 25TH TO
22 29TH, WITHOUT EVER TALKING TO HER. AND IF YOU WILL RECALL
23 MR. NICHOLS -- AND I THINK THIS IS IMPORTANT -- I ASKED MR.
24 NICHOLS: "LOOK, YOUR TESTIMONY OR RECOLLECTION WAS PRETTY
25 FUZZY OR HAZY BEFORE THE GRAND JURY." HE SAID, "YEAH, I GUESS

1 IT WAS." AND I SAID, "YOU REALLY ARE RECALLING THINGS ON
2 THE BASIS OF WHAT YOU THINK YOU PROBABLY WOULD HAVE DONE."
3 AND HE SAID, "YEAH, THAT'S RIGHT. AND I LOOK AT THE DOCUMENTS
4 AND THINGS LIKE THAT."

5 MR. NICHOLS, I PUT TO YOU, DIDN'T RECALL THAT HE
6 TALKED TO HER ONCE. HE HAD TOLD THAT TO THE GOVERNMENT. THE
7 GOVERNMENT PROSECUTORS MADE A BIG TO-DO ABOUT IT. THEY PUT
8 HIM ON THE WITNESS STAND TO TESTIFY TO THAT. BUT IT IS JUST
9 NOT CONSISTENT WITH HIS CHARACTER -- YOU'VE SEEN HIM -- THAT
10 THAT MAN, WHO SAYS, "LOOK, I'M REALLY VERY IMPORTANT, I'M
11 A MEMBER OF THE BOARD OF DIRECTORS OF THE CHICAGO BOARD OF
12 TRADE AND HERE AND THERE AND THE OTHER PLACE" -- THAT THAT
13 MAN WOULD HAVE TRADED IN MRS. HANSEN'S -- WITH MRS. HANSEN'S
14 \$51,000 FOR THAT FULL WEEK. WITHOUT EVEN CALLING UP THE LADY
15 AND SAYING, "YOU KNOW, I BOUGHT SOME SOYBEAN CONTRACTS, IT'S
16 GOING DOWN; I'M GOING TO HOLD IT A WHILE. I BOUGHT IT, IT'S
17 GOING DOWN, I'M GOING TO HOLD IT A WHILE."

18 NOW, DON'T GET ME WRONG. I'M NOT SAYING THERE WAS
19 ANYTHING MORE THAN THAT. NOBODY HAS EVER SUGGESTED -- YOU
20 SAW MRS. HANSEN TESTIFY ON THE WITNESS STAND, AND SHE SAID
21 SHE'S NOT AN EXPERT IN SOYBEAN -- IN COMMODITIES FUTURES.
22 NOBODY HAS SUGGESTED SHE IS AN EXPERT IN COMMODITIES FUTURES
23 AND SHE WAS CALLING ALL THE SHOTS. SHE JUST SAYS, "LOOK,
24 HE KEPT ME ADVISED AND I SAID O.K." AND IT WAS A REASONABLE
25 WAY THAT SOMEBODY COULD HELP HER, COULD HELP A WOMAN WHO,

1 I SUBMIT TO YOU, WAS REALLY IN VERY MANY WAYS -- I PUT TO
2 YOU A MODEL, REALLY, OF A CONGRESSMAN'S WIFE. SHE COMES IN,
3 SHE WORKS IN HIS OFFICE FOR NOTHING, FULL-TIME, RUNS THE
4 OFFICE, TAKES A POSITION THAT SHE TESTIFIED IS FIFTY THOUSAND,
5 AND CERTAINLY AT LEAST \$50,000 WORTH. AND SHE ASSISTS HIM,
6 SHE HELPS HIM. AND WHAT HAPPENS IS, ON THE BASIS OF THAT --
7 I THINK YOU HEARD MR. HUNT READ FROM HIS OWN STATEMENT THAT
8 IT WAS ON THE BASIS OF THAT -- HE TOLD THAT TO THE PROSECUTORS
9 WHEN THEY CAME TO SEE HIM. IT WAS ON THE BASIS OF KNOWING
10 THAT INFORMATION, HE SAID, "THIS IS A REALLY FINE LADY, AND
11 I THINK I'M GOING TO HELP HER. AND I THINK I'M GOING TO HELP
12 CONGRESSMAN HANSEN." AND HE DID. NOW, WHAT'S WRONG WITH
13 IT? WHAT'S WRONG WITH IT? NO LAW WAS VIOLATED, NO PRINCIPLE
14 OF ETHICS WAS VIOLATED. THERE WAS ABSOLUTELY NOTHING WRONG
15 WITH IT.

16 NOR WAS THERE ANYTHING WRONG WITH THE SILVER TRANS-
17 ACTION. AGAIN, WHAT DOES THE GOVERNMENT DO WITH THE SILVER
18 TRANSACTION? \$3,877,000. I SAY TO MR. MING, "DOES THAT
19 NUMBER MEAN ANYTHING?" HE SAID, "IT'S IRRELEVANT." I THINK
20 HE SAID IT'S "IRREVELANT", REALLY, IF I RECALL CORRECTLY.
21 BUT IT WAS IRRELEVANT, HE SAID. IT HAS NOTHING TO DO WITH
22 ANYTHING. THAT NUMBER IS JUST INFLAMMATORY. AND SO THEY
23 PUT IT UP THERE, AND THEN THEY SAY, O.K., CONTRACTS THEN WERE
24 SOLD TWO DAYS LATER FOR A NET PROFIT OF 87,000. WAS THAT
25 MRS. HANSEN'S PROFIT? I SUBMIT TO YOU IT WAS MRS. HANSEN'S

1 PROFIT, NOMINALLY, AND I SUBMIT ALSO, BECAUSE MR. MING TESTI-
2 FIED THAT HE SPOKE WITH MRS. HANSEN. HIS OWN HANDWRITTEN
3 RECORDS, CONTEMPORANEOUS HANDWRITTEN RECORDS ON PAGES FROM
4 A NOTEBOOK, YOU KNOW, THAT HE SAYS HE KEPT BEFORE HIM. AND
5 WHAT DO YOU HAVE? WHAT DO YOU HAVE THERE? IT SAYS 8:57 ON
6 THE DAY THAT THE CONTRACTS WERE SOLD, JANUARY 18TH, "MRS.
7 HANSEN TOLD ME TO EXERCISE MY JUDGMENT NEXT" -- SOMETHING
8 LIKE THAT -- "NOT HELD." MRS. HANSEN. SURE. ORIGINALLY
9 HIS NOTES INDICATE THE NAME GEORGE HANSEN. HIS TESTIMONY
10 IS THAT MR. HUNT TOLD HIM TO CALL GEORGE HANSEN. HE WAS
11 PRETTY DEFINITE. I TRIED TO -- I MUST SAY, I WAS UP HERE
12 AND I SAID TO HIM, "LOOK, ARE YOU SURE YOU CALLED GEORGE
13 HANSEN AND DIDN'T CALL MRS. HANSEN?" AND MR. MING IS NOT
14 A MAN WHO IS GIVEN TO UNCERTAINTIES. HE SEEMED TO BE A MAN
15 WHO IS PRETTY DEFINITE ABOUT EVERYTHING HE RECALLS, AND HE
16 SAID, "YES, I CALLED GEORGE HANSEN." MAYBE SO.

17 MR. HUNT TESTIFIED, AND IT'S IMPORTANT TO BEAR THAT
18 IN MIND -- MR. HUNT TESTIFIED THAT HE TOLD MING TO CALL
19 MRS. HANSEN. MR. IRWIN TESTIFIED THAT WHEN MR. HUNT REPEATED
20 THE STORY TO HIM, HE SAID MR. HUNT SAID CALL -- "I TOLD MING
21 TO CALL MRS. HANSEN." MING SAYS, "HE TOLD ME CALL GEORGE
22 HANSEN."

23 AGAIN I ASK THOSE TWO WORDS: SO WHAT? WHAT IF
24 HUNT SAID CALL GEORGE HANSEN? MING SAYS, "I CALLED GEORGE
25 HANSEN, AND WHEN I TALKED TO HIM, CONGRESSMAN HANSEN SAID,

1 'LOOK, I DON'T HAVE ANY PART OF THAT, I'M NOT INTERESTED,
2 BUT MY WIFE IS.'" SO ALL THE REST OF THE TRANSACTIONS, UNDER
3 ANY VERSION, WERE CONDUCTED WITH MRS. HANSEN. MING SAYS,
4 "I CALLED MRS. HANSEN EVERY DAY." UNLIKE MR. NICHOLS, MR.
5 MING SAYS, "I CALLED ON THE 16TH, I CALLED AGAIN ON THE 17TH,
6 I CALLED AGAIN ON THE 18TH." HE WAS DOING WHAT A BROKER
7 SHOULD DO. HE WAS KEEPING HER ADVISED, SAYING, "LOOK, WHAT
8 DO YOU THINK? SHOULD I DO IT?" AND SHE WOULD SAY, "GOOD
9 DR. MING," SHE WOULD SAY, "YES, PLEASE DO IT." AND HE DID
10 IT. AND A PROFIT OF \$87,000 RESULTED IN THE SILVER TRANS-
11 ACTION, AS A RESULT OF MR. HUNT'S ASSISTANCE. AND IF, JUST
12 IF THE GOVERNMENT IS RIGHT AND MR. HUNT SAID TO MR. MING,
13 "CALL GEORGE HANSEN," WHAT DOES THAT HAVE TO DO WITH WHETHER
14 A CRIME WAS COMMITTED BY NOT PUTTING THE PROFIT, THE PROCEEDS
15 OF THAT SILVER TRANSACTION ON THAT ETHICS IN GOVERNMENT ACT
16 FORM? WHAT HAS THAT GO TO DO WITH IT?

17 ALL THAT IT HAS TO DO WITH IS AGAIN THE SMOKESCREEN;
18 LET'S YOU THINK THERE MUST BE SOMETHING WRONG WITH ALL THAT.

19 WHAT HAPPENS? THERE IS AN \$87,000 PROFIT. AND
20 WHAT'S DONE WITH THE \$87,000 PROFIT? THE GOVERNMENT HAS SAID,
21 AND WE STIPULATED, RIGHT, IT WENT INTO A BANK ACCOUNT, GEORGE
22 HANSEN WROTE CHECKS, PUT IT FROM ONE BANK ACCOUNT INTO ANOTHER
23 BANK ACCOUNT FOR GEORGE HANSEN, AND THE MONEY WENT THERE.
24 AND CONGRESSMAN HANSEN USED THOSE PROCEEDS. AGAIN, THAT'S
25 WHAT THE PROPERTY SETTLEMENT AGREEMENT CONTEMPLATED. OF

1 COURSE -- AND MRS. HANSEN SPECIFICALLY SAID -- SHE WAS ASKED,
2 AND SHE SAID, AND IT APPEARS IN THE TRANSCRIPT, "I AUTHORIZED
3 HIM TO USE IT. I AUTHORIZED HIM TO USE IT. IT'S PERFECTLY
4 ALL RIGHT WITH ME." AND THERE'S NOTHING WRONG WITH THAT.

5 WHAT DID THEY DO? DID THEY HIDE THE \$87,000?
6 IN EVIDENCE, LADIES AND GENTLEMEN OF THE JURY, AS DEFENDANT'S
7 EXHIBIT 86, IS THE PAGE OF THE TAX RETURN FOR 1979 FILED BY
8 THE HANSENS. AND WHAT DOES IT SHOW? IT SHOWS ON THE SCHEDULE
9 WHICH RELATES TO CAPITAL GAINS AND LOSSES, COMMODITY CON-
10 TRACTS, GROSS SALES PRICE, COST, PROFIT, \$87,475. THERE'S
11 NO CONCEALMENT. IT WAS RIGHT THERE ON THE TAX RETURN FOR
12 THAT YEAR 1979, BECAUSE ON THE TAX RETURN, IT BELONGED ON
13 THE TAX RETURN. LEGALLY YOU ARE REQUIRED, OF COURSE, TO PUT
14 IT ON A JOINT TAX RETURN. THEY WEREN'T HIDING IT.

15 YOU KNOW, THERE'S AN INTERESTING POINT. AND IT
16 COMES UP -- IT REALLY RELATES TO SOMETHING A LITTLE LATER.
17 THERE'S THAT LETTER FROM THE ASSOCIATION OF CONCERNED TAX-
18 PAYERS ON CONGRESSMAN HANSEN'S SORT OF LETTERHEAD, CONGRESSMAN
19 GEORGE HANSEN, HOUSE OF REPRESENTATIVES, AND IT HAS THIS WHOLE
20 DIALOG OF THE TERRIBLE THINGS THE INTERNAL REVENUE SERVICE
21 DOES. THEY SNOOP AND MAKE -- BECAUSE CONGRESSMAN HANSEN,
22 AND WE'LL TALK ABOUT THAT IN A MINUTE, IS SOMEBODY WHO GOES
23 IN, AS MR. MCAFEE SAYS, WHERE ANGELS FEAR TO TREAD. BUT THINK
24 FOR A MOMENT. WE ARE TALKING ABOUT SOMEBODY'S MIND, WHAT'S
25 IN HIS STATE OF MIND. CONGRESSMAN HANSEN, IT IS CLEAR FROM

1 THAT LETTER, FROM HIS BOOK, FROM EVERYTHING, BELIEVES THAT
2 WHAT YOU GIVE TO THE INTERNAL REVENUE SERVICE, THE INTERNAL
3 REVENUE SERVICE IMMEDIATELY USES AGAINST YOU FOR WHATEVER
4 PURPOSE. IF HE PUT THAT ON HIS INTERNAL REVENUE SERVICE FORM,
5 I PUT TO YOU THAT HE WAS CONVINCED THAT THE NEXT DAY IT WOULD
6 GO TO THE PROSECUTOR, BECAUSE THAT'S WHAT THE INTERNAL REVENUE
7 SERVICE WAS TO HIM. AND YET, IT'S DISCLOSED.

8 NOBODY IS HIDING THAT \$87,000, LADIES AND GENTLEMEN.
9 NOBODY IS CONCEALING IT, BECAUSE THERE'S NOTHING TO CONCEAL.
10 THERE'S NOTHING THAT WAS DONE THAT WAS WRONG.

11 AND AGAIN, SMOKESCREEN. WHAT DOES MR. WEINGARTEN
12 DO WHEN MR. HUNT GETS ON THE WITNESS STAND? HE SAYS TO HIM,
13 RIGHT AT THE BEGINNING OF HIS TESTIMONY, "MR. HUNT, DO YOU
14 OWN ANY SILVER MINES IN IDAHO?" MR. HUNT SAYS, "YES, YES.
15 I OWN A SILVER MINE IN IDAHO." AND THEN WE DON'T HEAR ANY-
16 THING MORE ABOUT THE SILVER MINE IN IDAHO. AND IF I HAD
17 NOT ASKED -- IF I HAD NOT ASKED MR. IRWIN, WHO IS MR. HUNT'S
18 LAWYER, WHAT ABOUT THAT SILVER MINE IN IDAHO -- MR. IRWIN
19 SAID, "I KNOW ALL ABOUT IT. I'M THE LAWYER FOR BUNKER HUNT.
20 GEORGE HANSEN HAD NOTHING TO DO WITH ANYTHING HAVING TO DO
21 WITH THAT SILVER MINE; IT'S NOT IN HIS DISTRICT." HE WENT
22 INTO A WHOLE EXPLANATION ABOUT IT.

23 IF I HAD NOT ASKED IVAN IRWIN THAT QUESTION, I
24 SUBMIT TO YOU YOU WOULD BE HEARING NOW IN CLOSING ARGUMENT
25 FROM MR. WEINGARTEN: HUNT HAD A SILVER MINE IN IDAHO, AND

1 THAT'S WHY HE ARRANGED THIS AND THAT. THE FACT IS, THERE
2 WAS NOTHING. THE FACT IS THAT THERE WAS NO EXCHANGE FOR
3 ANYTHING. THE FACT IS, AS MR. HUNT SAID OVER AND OVER AND
4 OVER AGAIN, "I ASKED FOR NOTHING, I GOT NOTHING, I WAS OFFERED
5 NOTHING IN EXCHANGE FOR HELPING OUT MRS. HANSEN. I HELPED
6 HER OUT BECAUSE I THOUGHT IT WAS A SAD SITUATION AND BECAUSE"
7 -- AND HE EXPLAINED, I THINK, A PERSONAL MOTIVE THAT WAS
8 IMPORTANT TO HIM AND UNDERSTANDABLE TO HIM: BECAUSE MR.
9 HANSEN WAS ATTACKED BY WAYNE HAYS, CONGRESSMAN WAYNE HAYS,
10 WHO ALSO ATTACKED -- THIS IS MR. HUNT SPEAKING -- "MY FATHER."
11 MR. HUNT'S FATHER WAS A MAN OF SOME NOTORIETY, AND WAYNE HAYS
12 HAD ATTACKED HIM, SO HE FELT SYMPATHY FOR SOMEBODY WHO HAD
13 GOTTEN INTO THIS FIX BECAUSE OF WHAT WAYNE HAYS HAD DONE.
14 BUT THERE WAS NOTHING WRONG WITH IT.

