

1 situation in which the government calls a witness, begins
2 interrogating the witness by impeaching him with his prior
3 criminal conviction, is implying to the jury throughout his
4 testimony that notwithstanding what this witness is testifying,
5 there was a quid pro quo for what he was doing. There is the
6 total implication throughout the testimony. The witness denies
7 it. The government is going to argue to the jury, and it was
8 part of their opening statement, that this was a quid pro quo.

9 If the witness has said that it is not, and if
10 notwithstanding these various efforts that were made to get him
11 to change that testimony, his attorney says it definitely is
12 not, I have gone through it and he communicates that to the
13 government, we think all that is very corroborative of the fact
14 that there was absolutely nothing wrong. If this were a case
15 where the government had called a witness or was seeking to
16 impeach its witness, that would be quite different.

17 THE COURT: That would be one thing if this were the
18 letter of Mr. Meade himself. Now we have Mr. Bowie, who is
19 purportedly acting as an agent on behalf of his principal. It
20 may well be his principal has adopted everything that was said
21 in the letter. We are going to have to find that out first.

22 MR. LEWIN: A copy of that was sent to Mr. Meade. We
23 submit he doesn't have to be involved in drafting the letter.
24 But if his agent says it, there are many cases where criminal
25 defendants indeed have been held, and it has been used against

1 them, what their attorneys have said, even in conferences with
2 the government.

3 Certainly where an attorney writes a letter to the
4 government and sends a copy to his client and speaks on behalf
5 of his client, that is admissible as if it were the statement
6 of the client himself.

7 THE COURT: But there are some things here, Mr. Lewin,
8 and I haven't read it as thoroughly, obviously, as all you
9 gentlemen have, when Mr. Bowie is purportedly speaking for Mr.
10 Bowie. I can't tell whether he is speaking for Mr. Meade at
11 this time or not. Mr. Bowie says, "As we all know, it is not
12 uncommon for the truth to appear more suspicious than a lie."

13 "In the instant case, we have to take the position
14 that these suspicions have no basis in fact." It may be he is
15 speaking for Mr. Meade. It may not be. "I would be glad to
16 assist in any further inquiries and I am sure John would also,"
17 and clearly he is separating himself, although I again agree
18 with you he purportedly is acting as an agent on behalf of Mr.
19 Meade.

20 Let us find out how much Mr. Meade can adopt or not
21 adopt of this communication. It may be you are going to have
22 to get this in partly through Mr. Meade and partly through Mr.
23 Bowie.

24 MR. COLE: If I may have one more moment. It seems
25 to me the only thing that could be relevant here is Mr. Meade

1 making a selfserving declaration that he is not guilty of a
2 crime. He has already said that on direct. If Mr. Lewin would
3 like to ask him that again on cross, he is free to.

4 THE COURT: He has said more than that through this
5 letter, if he adopts it. He has said more than he is not
6 guilty of a crime. He has said that bribery was never
7 considered much less discussed by him or in his presence. So
8 it is more than he, Mr. Meade, if it is Mr. Meade who is saying
9 this. But I realize it is the attorney writing the letter in
10 which he says, "Mr. Meade assures me." He isn't quoting; he is
11 stating it.

12 MR. COLE: If they would like to ask Mr. Meade
13 whether bribery was discussed, they can. But it doesn't seem
14 to me they should be allowed to introduce a letter which kind
15 of takes on the imprimatur of being something more than it is.
16 I would request that we have the voir dire outside the jury to
17 lay the foundation.

18 THE COURT: There is also something on the second
19 page, first full paragraph, "However, if it were Mr. Meade's
20 purpose to fabricate a false story, I," I guess that is Mr.
21 Bowie, "I would hope he would be clever enough to come up with
22 a story that would be less suspicious and more plausible."

23 I don't know whether Mr. Meade or Mr. Bowie said that.
24 This often is, in a communication by counsel to other counsel,
25 part of counsel's opinion, part of perhaps what discourse with

1 his client has indicated.

2 So I am not overly confident you are going to get
3 this in, in toto, with Mr. Meade. Certainly you can ask some
4 questions, as you have been, that are drawn from this
5 communication. We will see whether we need Mr. Bowie later.

6 (End of bench conference).

7 DEPUTY CLERK: Defendant's Exhibit 15 marked for
8 identification.

9 (Whereupon, Defendant's Exhibit No.
10 15 was marked for identification).

11 BY MR. LEWIN:

12 Q. I place before you what I have had marked as
13 Defendant's Exhibit 15 for identification, Mr. Meade, and I ask
14 you whether you recognize that letter?

15 A. Yes, sir, without reading it, it appears to be the
16 letter that my attorney, Mr. J. D. Bowie, sent to the Honorable
17 James Cole and Reid Weingarten.

18 Q. Did Mr. Bowie send that letter on your behalf?

19 A. Yes, he did.

20 Q. Did he send it with your authorization?

21 A. Yes, sir.

22 Q. Was he expressing in that letter views that you had,
23 you personally had?

24 A. Yes, sir.

25 Q. The views that are in that letter are your statements,

1 are they not, which he is expressing as your attorney?

2 A. Well, I guess you would have to say they are my views
3 but stated by my attorney.

4 Q. I understand. But the substance of them, I agree you
5 didn't use the precise words, they are not your precise words,
6 but they are, in substance, what you responded to the
7 government but put into words that the attorney selected?

8 A. Yes, sir, that is my response back to Mr. Cole and
9 Mr. Weingarten.

10 Q. You received a copy of that letter?

11 A. Yes, sir.

12 Q. You approved of the words that your attorney used in
13 expressing your views to the government counsel?

14 A. Yes, sir.

15 Q. You thought that they did reflect your own views
16 properly, as expressed in that letter?

17 A. Yes, sir.

18 MR. LEWIN: We offer that letter in evidence.

19 MR. COLE: If I may, I have one question on voir
20 dire.

21 THE COURT: Certainly.

22 VOIR DIRE EXAMINATION

23 BY MR. COLE:

24 Q. Mr. Meade, did you read that letter before it was
25 sent?

1 A. I really don't remember, sir.

2 Q. Did you just get a copy of it after?

3 A. If I didn't read it, it really seems to me like I was
4 present when the letter was dictated. I am not for sure of
5 that, sir, but I was aware of the letter going out.

6 Q. Did you consult with your attorney on each separate
7 paragraph that was being written and each line that was being
8 written?

9 A. Not really. The letter itself, I thought, reflected,
10 again in the attorney's terms, you know, what I had to say.

11 Q. Did you write that letter with your attorney or did
12 you merely just give him information and then he went off and
13 wrote a letter?

14 A. Well, I guess he wrote the letter with the
15 information furnished by me.

16 Q. He wrote the letter himself on his own?

17 A. I really don't remember, sir, whether I was present
18 when he dictated it. I just don't remember whether I was
19 present when the letter was dictated or not. The contents of
20 the letter were certainly discussed by me, with my attorney,
21 prior to or during the time that the letter was written.

22 MR. COLE: May we approach the bench.

23 (Bench conference).

24 MR. WEINGARTEN: It is Mr. Cole's witness but I want
25 to say one word.

1 THE COURT: We will do the same for the other side
2 too, then, later.

3 MR. WEINGARTEN: The contents of the letter are from
4 Mr. Meade. He can testify about them. He has testified about
5 them already. The words of the letter are not his. They are
6 self-serving hearsay from another party. Whether or not Mr.
7 Bowie can even testify to this is another matter, but surely he
8 should not be able to introduce this letter and read from it.
9 He can testify to his heart's content about the contents but
10 the letter itself is not his.

11 MR. LEWIN: It may have been dictated when he was
12 there.

13 THE COURT: It may have been.

14 MR. LEWIN: Second of all, he says it fully and
15 accurately reflected exactly what his views are in total. He
16 received a copy of it. He discussed it before it was written
17 with his attorney. He may have discussed it as it was written
18 with his attorney. There is nothing in that letter that is not
19 his, if not by prior agreement, then by adoption.

20 THE COURT: Please keep your voice down.

21 MR. LEWIN: If not by prior agreement then by
22 adoption thereafter. So it is his words. It is as if he
23 signed the letter, except that people have attorneys so they
24 don't write the letters themselves they have their attorneys
25 write the letters. But it is as clear an adoption, as I say,

1 by prior consultation, and by subsequent approval and
2 ratification of exactly what the lawyer had said.

3 MR. WEINGARTEN: He is deprived of no evidence
4 without this letter. Mr. Meade has testified and can testify
5 to the substance. What he is deprived of is a self-serving
6 document from a defense attorney to the Department of Justice
7 trying to keep his client out of trouble. It is being offered for
8 the truth of the matter asserted.