15 O.K. WHAT DID MR. HUNT DO WITH REGARD TO ALL THESE
16 THINGS, WITH REGARD TO THE OBLIGATION? WELL, IN 1980 --
17 DEFENDANT'S EXHIBIT 72, MR. HUNT SENDS ALONG -- HAS HIS
18 LAWYER, MR. IRWIN'S FIRM, SEND A LETTER TO MRS. HANSEN DEMAND-
19 ING PAYMENT ON THAT ORIGINAL SOYBEAN LOAN. NOW, MR.
20 WEINGARTEN, I'M SURE, OVERSTATED IT IN A SORT OF EXCESS OF
21 ZEAL, BUT MR. WEINGARTEN SAID: AFTER THAT LOAN WAS MADE,
22 THERE'S NOT A SINGLE THING THAT MRS. HANSEN DID WITH REGARD
23 TO THAT \$50,000 LOAN; IT WAS ALL HANDLED BY CONGRESSMAN HANSEN.

24 IN FACT, HE HAS OVERLOOKED CERTAINLY EXHIBIT 9,
25 WHICH IS A CHECK THAT MRS. HANSEN SENT FOR INTEREST ON THAT

1 LOAN SIGNED BY MRS. HANSEN. IT'S IN EVIDENCE, DEFENDANT'S
2 EXHIBIT 9, JANUARY 4, 1979, FIRST NATIONAL BANK OF DALLAS,
3 \$1,120, SIGNED CONNIE S. HANSEN, INTEREST TO 5/26/78. SO
4 SHE DID SEND IT OUT.

5 WHAT DID SHE DO? SHE HAD HER HUSBAND CALL THE BANK
6 OFFICER, WHO WAS DUNNING HIM ABOUT IT, TO SPEAK WITH HIM,
7 BECAUSE, AGAIN, AS SHE TESTIFIED, THERE WERE CONTINUING
8 FINANCIAL PROBLEMS, THEY DIDN'T HAVE THE MONEY. SO WHAT?
9 SO YOU HAVE YOUR HUSBAND SPEAK TO THE BANK OFFICER. IS THAT
10 A CRIME? IS THAT EVIDENCE OF A CRIME? IS THAT ANYTHING THAT
11 HAS GOT TO DO WITH A CRIME?

12 TIME IS RUNNING, LADIES AND GENTLEMEN, AND I'VE
13 GOT TO GET TO OTHER ISSUES. MAYBE JUST WITH REGARD TO THOSE
14 THREE COUNTS, COUNTS 2, 3 AND 4. LET ME JUST SUM IT UP.
15 THEY ALL DEAL WITH MRS. HANSEN'S ASSETS OR LIABILITIES IN
16 THOSE YEARS. THOSE QUESTIONS RELATING TO THE ASSETS AND
17 LIABILITIES IN THOSE YEARS WERE ALL THE SUBJECT OF THE
18 ADVICE THAT THE LAWYERS GAVE, RUNFT AND MCKENNA, ABOUT KEEPING
19 THEM OFF THE FORM. THE TESTIMONY HAS BEEN UNEQUIVOCAL ON
20 THAT FROM BOTH LAWYERS. IT WAS, MR. MCKENNA SAID, WELL
21 ACCEPTED ALREADY IN THE CONGRESSMAN'S OFFICE THAT THERE WAS
22 NO DOUBT ABOUT THE FACT THAT THAT WAS NOT GOING TO BE REPORTED.

23 THE PROSECUTORS WOULD LIKE TO READ THE LAW IN SOME
24 OTHER WAY, AND THEY PUT AN EXPERT ON THE STAND WHO AT FIRST
25 TESTIFIED IN A WAY THAT WOULD HAVE MADE YOU BELIEVE THAT

1 WHATEVER MR. RUNFT AND MR. MCKENNA WERE SAYING, THEY MUST
2 HAVE BEEN ABSOLUTELY OUT OF THEIR MINDS -- COULDN'T HAVE BEEN
3 SAID IN GOOD FAITH. BUT AFTER A LITTLE BIT OF QUESTIONING
4 OF MR. SCOTT, WHO, YOU REMEMBER, WHEN HE FIRST GOT ON THE WITNESS
5 STAND, MR. WEINGARTEN SAID TO HIM, "MR. SCOTT, DO WE KNOW
6 EACH OTHER?" MR. SCOTT SAID, "YES." MR. WEINGARTEN SAID,
7 "WELL, HOW DO WE KNOW EACH OTHER?" AND HE SAID, "WELL, YOU
8 AND I WORKED TOGETHER FOR THE PUBLIC INTEGRITY SECTION OF
9 THE CRIMINAL DIVISION. WE WERE IN THE SAME OFFICE, AND WE
10 GOT TO BE FRIENDS."

11 THEY PUT AN EXPERT ON THE STAND WHO'S A FRIEND OF
12 MR. WEINGARTEN'S. AND YOU WILL HEAR IN THE INSTRUCTIONS OF
13 THE COURT THAT YOU CAN TAKE INTO ACCOUNT THE BIAS OR PREJUDICE
14 THAT ANY WITNESS HAS TOWARDS ONE SIDE OR ANOTHER. AND HE
15 FIRST TELLS YOU, WELL, THAT'S WHAT THE LAW MEANS. BUT THE
16 MINUTE YOU START QUESTIONING HIM, HE HAS GOT TO AGREE THAT
17 LAWYERS CAN ARGUE WITH HIM AND THEY CAN COME TO AN OPPOSITE
18 CONCLUSION. AND THAT'S WHAT HE SAID. "WELL, MY LAW PROFESSOR
19 SAYS THINGS ARE ARGUABLE." AND HE WAS RIGHT. IT CERTAINLY
20 WAS ARGUABLE. BECAUSE THE PROVISION OF THE LAW THAT THEY
21 DON'T PUT ON THEIR CHART -- THEY PUT THIS CHART UP AS IF THIS
22 IS THE ONLY THING THAT'S RELEVANT. BUT THE PROVISION OF THE
23 LAW THAT THEY DON'T PUT ON THEIR CHART -- AND I GUESS I
24 INTERRUPTED THAT BEFORE WHEN I TALKED ABOUT THE HISTORY OF
25 THE ETHICS COMMITTEE. MR. RUNFT SAYS, "LOOK, THIS DOESN'T

1 APPLY AT ALL", BECAUSE JUST BELOW THAT IN THE LAW, IF YOU READ
2 DOWN TO THE NEXT SUBSECTION -- AND IT DOESN'T APPEAR ON THIS
3 CHART BECAUSE THE GOVERNMENT DOESN'T PUT ON ITS CHART WHAT'S
4 NOT GOING TO HELP IT. BUT IF YOU READ DOWN TO THE NEXT PRO-
5 VISION, IT APPLIES TO PEOPLE WHO ARE SEPARATE. AND HE SAYS,
6 "SEPARATE TO ME MEANS SEPARATE ECONOMICALLY, WHO HAVE SIGNED
7 A SEPARATION OF PROPERTY AGREEMENT." AND MR. SCOTT HAD TO
8 ADMIT WHEN I CONFRONTED HIM WITH IT, WITH THAT LITTLE LANGUAGE
9 FROM THE REPORT, WELL, THAT'S ARGUABLE, THAT'S ARGUABLE.

10 AND AGAIN, THE JUDGE WILL INSTRUCT YOU THE QUESTION
11 IS NOT -- FOR CONGRESSMAN HANSEN, THE QUESTION IS NOT WAS
12 HIS LAWYER RIGHT OR WRONG. THE QUESTION IS: DID HE RELY
13 ON IT IN GOOD FAITH. AND EVEN IF THE LAWYER WAS WRONG --
14 AND I'M NOT SAYING HE WAS, BUT EVEN IF THE LAWYERS WERE WRONG,
15 HE WAS ENTITLED TO RELY ON IT.

16 LET US TALK NOW ABOUT THE FINAL COUNT, WHICH IS
17 REALLY COUNT 1 IN THE INDICTMENT. THAT HAS TO DO WITH WHAT
18 MR. WEINGARTEN SAYS ARE THE LOANS OF THE, QUOTE, VIRGINIA
19 BOYS. AND AGAIN I PUT TO YOU, AND WE RAISED IT AT THE
20 BEGINNING OF THE THING, QUESTION TO YOURSELF FOR A MOMENT,
21 STANDING BACK FROM ALL THE TREES, WAS THERE A MOTIVE NOT TO
22 LIST THE NAME OF CARL MCAFEE AND J. MEADE ON THAT FORM? AND
23 I SUBMIT TO YOU THERE WAS NO MOTIVE, BECAUSE THOSE NAMES WOULD
24 HAVE DONE NOTHING WITH REGARD TO THE HOUSE OF REPRESENTATIVES
25 AT THAT TIME, IN 1982. THERE WAS A LITTLE BIT OF A GLIMMER

1 OF A SUGGESTION AT SOME POINT -- AND I DON'T RECALL WHERE
2 IT WAS IN THIS TRIAL -- WHERE MR. WEINGARTEN OR MR. COLE WAS
3 TRYING TO SUGGEST THAT: LOOK, SINCE MEADE IS A BAD FELLOW,
4 HE WAS CONVICTED OF A CRIME, HE WAS INVOLVED IN ALL KINDS
5 OF BANK SHENANIGANS, THEY DIDN'T WANT TO HAVE JOHN MEADE'S
6 NAME ON THAT FORM. BUT THE DATE IS VERY IMPORTANT, LADIES
7 AND GENTLEMEN. THE DATE IS VERY IMPORTANT. MAY 15TH, 1982,
8 IS THE DATE THAT THAT FORM WAS SUBMITTED. AND I PUT TO YOU
9 THAT IT WAS CLEAR FROM MR. MCKENNA'S TESTIMONY THAT ON
10 MAY 15TH, 1982, NO ONE IN CONGRESSMAN HANSEN'S OFFICE OR
11 CONGRESSMAN HANSEN HAD ANY IDEA WHATEVER THAT JOHN MEADE HAD
12 DONE ANYTHING THAT WAS WRONG. THE FIRST THEY HEARD WAS A
13 LETTER DATED MAY 17TH, 1982, WHICH DIDN'T ARRIVE UNTIL MAY
14 20TH, 1982, THAT SAID, LOOK, THE RECORDS HAVE BEEN SUBPOENAED.
15 AND THEN MR. MCKENNA SAID, "WELL, I CALLED MR. REASOR, AND
16 HE TOLD ME THAT MR. MEADE WAS IN TROUBLE. AND I TOLD IT TO
17 THE CONGRESSMAN AND THE CONGRESSMAN WAS SHOCKED AT THAT POINT."
18 SO THERE WOULD HAVE BEEN NO REASON ON MAY 15TH, 1982, NOT
19 TO PUT MR. MEADE'S NAME ON THE FORM, EVEN IF ONE ASSUMES --
20 EVEN IF ONE ASSUMES THAT PUTTING THE NAME J. MEADE WITH A
21 LETTER AFTER IT WOULD HAVE TIPPED SOMEBODY OFF THAT CONGRESSMAN
22 HANSEN HAD GOTTEN A LOAN FROM SOME BANKER WHO WAS IN TROUBLE
23 IN VIRGINIA. I SUBMIT TO YOU EVEN THAT IS AN UNLIKELY THING.
24 BUT EVEN ASSUME THAT IS RIGHT. HE HAD NO REASON TO KNOW IT,
25 BECAUSE THE LETTER DIDN'T COME UNTIL MAY 20TH. SO AGAIN,

1 THERE IS NO MOTIVE, NO MOTIVE AT ALL WITH REGARD TO COUNT 1.

2 THERE'S MORE, THOUGH, EVEN IN TERMS OF THE FOREST,
3 RATHER THAN THE TREES. CONSIDER TO YOURSELF THE PROBABILITY:
4 IS IT LIKELY THAT A CONGRESSMAN WHO HAS BEEN IN SUBSTANTIAL
5 CONTROVERSY OVER HIS FORM, HIS ETHICS IN GOVERNMENT ACT FORM
6 WITH REGARD TO THE HOUSE ETHICS COMMITTEE, IS GOING TO GO
7 IN 1982 AND NOT DISCLOSE THESE LOANS DELIBERATELY, IN ORDER
8 TO CONCEAL THEM? NOW, YOU MAY SAY, WELL, MAYBE HE DID. MAYBE
9 HE WANTED -- YOU KNOW, HE DIDN'T KNOW THAT THEY WERE LOOKING
10 AT HIS ETHICS IN GOVERNMENT ACT FORMS. THERE'S A KEY PIECE
11 OF EVIDENCE HERE, LADIES AND GENTLEMEN. THAT KEY PIECE OF
12 EVIDENCE IS DEFENDANT'S EXHIBIT 88. IT'S A REPORT OF THE
13 FEDERAL BUREAU OF INVESTIGATION WHEN THEY CAME TO INTERVIEW
14 CONGRESSMAN HANSEN ON SEPTEMBER 24TH, 1981.

15 SEPTEMBER 24TH, 1981, THEY CAME TO HIM--THEY HAD
16 BEGUN THE INVESTIGATION BACK IN APRIL OF 1981. THEY CAME
17 TO HIM IN SEPTEMBER AND THEY SAID, "OH, WE'RE GOING TO ASK
18 YOU SOME QUESTIONS." MR. MCKENNA WAS THERE; HE TESTIFIED
19 THAT THE AGENTS ASKED. AND WHAT SPECIFICALLY DID THE AGENTS
20 ASK? THEY SAID TO HIM: "WHY DID YOU NOT PUT ON YOUR
21 FINANCIAL DISCLOSURE STATEMENT FOR 1979 THE SILVER COMMODI-
22 TIES TRANSACTION WHICH YOU HAVE TOLD US ABOUT?" HE HAD TOLD
23 IT ALL TO THEM AT THAT MEETING WITH THE ATTORNEY GENERAL,
24 WHICH I WILL GET TO IN JUST A MINUTE. HE HAD TOLD IT ALL
25 TO THEM, AND THEY SAID TO HIM, "CONGRESSMAN HANSEN, WHY DIDN'T

1 YOU PUT THAT ON YOUR ETHICS IN GOVERNMENT ACT FORM?" AND
2 THE FBI REPORT -- AND THAT IS CONSISTENT WITH WHAT MR. MCKENNA
3 SAID -- "HANSEN ADVISED HE HAD DISCUSSED THIS MATTER AT LENGTH
4 WITH HIS ATTORNEYS JAMES MCKENNA AND JOHN RUNFT." BY THE
5 WAY, THAT ADDITIONALLY SHOWS YOU THAT THERE IS NO REASON TO
6 DOUBT WHAT MR. RUNFT AND MR. MCKENNA HAVE SAID FROM THE WITNESS
7 STAND. FROM THE BEGINNING OF THIS INVESTIGATION, FROM SEPTEMBER
8 OF 1981, THE CONGRESSMAN SAID TO ANYBODY WHO ASKED HIM, WHETHER
9 IT WAS MR. WEINGARTEN, MR. COLE, MR. HOY, MR. -- ALL THE
10 AGENTS, WHOEVER THEY WERE, I FORGET ALL THE NAMES. HE SAID,
11 "I RELIED ON WHAT MR. MCKENNA AND MR. RUNFT TOLD ME." A
12 CONSENSUS WAS REACHED AMONG THEM THAT BECAUSE OF A DIVISION
13 OF PROPERTY THAT THEY OBTAINED IN THE STATE OF IDAHO, ANY
14 TRANSACTIONS SOLELY ENTERED INTO BY HIS WIFE ARE NOT SUBJECT
15 TO DISCLOSURE IN THE FINANCIAL DISCLOSURE STATEMENT.

16 THEN THEY SAID TO HIM, "WELL, WHAT ABOUT THE LOAN,
17 THE \$125,000 MARGIN CALL?" I HAVEN'T EVEN TALKED ABOUT THAT.
18 I'M SORRY. AND MY TIME IS RUNNING OUT. YOU KNOW, THAT'S
19 ANOTHER SMOKE SCREEN. THE GOVERNMENT IS TRYING TO MAKE YOU
20 BELIEVE THAT THERE'S SOMETHING WRONG WITH THAT \$125,000 MARGIN
21 CALL, AS IF THERE WAS SOMETHING SUSPICIOUS. "MY GOD, THERE
22 WAS A \$300 BANK ACCOUNT AND MR. CALDWELL WAS TOLD TO WRITE
23 OUT A \$125,000 CHECK." I SUBMIT TO YOU WHAT THE GOVERNMENT
24 LAWYERS ARE DOING IS THEY'RE INSULTING YOUR INTELLIGENCE.
25 YOU KNOW, THEY KNOW, EVERYBODY KNEW THERE WAS \$125,000 WAITING

1 IN CHICAGO THAT AS SOON AS HE WROTE THAT CHECK OUT AND HE
2 SENT IT OUT THERE, 125,000 WAS GOING TO COME BACK. NOBODY
3 WAS WRITING OUT A BAD \$125,000 CHECK. NOBODY WAS WRITING
4 OUT AN OVERDRAFT. ALL THE BANK OFFICERS KNEW EXACTLY WHAT
5 WAS GOING ON. BUT THEY WANT TO MAKE IT APPEAR SUSPICIOUS.
6 THEY WANT MORE SMOKE. 125,000 -- "ONLY \$300 IN THE BANK
7 ACCOUNT, MR. CALDWELL, AND YOU WRITE OUT A \$125,000 CHECK.
8 ISN'T THAT TERRIBLE?" IT'S NOT TERRIBLE. IT IS WHAT ANY
9 PRUDENT BUSINESSMAN COULD VERY WELL DO UNDER THOSE CIRCUM-
10 STANCES WHEN HE KNOWS THE MONEY IS COMING RIGHT BACK. THEY
11 TALKED TO THE BANKER; HE SAYS, "O.K."