9 MR. LEWIN: I don't care about his client. Mr.
10 Weingarten knows that. What it does is it very clearly
11 indicates that my client is not in trouble and should not have
12 been in trouble. So I don't care about his client.

13 THE COURT: I think we all clearly understand the
14 government is not posing an objection to you using the letter
15 in the sense of asking any questions that are fairly deprived
16 from the content of the letter with specificity as to whether
17 or not Mr. Meade believed that there was bribery or whether
18 Congressman Hansen had done any wrongdoing or anything of that
19 nature. I don't think that that is the problem.

20 The problem is the way the words are couched by an
21 attorney. It is no doubt that Mr. Meade has just now testified
22 that his attorney put in his attorney's words, the views that
23 he, Mr. Meade, felt that he had, reflected his views, whichever
24 term he used. The precise words are not his. I think we all
25 understood that from the testimony. He may or may not have

1 been present at the time it was dictated. He did receive a
2 copy of it.

3 He is not disputing that those are his opinions or
4 those are his views. It is the exact phraseology in a lawyer's
5 letter that goes from lawyer to lawyer, as we all know, that
6 bears some kind of contagion, and I am not going to have the
7 letter admitted at this time, over your objection, but you
8 certainly can examine thoroughly from the letter.

9 If you wish to bring Mr. Bowie in, I would say that
10 enough has been done with the examination of the letter that I
11 cannot see why Mr. Bowie can't testify as to his views as to
12 whether Mr. Meade adopted this or not.

13 MR. WEINGARTEN: I am sure we will cross that bridge
14 when we come to it.

15 THE COURT: You can make an objection at that time
16 but I think it is only fair that Mr. Lewin know if I do it this
17 way he has a right to bring Mr. Bowie in to testify as to this
18 matter. I don't want him to be diluted and get caught in the
19 cross on this one.

20 MR. COLE: Your Honor, if I may just ask a question.
21 We have no objection to Mr. Lewin asking questions concerning
22 the subject matter of the letter. We do have an objection to
23 him reading the letter and asking questions based on his
24 recitation of the letter, and we have objections concerning the
25 letter getting in through various and sundry ways.

1 THE COURT: I will note your objection, Mr. Cole, but
2 you are holding it too tight. I would suggest there are :
3 number of things here that Mr. Meade can certainly answer to
4 specifically, as to, for example, he positively affirms that
5 his entire testimony before the grand jury was absolutely true
6 to the best of his knowledge and belief both then and now.

7 MR. COLE: That question can be asked of him.

8 THE COURT: Certainly some of it can be taken from
9 the letter. Mr. Lewin knows when it is a very good possibility
10 that it is the opinion of the attorney, even if it reflects the
11 view of his client, that the change of a word or two may give a
12 different thrust, and he is going to have to know which ones he
13 can ask specifically quoting from the letter. There are others
14 he can ask questions about in general.

15 MR. COLE: Why can't he just ask the questions that
16 are contained in those phrases without having to say, did the
17 letter say?"

18 THE COURT: Because it is the art of
19 cross-examination and because he does have the right to use it
20 to that extent, where it is as clear as anything can be, that
21 those were Mr. Meade's precise assertions.

22 MR. COLE: He said nothing different to this date.
23 There is no inconsistent statement so far, Your Honor.

24 MR. WEINGARTEN: Without belaboring this point, we
25 have belabored it enough, why is that not hearsay? Why is that

1 not objectionable hearsay? what exception gets that document
2 in?

3 THE COURT: It is not in. I have just ruled that it
4 is not in.

5 MR. WEINGARTEN: If it can come in through Mr. Bowie
6 we might as well bring it in now. Why wouldn't that be hearsay,
7 selfserving hearsay?

8 THE COURT: Mr. Weingarten, we will see if it comes
9 in through Mr. Bowie, but I want Mr. Lewin to know that if he
10 brings Mr. Bowie here it is a very good chance it may get in
11 through Mr. Bowie. Part of it may get in through Mr. Meade.

12 MR. COLE: Mr. Bowie is in the courtroom right now.

13 THE COURT: In the courtroom?

14 MR. COLE: Yes. He is Mr. Meade's attorney.

15 THE COURT: Perhaps he should leave the courtroom.

16 MR. COLE: That might not be a bad idea.

17 Mr. Bowie is the first person on the Court's right
18 side from the aisle.

19 THE COURT: He has his hand up to his mouth?

20 MR. COLE: That is correct.

21 THE COURT: While he takes care of that, why don't we
22 wait here for a moment so it is not that obvious to the jury
23 what we are doing.

24 Does anyone have a copy of that letter so I can
25 follow it during the examination?

1 MR. LEWIN: I only have one copy.

2 MR. COLE: I just have the one letter.

3 THE COURT: Okay. Let's go on.

4 (End of bench conference).

5 BY MR. LEWIN:

6 Q. Is it true, Mr. Meade, that your counsel had a
7 conference with Mr. Weingarten and Mr. Cole on May 4th, 1983,
8 about this matter?

9 A. I am sorry? The question is, did my counsel have?

10 Q. A conference with Mr. Weingarten and Mr. Cole on May
11 4, 1983?

12 A. He had a conference with them. I don't recall the
13 date. It was probably in that letter, sir.

14 Q. Let me show you Defendant's Exhibit 15 and ask you
15 whether that refreshes your recollection.

16 A. Yes, sir, May 4th.

17 Q. Did you thereafter review with Mr. Bowie, who was
18 your counsel, in great detail, the factors that the government
19 discussed with your counsel?

20 A. Did I discuss in great detail with my attorney?

21 Q. Right.

22 A. Yes, sir. As well I remember, the day we returned,
23 we had that discussion in his office late that afternoon or
24 evening.

25 Q. Did your counsel advise you, pursuant to that

1 discussion, that you should make full and frank disclosure of
2 any and all information you have concerning any wrongdoing on
3 the part of Congressman Hansen as it related to the
4 investigation being conducted by Mr. Weingarten and Mr. Cole?

5 A. Yes, sir, that I should make full disclosure?

6 Q. Right.

7 A. Yes, sir.

8 Q. Did your counsel advise you that if any such full and
9 frank disclosure would incriminate you, either because of
10 inconsistencies with the testimony you had given in the grand
11 jury or because of your involvement in any transactions which
12 could be construed as bribery, it would be to your best
13 interest in the long run to offer cooperation in the
14 prosecution of the cases against Congressman Hansen, in hopes
15 of obtaining immunity for yourself? Did he so advise you?

16 THE COURT: Wait. Let him answer.

17 THE WITNESS: I don't remember all of that, sir. He
18 advised me, if I had anything that I knew of that I hadn't
19 disclosed, that I should do it and cooperate.

20 BY MR. LEWIN:

21 Q. Did he tell you it would be to your best interest in
22 the long run to offer cooperation in the hopes of obtaining
23 immunity for yourself?

24 A. Yes, sir, that is what the letter states.

25 Q. I am not asking you what the letter states. The

1 question is, do you recall that?

2 A. I really don't remember that, sir.

3 Q. Did you, at that meeting, in your mind carefully
4 review your grand jury testimony, in your mind? You didn't
5 have a transcript, did you?

6 A. No, I did not have a transcript.

7 Q. Did you, at your attorney's suggestion, review what
8 you recalled of your grand jury testimony?

9 A. Yes, in my mind, yes, sir.

10 Q. Did you affirm to your attorney to communicate to the
11 government that your entire testimony before the grand jury was
12 absolutely true, to the best of your knowledge and belief, both
13 then and now?

14 A. Yes, sir.

15 Q. Did you assure your attorney that bribery was never
16 considered, much less discussed, by you or in your presence,
17 either when you made bank loans to Mr. McAfee or Mr. Rogers, to
18 replenish resources from which they made loans to Congressman
19 Hansen?

20 A. Yes, sir.

21 Q. And also that bribery was never considered or
22 discussed by him or in your presence when you made a personal
23 loan from your individual resources directly to Congressman
24 Hansen?

25 A. Yes, sir.

1 Q. Did you also advise your attorney to communicate to
2 government counsel, on May 4, 1983, which was about one month
3 before you were going to be re-sentenced, that you had no
4 knowledge of any events which could reasonably be construed as
5 bribery of Congressman Hansen by yourself or anyone else at any
6 time?

7 A. Yes, sir.

8 Q. Did you also advise your attorney to communicate to
9 government counsel that you would be happy to cooperate with
10 government counsel in any way possible and that you felt no
11 obligation or desire to protect Congressman Hansen or anyone
12 else involved?

13 A. Yes, sir.

14 Q. Did you also advise your counsel to communicate to
15 government counsel that you could not truthfully furnish any
16 additional or different testimony other than that which you had
17 already given before the grand jury?

18 A. Yes, sir.

19 Q. Did you advise your counsel to tell government
20 counsel that if you should, at any later time, recall or learn
21 any new information which would directly or indirectly shed
22 light on their case, that you would assure them that you would
23 immediately furnish any such information to government counsel
24 through your attorney?

25 A. Yes, sir.

1 Q. And have you, in fact, come across any additional
2 information that you wanted to communicate to government
3 counsel?

4 A. No, sir.

5 Q. It is true, is it not, that that was May 4, 1983? On
6 June 3, 1983, you appeared for re-sentencing before the judge
7 in the western district of Virginia at Roanoke?

8 A. Yes, sir.

9 Q. As of May 4, 1983, you had no idea what would be the
10 result of that re-sentencing, did you?

11 A. No, sir.

12 Q. Mr. Meade, let me go back to the matter of the loan
13 to Congressman Hansen, your personal loan to Congressman Hansen,
14 November of 1981. Prior to November of 1981, you had had a
15 number of telephone conversations with the congressman, had you
16 not?

17 A. Yes, sir.

18 Q. This was after you first met him in July of 1981?

19 A. Yes, sir.

20 Q. He would occasionally call you to talk to you about
21 banking matters?

22 A. Yes, sir.

23 Q. At that time, you were president of the Miners and
24 what was the name of the bank?

25 A. Miners & Merchants Bank.

1 Q. Miners & Merchants Bank. You were a respected bar
2 were you not, in your community?

3 A. I would like to think I was, yes, sir.

4 Q. You had substantial expertise on banking matters?

5 A. Supposedly, yes, sir.

6 Q. He talked to you about questions relating to banking
7 on the telephone, did he not?

8 A. Yes, sir.

9 Q. There came a time, did there not, sometime in
10 November, when he asked you on the telephone whether you would
11 be able to provide funds for the book that you had had a copy
12 of?

13 A. Well, it was to provide funds again for the
14 publishing, distribution or whatever, of a book or books.

15 Q. Of a book or books?

16 A. Yes, sir.

17 Q. That is how it was put to you on the telephone?

18 A. Yes, sir.

19 Q. It is a fact, is it not, that as a result of that
20 conversation you didn't immediately say, "Yes, I will give you
21 a loan"?

22 A. No, I did not.

23 Q. You said to him, "Why don't you come down and visit
24 with me and we will talk about it"?

25 A. That is right, sir.

1 Q. Did there come a time, just shortly thereafter, when
2 he did fly down to visit with you?

3 A. Yes, sir.

4 Q. Now, what is the closest airport to where you are?

5 A. Tri-city Airport, which is located near Kingsport,
6 Tennessee.

7 Q. Near Kingsport, Tennessee. Mr. Meade, how long a
8 drive is it from there to, is it a farm or ranch you have down
9 there?

10 A. It is a farm.

11 Q. How long a ride is it?

12 A. At the place I was living at the time that the loan
13 was made, it was approximately an hour and a half.

14 Q. An hour and a half?

15 A. An hour to an hour and a half.

16 Q. Drive?

17 A. Yes, sir.

18 Q. Now, did Congressman Hansen come down to visit with
19 you alone or with somebody else?

20 A. His wife accompanied him.

21 Q. His wife accompanied him on that trip?

22 A. Yes, sir.

23 Q. Was that over a weekend?

24 A. Yes, sir.

25 Q. Do you recall when he came down, when his plane

1 arrived?

2 A. You mean as to the hour?

3 Q. No, I don't mean the exact hour. Just give me the
4 day and whether it was morning or afternoon.

5 A. Well, it was on a Saturday, and it was evening.

6 Q. It was evening is when they arrived?

7 A. Yes, sir.

8 Q. Did you pick them up at the airport?

9 A. No, sir. I believe I had a friend of mine pick them
10 up at the airport.

11 Q. Again, at the time the congressman arrived, you still
12 had not made up your mind whether you were going to give him a
13 loan, did you?

14 A. That is correct, sir.

15 Q. When did you actually meet over that weekend face to
16 face with the congressman and Mrs. Hansen? Did you meet with
17 them Saturday night?

18 A. Yes, I met with them Saturday night.

19 Q. For how long?

20 A. We had dinner together, in the presence of a number
21 of other people, and then I drove them to a motel near my home.
22 They spent the night in the motel and then I picked them up the
23 following morning.

24 Q. You had breakfast Sunday morning?

25 A. Yes, sir.

1 Q. Is it a fact that the matter of the loan was not
2 discussed Saturday night?

3 A. To my memory, it was not discussed Saturday night.

4 Q. So it was first discussed on Sunday?

5 A. To the best of my memory, yes, sir.

6 Q. Now, at that breakfast, was it yourself and the
7 Hansens, or were there other people present?

8 A. My wife and children were present.

9 Q. But there were no outsiders besides your wife and
10 children and the Hansens?

11 A. No, sir.

12 Q. Now, did there come a time, after breakfast, when you
13 and Congressman Hansen went off to another room to discuss the
14 matter of this loan?

15 A. Yes, sir.

16 Q. Could you describe for us, where did you go?

17 A. Where did we go?

18 Q. Yes.

19 A. I had an office in my home, and so he and I went into
20 my office and discussed it.

21 Q. When he discussed the loan with you at that point,
22 did he tell you that there was an organization, this was
23 November, that had been formed with regard to the matter of
24 this book or these books?

25 A. An organization had been discussed with me at

1 probably that time, sir, but I don't recall, having that
2 discussion that day. But an organization, or Congressman
3 Hansen had discussed with me, or I had knowledge, I guess, that
4 there was an organization, or there was to be an organization
5 at the time, at the time of this conversation.

6 Q. So it is your recollection that either prior to that
7 meeting, that Sunday morning, in your office, or at the meeting,
8 the matter of an organization was discussed between yourself
9 and the congressman?

10 A. Yes, sir.

11 Q. Was it your understanding that it would be this
12 organization that would be responsible for the mailings
13 relating to this book?

14 A. Well, sir, to be honest with you, I don't know that I
15 understood all about the organization. But it was my
16 understanding that the proceeds of my loan would be used in a
17 mass mailing, publishing or promoting of the book or books.

18 Q. In fact, I think you testified in answer to Mr. Cole,
19 that you really anticipated this would be a short term loan, it
20 would be repaid in a matter of months, is that right?

21 A. Yes.

22 Q. Is it not a fact that the reason you viewed it as a
23 short term loan is that the anticipation was that there would
24 be a mass mailing and funds would come in as a result of the
25 mass mailing?

1 A. Yes, sir.

2 Q. So that was discussed between yourself and the
3 congressman?

4 A. Yes, sir.

5 Q. That whatever it is that was being done with this
6 book would require an additional investment for a mass mailing?

7 A. Yes, sir.

8 Q. Is that right?

9 A. Yes, sir.

10 Q. And that the funds were really intended to be used
11 for such a mailing?

12 A. Well, I don't know that it was specified that my
13 money would go to the mass mailing or the publishing or
14 something else within that.

15 Q. But it was in that area, it had to do and you
16 understood there would be a mailing and that funds would come
17 in as a result of that mailing?

18 A. Yes, sir.

19 Q. The expectation was that as a result of funds coming
20 in from that mailing, that the loan that you made would be paid
21 back?

22 A. Yes, sir.

23 Q. In fact, shortly thereafter, you did receive a letter
24 that was a result of that mass mailing, didn't you? You
25 personally received a solicitation?

1 A. I personally received a letter, yes, sir. I don't
2 remember exactly the date that I received it, but I did receive
3 one, yes, sir.

4 Q. Do you remember that the letter came from the
5 Association of Concerned Taxpayers?

6 A. No, sir, I don't remember the name.

7 Q. You don't remember the name. But you do remember
8 when you received that letter, you said, "This is the thing
9 Congressman Hansen was talking about," is that correct?

10 A. Yes, sir.

11 Q. Now, after this meeting that you had with Congressman
12 Hansen in which this was discussed, you then decided you would
13 give him the loan for that purpose? Was it as a result of this
14 discussion with Congressman Hansen that you decided that you
15 would provide the loan for that purpose?

16 A. Well, yes, it was after we had that discussion that
17 morning that I decided to let him have the money, yes, sir.

18 Q. It was shortly thereafter that you went to the bank,
19 as you testified in your direct testimony, and made out the
20 cashier's check that you have identified, is that right?

21 A. Yes, sir.

22 Q. It was at that point that you also had the
23 congressman sign the note evidencing that obligation, is that
24 correct?