12 BUT THEY COME TO CONGRESSMAN HANSEN AND THEY SAY,
13 "WHY DIDN'T YOU PUT THAT ON YOUR FORM SEPTEMBER OF '81?" AND
14 HE EXPLAINS TO THEM, "WELL, THE LOAN WAS OBTAINED ON MY WIFE'S
15 BEHALF, AND THEN IT REALLY WAS MORE OF AN OVERDRAFT THAN AN
16 ACTUAL LOAN." HE'S TRYING TO EXPLAIN TO THEM WHAT I THINK
17 IS OBVIOUS TO EVERYBODY: IT WASN'T A LOAN. THEY ARE NOT
18 CHARGING IT HERE AS A LOAN. AS FAR AS THE GOVERNMENT HAS
19 GONE, THEY ARE NOT EVEN CHARGING THAT \$125,000 AS A LOAN THAT
20 WASN'T REPORTED, BUT HE HAD TO EXPLAIN IT.

21 SO HE KNEW THEY WERE LOOKING AT HIS ETHICS IN
22 GOVERNMENT ACT FORM IN SEPTEMBER OF 1981 BECAUSE HE HAD GONE
23 TO THE ATTORNEY GENERAL WITH THAT LETTER. AND I ASK YOU,
24 LADIES AND GENTLEMEN. HE'S A CONGRESSMAN. HE WASN'T BORN
25 YESTERDAY. HE'S NOT NAIVE, HE'S NOT A BABE IN THE WOODS.

1 WOULD SOMEBODY IN THOSE CIRCUMSTANCES, SEPTEMBER 1981, THE
2 FBI COMES KNOCKING ON YOUR DOOR SAYING "WHY DIDN'T YOU PUT
3 THAT ON YOUR FORM, WHY DIDN'T YOU PUT THAT ON YOUR FORM" --
4 WOULD HE THEN GO OUT IN MAY OF '82 AND SAY, "HEY, I GOT
5 LOANS FROM MCAFEE AND FROM MEADE, I'M NOT GOING TO PUT THEM
6 ON MY FORM"? SO WHAT? SO THE FBI SHOULD COME BACK AGAIN
7 IN JUNE?

8 I HAVE TO REMIND YOU, THE ISSUE IS AGAIN -- AND
9 HERE, SMOKE SCREEN, SMOKE SCREEN, SMOKE SCREEN. THE ISSUE IS,
10 AGAIN, NOT, YOU KNOW, HOW WERE THE LOANS HANDLED, HOW MUCH
11 MONEY WAS THERE, DID THEY GIVE IT OFF TO ANOTHER BANK. THE
12 ISSUE IS: WAS IT DELIBERATELY AND DECEITFULLY LEFT OFF THE
13 FORM.

14 AND WHAT HAD HAPPENED BY MAY 15TH, 1982, BY THE
15 DAY THAT FORM WAS FILLED OUT? WHAT HAPPENED BY MAY 15TH OF
16 1982 WITH REGARD TO THAT \$135,000? I SUBMIT TO YOU, LADIES
17 AND GENTLEMEN, BY THAT DATE, MAY 15TH, 1982 -- AND THERE'S
18 THAT CHART THAT'S COVERED UP BACK THERE, AND I'M SORRY ABOUT
19 THAT. \$135,000 THAT WAS BORROWED FROM MCAFEE, FROM MEADE,
20 HAD ALL BEEN WRITTEN OUT IN CHECKS FROM GEORGE HANSEN TO THE
21 ASSOCIATION OF CONCERNED TAXPAYERS. AND PUT YOURSELF -- LAY
22 TO ONE SIDE FOR A MOMENT THE DISCUSSION WITH JIM MCKENNA WHICH
23 IT SEEMS TO ME, AGAIN JUST BEARS OUT WHAT IS OBVIOUS. BUT
24 PUT YOURSELF SIMPLY IN THE POSITION OF SOMEBODY WHO HAS
25 BORROWED MONEY. NOW, THERE IS SOME QUESTION: HAS HE BORROWED

1 MONEY SAYING "ASSOCIATION OF CONCERNED TAXPAYERS"? NO.
2 THERE'S NO QUESTION, THE NAME ASSOCIATION OF CONCERNED
3 TAXPAYERS WASN'T MADE UP --

4 THE DEPUTY CLERK: EXCUSE ME, MR. LEWIN. YOU HAVE
5 TEN MINUTES.

6 MR. LEWIN: I THINK I HAVE 15. I STARTED, MY
7 RECOLLECTION, JUST A LITTLE BIT --

8 THE COURT: TEN.

9 MR. LEWIN: WELL, THE MAY 15TH -- MAY WE APPROACH
10 THE BENCH FOR A MOMENT, YOUR HONOR?

11 THE COURT: YOU MAY.

12 (AT THE BENCH)

13 THE COURT: WE HAVE BEEN TRYING TO GIVE YOU THE
14 ALERT SINCE THE 15-MINUTE LEVEL, BUT YOU WERE TALKING TO THE
15 JURY.

16 MR. LEWIN: MIGHT I REQUEST, YOUR HONOR, THAT I
17 JUST HAVE TEN MINUTES MORE? I DON'T BELIEVE I HAVE BEEN
18 DUPLICATING.

19 THE COURT: TEN MINUTES IN ADDITION TO THE TEN?

20 MR. LEWIN: IN ADDITION TO THE TEN. OF COURSE,
21 MR. WEINGARTEN WILL CERTAINLY BE ENTITLED TO THAT, ALSO.

22 THE COURT: OF COURSE HE'LL BE ENTITLED TO EQUAL
23 TIME. I AM JUST CONCERNED WE ARE RUNNING INTO THE LUNCHTIME.
24 I GUESS WE CAN. TEN MINUTES MORE, EACH SIDE. BUT, PLEASE,
25 NO MORE THAN THAT.

1 WE WON'T BE GIVING YOU ANY MORE NOTICE THAN WE
2 HAVE, SO THAT'S TWENTY MINUTES.

3 (IN OPEN COURT)

4 THE COURT: EACH COUNSEL WILL BE GIVEN AN ADDITIONAL
5 TEN MINUTES TO WHAT HAD ORIGINALLY BEEN PROGRAMMED.

6 MR. LEWIN: THERE HAS BEEN SOME QUESTION AS TO
7 EXACTLY WHAT WAS SAID TO MESSRS. MCAFEE AND MEADE IN THESE
8 VARIOUS DISCUSSIONS, BUT THERE IS NO QUESTION THAT THE WORDS
9 "ASSOCIATION FOR CONCERNED TAXPAYERS", THAT DIDN'T EXIST --
10 THOSE WORDS DIDN'T EXIST IN JULY OF 1982, LADIES AND GENTLEMEN,
11 BUT YOU HEARD FROM MR. MCKENNA THE IDEA HAD STARTED LONG BEFORE.
12 THE IDEA HAD STARTED WITH THIS BOOK, OR BEFORE THAT, WHEN
13 PRECISELY CONGRESSMAN HANSEN, A MAN WHO GOES WHERE ANGELS
14 FEAR TO TREAD, WHO WENT OFF TO TEHRAN, AS MR. MCAFEE HAS
15 TESTIFIED, AT A TIME WHEN NOBODY WAS DOING THAT, AND LOOKING
16 OUT FOR THE INTERESTS OF THE HOSTAGES -- WENT UP AND PICKED
17 HIMSELF UP AND WENT OFF THERE. HE TAKES ON THE IRS, AND HE
18 SAYS, "O.K., THE IRS IS GUILTY OF ABUSES, OF ARMED SEARCHES,
19 OF HIT LISTS, OF DISCRIMINATION", EVERYTHING, WRITES A WHOLE
20 BOOK ON THE SUBJECT, MAKES SUGGESTIONS IN TERMS OF LEGISLATION.
21 THAT IDEA HAD STARTED LONG BEFORE.

22 THE GOVERNMENT PUT ON GARY JARMIN, WHO IS QUITE
23 OBVIOUSLY, I THINK, A DISGRUNTLED EMPLOYEE OF THAT ORGANIZA-
24 TION. HE WAS HIRED BECAUSE HE CAME TO THE CONGRESSMAN AT
25 A TIME WHEN, ACCORDING TO MR. MCKENNA'S TESTIMONY, THE PROGRAM--

1894

1 THE CONGRESSMAN AND HE HAD BEEN DISCUSSING THIS IDEA, AND
2 ALONG COMES MR. JARMIN, WHO HAS SOME BACKGROUND, AND SO THEY
3 HIRE HIM TO WORK ON IT. MR. JARMIN THINKS HE OUGHT TO RUN
4 THE WHOLE THING, AND HE'S VERY UNHAPPY THAT HE'S NOT RUNNING
5 THE WHOLE THING. AND HE SAYS TO YOU, "HEY, I HAD THIS IDEA
6 IN AUGUST." IT'S CLEAR WHEN HE TESTIFIED ON CROSS-EXAMINATION
7 THAT THE LEGISLATION WAS ALL BASED ON THIS AND THAT, AS HE
8 PUT IT, HE WAS SURPRISED THAT THE CONGRESSMAN HADN'T COME
9 UP WITH THE IDEA BEFORE.

10 BUT WHATEVER HAPPENS, MCAFEE AND MEADE ARE TOLD
11 BY THE CONGRESSMAN, "I NEED MONEY FOR A BOOK. I NEED MONEY
12 FOR A BOOK." AND THEY BOTH TESTIFIED -- THEY BOTH TESTIFIED
13 THAT THEY WERE TOLD ABOUT AN ORGANIZATION. THEY WERE VERY
14 VAGUE ABOUT WHAT THE ORGANIZATION WAS. MR. MCAFEE TESTIFIED
15 ABOUT AN ORGANIZATION AND MR. MEADE SAID, "WHEN I WAS OFF --
16 WHEN THE CONGRESSMAN CAME DOWN TO VISIT ME, WE WENT OFF IN
17 THE OTHER ROOM AND TALKED ABOUT THE ORGANIZATION THAT WAS
18 GOING TO BE INVOLVED WITH THIS."

19 AND THE INTERESTING THING TO CORROBORATE ALL THAT,
20 THE FACT THAT THE LOANS WERE BEING MADE FOR THE BOOK AND
21 THE ORGANIZATION, IS THAT EVEN MR. JARMIN, THE GOVERNMENT'S
22 WITNESS, SAYS THAT WHEN HE TALKED TO MR. HANSEN IN DECEMBER,
23 HE SAYS, OF '81, CONGRESSMAN HANSEN SAYS, "I'VE ALREADY
24 BORROWED THE MONEY." NOW, HE SAYS, "CONGRESSMAN HANSEN TOLD
25 ME, 'I BORROWED THE MONEY AND COLLATERALIZED MY HOUSE FOR IT',"

1 BUT WE KNOW FROM ALL THE OTHER DOCUMENTS THAT THE HOUSES WERE
2 COLLATERALIZED TO THE HILT BEFORE THAT; SUBSTANTIAL MORTGAGES
3 ON THEM.

4 SO HE WAS TELLING JARMIN, "I BORROWED THE MONEY."
5 HE WASN'T GOING TO DISCLOSE TO HIM WHOM HE HAD BORROWED THE
6 MONEY FROM, BECAUSE JARMIN WAS NOT BEING HIRED TO RUN THE
7 ORGANIZATION, NOTWITHSTANDING WHAT JARMIN THOUGHT. BUT THE
8 POINT IS, THE MONEY WAS BORROWED FOR THAT PURPOSE. THAT'S
9 WHAT THEY UNDERSTOOD.

10 AND IT'S IMPORTANT, LADIES AND GENTLEMEN, IN THIS
11 REGARD BECAUSE CONTRAST WHAT THE WITNESSES SAY ABOUT THE LOANS
12 IN COUNT 1 FROM THE EVIDENCE YOU HEARD ON THE OTHER COUNTS,
13 BECAUSE WHEN IT COMES TO MR. HUNT, YOU DON'T HEAR ABOUT A
14 BOOK, YOU DON'T HEAR ABOUT A LEGISLATIVE PROJECT, YOU DON'T
15 HEAR ABOUT A CORPORATION. WITH MR. HUNT, IT'S "I NEED IT
16 TO PAY MY PERSONAL DEBTS." WITH MCAFEE AND MEADE, THE
17 CONGRESSMAN -- NO, THERE IS NO TESTIMONY WHATEVER THAT THE
18 CONGRESSMAN SAID, "I NEED IT TO PAY MY PERSONAL DEBTS." IF
19 HE'S BEEN SAYING IT TO OTHER PEOPLE AND HE'S BEEN COLLECTING
20 OR GETTING SOME ASSISTANCE, WHY WOULDN'T HE HAVE SAID IT TO
21 MCAFEE AND MEADE? THE REASON IS BECAUSE HE WAS ASKING FOR
22 THAT MONEY FOR THAT PROJECT. AND, AS MR. MCKENNA SAID, THAT
23 PROJECT SIMPLY DID NOT GET OFF THE GROUND BECAUSE OF ONE
24 REASON OR ANOTHER UNTIL MUCH LATER THAN THEY HAD EXPECTED.
25 BUT WHEN YOU ARE CONSIDERING THE DATES OF THE LOANS, CONSIDER

1 THE STIPULATION ON THE DATES OF THE LEGISLATION, BECAUSE THAT
2 IS WHAT MR. MCKENNA SAID IS VERY IMPORTANT. HE WANTED IT
3 TIMELY WITH THE LEGISLATION. THE TAXPAYER PROTECTION ACT
4 WAS INTRODUCED JULY OF 1981, AND IT WAS IN JULY OF 1981 THAT
5 THE FIRST LOAN WAS REQUESTED FROM MCAFEE. THE OTHER BILL WAS
6 INTRODUCED IN OCTOBER OF 1981, AND THEN IN NOVEMBER OF 1981
7 THE MEADE LOAN WAS ASKED FOR. BUT IN ALL THESE CASES, WHAT
8 WAS NEEDED WAS A SUBSTANTIAL AMOUNT OF MONEY FOR THAT MAILING.
9 AND THAT MAILING WENT OUT, AND IT WENT OUT WITH THE MONEY
10 THAT GEORGE HANSEN HAD GOTTEN FROM THESE PEOPLE WHOM HE HAD
11 BORROWED IT FROM.

12 NOW, MR. WEINGARTEN SAID, "WELL, LOOK, THERE WAS
13 ANOTHER LOAN IN MARCH." BUT THAT OTHER LOAN -- I MEAN I TRIED
14 TO PROVIDE A SIMPLE ANALOGY WHEN MR. MCKENNA WAS ON THE
15 WITNESS STAND. IF I GIVE SOMEBODY -- I SAY TO MR. CAMPBELL,
16 "HERE'S \$10. I'LL SEE YOU NEXT WEEK; CAN YOU PLEASE GO DOWN
17 TO THE BOOKSTORE AND BUY ME A CERTAIN BOOK?" MR. MCKENNA
18 SAYS, "FINE" -- I MEAN, I'M SORRY, MR. CAMPBELL SAYS, "FINE."
19 HE PUTS THE \$10 IN HIS POCKET. HE IS NOT GOING TO THE
20 BOOKSTORE -- IT TURNS OUT ALTHOUGH HE EXPECTED TO GO THAT
21 AFTERNOON, HE DOESN'T GO UNTIL NEXT WEEK. HE KNOWS THAT I'M
22 GOING TO BE SEEING HIM NEXT WEDNESDAY. NEXT TUESDAY, HE
23 WALKS PAST THE BOOKSTORE, IT'S TIME FOR HIM TO BUY THE BOOK.
24 HE HASN'T GOT THE \$10 ANY MORE; HE SPENT IT ON SOMETHING ELSE.
25 THE MONEY WENT INTO HIS WALLET, HE WENT TO THE MOVIES, HE DID

1 SOMETHING ELSE. HE'S WALKING ALONG WITH MR. BRAGA, AND HE
2 SAYS TO MR. BRAGA, "HEY, I'VE GOT TO BUY MR. LEWIN'S BOOK;
3 CAN YOU LEND ME \$10?" BRAGA SAYS, "SURE, HERE'S \$10", GIVES
4 IT TO HIM, HE GOES OUT AND BUYS THE BOOK, AND HE BRINGS IT
5 BACK TO ME. CAN HE SAY -- IS THAT SPENDING MONEY TWICE? IS
6 THAT WHAT THAT IS? OR HAS HE TAKEN MY \$10 AND USED IT TO BUY
7 THE BOOK? NOW, HE OWES MR. BRAGA THE TEN, AND LATER ON HE'LL
8 PAY IT BACK TO HIM. BUT HE HAS TAKEN THE \$10 GIVEN TO HIM
9 AND BOUGHT THE BOOK.