25 A. I really just don't remember exactly where the note

1 was signed. It was probably signed in the bank. I really
2 don't remember exactly.

3 Q. Were you confident that the loan would be repaid?

4 A. Yes, sir, or I wouldn't have made it.

5 Q. Could you tell us why you were confident that the
6 loan would be repaid?

7 A. Well, sir, again, being a country banker, sir, I
8 guess I had, over the years, either learned or did base my loan
9 decisions or credit decisions on character and, for lack of a
10 better word, sir, gut feelings. It just happened to be that I
11 felt like that Congressman Hansen's philosophy was similar to
12 my philosophy, and his religious background and so forth that,
13 again, I just had the feeling, and I even mentioned that, I
14 believe, to my wife, that I felt like the loan would be repaid.

15 Q. You say political philosophy.

16 A. No, I didn't say political. I just said philosophy.

17 Q. What did you mean about philosophy?

18 A. We used to discuss interest rates and as to what the
19 government should be doing in the realm of banking and
20 regulations and so forth, just general conversations of this
21 nature. To me, it doesn't take you too long to learn whether a
22 person's thinking is compatible along your lines of thinking.

23 Q. You thought his thinking was similar to yours in that
24 regard?

25 A. Yes, sir.

1 Q. You speak about his religious background. You knew
2 his religious identification?

3 A. Yes, sir.

4 Q. You knew he was a member of the Church of Latter Day
5 Saints, known as the Mormons?

6 A. Yes, sir.

7 Q. Did you have particular views regarding whether that
8 is a credit worthy group of people?

9 A. Yes, sir. I had never loaned to a Mormon that didn't
10 live up to his obligations.

11 Q. Did it enter into your appraisal of the credit
12 worthiness of that loan that you expected that it would be paid
13 back out of proceeds of a mailing? Did you take that into
14 account?

15 A. Well, sir, you know, I sure felt like that the loan
16 was going to be repaid, and it was my understanding that, I
17 guess, that the source of funds or the source of re-payment was
18 going to come from the publishing or promotion of these books.

19 Q. So you took that into account? You expected that the
20 re-payment would be from that direct mail that had been
21 discussed with you?

22 A. Well, yes, sir, I took that into account.

23 Q. Now, the money that you provided for this loan, that
24 was your own personal funds, is that right? It wasn't bank
25 funds?

1 A. It wasn't bank funds, no, sir.

2 Q. The interest rate that you put on the note was pretty
3 good interest rate, if interest had to be paid? It was prime.
4 rate, plus one percent?

5 A. Yes, sir, that is more than I could have gotten out
6 of another type of investment.

7 Q. Is it true that that was a time of the year, in
8 November, when you, because of your cattle business, had a
9 substantial amount of cash personally?

10 A. Yes, sir.

11 Q. So you were prepared to make a loan at that time of
12 the year because the cash was available?

13 A. Yes, sir.

14 Q. In fact, Mr. Meade, you have made other unsecured
15 loans to people at even far better terms than you offered
16 Congressman Hansen, isn't that true?

17 A. Well, I have made loans to other people. As to the
18 terms, sir, I don't remember. I guess it would depend on at
19 the time that may be the loan was made that the terms could
20 have been better.

21 Q. You have mentioned Mr. Fancher, for example. Shortly
22 before, in August of 1981, you lent Mr. Fancher of Australia,
23 \$34,945.47 interest free, didn't you?

24 A. Yes, sir.

25 Q. You loaned a group called the Big Cedar Sportswear

1 Association?

2 A. Sportsman.

3 Q. Sportsman Association, in March of 1981, you loaned
4 them \$68,000 interest free?

5 A. No, sir, that wasn't to be interest free, I don't
6 believe. Although I don't believe I collected the interest but
7 I don't believe it was to be interest free.

8 Q. Let me show you the note.

9 DEPUTY CLERK: Defendant's Exhibit 16 marked for
10 identification.

11 (Whereupon, Defendant's Exhibit No.
12 16 was marked for identification).

13 DEPUTY CLERK: Defendant's Exhibit 17 marked for
14 identification.

15 (Whereupon, Defendant's Exhibit No.
16 17 was marked for identification).

17 BY MR. LEWIN:

18 Q. First let me show you Defendant's Exhibit 17 for
19 identification. That is the IOU of Mr. Fancher for the other
20 loan that you told us about, isn't that right?

21 A. Yes, sir.

22 Q. The interest free loan?

23 A. Yes, sir.

24 Q. Defendant's Exhibit 16 for identification, is that a
25 copy of the note on the \$68,000 loan that you made?

1 A. Yes, sir.

2 Q. To the Big Cedar Sportsman Association?

3 A. Yes, sir.

4 Q. In fact, there is no interest figure at all written
5 into that note?

6 A. There is no interest figure written into the note,
7 no, sir.

8 Q. In fact, you say you haven't recovered anything on
9 that note?

10 A. No, sir, I haven't.

11 MR. LEWIN: We offer both Defendant's 16 and
12 Defendant's 17 into evidence.

13 MR. COLE: May I see them, Your Honor?

14 THE COURT: Surely.

15 MR. COLE: Play we approach the bench?

16 THE COURT: Yes.

17 (Bench conference)

18 MR. COLE: I frankly don't see what the relevance of
19 these are to the issues in trial. I would like a proffer from
20 Mr. Lewin.

21 MR. LEWIN: The government is making a big to-do
22 about the fact that this man lent \$50,000 to a congressman.
23 They are making all kinds of innuendoes about it. This man was
24 in the business, I am not talking about his bank, but he was
25 loaning -- he apparently has a lot of money -- he was loaning,

1 making interest-free loans to lots of other people.

2 Indeed, let me say this, the government asked this
3 man -- if they think it is not relevant, it is extraordinary --
4 they asked this man in the grand jury whether he makes other
5 similar loans. He said, "Yes, I do."

6 They said, "Could you provide us evidence of it?"

7 He said, "All right. I will."

8 He responded in a letter. That is how we have these
9 notes because the government produced it, I think appropriately.
10 The government has made it relevant.

11 THE COURT: Are these from his own files? He says
12 the other one was. The question wasn't asked.

13 MR. LEWIN: Yes.

14 THE COURT: Other than that, they can come in to
15 substantiate that these are the loans. You are not going to go
16 through every loan that he ever made?

17 MR. LEWIN: No. There is a thick file of loans, but
18 these are the big ones.

19 THE COURT: All right. Assuming that he testifies
20 that these are from the monies, so you show some relationship
21 here, that this is a practice of his, we will then take our
22 break that I promised the jurors they would have, which they
23 didn't have earlier.

24 I also see a new reporter is coming to substitute for
25 our present reporter. All right?

1 MR. LEWIN: Should I first ask the witness that then
2 we will break?

3 THE COURT: Yes.

4 (End of bench conference)

5 THE COURT: Mr. Meade, please come back for a moment
6 or two and then we will recess for our jurors.

7 BY MR. LEWIN:

8 Q. The loans on Defendant's 16 and Defendant's 17, Mr.
9 Meade, those were loans from your personal funds?

10 A. Yes, sir.

11 Q. The same as your personal funds were used for the
12 loan for Congressman Hansen?

13 A. Yes, sir.

14 MR. LEWIN: I offer them in evidence, Your Honor.

15 MR. COLE: No objection.

16 THE COURT: They are in evidence without objection.

17 (Whereupon, Defendant's Exhibit Nos.

18 16,17 were received into evidence)

19 THE COURT: We are going to take a recess, ladies and
20 gentlemen, for about ten minutes. Hopefully, those materials
21 are there now. My marshal has been sending me signals, to in-
22 cate, if I read them correctly, that something is there for you.

23 Remember, don't talk about the case. We will have a
24 ten minute recess for all of us.

25 (Recess at 5:00 p.m.)

1
2 AFTER RECESS:

3 THE COURT: WHILE WE WERE TAKING A RECESS, MY
4 SECRETARY CAME IN WITH AN OFFICE CARD FROM MR. BOWIE. I DO NOT
5 SEE MR. BOWIE. I SUGGEST HE TALK TO COUNSEL ABOUT HIS POSITION.
6 HE IS BACK IN THE COURTROOM AND THE COUNSEL HAVE NO PROBLEM?

7 MR. LEWIN: WE HAVE NO PROBLEM. WE DO NOT INTEND TO
8 CALL MR. BOWIE.

9 THE COURT: I AM GLAD TO SEE MR. BOWIE BACK IN THE
10 COURTROOM, AND I HOPE HE UNDERSTANDS WHY THE COURT COULD NOT
11 SEE HIM.

12 BRING IN THE JURY. MARSHALS TELL ME THE JURY IS VERY
13 HAPPY. IT MAY BE THE BEVERAGE WHICH, FOR THE RECORD, IS SOFT
14 DRINKS OR COKE OR COFFEE.

15 (JURY ENTERS AT 5:22 P.M.)
16 WHEREUPON,

17 JOHN MEADE.
18 WITNESS CALLED BY THE GOVERNMENT, HAVING BEEN PREVIOUSLY SWORN,
19 RESUMED THE STAND AND TESTIFIED AS FOLLOWS:

20 THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, LET'S
21 CONTINUE WITH THE TESTIMONY. MR. LEWIN.

22 CROSS-EXAMINATION (CONTINUED)

23 BY MR. LEWIN.

24 Q. MR. MEADE, THERE WAS TESTIMONY, YOU RECALL ON YOUR
25 DIRECT EXAMINATION ABOUT THIS EFFORT TO GET THE PERSONNEL FROM

1 WHAT WAS IT, THE REDSTONE ARSENAL?

2 A. YES, SIR.

3 Q. TO GO TO AUSTRALIA?

4 A. YES, SIR.

5 Q. AND THOSE EFFORTS WERE DIRECTED TOWARDS JUST GETTING
6 TWO PARTICULAR INDIVIDUALS WHO WERE AT THE REDSTONE ARSENAL TO
7 MAKE A SCIENTIFIC EVALUATION IN AUSTRALIA, THAT IS WHAT YOU
8 WERE TRYING TO GET TO HAVE DONE?

9 A. ONE, TWO OR MORE. I DON'T KNOW IF THERE WAS EVER A
10 DEFINITE NUMBER SET.

11 Q. YOU HAD, ULTIMATELY, CONVERSATIONS WITH ONE OF THESE
12 INDIVIDUALS AFTER YOU WERE NOT ABLE TO GET PERMISSION FOR HIM
13 TO GO TO AUSTRALIA, IN WHICH HE RECOMMENDED OTHER EXPERTS FOR
14 YOU WHO COULD GO TO AUSTRALIA, IS THAT RIGHT?

15 A. YES, SIR, SOMEBODY. I DON'T REMEMBER EXACTLY WHO, BUT
16 SOMEBODY ALONG THE LINE RECOMMENDED SOME OTHERS THAT WERE
17 QUALIFIED TO GO.

18 Q. IN FACT, THERE WERE TWO PHYSICS PROFESSORS AT AUBURN
19 UNIVERSITY WHO ENDED UP GOING TO AUSTRALIA INSTEAD OF THE
20 PEOPLE AT THE REDSTONE ARSENAL, ISN'T THAT RIGHT?

21 A. NOT TO MY KNOWLEDGE.

22 Q. NO? DID YOU EVER HEAR THE NAME OF BOB KRIBEL, WHO WAS
23 THE HEAD OF AUBURN UNIVERSITY'S PHYSICS DEPARTMENT?

24 A. IT DOESN'T RING A BELL TO ME, SIR. I DON'T KNOW. IF
25 I HAVE HEARD HIS NAME IT HAS BEEN IN A CONVERSATION SOMETIME

1 AND I DON'T REMEMBER THE NAME, NO, SIR.

2 Q AND THE NAME AUBURN UNIVERSITY DOESN'T RING A BELL?

3 A. YES, SIR, AUBURN UNIVERSITY WAS MENTIONED BY SOMEONE.

4 Q. AND IS IT YOUR TESTIMONY THAT YOU DON'T KNOW WHETHER
5 ANYBODY EVER WENT OVER TO CHECK THOSE FROM THE UNITED STATES?

6 A. NO, SIR. TO MY KNOWLEDGE NOBODY WENT.

7 Q. DID YOU EVER FLY EITHER OF THOSE GENTLEMEN, A
8 PROFESSOR KRIBEL OR PROFESSOR WILLIAMS, FROM AUBURN UNIVERSITY,
9 TO AUSTRALIA FOR THAT PURPOSE?

10 A. DID I EVER FLY THEM?

11 Q. YES?

12 A. NO, SIR.

13 Q. IN FACT, HOWEVER, ALL THAT THE PEOPLE AT REDSTONE
14 ARSENAL HAD WAS SCIENTIFIC EXPERTISE. IT IS NOT THAT THEY HAD
15 ANY PARTICULAR GOVERNMENT CONNECTION YOU WERE LOOKING FOR. YOU
16 WERE LOOKING FOR THE RIGHT SCIENTIST TO MAKE THE RIGHT
17 EVALUATION?

18 A. WE WERE LOOKING FOR THE RIGHT PEOPLE, AND THESE PEOPLE,
19 THE NAMES OF THOSE PEOPLE HAD BEEN GIVEN. WELL, I DON'T
20 REMEMBER WHETHER THEY HAD BEEN GIVEN TO ME FIRST, CARL MCAFEE
21 FIRST OR WHO, BUT THEY WERE GIVEN TO SOME OF US FIRST BY WILEY
22 FANCHER, I GUESS IT WOULD HAVE BEEN.

23 Q. DID YOU, IN THESE CONVERSATIONS, DID YOU REMEMBER THE
24 NAME OF A THOMAS MILLER, FROM THE REDSTONE ARSENAL?

25 A. YES, SIR, I REMEMBER THE NAME.

1 Q. DO YOU REMEMBER MEETING AND SPEAKING WITH MR. MILLER?

2 A. AS WELL AS I REMEMBER, THERE WAS 3 OR 4 THAT WE MET
3 AND TALKED TO, AND I REALLY DON'T REMEMBER, YOU KNOW, JUST
4 WHETHER IT WAS MILLER, BUT ANYWAY THERE WAS 3 OR 4 SCIENTISTS
5 OR PHYSICISTS THAT WE MET AND TALKED TO.

6 Q. AND HAVE YOU SEEN ANY OF THOSE 3 OR 4 SCIENTISTS OR
7 PHYSICISTS SINCE THE TIME YOU HAD THESE DISCUSSIONS?

8 A. NO, SIR, I HAVEN'T.

9 Q. YOU HAVEN'T SEEN THEM TODAY, FOR EXAMPLE, IN THE
10 COURTHOUSE?

11 A. NO, I HAVEN'T.

12 Q. NOBODY THAT YOU RECOGNIZE?

13 A. WELL, IF I SAW THEM I DIDN'T RECOGNIZE THEM.

14 Q. WITH REGARD TO MR. MILLER, DID YOU EVER OFFER TO SEND
15 A PLANE DOWN TO ALABAMA TO PICK MR. MILLER UP AND TAKE HIM DOWN
16 TO VIRGINIA, AND SPEND A WEEKEND ON YOUR FARM?

17 A. I DON'T RECALL THAT, SIR, BUT IT CERTAINLY WOULDN'T
18 HAVE BEEN OUT OF THE ORDINARY FOR ME TO HAVE MADE SUCH A
19 GESTURE, I GUESS.

20 Q. DID YOU EVER TELL MILLER THAT YOU WERE PREPARED TO PUT
21 FIVE MILLION DOLLARS OF YOUR OWN MONEY INTO THIS PROJECT?

22 A. NO, SIR, I DON'T REMEMBER. I DON'T REMEMBER THAT.

23 Q. DID YOU EVER TELL MILLER THAT YOU WOULD CUT HIM IN ON
24 ALL PROFITS FROM THIS HYDROGEN CAR?

25 A. NO, SIR, I DON'T RECALL HAVING SAID THAT, SIR.

1 Q. DID YOU EVER OFFER TO THESE INDIVIDUALS AT REDSTONE
2 ARSENAL THAT YOU WOULD MAKE THEM EQUAL PARTNERS IN THIS VENTURE
3 IF THEY WOULD DOWN DOWN THERE?

4 A. I DON'T EVER RECALL EVER MAKING AN OFFER. IN FACT, I
5 DON'T RECALL HAVING DONE ANYTHING OTHER THAN THE POSSIBILITY
6 MAYBE OF MAKING THE STATEMENT THAT, YOU KNOW, THAT WE COULD
7 FURNISH THEIR EXPENSES OR WHATEVER, IF THEY WOULD GO MAKE THE
8 TEST.

9 Q. NOW, YOU WERE ASKED, AND MR. COLE READ TO YOU FROM
10 YOUR GRAND JURY TESTIMONY, IN WHICH YOU WERE ASKED WHETHER YOU
11 HAD EVER ASKED --

12 THE COURT: EXCUSE ME, WHAT PAGE?

13 BY MR. LEWIN.

14 Q. -- PAGE 24 OF YOUR GRAND JURY TESTIMONY -- WHETHER
15 YOU HAD EVER ASKED MR. MILLER IF A CALL FROM CONGRESSMAN HANSEN
16 FROM IDAHO MIGHT HELP CHANGE HIS MIND AS FAR AS WHETHER HE
17 COULD GO ON HIS OWN IN SPITE OF ARMY ORDERS. DO YOU REMEMBER
18 HE READ YOU THAT SERIES OF QUESTIONS AND ANSWERS FROM YOUR
19 GRAND JURY TESTIMONY?