10 I SUBMIT TO YOU IT IS NOT SPENDING THE MONEY TWICE;
11 IT IS THE SAME MONEY. I SUBMIT TO YOU, AT THE VERY LEAST,
12 YOU KNOW, IT IS NOT A BASIS FOR A CRIMINAL CHARGE. IT'S A
13 REASONABLE DOUBT. BUT I SUBMIT TO YOU ON TOP OF ALL THAT,
14 MR. MCKENNA TALKED TO HIM PRIOR TO THE TIME THAT HE FILED
15 THAT FORM, AND MR. MCKENNA SAID, WITHOUT KNOWING THE LOAN --
16 RIGHT, WITHOUT KNOWING THE LOAN, BUT KNOWING THAT BACK IN
17 SOMETIME IN '81 HE HAD BORROWED 135,000, AND IT WAS EXACTLY
18 \$135,000 THAT WENT IN, GIVE OR TAKE A COUPLE OF DOLLARS --
19 THAT WENT IN THERE, BUT IT WAS LISTED ON THE BOOKS OF A.C.T.
20 AS 135,000. AND MR. MCKENNA SAID, "THERE'S NO REASON FOR
21 YOU TO REPORT THAT, BECAUSE THAT WAS NOT A LOAN TO YOU; IT
22 WAS A LOAN WHICH AS OF MAY 15, 1982, YOU PUT IN THE ASSOCIA-
23 TION OF CONCERNED TAXPAYERS." AND I SAID TO MR. MCKENNA,
24 "O.K., YOU DIDN'T KNOW ABOUT THE LOAN, BUT ASSUME," I SAID
25 TO HIM, "THAT THERE WAS A LOAN OF \$90,000. WOULD THAT HAVE

1 MADE ANY DIFFERENCE?" HE SAID, "NO." IT WASN'T IMPORTANT
2 WHERE YOU GET THE MONEY FROM IMMEDIATELY. IT WAS IT WAS THAT
3 MONEY THAT HE HAD PROMISED THESE PEOPLE HE WAS GOING TO PUT
4 IN THE ASSOCIATION OF CONCERNED TAXPAYERS, AND HE PUT IT IN
5 THERE. AND THAT'S WHY IT WAS NOT HIS OBLIGATION; IT WAS THE
6 OBLIGATION OF THE ASSOCIATION OF CONCERNED TAXPAYERS, IN HIS
7 MIND.

8 AND THEN MR. MCKENNA SAYS, "BESIDES THAT, THERE'S
9 A MOTIVE. NOT A MOTIVE TO COMMIT A CRIME, BUT A MOTIVE, A
10 REASON WHY, PERFECTLY LEGALLY, RATIONALLY, SENSIBLY. IF THERE
11 WAS ANY DOUBT ON THAT QUESTION," MR. MCKENNA SAYS, "I WOULD
12 TELL HIM NOT TO PUT IT DOWN, AND I DID TELL HIM NOT TO PUT
13 IT DOWN, BECAUSE A.C.T. ASSURED EVERYBODY WHO CONTRIBUTED
14 TO IT THAT THEY WOULD BE -- THEIR NAMES WOULD BE HELD
15 CONFIDENTIAL." AND IT WAS IMPORTANT, AS HE EXPLAINED, TO
16 KEEP THE NAME CONFIDENTIAL WHETHER THE INDIVIDUAL WANTED
17 CONFIDENTIALITY OR NOT, BECAUSE IF YOU ONCE DISCLOSE -- AND
18 THE FORM -- YOU SEE, THE INTERESTING THING ABOUT THAT '82
19 FORM WHICH DOESN'T APPEAR ON THERE, BUT YOU CAN LOOK AT THE
20 THINGS IN EVIDENCE, IS THAT RIGHT UNDER THERE, ON THE SHEET,
21 ACCORDING TO MR. MCKENNA'S ADVICE, APPEARS, "CHAIRMAN,
22 ASSOCIATION OF CONCERNED TAXPAYERS", AND THE POSITIONS, BECAUSE
23 THE CONGRESSMAN WAS DISCLOSING THAT, "THAT'S RIGHT, I AM THE
24 CHAIRMAN OF THE ASSOCIATION OF CONCERNED TAXPAYERS AND ANYTHING
25 THAT THEY ARE INVOLVED WITH, I'M INVOLVED WITH." SO IF WE'RE

1 TALKING ABOUT CONFLICTS OF INTEREST, THE CONFLICT OF INTEREST
2 WAS DISCLOSED WITH REGARD TO THE ASSOCIATION OF CONCERNED
3 TAXPAYERS RIGHT THERE ON THE FORM.

4 ALL RIGHT. MY TIME IS RUNNING, LADIES AND GENTLEMEN.
5 I HAVEN'T EVEN MENTIONED TO YOU -- AND I'M SURE YOU'RE SITTING
6 THERE AND SAYING, "COULD HE HAVE FORGOTTEN ABOUT IT? COULD
7 HE HAVE FORGOTTEN ABOUT IT? WHAT ABOUT THE BLACKMAIL LETTER?
8 HOW COULD HE NOT MENTION THE BLACKMAIL LETTER?" AND I
9 DELIBERATELY WAITED UNTIL THE LAST MINUTE, REALLY, BECAUSE
10 WHAT I WANT TO POINT UP TO YOU IS, IN TERMS OF REASONABLE
11 DOUBT, THAT EVEN IF THIS WERE A CASE WHICH DID NOT HAVE THE
12 WHOLE BLACKMAIL LETTER IN IT, IT WOULD BE SO FULL OF REASONABLE
13 DOUBT AND SO FULL OF REASONS FOR YOU TO CONCLUDE THAT
14 CONGRESSMAN HANSEN DID NOTHING WRONG THAT YOU WOULD BE REQUIRED
15 TO RETURN A VERDICT OF NOT GUILTY. BUT ON TOP OF THAT, THERE
16 IS THE BLACKMAIL LETTER. AND THE BLACKMAIL LETTER IS SO
17 INSTRUCTIVE IN VARIOUS WAYS WHICH I'M GOING TO COVER IN THE
18 NEXT EIGHT OR NINE MINUTES, BECAUSE THAT'S ALL THE TIME I
19 HAVE LEFT.

20 THE BLACKMAIL LETTER COMES IN MARCH 31, AND
21 IMMEDIATELY CONGRESSMAN HANSEN'S REACTION IS, "I'VE GOT TO
22 GO AND REPORT THIS TO THE ATTORNEY GENERAL." NOW, YOU HEARD
23 THE TESTIMONY. YOU HEARD THE TESTIMONY OF MR. HUNT AND MR.
24 IRWIN THAT THERE WAS A WHILE WHEN THEY WERE THINKING OF NOT
25 REPORTING IT. THEY THOUGHT MAYBE IT WAS AN APRIL FOOLS' JOKE.

1900

1 IT IS JUST THREE YEARS AGO. IT'S KIND OF INTERESTING.
2 I WAS THINKING THIS MORNING. APRIL 2, HERE WE ARE, JUST THREE
3 YEARS AGO IS WHEN ALL THIS HAPPENED. THEY THOUGHT MAYBE IT
4 WAS AN APRIL FOOLS' JOKE. "LET'S NOT BE SO SURE. MAYBE WE
5 OUGHT TO REPORT IT TO THE LOCAL FBI." THE CONGRESSMAN SAYS,
6 "NO. I WANT TO GO DOWN TO THE ATTORNEY GENERAL." HE GOES
7 TO THE ATTORNEY GENERAL. BUT WHAT'S MOST INTERESTING -- AND
8 THERE'S NO QUESTION ABOUT THE FACT THAT HE GOES AND HE DIS-
9 CLOSURES IT. BUT WHAT'S MOST INTERESTING ON TOP OF THAT IS
10 THAT WHEN THE FBI COMES TO HIS OFFICE THAT AFTERNOON -- OR
11 DOESN'T COME; I'M SORRY. THE FBI CALLS ON THE PHONE. YOU
12 REMEMBER THIS TESTIMONY? MR. IRWIN SAYS, "LOOK, WE WERE SITTING
13 THERE AND THE CALL CAME IN FROM THE FBI, 'WELL, WE'LL BE IN
14 THERE A LITTLE LATER; CAN WE TALK TO YOU ON THE PHONE?'"
15 MR. IRWIN SAYS, "NO, I CAN'T DO IT." THE CONGRESSMAN BECOMES
16 ENRAGED, AND HE PICKS UP THE PHONE AND HE CALLS UP THE OFFICE
17 OF THE ATTORNEY GENERAL AND HE SAYS, "I WANT SOMEBODY DOWN
18 HERE NOW TO INVESTIGATE THIS THING, BECAUSE YOU'RE DOING AN
19 AMATEURISH JOB."

20 NOW, MR. WEINGARTEN, WHEN MR. CARUSO -- WHO WAS
21 A PROSECUTOR AND WHO HAS EVERY REASON TO BE SUSPICIOUS OF
22 PEOPLE, HE WAS A PROSECUTOR THEN, AND HE'S A PROSECUTOR NOW
23 IN NEW YORK, AND WE PUT HIM ON THE STAND SO THAT YOU WOULD
24 EVEN HEAR FROM THE GOVERNMENT'S STANDPOINT ABOUT THAT MEETING.
25 MR. WEINGARTEN SAID TO HIM, "HEY, ISN'T IT POSSIBLE THAT

1 THERE'S SOMETHING THAT'S LIKE A RACE TO THE PROSECUTOR THERE?"

2 IF IN FACT CONGRESSMAN HANSEN WERE TRYING TO COVER
3 UP ANYTHING WITH THAT MEETING WITH THE ATTORNEY GENERAL, WOULD
4 HE HAVE CALLED THE ATTORNEY GENERAL BECAUSE THE INVESTIGATION
5 WAS AMATEURISH? HE WOULD HAVE BEEN DELIGHTED. JUST ASSUME
6 FOR A MOMENT THAT THE WHOLE THING IS A FRAUD, A SHAM. HE
7 HAS GONE TO THE ATTORNEY GENERAL SO IT WILL LOOK GOOD. WOULDN'T
8 YOU BE DELIGHTED IF YOU WERE IN THOSE CIRCUMSTANCES AND THE
9 FBI IS BOTCHING IT UP IMMEDIATELY; THEY'RE NOT SENDING SOMEBODY
10 DOWN, THEY'RE GOING TO TREAT IT ON THE BACK BURNER? YOU HAVE
11 MADE YOUR RECORD, YOU'VE GONE DOWN THERE, YOU'VE TOLD THEM,
12 AND IT'S THEIR FAULT, THEY'RE NOT DOING ANYTHING. THAT'S
13 NOT WHAT CONGRESSMAN HANSEN'S STATE OF MIND WAS. HIS STATE
14 OF MIND IS: "WE'VE GOT TO TELL THEM. WE'VE GOT TO GET THE
15 FBI DOWN HERE TO DO THE RIGHT KIND OF INVESTIGATION."

16 YOU KNOW, THERE'S A FAMOUS PLAYRIGHT -- I WAS GOING
17 TO LOOK FOR MY QUOTE HERE IF I CAN FIND IT. A FAMOUS PLAY-
18 RIGHT WHO SAID, "INNOCENCE HAS NOTHING TO DREAD." AND THAT'S
19 EXACTLY WHAT IT WAS. INNOCENCE HAS NOTHING TO DREAD. HE
20 HAD NO FEAR, BECAUSE THERE WAS NOTHING THAT HE DID THAT WAS
21 WRONG.

22 IT'S IMPORTANT, THOUGH, TO FOLLOW THAT SEQUENCE
23 A LITTLE BIT LONGER, A LITTLE BIT BEYOND THERE. AND I'M
24 SKIPPING OVER CERTAIN THINGS NOW BECAUSE I DON'T HAVE TIME,
25 LIKE THE HYDROGEN CAR, WHICH IS A TOTAL HOAX AND A SMOKESCREEN.

1902

1 AND YOU CAN'T FOR A MOMENT -- AGAIN, I VIEW THAT AS ANOTHER
2 THING THAT IS AN INSULT TO YOUR INTELLIGENCE, FOR YOU TO
3 BELIEVE THAT THE FACT THAT THE CONGRESSMAN GOES OVER FOR THE
4 FIRST TWO MINUTES OF A MEETING IN JULY IS THE BASIS FOR HIS
5 RECEIVING A \$25,000 LOAN, SIMPLY BECAUSE HE GOES OVER THERE
6 AND LEAVES. IF IN FACT THEY WERE GOING TO USE HIS INFLUENCE,
7 THEY DID: I USE IT IN AUGUST AT ALL. YOU HEARD FROM THE ARMY
8 PERSONNEL DIRECTOR, FROM DR. NORWOOD, THAT THE NEXT TIME THAT
9 THEY HEARD FROM CONGRESSMAN HANSEN WAS OCTOBER 15TH. AND
10 WHEN I ASKED HIM DID MEADE IN HIS THREE CONVERSATIONS WITH
11 YOU EVER MENTION CONGRESSMAN HANSEN, HE SAID "NO."

12 THERE'S NOTHING THAT CONGRESSMAN HANSEN DID WITH
13 REGARD TO THIS RIDICULOUS PROJECT OTHER THAN -- AND NORWOOD
14 ADMITTED THIS -- REALLY GET ANGRY BECAUSE HE THOUGHT THAT
15 THE EMPLOYEES WERE BEING PRESSURED. BUT CONSIDER WHAT HAPPENED.
16 I WANT TO JUST -- IN THE FEW MINUTES I HAVE LEFT, CONSIDER
17 WHAT HAPPENS AFTER THAT BLACKMAIL LETTER. WHAT HAPPENS AFTER
18 THE BLACKMAIL LETTER IS THEY DO AN INVESTIGATION OF WHO IS
19 THE BLACKMAILER, AND THEY FIND HIM. AND MR. IRWIN TESTIFIED,
20 AND THERE'S A STIPULATION, TOO, THE BLACKMAILER IS SOMEBODY
21 WHO HAD ONCE WORKED FOR MING COMMODITIES AND WROTE THIS LETTER.
22 AND WHAT HAPPENS? HE'S CHARGED WITH A MISDEMEANOR, ACCORDING
23 TO MR. IRWIN? HE DOES NOT GET ANY JAIL TERM? HE JUST GETS
24 COMMUNITY SERVICE AS A PUNISHMENT, AND THAT'S IT.

25 AND WHAT HAPPENS NEXT? WHAT HAPPENS NEXT -- AND THIS

1903

1 I DO HAVE TO READ TO YOU FROM THE TRANSCRIPT. WHAT HAPPENS
2 NEXT IS MR. WEINGARTEN AND MR. COLE SHOW UP AFTER MAKING
3 CALLS AND MAKING ARRANGEMENTS TO INTERVIEW CONGRESSMAN
4 HANSEN. AND WHAT DO THEY SAY AT THE BEGINNING OF THE MEETING?

5 "IT IS JUNE 17TH, 11:00 A.M. HERE PRESENT ARE
6 CONGRESSMAN GEORGE HANSEN OF IDAHO FALLS, AT 1125 LONGWORTH,"
7 HERE ARE THE OTHER PEOPLE PRESENT. "WE ARE HERE PURSUANT
8 TO A REQUEST BY THE DEPARTMENT OF JUSTICE TO CONDUCT INTER-
9 VIEWS, WITH THE HOPE THAT THEY WOULD ADVANCE THE INVESTIGATION
10 THAT BEGAN WHEN CONGRESSMAN HANSEN AND AN ATTORNEY FOR NELSON
11 BUNKER HUNT BROUGHT A BLACKMAIL LETTER TO THE DEPARTMENT OF
12 JUSTICE ON APRIL 6, 1981. FOR YOUR EDIFICATION, PURSUANT
13 TO YOU BRINGING THAT LETTER, OF COURSE, WE BEGAN AN INVESTIGA-
14 TION INTO THE BLACKMAIL. IT TOOK LONGER THAN WE HAD HOPED.
15 THERE WERE SOME COMPLICATIONS. BUT THERE WAS WORK DONE IN
16 THE GRAND JURY, SOME LOOKING AT RECORDS. A MONTH AGO, OR
17 LAST MONTH, AN INDIVIDUAL NAMED ARTHUR EMENS PLED GUILTY TO
18 BLACKMAIL IN THE DISTRICT OF COLUMBIA AND WILL BE SENTENCED
19 NEXT MONTH.

20 "OBVIOUSLY, YOU HAVE SEEN THE LETTER. THE LETTER
21 CONTAINS AN ALLEGATION THAT THERE WAS WRONGDOING BETWEEN YOU
22 AND NELSON BUNK HUNT, AND WE ARE DUTY-BOUND, OF COURSE, TO
23 FOLLOW UP ON THAT ONCE WE HAVE COMPLETED THE BLACKMAIL INVES-
24 TIGATION. THAT IS WHAT WE ARE DOING. WE CONCLUDED THAT.
25 PERHAPS IT IS BEST NOW IF WE DEAL WITH YOU DIRECTLY AND HEAR

1904

1 WHAT YOU HAVE TO SAY ABOUT THIS PARTICULAR TRANSACTION.

2 "SO, WITH THAT, I THINK WE ARE READY TO BEGIN,
3 UNLESS YOU HAVE ANY QUESTIONS YOU WOULD LIKE TO ASK OF US."

4 CONGRESSMAN HANSEN SAYS: "I THINK THAT IS FINE."

5 AND THEN YOU HAVE MR. MCKENNA TESTIFYING, THEY SAT
6 THERE AS LONG AS THEY WANTED. THEY ASKED CONGRESSMAN HANSEN
7 EVERY QUESTION THEY COULD THINK OF; THEY ASKED MRS. HANSEN
8 EVERY QUESTION THEY COULD THINK OF. THEY GOT FULL EXPLANATIONS,
9 FULL ANSWERS, AS FROM THE BEGINNING: NO COVERUP, NO HIDDEN
10 THING; NOTHING THAT WAS NOT DISCLOSED.

11 THE WORST THAT THEY HAVE BEEN ABLE TO DRAG OUT OF
12 THAT LONG INTERVIEW IS THE QUOTE -- AND THEY COULD HAVE QUOTED
13 TO YOU ANYTHING THAT CONGRESSMAN HANSEN SAID DURING THAT INTER-
14 VIEW, AND THE WORST THAT THEY'VE BEEN ABLE TO SAY IS THE QUOTE
15 THAT MR. WEINGARTEN READ TO YOU, THAT WHEN HE ASKED CONGRESS-
16 MAN HANSEN AT ONE POINT IN THESE HOURS AND HOURS OF INTERROGA-
17 TION, HE ASKED HIM WHAT ABOUT THE \$87,000 PROFIT, WHAT WAS
18 IT USED FOR, CONGRESSMAN HANSEN SAID, "I GUESS IT WAS USED
19 TO PAY FOR DEBTS. I DON'T REALLY KNOW. I DON'T RECALL RIGHT
20 NOW."

21 THAT'S THE MOST INCRIMINATING THING OF ALL THE THINGS,
22 WITH THE FULL INTERROGATION, THE FULL INVESTIGATION INTO
23 BRIBERY, THE FULL INVESTIGATION THAT THE FBI HAD HAD AND THAT
24 IS SHOWN BACK IN SEPTEMBER OF 1981 BY THIS THING. AND THAT'S
25 THE REWARDS. THAT'S THE REWARDS OF TAKING THE BLACKMAIL LETTER

1905

1 AND BRINGING IT DOWN TO THE ATTORNEY GENERAL, IS THAT THE
2 MAN WHO WRITES THE BLACKMAIL LETTER GETS COMMUNITY SERVICE;
3 YOU DO AN INVESTIGATION IN WHICH YOU ARE ASKED, "WHY DIDN'T
4 YOU PUT IT ON YOUR FORM", AND YOU TELL THE FBI, "I DIDN'T
5 PUT IT ON MY FORM BECAUSE OF MY LAWYER'S ADVICE." YOU INVITE
6 THE PROSECUTORS INTO YOUR OFFICE AND YOU TALK TO THEM FOR
7 HOURS. THEY CAN'T FIND A SHRED OF EVIDENCE ON BRIBERY, THEY
8 CAN'T FIND ANYTHING. BUT INSTEAD, WHAT THEY DO, WHEN THEY
9 ARE FRUSTRATED AND THEY CAN'T FIND A SINGLE THING TO PROCEED
10 ON, THEY DREDGE UP THE FORMS AND THEY SAY, "AHA, YOU LIED
11 ON THE FORMS." LIED ON THE FORMS? HE DIDN'T LIE ON THE FORMS.
12 BUT THAT'S THE CHARGE. OUT OF SHEER FRUSTRATION, THAT'S THE
13 CHARGE THAT IS ULTIMATELY MADE AGAINST HIM, AGAINST CONGRESS-
14 MAN HANSEN. AND THAT'S WHAT FORCES HIM TO SIT HERE IN COURT,
15 AND THAT'S WHAT FORCES YOU TO COME TO THIS COURT, AND THAT'S
16 WHAT FORCES ME HERE AND BRINGS US ALL TOGETHER.

17 NOW, WE ARE PROBABLY NOT GOING TO SEE EACH OTHER
18 AGAIN AFTER THIS, AFTER THIS CASE. YOU'LL GO YOUR WAY, I'LL
19 GO MY WAY, I'LL HAVE OTHER CLIENTS, THE JUDGE WILL HAVE OTHER
20 CASES. BUT THERE'S ONE PERSON IN THIS COURTROOM WHO IS LEFT
21 WITH THE RESULT OF WHAT WE ALL ARE DOING HERE, AND THAT'S
22 CONGRESSMAN HANSEN. AND I PUT TO YOU THAT ON THE BASIS OF
23 THE RECORD THAT YOU HAVE IN THIS CASE, THERE IS A STENCH --
24 THERE IS A STENCH. BUT IT'S NOT A STENCH OF POLITICAL CORRUP-
25 TION. IT'S A STENCH -- IT'S A STENCH OF PERSONAL AMBITION.

1906

1 IT'S A STENCH IN WHICH THERE IS AN EFFORT THAT HAS BEEN MADE
2 TO BRING A CHARGE AGAINST THE CONGRESSMAN BASED ON NOTHING,
3 ON ABSOLUTELY NOTHING. NOT JUST NOT BEYOND A REASONABLE
4 DOUBT, BUT ANYTHING THAT IF YOU SIT BACK TO YOURSELVES AND
5 YOU SAY WHAT IS THERE HERE? WHAT BASIS COULD THERE BE? THE
6 MAN DIDN'T PUT ANYTHING IN HIS POCKET; HE DIDN'T DO ANYTHING
7 THAT WAS IN ANY WAY CULPABLE. WHAT BASIS IS THERE FOR BRING-
8 ING THE CHARGE? AND I PUT TO YOU, LADIES AND GENTLEMEN, YOU
9 SIT THERE IN THAT JURY BOX AND YOU GO OUT THERE IN THE JURY
10 ROOM, AND IT'S YOUR DECISION TO MAKE ULTIMATELY, GUILTY OR
11 NOT GUILTY, AND THERE'S A VERY LIMITED PARAMETER FOR YOU:
12 GUILTY OR NOT GUILTY.

13 THERE IS A WAY -- AND I SAY IT TO YOU WITHOUT MEAN-
14 ING TO Demean ANY OF THE EVIDENCE THAT IS HERE AND THE DOCU-
15 MENTS THAT ARE HERE, WHICH YOU SHOULD LOOK AT AND YOU SHOULD
16 EXAMINE. BUT IF YOU BELIEVE -- IF YOU BELIEVE ON THE BASIS
17 OF THE RECORD THAT YOU HAVE HEARD AND ON THE BASIS OF A
18 DISPASSIONATE EVALUATION OF THE EVIDENCE THAT THERE REALLY
19 IS NOTHING TO THIS CASE AND THAT IT REALLY IS OUTRAGEOUS THAT
20 IT WAS BROUGHT, EVEN IF IT HAS BEEN HERE FOR TEN DAYS AND
21 YOU'VE BEEN SEQUESTERED, YOU DON'T HAVE TO SIT OUT THERE FOR
22 A DAY; YOU DON'T HAVE TO SIT OUT THERE FOR THREE HOURS. THE
23 QUESTION IS THE INTENT OF THE CONGRESSMAN. AND IF YOU'RE
24 SATISFIED --

25 THE DEPUTY CLERK: MR. LEWIN. --

1907

1 MR. LEWIN: -- THAT THERE IS A REASONABLE DOUBT
2 ON THAT, YOU CAN GO OUT THERE AND YOU CAN BRING IN A VERDICT
3 OF NOT GUILTY IN A MATTER OF MINUTES, AND THAT WILL SHOW WHAT
4 YOU THINK ABOUT THIS CASE AND WHAT YOU THINK ABOUT WHAT THE
5 PROSECUTORS HAVE DONE.

6 THANK YOU.

7 THE COURT: FIVE-MINUTE RECESS?

8 LADIES AND GENTLEMEN OF THE JURY, WE DID JUST
9 BRIEFLY EXTEND THE TIME FOR THE ARGUMENT. WHY DON'T WE JUST
10 TAKE A FIVE-MINUTE RECESS, REALLY FOR JUST STRETCHING OUR
11 LEGS, COME BACK, WE'LL COMPLETE THE ARGUMENT; THEN WE WILL
12 HAVE OUR LUNCHEON. ALL RIGHT?

13 REMEMBER THE ADMONITION NOT TO DISCUSS THE MATTER.

14 (SHORT RECESS TAKEN FROM 11:50 UNTIL 12:05 P.M.)

15 THE COURT: ALL RIGHT. SHALL WE BRING IN THE JURY.

16 (THE JURY RETURNED TO THE COURTROOM)

17 THE COURT: ALL RIGHT, LADIES AND GENTLEMEN. WE
18 CLOSE THE ARGUMENT WITH THE GOVERNMENT.

19 MR. WEINGARTEN.

20 MR. WEINGARTEN: THANK YOU, YOUR HONOR.

21 LADIES AND GENTLEMEN: I HAVE THE OPPORTUNITY RIGHT
22 NOW TO ANSWER MR. LEWIN. AND FEAR NOT, I WON'T ANSWER EVERY-
23 THING HE SAID IN ALMOST TWO HOURS. AS A MATTER OF FACT, I
24 WILL TAKE VERY LITTLE TIME AT ALL. AND I WON'T ANSWER SOME
25 OF THE DIRECT REMARKS HE MADE ABOUT ME: THAT THIS PROSECUTION

1908

1 IS A FUNCTION OF PERSONAL AMBITION. I RESPECTFULLY SUBMIT,
2 LADIES AND GENTLEMEN, THAT'S NOT WORTHY OF A RESPONSE.

3 RATHER, I WILL CONGRATULATE MR. LEWIN ON HIS
4 ELOQUENCE. HE IS A VERY ELOQUENT MAN, A BRILLIANT MAN, AND
5 I THINK HE DID A VERY FINE JOB REPRESENTING HIS CLIENT.

6 I DID HAVE THE FEELING WHEN I WAS SITTING THERE,
7 HOWEVER, LADIES AND GENTLEMEN, THAT AT TIMES MR. LEWIN WAS
8 TALKING ABOUT A TRIAL THAT I DID NOT ATTEND. FOR EXAMPLE,
9 HE CHALLENGES ME TO FIND WHERE IN CONNIE HANSEN'S TESTIMONY
10 SHE DEMONSTRATED NO KNOWLEDGE AS TO THE IDENTITY OF THE LENDERS
11 OF THE \$372,000. WELL, IF YOU MAY RECALL, I WENT THROUGH
12 A WHOLE LONG CONVERSATION WITH MRS. HANSEN ABOUT THE INTEREST
13 SHE PAID ON THOSE LOANS, AND DEMONSTRATED RATHER CLEARLY THAT
14 THEY DECLARED NO INTEREST DEDUCTIONS IN THEIR TAX RETURN FOR
15 WHAT HAD TO HAVE BEEN AT LEAST \$250,000. I GUESS BECAUSE
16 MR. LEWIN DIDN'T MENTION THAT IN HIS CLOSING ARGUMENT, THAT
17 MUST BE NORMAL, FOR PEOPLE TO GET A QUARTER OF A MILLION DOLLARS
18 IN LOANS FROM THE GOOD PEOPLE OF IDAHO AND THEN PAY NO INTER-
19 EST ON THAT MONEY.

20 AND AFTER ALL THE TESTIMONY WITH MRS. HANSEN WAS
21 DONE, I SAID, "MRS. HANSEN, WHAT LIABILITIES WERE THERE THAT
22 ARE NOT REPRESENTED BY THE FINANCIAL STATEMENTS THAT YOU HAVE
23 SEEN?" AND OBVIOUSLY, I WAS TALKING ABOUT THE FINANCIAL
24 STATEMENTS THAT THEY SUBMITTED TO BANKS. THERE THEY PUT
25 THEIR LOANS. THOSE FINANCIAL STATEMENTS ARE IN EVIDENCE.

1909

1 I ASK YOU TO TAKE A LOOK AT THOSE FINANCIAL STATEMENTS. THOSE
2 LOANS ARE CAREFULLY LISTED. MRS. HANSEN'S ANSWER?
3 "MR. WEINGARTEN, THERE WERE NUMEROUS ONES, BUT I CAN'T RELATE
4 IT ALL TO YOU RIGHT NOW."

5 MRS. HANSEN HAD HER OPPORTUNITY AT THAT TIME TO
6 ANSWER THE QUESTION THAT WAS ON ALL OF OUR MINDS: HOW CAN
7 YOU HAVE \$372,000 IN PERSONAL LOANS AS THE CENTERPIECE OF
8 YOUR PROPERTY SEPARATION AGREEMENT, AS THE REASON YOU ARE
9 SOLICITING FUNDS, PAY NO INTEREST ON IT, AND NOT LIST THEM
10 IN YOUR PROPERTY SEPARATION AGREEMENT?

11 MR. LEWIN TALKS ABOUT OWEN NICHOLS, OWEN NICHOLS
12 MUST HAVE BEEN UNETHICAL; HOW COULD HE TRADE IN CONNIE HANSEN'S
13 ACCOUNTS AND NOT TALK TO HER? VERY SIMPLE. NELSON BUNKER
14 HUNT. \$139 MILLION NELSON BUNKER HUNT WAS HIS CLIENT, AND
15 IF NELSON BUNKER HUNT TOLD HIM TO JUMP, HE WOULD HAVE JUMPED;
16 AND THAT'S EXACTLY WHAT HE DID. AND HE FELT NO OBLIGATION
17 TO MRS. HANSEN BECAUSE, AS FAR AS HE WAS CONCERNED, THAT WAS
18 A NELSON BUNKER HUNT TRANSACTION.

19 THE SILVER MINE, WHY DID I MENTION SILVER MINE WITH
20 NELSON BUNKER HUNT? WAS THAT A CHEAP TRICK ON MY PART? I
21 MENTIONED THE SILVER MINE BECAUSE I KNEW THE BLACKMAIL LETTER
22 WAS GETTING INTO EVIDENCE, AND THE BLACKMAIL LETTER SAYS
23 THAT'S WHY NELSON BUNKER HUNT BRIBED GEORGE HANSEN. OF COURSE
24 THAT'S NOT TRUE. IVAN IRWIN CLEARED THAT UP. THAT WAS NO
25 CHEAP TRICK. THAT WAS ANTICIPATING EVIDENCE THAT WAS COMING

1910

1 LATER, AND MR. LEWIN KNOWS IT.

2 DAVID SCOTT, MY BUDDY, DAVID SCOTT. I WILL LEAVE
3 THAT TO YOU. I'LL LEAVE THAT TO YOU. IF YOU THINK DAVID
4 SCOTT TOOK THIS WITNESS STAND TWICE TO DELIBERATELY DECEIVE
5 YOU, THE COUNSEL TO THE ETHICS PORTION OF THE EXECUTIVE
6 BRANCH -- IF YOU THINK HE TOOK THE STAND TO DECEIVE YOU BECAUSE
7 HE WORKED WITH ME YEARS AGO, YOU ARE ENTITLED TO DO IT. BUT
8 I SUBMIT TO YOU, LADIES AND GENTLEMEN, IF YOU WANT TO KNOW
9 WHAT THE ETHICS IN GOVERNMENT ACT SAYS, YOU ARE WELL ADVISED
10 TO LISTEN TO DAVID SCOTT.

11 TALK ABOUT BIAS AND MOTIVE. DAVID SCOTT'S MY FRIEND
12 FROM THE PUBLIC INTEGRITY SECTION OF YEARS AGO. WHAT ABOUT
13 JOHN MCKENNA, WHOSE LIVELIHOOD IS TOTALLY DEPENDENT ON THAT
14 MAN? WHAT ABOUT HIS BIAS AND MOTIVE?

15 THE VIRGINIA LOANS. I GUESS MR. LEWIN DIDN'T THINK
16 IT WAS IMPORTANT ENOUGH TO TALK ABOUT THE FACT THAT JOHN
17 MEADE, THAT BANKER WHO YOU OBVIOUSLY TRUST, PAID GEORGE HANSEN'S
18 INTEREST. IF YOU EVER WANT ONE PIECE OF EVIDENCE TO TELL
19 YOU ABOUT THIS CASE, CONSIDER THE FACT THAT BANK SWINDLER
20 JOHN MEADE, HIMSELF, THE BANKER, PAID THE INTEREST OF GEORGE
21 HANSEN'S LOANS. TELL ME ONE TIME YOU HAVE EVER HEARD A BANKER
22 PAY THE INTEREST OF A LENDER'S LOANS. TELL ME SOMETHING'S
23 NOT WRONG WITH THAT TRANSACTION.