20 A. AS WELL AS I REMEMBER THAT IS WHAT HE READ.

21 Q. I THINK YOU TESTIFIED THAT IT SEEMED TO YOU -- HE
22 SHOWED YOU YOUR GRAND JURY TESTIMONY AND YOU TESTIFIED, IT
23 SEEMED TO YOU LIKE YOU DID SAY THAT TO MR. MILLER?

24 A. I BELIEVE I READ FROM THE GRAND JURY TESTIMONY, YES,
25 SIR.

1 Q. RIGHT. AND ISN'T IT A FACT -- STRIKE THAT. IN FACT,
2 YOU DIDN'T HAVE ANY CONVERSATION WITH CONGRESSMAN HANSEN IN
3 WHICH YOU SUGGESTED THAT CONGRESSMAN HANSEN SHOULD CALL MR.
4 MILLER, DID YOU?

5 A. NOT THAT I REMEMBER TODAY, SIR.

6 Q. IN OTHER WORDS, THIS WAS SOMETHING THAT YOU SAID TO
7 MR. MILLER, AND I SHOW YOU YOUR GRAND JURY TESTIMONY, IN ORDER
8 TO FIND OUT WHETHER MR. MILLER WAS JOB-SCARED?

9 THE COURT: EXCUSE ME. HAVE YOU GONE TO ANOTHER PAGE?

10 MR. LEWIN: PAGE 25.

11 THE COURT: ALL RIGHT.

12 THE WITNESS: I AM SORRY. REPEAT THAT?

13 BY MR. LEWIN.

14 Q. DID YOU, IN FACT, SAY THAT TO MR. MILLER, IF YOU SAID
15 IT -- IF, INDEED, YOU DID SAY IT TO HIM -- JUST TO TEST TO
16 SEE WHETHER HE WAS SCARED FOR HIS JOB AND THAT WAS THE REASON
17 WHY HE WAS NOT GOING, HE WAS JOB-SCARED?

18 A. WELL, SIR, I GOT THE IMPRESSION FROM SOME OF THE
19 CONVERSATIONS THAT I HAD WITH SOME OF THESE PHYSICISTS AND I
20 REALLY DON'T REMEMBER THE NAMES, WHETHER IT COULD HAVE BEEN
21 MILLER, GREEN OR WHICH ONE, THAT THEY WERE POSSIBLY JOB-SCARED.

22 Q. BY WHICH YOU -- BY WHAT YOU MEAN WHAT, WHAT DO YOU
23 MEAN BY JOB-SCARED?

24 A. WELL, THEY WERE SCARED THAT THEY WOULD EITHER GET
25 FIRED FROM THEIR POSITION. WHATEVER JOB-SCARED MEANS. TO ME I

1 PROBABLY HAVE MY OWN DEFINITION AND IT WOULD BE HARD FOR ME TO
2 PUT THAT INTO WORDS.

3 Q IN OTHER WORDS, YOU WERE TESTING TO SEE WHETHER THEY
4 HAD BEEN THREATENED BY THEIR SUPERIORS IN SOME WAY?

5 A. WELL, I GUESS YOU COULD SAY THAT, YOU KNOW, THAT THEY
6 MIGHT HAVE BEEN.

7 Q. SO THAT EVEN IF THERE WAS NO BASIS FOR THINKING THAT
8 CONGRESSMAN HANSEN WOULD MAKE ANY CALL TO MR. MILLER, YOU WERE
9 SAYING TO MR. MILLER, WOULD IT AFFECT YOU IF CONGRESSMAN HANSEN
10 CALLED YOU, IS THAT WHAT YOU WERE SAYING?

11 A. YES, SIR.

12 Q. O. K.

13 A. OR, I WAS SAYING WOULD THIS HAVE ANY BEARING ON YOUR
14 BEING WILLING TO GO OR NOT.

15 Q. O. K., BECAUSE YOU WERE TESTING HIM?

16 A. YES, SIR.

17 Q. NOW, THERE HAS BEEN SOME TESTIMONY IN YOUR DIRECT
18 EXAMINATION ABOUT THE CIRCUMSTANCES OF REPAYMENT OF THAT 50
19 THOUSAND DOLLARS LOAN. YOU RECALL THAT, AND YOU TESTIFIED I
20 BELIEVE THAT IT WAS REPAID IN FEBRUARY OR MARCH OF THIS YEAR?

21 A. SORRY. WAS THE QUESTION THAT THERE WAS SOME QUESTION
22 AS TO THE REPAYMENT? YES, SIR.

23 Q. YES.

24 A. YES, SIR.

25 Q. IT IS TRUE, IS IT NOT, MR. MEADE, THAT YOU BEGAN

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1 CORRESPONDING WITH CONGRESSMAN HANSEN ABOUT THE REPAYMENT OF
2 THAT LOAN ORIGINALLY IN FEBRUARY OF 1983? YOU REMEMBER THAT,
3 IN WHICH YOU ASKED HIM IN A LETTER, TO PLEASE REPAY THE LOAN AT
4 THAT POINT?

5 A. I SENT HIM A LETTER, SIR, AND AS WELL AS I REMEMBER,
6 IT WAS SOMEWHERE IN THAT TIME FRAME. I DON'T REMEMBER THE DATE
7 OF THAT LETTER.

8 Q. AND YOU HAD YOUR ATTORNEY, MR. BOWIE, SEND HIM A
9 LETTER AS WELL?

10 A. YES, SIR.

11 Q. IN ABOUT APRIL OF 1983?

12 A. AGAIN, I DON'T REMEMBER THE DATE, BUT I DID HAVE MR.
13 BOWIE SEND HIM A LETTER, YES, SIR, IN '83.

14 Q. NO PAYMENT ON THE LOAN WAS MADE IN 1983, HOWEVER, IS
15 THAT RIGHT?

16 A. NO PAYMENT WAS MADE ON THE LOAN, IN '83, YES, SIR.

17 Q. BUT AFTER YOUR ATTORNEY SENT HIM A LETTER IN APRIL OF
18 1983, IT IS A FACT, IS IT NOT, THAT YOU HAD YOUR ATTORNEY FILE
19 A LAWSUIT?

20 A. YES, SIR.

21 Q. AND IN FACT, ON JUNE 30TH, 1983, THAT LAWSUIT WAS
22 FILED IN THE CIRCUIT COURT FOR THE COUNTY OF ARLINGTON, IS THAT
23 TRUE?

24 A. WELL, SIR, I DON'T KNOW THE DATES, SIR, BUT IT WAS
25 FILED.

1 Q. YOU DO KNOW THAT A LAWSUIT WAS FILLED?

2 A. YES.

3 Q. AND DO YOU ALSO KNOW THAT THERE WAS SOME SKIRMISHING
4 OVER THAT ORIGINAL COMPLAINT THAT YOU FILED IN COURT?

5 A. YES, SIR.

6 Q. BECAUSE, IN FACT, THE NOTE DIDN'T EVEN HAVE A PAYEE ON
7 THAT NOTE, RIGHT?

8 A. THAT IS CORRECT, SIR.

9 Q. IT DIDN'T HAVE YOUR NAME AS THE PERSON TO WHOM THE
10 NOTE SHOULD BE PAID?

11 A. THAT IS CORRECT, SIR.

12 Q. AND IT IS A FACT, TOO. IS IT NOT, THAT IN JANUARY OF
13 THIS YEAR, WHILE THE LAWSUIT WAS STILL PENDING, YOUR ATTORNEY
14 HAD CONVERSATIONS WITH MR. CAMPBELL, SITTING THERE AT DEFENSE
15 TABLE REGARDING THE SETTLEMENT OF THAT LAWSUIT, IS THAT RIGHT?

16 A. YES, CONVERSATION WITH A MR. CAMPBELL, AND I ASSUME
17 THAT THIS IS THE ONE.

18 Q. I DON'T SUGGEST THAT YOU HAVE MET MR. CAMPBELL, BUT I
19 TELL YOU THAT IS MR. CAMPBELL, RIGHT?

20 A. ALL RIGHT.

21 Q. AND IN FACT, PURSUANT TO THAT LETTER AND NEGOTIATIONS,
22 LET ME SHOW YOU --

23 MR. LEWIN: I'LL JUST MARK THAT FOR IDENTIFICATION,
24 DEFENDANT'S EXHIBIT 18 FOR IDENTIFICATION, DEFENDANT'S EXHIBIT
25 19 FOR IDENTIFICATION.