24 THE FBI 302 THAT MR. LEWIN SO PRONOUNCEDLY USES.
25 THERE'S ONLY ONE PROBLEM WITH IT. GEORGE HANSEN TOLD THE FBI

1 THAT HE HAD DISCUSSED THE SILVER TRANSACTION WITH MCKENNA
2 AND RUNFT. THE ONLY PROBLEM WITH THAT IS JOHN RUNFT TOOK
3 THE STAND AND HE SAID HE DIDN'T KNOW ABOUT IT. MCKENNA TOOK
4 THE STAND AND HE SAID HE DIDN'T KNOW ABOUT IT. THAT'S A LIE.
5 IT'S THE SAME KIND OF LIE HE TOLD US, TOLD ME WHEN WE INTER-
6 VIEWED HIM AND ASKED HIM, "WHAT ABOUT THE \$87,000?" JUST
7 A SMALL POINT. JUST A SMALL POINT. THE \$87,000? HE TOLD
8 US, "I'M NOT SURE. IT HAD TO HAVE BEEN FOR MY WIFE'S DEBTS."

9 YEAH, HE KNEW WE WERE COMING ON THE 87, HE KNEW
10 WE WERE INTERESTED IN THE 87, AND HE KNEW THAT HE HAD RUN
11 IT THROUGH TWO BANKS THROUGH CHECKS TO HIMSELF. NOW, IS THAT
12 AN HONEST ANSWER? AND IS NOT THE \$87,000 AND WHERE IT WENT
13 CENTRAL TO THIS CASE?

14 THE \$125,000 AND THE \$300 CHECK. I'M NOT SUGGESTING
15 THAT THERE'S A CRIME INVOLVED IN THAT. I'M SUGGESTING THAT
16 IT DEMONSTRATES HIS PARTICIPATION AND KNOWLEDGE IN THE SILVER
17 TRANSACTION.

18 WHY DIDN'T OUR EXEMPTION CHART INCLUDE THE PART
19 ABOUT SPOUSES LIVING APART? OBVIOUSLY, THAT CHART WAS MADE
20 LONG BEFORE THIS TRIAL. THE THREE-PRONGED TEST APPLIES TO
21 COUPLES LIVING TOGETHER WHO SEPARATE THEIR PROPERTY. THE
22 OTHER EXEMPTION APPLIES TO A MARRIAGE THAT HAS BEEN DISSOLVED.
23 AS FAR AS WE KNOW, THEIR MARRIAGE HAS NOT BEEN DISSOLVED.
24 THAT'S WHY WE DIDN'T INCLUDE IT IN OUR CHART. IT HAS NO
25 APPLICATION TO ANYONE BUT JOHN RUNFT. AND THE PLAIN LANGUAGE

1912

1 OF THE STATUTE IS THAT THAT JUST AIN'T SO.

2 YEAH, GEORGE HANSEN DISCLOSES ON HIS FINANCIAL FORMS
3 THAT HE'S THE CHAIRMAN OF A.C.T. HE MAKES THAT NO SECRET.
4 HE DOESN'T TALK ABOUT, HOWEVER, THE VIRGINIA LOANS. AND I
5 GUESS MR. LEWIN CAN DISPARAGE ALL HE WANTS GEORGE HANSEN'S
6 CONTACT WITH THE PENTAGON, BUT DON'T YOU THINK IT'S A MIGHT
7 BIT INTERESTING: ON THE DAY HE DEPOSITS THE \$25,000 HE'S
8 OVER AT THE PENTAGON ON BEHALF OF MEADE AND MCAFEE? AND DON'T
9 YOU THINK IT'S A MIGHT STRANGE THAT THEREAFTER HE IS LOBBYING
10 THE PENTAGON ON A PROJECT THAT EVERYONE IN AN OFFICIAL POSI-
11 TION BELIEVES IS A HOAX?

12 THE BLACKMAIL LETTER. THE BLACKMAIL LETTER. EVERY-
13 BODY HAS A DIFFERENT REACTION TO THE BLACKMAIL LETTER. NELSON
14 BUNKER HUNT, APRIL FOOL JOKE. CONNIE HANSEN THOUGHT HER LIFE
15 AND HER FAMILY WERE IN DANGER. MCKENNA, HE THOUGHT CONGRESSMAN
16 HANSEN WOULD BE INVESTIGATED AS A RESULT OF IT. IVAN IRWIN,
17 HE EVEN THOUGHT FOR A WHILE THAT GEORGE HANSEN OR CONNIE HANSEN
18 MAY BE RESPONSIBLE FOR THE BLACKMAIL LETTER. WHAT ARE THE
19 FACTS?

20 THE FACTS ARE THAT THE BLACKMAIL LETTER CAME IN
21 ON A TUESDAY, MARCH THE 31ST. NOBODY CAME TO THE DEPARTMENT
22 OF JUSTICE UNTIL MONDAY, APRIL THE 6TH. IF THIS WAS A LEGITI-
23 MATE BLACKMAIL RESPONSE, "OH, MY GOD, WE'VE GOT A BLACKMAIL
24 LETTER LOOKING FOR ALMOST A HALF-A-MILLION DOLLARS, THERE
25 ARE SERIOUS PROBLEMS AROUND HERE," WHY DIDN'T BUNKER HUNT

1 SIMPLY PICK UP THE PHONE AND SAY, "DALLAS FBI, WE HAVE A BLACK-
2 MAIL LETTER, GET RIGHT ON IT", OR WHY DIDN'T HE PICK UP THE
3 PHONE, SINCE GEORGE HANSEN WAS MENTIONED, "GEORGE, WE HAVE
4 A BLACKMAIL LETTER, THIS IS WHAT IT SAYS, OBVIOUSLY IT'S
5 NONSENSE; LET'S GET THE FBI RIGHT INVOLVED." NO. NO, NO, NO.
6 THAT'S NOT WHAT HAPPENED. INSTEAD, ALMOST A WEEK PASSED.
7 IVAN IRWIN RUNS UP TO WASHINGTON, RUNS BACK TO DALLAS, GOES
8 BACK TO WASHINGTON. JOHN RUNFT BROUGHT IN. THERE'S A BIG
9 SHOW AT THE DEPARTMENT OF JUSTICE. ANYBODY WHO KNOWS ANYTHING
10 ABOUT THE SYSTEM -- AND I SUBMIT A CONGRESSMAN OF 24 YEARS
11 DOES KNOW ABOUT THE SYSTEM -- WELL REALIZE THAT THE FBI HAS
12 TO GET INVOLVED. AND WHY COULDN'T THE FBI HAVE BEEN INVOLVED
13 FROM THE OUTSET? WHY THE BIG SHOW? WELL, IT'S OBVIOUS.
14 THEY HAD A LITTLE BUSINESS TO TAKE CARE OF BEFORE THEY WENT
15 TO THE FBI. THEY HAD TO GET THEIR DUCKS IN ORDER. AND WHAT
16 DO I MEAN BY THAT? THEY HAD TO FRESHEN UP THE NOTES.

17 YOU RECALL NELSON BUNKER HUNT HAD TO PAY THE \$61,000
18 TO THE DALLAS BANK. OF COURSE, IN A REGULAR BUSINESS TRANS-
19 ACTION, THAT WOULD MEAN CONNIE HANSEN THEN OWED NELSON BUNKER
20 HUNT \$61,000. BUT SOMEHOW, THAT HAD FALLEN BY THE WAYSIDE.
21 NO ONE BOTHERED WITH THAT UNTIL THE BLACKMAIL LETTER. SO
22 IVAN IRWIN GOES SCURRYING UP TO WASHINGTON ON BEHALF OF
23 NELSON BUNKER HUNT, AND THEY FRESHEN UP THE NOTES. THEY GET
24 THEIR DUCKS IN ORDER SO THAT WHEN WE INEVITABLY CAME UPON
25 THE SOYBEAN TRANSACTION, WHICH WE INEVITABLY DID, THE NOTES

1 WOULD BE FRESHENED UP.

2 AND DID GEORGE HANSEN COME WALKING INTO THE
3 DEPARTMENT OF JUSTICE AND LAY ALL THE FACTS ON THE TABLE?
4 WELL, HE TALKED ABOUT THE TAX PROBLEMS AND HIS IRS PROBLEMS,
5 HE TALKED ABOUT HIS TAX BOOK. DID THEY EVER VOLUNTEER A
6 PRIOR RELATIONSHIP BETWEEN HANSEN AND HUNT, THE SOYBEAN
7 TRANSACTION? NO. OF COURSE, GEORGE HANSEN TALKS ALL ABOUT
8 THE PROPERTY SEPARATION AGREEMENT: "WE HAVE FORMALLY SEPARATED
9 OUR PROPERTY AND THIS IS CONNIE HANSEN'S TRANSACTION." DID
10 THEY EVER VOLUNTEER THAT IT WAS GEORGE HANSEN WHO USED AND
11 SPENT THE \$87,000? OH, NO, NO, NO, THEY DIDN'T DO THAT.

12 THE DEPARTMENT OF JUSTICE WAS NOT FOOLED. THE CASE
13 WAS ASSIGNED TO THE PUBLIC INTEGRITY SECTION. IF THIS HAD JUST
14 BEEN A BLACKMAIL, IT WOULDN'T HAVE BEEN ASSIGNED TO THE PUBLIC
15 INTEGRITY SECTION. I DIDN'T PICK THIS CASE UP OUT OF PERSONAL
16 AMBITION. IT WAS ASSIGNED TO THE DEPARTMENT OF JUSTICE
17 BECAUSE IT WAS PATENTLY CLEAR TO THE DEPARTMENTAL OFFICIALS
18 ON APRIL 6TH, 1981, WHAT WE --

19 MR. LEWIN: I OBJECT TO THAT. THERE IS NO --

20 THE COURT: COUNSEL TO THE BENCH, MR. LEWIN. I
21 HAVE ASKED THAT ALL THESE MATTERS BE TAKEN AT THE BENCH, AND
22 I WILL CONTINUE TO SAY THAT.

23 (AT THE BENCH)

24 THE COURT: YES?

25 MR. LEWIN: I'M SORRY. MR. WEINGARTEN -- THE ONLY

1915

1 WAY I CAN STOP THAT IS BY STANDING UP. I'M SORRY.

2 THE COURT: YOU CAN STAND UP AND SAY, "OBJECTION",
3 SIR, BUT NOTHING MORE.

4 MR. LEWIN: HE IS ASSERTING IT WAS PATENTLY CLEAR
5 TO THE DEPARTMENT OF JUSTICE OFFICIALS, SO ON AND SO FORTH.
6 THERE IS NOTHING IN THE RECORD THAT SUPPORTS THAT. THERE
7 IS NO DEPARTMENT OF JUSTICE OFFICIAL WHO HAS SO TESTIFIED.
8 AND MR. IRWIN HAS TESTIFIED TO THE CONTRARY.

9 MR. WEINGARTEN: THE CASE WAS ASSIGNED TO THE
10 PUBLIC INTEGRITY SECTION. ACTIONS SPEAK LOUDER THAN WORDS.

11 MR. LEWIN: ALL RIGHT, BUT HE HAS NO RIGHT --

12 THE COURT: YOU CAN SAY IT THAT WAY.

13 MR. LEWIN: ALL RIGHT.

14 (IN OPEN COURT)

15 MR. WEINGARTEN: ACTIONS SPEAK LOUDER THAN WORDS.
16 IT'S AN EXPRESSION THAT PERHAPS YOU HAVE HEARD IN THE PAST,
17 USE IT SOMETIMES YOURSELF. THE CASE CAME TO THE PUBLIC
18 INTEGRITY SECTION. THE BLACKMAIL LETTER SAID THERE WAS A
19 BRIBERY ALLEGATION, BUNKER HUNT TO GEORGE HANSEN. IF IT HAD
20 JUST BEEN A BLACKMAIL LETTER, WITHOUT A BRIBERY ALLEGATION,
21 THIS CASE WOULD NOT HAVE BEEN ASSIGNED THE WAY IT WAS.

22 AND KEN CARUSO? MR. LEWIN CAN DISPARAGE KEN
23 CARUSO'S REMARKS ALL HE WANTS. THERE IS AN EXPRESSION, "RACE
24 TO THE PROSECUTOR'S OFFICE." THE FIRST ONE THERE GETS THE
25 OPPORTUNITY TO MAKE HIS DEFENSE, TO LOOK LIKE A GOOD GUY. IT

1916

1 TOOK HIM A WHILE. HE HAD TO FRESHEN UP THE NOTES, GET HIS
2 FACTS IN ORDER, BRING HIS LAWYER FROM IDAHO, HAVE IVAN IRWIN
3 COME UP TWICE, BUT GEORGE HANSEN CAME THROUGH --

4 MR. LEWIN: YOUR HONOR, MAY WE APPROACH THE BENCH,
5 PLEASE?

6 THE COURT: MR. LEWIN.

7 (AT THE BENCH)

8 MR. LEWIN: YOUR HONOR, I HAVE NO OPPORTUNITY TO
9 RESPOND, BUT WHEN COUNSEL MAKES A STATEMENT THAT IS SQUARELY
10 CONTRARY --

11 THE COURT: WHAT IS THE STATEMENT?

12 MR. LEWIN: HE HAS MADE THE STATEMENT SEVERAL TIMES
13 ABOUT FRESHENING UP THE NOTES, AND THE ONLY TESTIMONY REGARD-
14 ING THE NOTES IS THE TESTIMONY OF MR. IRWIN, AND THOSE NOTES
15 WERE DONE AFTER THEY RETURNED FROM THE MEETING AT THE ATTORNEY
16 GENERAL'S OFFICE, AND THAT'S HIS TESTIMONY. SO THE NOTES
17 COULD NOT HAVE BEEN FRESHENED UP BEFORE THE MEETING AT THE
18 ATTORNEY GENERAL'S OFFICE, AND WE SUBMIT THAT ANY IMPLICATION
19 TO THAT EFFECT IS CONTRARY TO THE RECORD, AND EITHER I SHOULD
20 BE GIVEN THE OPPORTUNITY TO RESPOND TO IT OR THE JURY SHOULD
21 BE TOLD THAT IS CONTRARY TO THE UNDISPUTED EVIDENCE IN THE
22 RECORD.

23 MR. WEINGARTEN: OBVIOUSLY HE CAME UP WITH TWO
24 PURPOSES IN MIND. ONE WAS TO FRESHEN UP THE NOTES, AND IF
25 THEY DID IT ONE MINUTE BEFORE OR ONE MINUTE AFTER --

1917

1 THE COURT: JUST MAKE THAT CLEAR, MR. WEINGARTEN,
2 AND I WILL NOT HAVE TO INTERRUPT THIS BIT.

3 MR. LEWIN: ALL RIGHT. I WANT THE ARGUMENT MADE
4 CLEAR.

5 THE COURT: ALL RIGHT. LET'S SEE IF WE CAN MINIMIZE
6 THESE INTERRUPTIONS.

7 (IN OPEN COURT)

8 MR. WEINGARTEN: BOTTOM LINE, LADIES AND GENTLEMEN,
9 TO THE BLACKMAIL LETTER. IT TOOK HIM A WHILE TO GET TO THE
10 DEPARTMENT. THEY HAD SOME BUSINESS TO TAKE CARE OF AT THAT
11 TIME, AND THEY TOOK CARE OF THE BUSINESS. THEY DID GET TO
12 THE DEPARTMENT SIX DAYS AFTER THE BLACKMAIL LETTER WAS
13 RECEIVED.

14 MR. LEWIN: YOUR HONOR, I THOUGHT THERE WAS AN
15 INSTRUCTION TO MR. WEINGARTEN AT THE BENCH.

16 MR. WEINGARTEN: YOUR HONOR, I --

17 THE COURT: MR. WEINGARTEN WILL TAKE CARE OF THE
18 MATTER AS APPROPRIATE, MR. LEWIN. PLEASE HAVE A SEAT, SIR.

19 YOU MAY CONTINUE, MR. WEINGARTEN.

20 MR. WEINGARTEN: I'VE BEEN INTERRUPTED SO MANY
21 TIMES, I'M LOSING MY TRAIN OF THOUGHT. COULD I -- MAY WE
22 APPROACH THE BENCH?

23 THE COURT: YES, GENTLEMEN.

24 (AT THE BENCH)

25 MR. WEINGARTEN: I WOULD LIKE IT READ BACK TO ME.

1918

1 THE COURT: MR. WEINGARTEN IS AWARE THAT HE IS GOING
2 TO WEAVE IT INTO HIS ARGUMENT. THIS DOESN'T MEAN YOU HAVE
3 TO DO IT THE FIRST SECOND OR TWO, MR. LEWIN. I HAVEN'T ASKED
4 YOU TO DO THAT.

5 MR. LEWIN: THERE WAS A MISSTATEMENT ABOUT
6 "FRESHENING UP" THE NOTES, AND I RESENT THAT STATEMENT. HE
7 HAS MISSTATED THE RECORD, AND I THINK HE SHOULD CORRECT IT
8 NOW, RATHER THAN LEAVE IT IN THE JURY'S MIND.