1 (WHEREUPON, THE DOCUMENTS REFERRED
2 ABOVE WERE MARKED DEFENDANT'S EXHIBITS NOS.
3 18 AND 19 FOR IDENTIFICATION.)

4 BY MR. LEWIN.

5 Q. YOU RECALL THE EXACT DATE THAT THE MATTER WAS SETTLED,
6 THE LAWSUIT WAS SETTLED AND PAYMENT WAS PAID ON THOSE NOTES?

7 A. NO, SIR, I DON'T.

8 Q. LET ME SHOW YOU DEFENDANT'S EXHIBITS 18 AND 19 FOR
9 IDENTIFICATION AND SEE IF THAT WILL REFRESH YOUR RECOLLECTION
10 AS TO WHEN THAT PAYMENT WAS MADE ON THAT NOTE?

11 DOES THAT REFRESH YOUR RECOLLECTION AS TO THE DATE?

12 A. YES, SIR.

13 Q. AND WHAT DATE WAS IT?

14 A. THIS LETTER IS DATED FEBRUARY 9, 1984.

15 Q. AND ATTACHED TO IT IS A PHOTOCOPY OF A CHECK?

16 A. YES, SIR.

17 Q. AND WHAT IS THE DATE OF THAT CHECK?

18 A. FEBRUARY 8, 1984.

19 Q. AND IS THAT A COPY OF THE CHECK WHICH PAID OFF THAT
20 LOAN?

21 A. YES, SIR, I BELIEVE IT IS.

22 Q. AND THAT RESULTED IN SETTLEMENT OF THE TIME LAWSUIT
23 YOU HAD FILED AGAINST CONGRESSMAN HANSEN?

24 A. YES, SIR.

25 MR. LEWIN: I HAVE NO FURTHER QUESTIONS.

1 THE COURT. REDIRECT?

2 MR. COLE: JUST A FEW THINGS, YOUR HONOR.

3 REDIRECT EXAMINATION

4 BY MR. COLE:

5 Q. MR. MEADE, YOU SAID YOU HAD A CONVERSATION WITH
6 CONGRESSMAN HANSEN ABOUT THE BOOK WHEN YOU MADE THE LOAN, IS
7 THAT RIGHT?

8 A. YES, SIR.

9 Q. THAT WAS THE IRAN BOOK THOUGH, WASN'T IT? IT WAS NOT
10 A BOOK ABOUT IRS?

11 A. NO, I BELIEVE WE DISCUSSED BOTH BOOKS.

12 Q. WEREN'T YOU PRIMARILY INTERESTED AND ACTUALLY
13 PROMOTING THE BOOK ON IRAN MORE THAN THE BOOK ON IRS?

14 A. I REALLY WAS MORE "ENTHUSED" ABOUT PROMOTING THE BOOK
15 ON IRAN THAN I WAS THE I. R. S. YES, SIR.

16 Q. AND WASN'T THAT WHAT YOU WERE REALLY INTERESTED IN,
17 WAS THAT IRAN BOOK?

18 A. WELL, I GUESS I WAS INTERESTED IN BOTH, BUT YES, I WAS
19 MORE INTERESTED IN THE IRANIAN.

20 Q. DIDN'T YOU TESTIFY IN THE GRAND JURY YOU WERE MORE
21 INTERESTED IN THE IRAN BOOK?

22 A. YES, SIR, I BELIEVE I DID.

23 Q. AND THAT LETTER YOU RECEIVED, THAT DIDN'T SAY ANYTHING
24 ABOUT IRAN, DID IT?

25 A. I AM SORRY, WHAT LETTER?

1 Q. THAT LETTER YOU RECEIVED THAT WAS SUPPOSEDLY SOME
2 SOLICITATION LETTER OUT OF CONGRESSMAN HANSEN'S ORGANIZATION,
3 THAT DIDN'T CONCERN, IRAN DID IT?

4 A. I DON'T REMEMBER WHAT THAT CONCERNED OR WHAT IT SAID.

5 Q. YOU DON'T REMEMBER WHAT IT SAID?

6 A. TODAY, I DON'T REMEMBER, NO SIR.

7 Q. AND YOU DON'T REMEMBER WHAT IT CONCERNED?

8 A. WELL, IT CONCERNED, AS WELL AS I REMEMBER IT CONCERNED
9 THE PROMOTION OF THE IRS BOOK.

10 Q. BUT IT DIDN'T MENTION ANYTHING ABOUT IRAN DID IT?

11 A. I DON'T REMEMBER IT MENTIONING ANYTHING ABOUT IRAN,
12 NO, SIR.

13 Q. WHEN YOU WERE TOLD THERE WAS GOING TO BE A PROMOTION
14 ON THIS BOOK, YOU WERE TOLD THERE WAS GOING TO BE A PROMOTION
15 FOR A COMMERCIAL VENTURE, WEREN'T YOU, MR. MEADE?

16 A. BY COMMERCIAL YOU MEAN?

17 Q. TO MAKE MONEY?

18 A. TO MAKE MONEY OR TO BE PROFITABLE?

19 Q. YES.

20 A. I DON'T REMEMBER HOW THAT WAS SAID, SIR, BUT IT IS MY
21 UNDERSTANDING THAT THEY WOULD BE FUNDS GENERATED SUFFICIENT
22 ENOUGH TO REPAY MY LOAN.

23 Q. MR. MEADE, DON'T YOU RECALL TALKING TO ME IN ROANOKE,
24 VIRGINIA, ABOUT A WEEK AGO TELLING ME IN THE PRESENCE OF YOUR
25 ATTORNEY THAT YOU UNDERSTOOD IT TO BE A COMMERCIAL VENTURE TO

1 ADVERTISE THAT BOOK FOR SALE?

2 MR. LEWIN: YOUR HONOR, MAY WE APPROACH THE BENCH?

3 MR. LEWIN: IF MR. COLE IS GOING TO TAKE THE WITNESS
4 STAND, I MOVE TO DISQUALIFY HIM. I THINK HE MAY ASK QUESTIONS
5 SUCH AS: DID YOU TELL ME. I THINK THAT IS IMPROPER. I OBJECT
6 TO IT UNLESS HE IS PREPARED TO RECUSE HIMSELF FROM THE CASE AND
7 TAKE THE WITNESS STAND.

8 THE COURT: I MAY BE MISTAKEN. I AGREE WITH YOU. I
9 DON'T APPROVE OF AN ATTORNEY INTERJECTING HIMSELF. I MAY BE
10 MISTAKEN. BUT I BELIEVE IT HAPPENED ON THIS SIDE OF THE TABLE
11 ONE TIME NOT WITH THIS WITNESS, BUT ONE OF THE LONG AGO
12 TESTIFYING, SOMETHING TO THE EFFECT BY ONE OF THE 3 COUNSELS,
13 DIDN'T YOU TELL ME OR SOMETHING. IT WAS PASSED OVER AT THE
14 TIME. BUT I AGREE WITH YOU MR. LEWIN THAT IT ISN'T PROPER. I
15 DOUBT THAT -- I'LL ADDRESS THE QUESTION TO YOU, MR. LEWIN, --
16 MR. COLE IS GOING TO BE TAKING THE STAND TO TESTIFY.

17 MR. COLE: I DON'T INTEND TO. IF I NEEDED TO PROVE IT
18 I COULD PUT MR. LEWIN ON THE STAND.

19 THE COURT: THAT MAY BE POSSIBLE. I DON'T KNOW. BUT
20 I THINK IT CAN BE COUCHED IN A DIFFERENT WAY AND LET'S SEE WHAT
21 RESPONSE THE WITNESS MAKES TO THE QUESTION.

22 BUT, CERTAINLY, IT CAN BE ASKED WHETHER HE HAD MADE
23 THAT STATEMENT SOMETIME WITHIN RECENT TIMES. TO WHOM -- YOU
24 DON'T EVEN HAVE TO SAY TO WHOM.

25 MR. COLE: VERY WELL, YOUR HONOR.

1 MR. LEWIN: I THINK BY ASKING THE QUESTION, MR. COLE
2 HAS PUT HIS OWN CREDIBILITY BEFORE THE JURY. THAT IS WHAT
3 MAKES IT OBJECTIONABLE. I THINK THERE ARE CASES, YOUR HONOR,
4 THAT DOES NOT PERMIT HIM TO DO IT.