9 THE COURT: MR. LEWIN, HE WILL CORRECT IT. WE HAVE
10 TALKED ABOUT IT AT THE BENCH. I DIDN'T SAY TO CORRECT IT
11 WITHIN THE NEXT SECOND. I WOULD ASK THAT YOU DO IT VERY
12 SHORTLY AFTER YOU LEAVE THE BENCH, MR. WEINGARTEN. AND YES,
13 WE WILL HAVE IT READ BACK TO YOU. WHAT DO YOU WANT? THE
14 LAST --

15 MR. WEINGARTEN: IT'S SO FAR PAST.

16 THE COURT: I THINK IT MIGHT BE BETTER JUST TO TAKE
17 IT SMOOTHLY.

18 (IN OPEN COURT)

19 MR. WEINGARTEN: SOME EXCEPTION IS TAKEN AT THIS
20 POINT BY MR. LEWIN AS TO WHEN THE PARTIES SAT DOWN TO FRESHEN
21 UP THE NOTES. NOW, RECALL IVAN IRWIN'S TESTIMONY AS, FIRST,
22 THEY WENT TO THE DEPARTMENT ON APRIL THE 6TH, AND THEN THEY
23 SAT DOWN AND FRESHENED UP THE NOTES. I SUBMIT TO YOU THAT
24 THEY ARE ACCOMPLISHING EXACTLY WHAT THEY HAD SET OUT TO DO:
25 GET THEIR DUCKS IN A ROW JUST IN CASE THE DEPARTMENT OF JUSTICE

1 STUMBLED UPON THEIR SOYBEAN TRANSACTION. THEY DIDN'T VOLUN-
2 TEER THE SOYBEAN TRANSACTION WHEN THEY WERE IN THE DEPARTMENT
3 OF JUSTICE OFFICES. AND WHETHER OR NOT THEY FRESHENED UP
4 THE NOTES BEFORE BY FIVE MINUTES OR AFTER BY FIVE MINUTES,
5 I SUBMIT DOES NOT AMOUNT TO A HILL OF BEANS.

6 IF INNOCENT PEOPLE RECEIVE A BLACKMAIL LETTER, THEY
7 CALL THE FBI RIGHT AWAY. THAT'S NOT WHAT HAPPENED IN THIS
8 CASE.

9 THE PROPERTY SEPARATION AGREEMENT. SMOKESCREEN --
10 THE WORD "SMOKESCREEN" WAS USED FREQUENTLY BY MR. LEWIN.
11 I AM NOT GOING TO ARGUE WHAT I ARGUED BEFORE. I ASK YOU TO
12 USE YOUR COMMON SENSE. ASK YOURSELVES, NAME ONE THING THAT
13 THAT PROPERTY SEPARATION AGREEMENT AFFECTED BESIDES GIVING
14 CONNIE HANSEN THE OPPORTUNITY TO RAISE MONEY FOR DEBTS AND
15 THE OPPORTUNITY FOR GEORGE HANSEN TO CLAIM, THROUGH HIS
16 ATTORNEYS, THAT HE DIDN'T HAVE TO FILE BUNKER HUNT TRANSACTIONS
17 AND THE VIRGINIA LOANS. NAME ONE THING THAT THAT PROPERTY
18 SEPARATION AGREEMENT DID OTHER THAN WHAT I'VE JUST MENTIONED.
19 I SUBMIT YOU CAN COME UP WITH NOTHING. MAYBE THERE WOULD
20 BE A VARIATION ON WHAT IS INHERITED BY CONNIE HANSEN. CONNIE
21 HANSEN, ALL THE PROPERTY IS IN HER NAME, ANYWAY, BY THE
22 PROPERTY SEPARATION AGREEMENT, SO THERE'S NO CHANGE THERE.
23 AND PERHAPS GEORGE HANSEN, IF HE WERE IN THE SITUATION, WOULD
24 HAVE TO SHARE HIS PROPERTY TO SOME DEGREE WITH HIS CHILDREN
25 WITH THE PROPERTY SEPARATION AGREEMENT. I SUBMIT IF THAT WERE

1920

1 THE CASE WITH GEORGE HANSEN, HE HAS NO COMPUNCTION, AS DEMON-
2 STRATED BY HIS USE OF THIS PROPERTY SETTLEMENT AGREEMENT,
3 TO AVAIL HIMSELF OF PROPERTY THAT IS ALLEGEDLY IN THE NAME
4 OF ANOTHER.

5 WHEN IT'S CONVENIENT FOR PROPERTY TO BE SEPARATE,
6 IT'S SEPARATE, IN THE PROPERTY SEPARATION AGREEMENT. CONNIE
7 HANSEN WANTS TO GO OUT AND RAISE MONEY, "I'M A SEPARATE
8 PERSON." WHEN IT'S CONVENIENT FOR THE MONEY TO BE JOINT,
9 WHEN THERE'S A TAX BENEFIT ON THEIR RETURN, JOINT PROPERTY,
10 "WE'RE FILING OUR TAXES TOGETHER." THE SOYBEAN LOSS, WRITTEN
11 RIGHT OFF THE TOP BY GEORGE HANSEN. WHEN IT'S CONVENIENT
12 FOR IT TO BE SEPARATE. WHEN IT'S CONVENIENT FOR A LAWYER
13 TO COME UP HERE AND SAY, "THEY DON'T HAVE TO REPORT IT BECAUSE
14 OF THE SOLEMN PROPERTY SEPARATION AGREEMENT; IT'S SEPARATE."
15 WHEN IT'S CONVENIENT FOR THEM TO HAVE THE PROPERTY JOINT WHEN
16 THEY FILE FINANCIAL FORMS TO THE BANKS TO GET LOANS, THAT'S
17 JOINT PROPERTY, "WE BOTH OWN THAT; THAT'S COLLATERAL THAT
18 WE BOTH CAN USE."

19 TALK ABOUT SMOKE SCREENS.

20 MR. LEWIN SUGGESTS THERE IS NO MOTIVE IN THIS CASE
21 FOR GEORGE HANSEN TO OMIT THESE TRANSACTIONS. I SUBMIT TO
22 YOU, LADIES AND GENTLEMEN, THE SOYBEAN AND SILVER TRANSACTIONS
23 ARE NOTHING MORE THAN EFFORTS BY NELSON BUNKER HUNT TO PUT
24 MONEY IN HIS POCKET. HE HOLDS HIMSELF OUT THROUGH MR. MCKENNA
25 AS A POPULIST, A MAN OF THE PEOPLE, A GRASS ROOTS GUY. IS IT

1 GRASS ROOTS TO HAVE MILLIONAIRE NELSON BUNKER HUNT PUTTING
2 MONEY IN YOUR POCKET? I SUBMIT THAT IS MOTIVE FOR NOT
3 REPORTING THESE TRANSACTIONS.

4 AND WHAT ABOUT THE VIRGINIA LOANS? I GUESS IT'S
5 JUST NOT IMPORTANT ENOUGH FOR MR. LEWIN TO TALK ABOUT, BUT
6 I SUBMIT TO YOU IT'S OF MOST SIGNIFICANCE, MOST IMPORTANCE,
7 THAT ON THE SAME DAY HE'S GETTING THE 25, HE'S DOING FAVORS.
8 AND THE DAY AFTER HE GOT THE FIFTY, HE'S ON THE PHONE WITH
9 THE PENTAGON.

10 THE ADVICE-OF-COUNSEL DEFENSE. IT FAILS FOR THREE
11 SEPARATE REASONS: FIRST, HE WASN'T SEEKING LEGITIMATE ADVICE.
12 HE IS NOT JOE SCHMOE ON THE STREET WHO DOESN'T KNOW ANYTHING
13 ABOUT THE LAW. HE IS A LAWMAKER HIMSELF. HE KNOWS HOW TO
14 READ. HE KNOWS THAT -- THE LAWS THAT ARE PASSED BY CONGRESS.
15 HE KNOWS WHAT CONGRESS WAS UP TO WHEN THEY PASSED THE ETHICS
16 IN GOVERNMENT ACT. HE WASN'T LOOKING FOR A LEGAL INTERPRETA-
17 TION. HE'S A LAWMAKER. HE WAS LOOKING FOR AN EXCUSE. AND
18 THAT IS NOT A GOOD FAITH REASON FOR GOING TO A LAWYER.

19 AND I SUBMIT TO YOU THE LAWYER'S RESPONSE IS
20 CONTRARY TO ALL FACT, ALL COMMON SENSE, AND I ASK YOU TO
21 REMEMBER THE WORDS OF DAVID SCOTT AS TO WHAT EFFECT THERE
22 WOULD BE ON THE ETHICS IN GOVERNMENT ACT IF JOHN RUNFT'S ADVICE
23 CARRIES THE DAY. BUT MOST IMPORTANT, WHATEVER YOU THINK OF
24 RUNFT, WHATEVER YOU THINK OF MCKENNA, A CLIENT'S GOT TO LEVEL
25 WITH HIS LAWYER FOR HIM TO BE ABLE TO RELY ON THE LAWYER'S

1922

1 WORDS. GEORGE HANSEN DID NOT DISCLOSE TO MCKENNA OR TO RUNFT
2 HIS FINANCIAL AFFAIRS AFTER 1977. HAD HE DONE SO, IT WOULD
3 HAVE BEEN PATENTLY CLEAR THAT THE PROPERTY SETTLEMENT AGREE-
4 MENT WAS A SHAM. HE DID NOT DISCLOSE HIS RELATIONSHIP WITH
5 NELSON BUNKER HUNT, GOING TO NELSON BUNKER HUNT LOOKING FOR
6 MONEY, AND THE NATURE OF THESE TRANSACTIONS. IF THEY HAD --
7 IF HIS LAWYERS HAD BEEN SO ADVISED, THEY WOULD HAVE SEEN
8 IMMEDIATELY THAT THESE TRANSACTIONS WERE TOTALLY APART FROM
9 THE PROPERTY SEPARATION AGREEMENT.

10 HE DID NOT TELL HIS LAWYERS THAT HE POCKETED THE
11 \$87,000. HAD HE DONE SO, HOW COULD A LAWYER HAVE SAID THIS
12 WAS CONNIE HANSEN'S TRANSACTION? HE DID NOT TELL MCKENNA
13 THAT HE WAS GETTING \$135,000 FROM THESE VIRGINIA GUYS AT THE
14 SAME TIME HE'S DOING THEM FAVORS. IF HE HAD DONE SO, HOW
15 COULD HE POSSIBLY HAVE SAID THIS WAS A LEGITIMATE TRANSACTION?

16 MR. LEWIN DOESN'T SPEND MUCH TIME WITH THE IDAHO
17 MONEY. I SUBMIT TO YOU HIS ANALOGY ABOUT THE BOOK IS A BIT
18 OFF. WHAT HAPPENED IS GEORGE HANSEN RECEIVED \$135,000 FROM
19 MEADE, MCAFEE AND ROGERS. HE SPENT THAT MONEY. THAT'S PART
20 OF A STIPULATION. AT BEST, HE REPRESENTED TO THOSE PEOPLE
21 THAT THAT MONEY WAS FOR HIS BOOK. HIS BOOK WAS A PRIVATE
22 PROPOSITION WHEREIN HE WAS LOOKING FOR A PROFIT. THAT MONEY
23 WAS SPENT. LATER, AND ONLY LATER, HE GOES TO AN IDAHO BANK
24 FOR NONPROFIT MONEY. HE GETS THE \$90,000; IT IS THE \$90,000
25 FROM THE IDAHO MONEY, IT IS THE \$5,000 FROM HIS A.C.T. ACCOUNT

1923

1 IN IDAHO THAT AMOUNTS TO THIS MONEY RIGHT HERE. THIS IS NOT
2 VIRGINIA MONEY. THIS IS MONEY HE WENT AND BORROWED THE SAME
3 MONTH. AND RELY ON YOUR COMMON SENSE AND YOUR INTELLIGENCE
4 TO TELL YOU THAT YOU CAN'T SPEND THE SAME MONEY TWICE. AND
5 IF HE HAD SPENT THE VIRGINIA MONEY ALREADY AND THAT MONEY
6 IS GONE AND THEN GOES OUT AND BORROWS MONEY, HE HAS GOT AN
7 OBLIGATION TO REPORT THOSE LOANS FROM THE VIRGINIA PEOPLE.

8 THE HOUSE OF REPRESENTATIVES. I DEFY YOU TO FIND
9 ONE WORD IN ANY DEFENSE EXHIBIT WHEREIN ANY MEMBER OF THE
10 HOUSE OF REPRESENTATIVES AUTHORIZED GEORGE HANSEN NOT TO DIS-
11 CLOSE HIS WIFE'S PROPERTY. IT DOESN'T EXIST. HIS RELIANCE
12 ON THE COURSE OF CONDUCT OF THE HOUSE OF REPRESENTATIVES REMINDS
13 ME OF THE LITTLE BOY WHO BREAKS A WINDOW AND THEN GOES TO
14 HIS MOTHER AND SAYS, "MOMMIE, I DIDN'T DO ANYTHING, I DIDN'T
15 DO ANYTHING," AND THE MOTHER SAYS, "OH, THAT'S O.K., THAT'S
16 O.K." SHE DOESN'T KNOW ABOUT BREAKING THE WINDOW. AND THEN
17 HE GOES OUT AND BREAKS ANOTHER WINDOW AND SAYS, "MOMMIE, I
18 DIDN'T DO ANYTHING," AND THE MOTHER SAYS, "THAT'S O.K., THAT'S
19 O.K., NO PROBLEM." AND THEN SHE FINDS OUT THREE DAYS LATER
20 THAT THE BOY HAD BROKEN THE WINDOWS, AND THE BOY COMES TO
21 HER, "YOU CAN'T PUNISH ME; YOU DIDN'T PUNISH ME BEFORE."

22 THE HOUSE OF REPRESENTATIVES HAD NO IDEA WHAT THIS
23 GUY WAS UP TO. THEY HAD NO IDEA WHAT HE WAS DOING WITH
24 NELSON BUNKER HUNT. THEY HAD NO IDEA THAT HE WAS RECEIVING
25 VIRGINIA MONIES AND DOING FAVORS AT THE SAME TIME. THEY CAN'T

1924

1 RELY ON THE HOUSE OF REPRESENTATIVES' ACKNOWLEDGEMENT OF THESE
2 TRANSACTIONS, BECAUSE THE HOUSE OF REPRESENTATIVES HAD NO
3 IDEA WHAT HE WAS UP TO.

4 A : AGAIN, THERE IS NOT ONE OFFICIAL WORD ANYWHERE
5 WHEREIN HE WAS AUTHORIZED NOT TO REPORT HIS WIFE'S TRANSACTIONS.

6 INTENT? YEAH, INTENT IS THE ISSUE IN THIS CASE.
7 WHAT WAS GEORGE HANSEN'S INTENT WHEN HE WAS WRITING THOSE
8 CHECKS FOR \$87,000? WAS THIS HIS WIFE'S SEPARATE PROPERTY?
9 WHAT WAS HIS INTENT THE DAY HE TOOK THOSE GUYS TO THE PENTAGON
10 AND CASHED THE CHECK? WAS THAT A.C.T. MONEY HE WAS RECEIVING?
11 WHAT WAS HIS INTENT AT THAT TIME? I SUBMIT TO YOU THE ANSWER
12 IS OBVIOUS.

13 LADIES AND GENTLEMEN, THE BACKDROP TO THIS CASE
14 IS AN ACT CALLED THE ETHICS IN GOVERNMENT ACT. WHAT GEORGE
15 VERNON HANSEN DID IN THIS CASE IS THE CENTER STAGE. A PHONY
16 SEPARATION AGREEMENT DESIGNED TO GET AROUND THE ETHICS
17 COMMITTEE. IS THAT ETHICS IN GOVERNMENT?

18 HUNT ENGINEERED AND CONTROLLED DEALS RUN THROUGH
19 HIS WIFE'S NAME TO HIDE HIS INVOLVEMENT. IS THAT ETHICS IN
20 GOVERNMENT?

21 A \$50,000 LOAN TO COVER A \$33,000 LOSS THAT'S NEVER
22 PAID BACK. IS THAT ETHICS IN GOVERNMENT?

23 \$87,000 IN HIS WIFE'S NAME THAT HE RUNS THROUGH
24 TWO BANK ACCOUNTS IN CHECKS TO HIMSELF. IS THAT ETHICS IN
25 GOVERNMENT?

1925

1 \$135,000 FROM A BANK SWINDLER THAT HE RECEIVES AND
2 THEN PROMOTES A HOAX AT THE PENTAGON. IS THAT ETHICS IN
3 GOVERNMENT?

4 THE QUESTION IS SIMPLE: IF IT IS, THAT'S ETHICAL
5 BEHAVIOR, FIND HIM NOT GUILTY; SEND HIM BACK TO CONGRESS WITH
6 A MESSAGE THAT WE EXPECT NO MORE OF ITS MEMBERS.

7 MR. LEWIN: YOUR HONOR, CAN WE APPROACH THE BENCH?

8 THE COURT: COUNSEL.

9 (AT THE BENCH)

10 MR. LEWIN: YOUR HONOR, THIS IS A PROSECUTION UNDER
11 SECTION 1001, AS MR. WEINGARTEN WELL KNOWS. THESE CLAIMS,
12 IS THIS ETHICS AND THAT ETHICS, AND SEND HIM BACK TO THE
13 CONGRESS, I SUBMIT IS PLAINLY IMPROPER. I THINK THE JURY
14 SHOULD BE TOLD TO DISREGARD THOSE THINGS, AND I THINK HE SHOULD
15 BE INSTRUCTED TO STOP MAKING THEM.

16 THE QUESTION IS NOT WHETHER HE WRITES OUT CHECKS,
17 WHETHER THAT'S ETHICS, WHETHER THAT CONGRESSMAN SHOULD BE
18 SENT BACK TO CONGRESS. I THINK THAT IS PLAINLY IMPROPER,
19 AND IT IS AN ATTEMPT TO INFLAME THE JURY WITH REGARD TO MATTERS
20 THAT HAVE NO BEARING IN TERMS OF THE ISSUES OF THIS CASE,
21 AND IT'S A SORT OF DESPERATE ATTEMPT TO WIND THEM UP AND
22 SEND THEM OUT TO THAT JURY ROOM WITH SORT OF A PASSIONATE
23 FEELING. I THINK HE SHOULD BE TOLD HE CAN'T DO IT, AND I
24 THINK THE JURY SHOULD BE TOLD TO IGNORE IT.

25 MR. WEINGARTEN: THIS DEFENSE ATTORNEY ACCUSES THIS

1926

1 PROSECUTION OF BEING A PROSECUTION FOR PERSONAL AMBITION AND
2 THEN SUGGESTS THAT MY REPRESENTATIONS ARE IMPROPER.

3 THE COURT: WELL, I HAVE TO AGREE THAT THERE HAS
4 BEEN SOME ATTEMPT ON BOTH SIDES. WHATEVER IT IS, WHETHER
5 IT INFLUENCES THE JURY, I CAN'T FIND EITHER THE PERSONAL
6 AMBITION STATEMENT THAT YOU MADE, MR. LEWIN, OR THE STATEMENT
7 THAT YOU MADE, MR. WEINGARTEN, RISES TO THE LEVEL OF INFLAMING
8 AND PREJUDICING THE JURY. WERE I TO SAY SOMETHING AT THIS
9 TIME, I'M AFRAID THAT WOULD HAMMER IT IN EVEN FURTHER.

10 BUT CLEARLY, WHAT IS BEFORE US AND THE ISSUES BEFORE
11 US ARE THOSE FOUR COUNTS OF THE INDICTMENT AS THEY RELATE
12 TO CONGRESSMAN HANSEN, AND --

13 MR. WEINGARTEN: EVERY WORD I SAID WAS SUPPORTED
14 BY EVIDENCE IN THE RECORD, AND THAT'S THE EVIDENCE OF HIS
15 MOTIVE.

16 THE COURT: I'M NOT SAYING IT ISN'T SUPPORTED BY
17 EVIDENCE. I THINK MR. LEWIN IS NOT NECESSARILY SAYING THAT.
18 WHAT MR. LEWIN IS SAYING IS THE PHRASEOLOGY OF THE WORDS MIGHT
19 INFLAME OR PREJUDICE. IS THAT CORRECT?

20 MR. LEWIN: THAT IS EXACTLY RIGHT, YOUR HONOR.

21 THE COURT: RIGHT. BUT I DON'T BELIEVE AT THIS
22 POINT THAT IT WILL INFLAME OR PREJUDICE -- THE LONGER WE HAVE
23 THIS BENCH CONFERENCE, THE LONGER IT MAY HAMMER IT IN. BUT
24 I WOULD CONCENTRATE, UNLESS YOU ARE FINISHING, MR. WEINGARTEN,
25 IF YOU WILL, PLEASE, ON THE INDICTMENT AS IT APPEARS.

1927

1 AFTER ALL, THESE ARE NOT POLITICAL ISSUES. THE
2 QUESTION FOR THE JURY IS NOT WHETHER THEY SHOULD, OF COURSE,
3 SEND A MESSAGE TO CONGRESS OR SEND ANY POLITICIAN BACK TO
4 THE CONGRESS. THEIR CONCERN IS WHAT HE REPORTS ON HIS ETHICS
5 IN GOVERNMENT ACT FORM AND WHEN HE REPORTS. SO IF THEY'RE
6 GOING TO SEND A MESSAGE, SEND A MESSAGE TO HIM. ALL RIGHT?

7 MR. LEWIN: I THINK EVEN -- YOUR HONOR, I WOULD
8 OBJECT TO ANY ARGUMENT BASED ON SENDING MESSAGES. I THINK
9 THAT --

10 THE COURT: I AM NOT ENCOURAGING HIM --

11 MR. LEWIN: I THINK THAT IS IMPROPER, AND I DON'T
12 WANT TO BE UP HERE AGAIN, YOUR HONOR. BUT I THINK HE MAY
13 NOT TALK ABOUT SENDING MESSAGES TO ANYBODY. THE QUESTION
14 IS --

15 MR. WEINGARTEN: HE SAID SEND A MESSAGE TO THE
16 GOVERNMENT. I'M APPALLED THAT HE CAN STAND UP HERE AND MAKE
17 THAT ARGUMENT AFTER HIS ARGUMENT.

18 THE COURT: I BELIEVE YOU DID, MR. LEWIN.

19 MR. LEWIN: I DON'T KNOW WHETHER I PUT IT IN TERMS
20 OF SENDING A MESSAGE. WHAT I SAID IS THAT IT COULD TAKE
21 CERTAIN STEPS IN TERMS OF RETURNING A PROMPT VERDICT OF NOT
22 GUILTY. AND IT SEEMS TO ME THAT THE NOTION THAT MR. WEINGARTEN
23 IS PLAYING ON, IS THIS ETHICS, IS THAT ETHICS, AND SEND A
24 MESSAGE IN TERMS OF ETHICS, I THINK THAT IS PATENTLY IMPROPER.

25 THE COURT: WELL, SEND A MESSAGE IN TERMS OF POLICY

1928

1 WOULD BE IMPROPER. SEND A MESSAGE AS TO MAKE A QUICK VERDICT
2 AS TO THEIR REACTION TO THIS CASE, JUST AS YOU SAID, IS CER-
3 TAINLY NOT IMPROPER.

4 MR. LEWIN: WELL, SURE.

5 THE COURT: RIGHT.

6 (IN OPEN COURT)

7 MR. WEINGARTEN: LADIES AND GENTLEMEN, WE'VE BEEN
8 AT IT A LONG TIME THIS MORNING. LET ME FRAME THE ISSUE THIS
9 WAY:

10 IF CONGRESSMAN HANSEN'S BEHAVIOR IS CONSISTENT WITH
11 THE ETHICS IN GOVERNMENT ACT, FIND HIM NOT GUILTY. ON THE
12 OTHER HAND, IF YOU THINK THERE'S SOMETHING WRONG WHEN
13 CONGRESS PASSES AN ETHICS IN GOVERNMENT ACT AND THE FIRST FOUR
14 YEARS IT IS ON THE BOOKS THE CONGRESSMAN THUMBS HIS NOSE AT
15 IT, DISREGARDS IT AND FILES FALSE STATEMENTS, FALSE STATEMENTS
16 DESIGNED TO HIDE VERY SUSPICIOUS TRANSACTIONS--IF YOU FIND
17 THAT THERE'S SOMETHING WRONG WITH THAT, LADIES AND GENTLEMEN,
18 THERE CAN BE BUT ONE VERDICT: GUILTY AS CHARGED.

19 THANK YOU.

20 THE COURT: LADIES AND GENTLEMEN OF THE JURY, I
21 AM GOING TO RECESS YOU FOR LUNCHEON AT THIS TIME. THE COUNSEL
22 AND I HAVE TO TALK FOR A FEW MOMENTS AFTER YOU LEAVE, AND
23 SO I AM GOING TO ASK THAT YOU BE BACK AT 2:15 THIS AFTERNOON
24 FOR THE INSTRUCTIONS.

25 PLEASE HAVE A GOOD LUNCHEON. PLEASE REMEMBER YOU

1929

1 ARE STILL NOT TO DISCUSS THE CASE WITH ANYONE AT THIS TIME.

2 HAVE A GOOD LUNCHEON. 2:15.

3 COUNSEL WILL WAIT, AND MR. HANSEN.

4 (THE JURY LEFT FOR LUNCH AT 12:35 P.M.)

5 THE COURT: SEVERAL THINGS. YOU MAY HAVE A SEAT.

6 ONE, THERE WILL BE A VERDICT FORM, BUT RATHER THAN
7 GOING INTO ANY DETAIL, IT WILL MERELY SAY AS TO COUNT 1, 2,
8 3 AND 4, NOT GUILTY, GUILTY, NOT GUILTY, GUILTY, CHECK FOR
9 THE JURY, TO BE SIGNED BY THE FOREPERSON, AND THEN A BLANK
10 FOR EACH OF THE JURORS, AS IS MY CUSTOM, TO INITIAL, INDICAT-
11 ING THAT EACH JUROR HAS SEEN THE ENTIRE VERDICT FORM. THAT
12 WILL BE SENT IN WITH THE JURORS.

13 NUMBER TWO: AS TO THE TAPE RECORDING, I WANT TO
14 BE ABLE TO TELL THE JURORS ONE THING OR ANOTHER. THERE HAS
15 BEEN A TAPE RECORDING, OF COURSE, MADE THUS FAR OF THE
16 PROCEEDINGS. THERE WILL BE A TAPE RECORDING MADE IN ANY
17 EVENT, CONTEMPORANEOUSLY WITH THE INSTRUCTIONS, OF THOSE
18 INSTRUCTIONS.

19 MR. LEWIN HAD ASKED THIS MORNING FOR THE FIRST TIME
20 ABOUT WRITTEN INSTRUCTIONS AS, INDEED, ARE PERMITTED IN
21 CERTAIN CIRCUITS BUT IS NOT CUSTOMARILY USED IN THIS CIRCUIT.
22 NONETHELESS, THERE IS NO PROHIBITION AGAINST USING THEM,
23 BUT IT WOULD HAVE BEEN IMPOSSIBLE WITH THAT BREVITY OF TIME
24 THAT WE THEN ANTICIPATED TO HAVE REDUCED PERHAPS A HALF AN
25 INCH OR SLIGHTLY LESS OF PROPOSED WRITTEN INSTRUCTIONS TO THE

1930

1 TYPEWRITER AND TO BRING IT FORTH IN APPROPRIATE FORM.

2 WHAT I HAD PROPOSED THIS MORNING, AND MR. LEWIN
3 SAID HE WANTED TO THINK ABOUT AND I HAD HEARD NOTHING ONE
4 WAY OR THE OTHER FROM THE GOVERNMENT, WAS TO SEND IN THE TAPE
5 RECORDER WITH A TAPE MADE OF THE INSTRUCTIONS AS THEY ARE
6 VERBALIZED BY THE COURT AT THE TIME OF GIVING THEM. WHAT
7 IS YOUR PLEASURE, GENTLEMEN? IT HAS TO BE UNANIMOUS,
8 WHATEVER IT IS.

9 MR. WEINGARTEN: I THINK WE OBJECT TO THAT. I THINK
10 IT COULD BE A DISTRACTION. OBVIOUSLY, IF THEY HAVE A QUES-
11 TION ABOUT ANY INSTRUCTION, COME OUT AND HEAR IT AGAIN.

12 MR. LEWIN: YOUR HONOR, I WOULD REQUEST THAT THAT
13 BE DONE, BECAUSE THAT ENABLES JURORS, WHO JUST SORT OF HEAR
14 THE INSTRUCTIONS QUICKLY, TO BE ABLE TO GO BACK AND GO TO
15 PARTICULAR POINTS IN THE INSTRUCTIONS. SINCE IT IS THE LAW
16 WHICH THEY ARE TO APPLY, I CAN'T SEE ANY BASIS FOR THE GOVERN-
17 MENT SAYING THEY OUGHT NOT TO BE ABLE TO HAVE BEFORE THEM
18 THE LAW AS THE COURT GIVES IT TO THEM. AND THAT JUST WILL
19 ENABLE THEM TO HEAR WHAT IT IS THAT THE COURT SAID. IF THEY'VE
20 GOT SOME DOUBT, THEY CAN GO BACK TO IT AND LISTEN TO IT AGAIN.

21 SO I REQUEST THAT THE COURT SEND A RECORDING, IF
22 THAT'S ALL THAT IS AVAILABLE, INTO THE JURY ROOM WITH THE
23 INSTRUCTIONS.

24 THE COURT: IF THE ONLY OBJECTION IS THAT IT IS
25 DISTRACTING -- IS THAT THE ONLY OBJECTION, MR. WEINGARTEN?

1931

1 MR. WEINGARTEN: WELL, THE COURTS CONSISTENTLY TAKE
2 A POSITION THAT THEY DON'T LIKE A TAPE RECORDER BEING IN THE
3 JURY ROOM. JURORS CAN BE DISTRACTED FROM THEIR PRIMARY
4 POSITION OF HANDLING EVIDENCE. JURORS IN THIS INSTANCE CAN
5 HIGHLIGHT CERTAIN PORTIONS AND NOT HIGHLIGHT OTHER PORTIONS.
6 I MEAN I THINK IT'S MUCH, MUCH BETTER, IF THEY HAVE A PARTICU-
7 LAR PROBLEM ABOUT A PARTICULAR PORTION OF THE CHARGE, TO COME
8 BACK OUT AND HAVE IT READ TO THEM AGAIN.

9 MR. LEWIN: YOUR HONOR, BUT THEY CAN'T REMEMBER.
10 THEY'RE IN THERE, AND IT'S A WHOLE PRODUCTION TO COME BACK
11 OUT INTO THE COURTROOM. I DON'T SEE THAT THERE IS ANY DIS-
12 TRACTION AT ALL, AND I SUBMIT THAT DOES NOT OVERCOME THE
13 DESIRABILITY OF THEIR KNOWING THE LAW.

14 THE COURT: AS I HAD SAID, IT WOULD HAVE TO BE
15 UNANIMOUS. WHAT WE WILL DO IS IF THE JURY -- AND SO IT WILL
16 NOT BE SENT INTO THE JURY ROOM, SO THE RECORD IS CLEAR. IF,
17 HOWEVER, THE JURY ASKS FOR A REREADING OF AN INSTRUCTION,
18 IT MAY OR MAY NOT BE, UPON CONVERSATION WITH COUNSEL, THAT
19 WE WILL SEND THE TAPE RECORDING IN DESIGNATED MERELY AT THAT
20 PLACE. OR WE MAY READ IT AGAIN, IN CONJUNCTION WITH WHATEVER
21 OTHER INSTRUCTIONS MAY BE APPROPRIATE. IT WILL NOT BE SENT
22 IN.

23 ALL RIGHT. ONE OTHER MATTER. WE HAVE TWO ALTERNATE
24 JURORS WHO ARE CUSTOMARILY, AS COUNSEL WILL APPRECIATE,
25 ELIMINATED FROM THE CASE AT THE CONCLUSION OF THE INSTRUCTIONS

1932

1 AND AS THE TWELVE JURORS GO INTO THE JURY ROOM. WE ALL KNOW
2 THAT ON RARE OCCASIONS BUT, NONETHELESS, ON OCCASIONS THERE
3 ARE JURORS WHO TAKE ILL OR FOR SOME REASON ARE UNABLE TO
4 CONTINUE IN THEIR DELIBERATIONS IF DELIBERATIONS ARE OF ANY
5 LENGTH OF TIME.

6 WHAT IS COUNSEL'S PLEASURE AS FAR AS RETAINING THE
7 TWO ALTERNATE JURORS IN A SEPARATE ROOM?

8 MR. LEWIN: YOUR HONOR, I THINK THEY SHOULD BE
9 KEPT, SEGREGATED, UNLESS MR. LEWIN AGREES TO AN ELEVEN OR
10 LESS VERDICT.

11 THE COURT: THE QUESTION IS RIGHT NOW -- WE CAN
12 ALWAYS TALK ABOUT THE ELEVEN OR LESS VERDICT. BUT THE QUESTION
13 IS RIGHT NOW ABOUT KEEPING THOSE JURORS.

14 MR. LEWIN: YOUR HONOR, I AM REALLY NOT SURE. I
15 HAVE A VAGUE RECOLLECTION THAT THERE ARE SOME DECISIONS THAT
16 SAY THAT YOU CAN'T PUT AN ALTERNATE JUROR IN ONCE THE
17 DELIBERATIONS BEGIN. SO I DON'T THINK THAT THAT NECESSARILY
18 HELPS THE PROBLEM. AND, FRANKLY, MY INITIAL REACTION IS I
19 THINK I WOULD OPPOSE INJECTING A NEW JUROR INTO THE CASE.

20 THE COURT: EXCUSE ME. SINCE YOU THINK YOU WOULD,
21 AND THAT SOUNDS LIKE IT IS NOT QUITE DEFINITE YET, WHY DON'T
22 WE DO THIS. WE WILL KEEP THOSE TWO ALTERNATE JURORS FOR THE
23 TIME BEING IN A SEGREGATED ROOM, OBVIOUSLY NOT TO MINGLE WITH
24 THE TWELVE BASIC JURORS WHO WILL BE DELIBERATING ON THE CASE.
25 WE WILL SEE IF ANYTHING OCCURS WITHIN THE NEXT FEW HOURS.