5 THE COURT: HE IS NOT GOING TO BE PUTTING HIMSELF IN
6 IT, I AGREE WITH YOU, MR. LEWIN. BUT HE CAN ASK THE QUESTION.
7 IF HE WILL ASK IT IMMEDIATELY AFTER THIS BENCH CONFERENCE OR
8 COME BACK TO IT, IT IS UP TO HIM. I AGREE WITH YOU, NEITHER
9 SIDE, IF IT DID HAPPEN. I MAY BE WRONG. THAT IS WHY I AM NOT
10 GOING TO PINPOINT IT. IT COULD HAVE EVEN BEEN MR. WEINGARTEN
11 BUT I HEARD IT AT ONE TIME.

12 IN ANY EVENT, GOOD THAT WE ARE SPEAKING ABOUT IT NOW.
13 COUNSEL WILL NOT INTERJECT HIMSELF INTO IT. COUNSEL WILL
14 OBVIOUSLY NOT BE TAKING THE STAND AND LET'S SEE IF WE CAN'T GO
15 ABOUT IT SOME OTHER WAY.

16 IN OPEN COURT:

17 BY MR. COLE.

18 Q MR. MEADE, DO YOU RECALL A TIME IN THE PRESENCE OF
19 YOUR ATTORNEY WHEN YOU MADE THE STATEMENT THAT IT WAS YOUR
20 UNDERSTANDING THAT IT WAS A COMMERCIAL VENTURE FOR PROFIT? DO
21 YOU RECALL THAT, SIR?

22 A. I REMEMBER MAKING A STATEMENT BEFORE MY ATTORNEY, TO
23 YOU, AND I REMEMBER THE TERM, COMMERCIAL, BEING USED. AS TO
24 HOW I DEFINED IT AND I ANSWERED I REALLY DON'T REMEMBER, AND
25 TOWARD THE END OF THE DAY WHAT I AM SAYING, SIR, IS THAT IT WAS

1 MY UNDERSTANDING THAT THERE WAS GOING TO BE SUFFICIENT FUNDS
2 GENERATED FROM THE PROMOTION OR SALE OF THIS BOOK, TO REPAY MY
3 LOAN.

4 Q. YOU DIDN'T REALLY CARE ANYTHING ABOUT LOBBYING ON THE
5 IRS, DID YOU, SIR? YOU WERE JUST CONCERNED WITH THE BOOK ON
6 IRAN?

7 A. WELL, I HAVE NEVER BEEN DOWN ON THE I. R. S. ALL THAT
8 MUCH, SIR. I NEVER HAD THAT MUCH OF A PROBLEM WITH THE
9 I. R. S.. I BELIEVE WE ARE OVER TAXED BUT--

10 Q. I MEAN IN RELATION TO THIS MONEY?

11 A. AND I HAD MORE, I HAD A BETTER FEELING ABOUT, AND
12 REALLY HAD MORE INTEREST IN THE BOOK ON IRAN, YES, SIR.

13 Q. MR. MEADE, ISN'T IT A FACT YOU DIDN'T CARE WHERE THAT
14 MONEY WENT, THE LOAN WAS REALLY TO CONGRESSMAN HANSEN AND YOU
15 WEREN'T CONCERNED ABOUT WHERE THE MONEY WENT?

16 A. WELL, SIR, I REALLY WAS LOOKING TO CONGRESSMAN HANSEN
17 TO SEE THAT I GOT REPAID.

18 Q AND THE LOAN WAS TO HIM AND IT DIDN'T MAKE ANY
19 DIFFERENCE TO YOU HOW HE USED IT, ISN'T THAT RIGHT.

20 A. NO, SIR, I WOULDN'T HAVE CARED HOW HE USED IT.

21 Q. MR. MEADE, YOU SAID HERE THAT -- MR. LEWIN ON
22 CROSS-EXAMINATION ASKED YOU ABOUT MR. MILLER CALLING YOU, OR
23 YOU CALLING MR. MILLER, AND SAYING TO HIM HOW ABOUT HAVING
24 CONGRESSMAN HANSEN CALL YOU?

25 A. YES, SIR.

1 Q. AND YOU TOLD MR. LEWIN THAT WAS A TEST YOU WERE DOING
2 ON MR. MILLER, IS THAT RIGHT?

3 A. WELL, I BELIEVE THAT WAS MR. LEWIN'S TERM, THAT IT WAS
4 A TEST. BUT TO ME, IT COULD BE, I GUESS, MAYBE CALLED A TEST,
5 TO SEE IF HE WAS JOB-SCARED TO THE POINT HE WOULDN'T GO.

6 Q. MR. MEADE, DIDN'T YOU EARLIER TELL ME WHEN I ASKED YOU
7 ABOUT YOUR CONVERSATION WITH MR. MILLER THAT YOU DIDN'T RECALL
8 MAKING THAT STATEMENT TO HIM?

9 THE COURT: YOU MEAN ON YOUR DIRECT EXAMINATION?

10 MR. COLE: ON MY DIRECT EXAMINATION.

11 BY MR. COLE.

12 Q. ON MY DIRECT EXAMINATION. THAT YOU DIDN'T RECALL
13 MAKING THAT STATEMENT TO HIM?

14 A. DIDN'T RECALL MAKING THE STATEMENT NOW?

15 Q. ABOUT CONGRESSMAN HANSEN CALLING YOU, DIDN'T YOU SAY
16 THAT ON DIRECT EXAMINATION?

17 A. I REALLY DON'T REMEMBER, SIR, SAYING THAT.

18 Q. WILL YOU ALL OF A SUDDEN REMEMBER THIS CONVERSATION
19 NOW WHEN MR. LEWIN IS QUESTIONING YOU ABOUT IT AND DECIDING
20 YOUR MOTIVATION ON IT?

21 A. I BELIEVE IT WAS MY UNDERSTANDING OF THE QUESTION HE
22 ASKED ME, SIR, IS WHAT WHEN I READ INTO THE RECORD A STATEMENT
23 FROM MY TESTIMONY BEFORE THE GRAND JURY. AND THAT IS WHAT I
24 WAS REFERRING TO IN ANSWER TO HIS QUESTION, SIR.

25 Q. WELL, HOW DO YOU KNOW WHAT YOUR MOTIVATION WAS IF YOU

1 DIDN'T REMEMBER HAVING MADE THAT STATEMENT TO MR. MILLER AT THE
2 TIME?

3 A. WE JUST SAID, SIR, THAT WHAT I AM SAYING IS THAT IT
4 WAS MY UNDERSTANDING THAT HIS QUESTION WAS RELATED TO WHAT I
5 READ FROM MY TESTIMONY BEFORE THE GRAND JURY.

6 Q. YET, YOU WERE TRYING TO TESTIFY TO MR. LEWIN AS TO THE
7 MOTIVATION YOU HAD AT THE TIME YOU TALKED TO MR. MILLER,
8 WEREN'T YOU?

9 A. TO ME, HIS QUESTION WAS, SIR, WOULD THAT HAVE BEEN A
10 TEST TO SEE IF MR. MILLER WAS JOB-SCARED.

11 Q. WAS IT A TEST TO SEE IF MR. MILLER WAS JOB-SCARED?

12 A. IT COULD HAVE BEEN A SORT OF TEST, BY GOING BY WHAT I
13 TESTIFIED BEFORE THE GRAND JURY, SIR.

14 Q. BUT YOU HAVE NO RECOLLECTION TODAY OF HAVING SAID THIS
15 TO MR. MILLER?

16 A. OH, DO I RECALL HAVING SAID THAT? THE ONLY WAY I
17 RECALL IT IS FROM WHAT I TESTIFIED BEFORE THE GRAND JURY, SIR,
18 EVIDENTLY, I DID AT THAT DATE IN TIME.

19 Q. MR. MEADE, ON CROSS-EXAMINATION, YOU TOLD THE JURY
20 THAT YOU WERE SURPRISED THAT THERE WAS CONGRESSIONAL INFLUENCE
21 USED TO GET THE MEETING WITH THE SECRETARY OF THE ARMY, DO YOU
22 RECALL THAT? I BELIEVE IT WAS MR. LEWIN'S FIRST QUESTION TO
23 YOU.

24 A. I DON'T RECALL SAYING THAT I WAS SURPRISED. IF I DID,
25 MAYBE I USED THE TERM LOOSELY, SIR, THAT I WONDERED WHY THAT

1 THERE WAS, THAT CONGRESSMAN HANSEN HAD SET UP A MEETING WHEN IT
2 WAS MY UNDERSTANDING THAT MR. MCAFEE ALREADY KNEW THE SECRETARY
3 OF THE ARMY.

4 Q. WHY WOULD YOU BE SURPRISED, MR. MEADE, WHEN YOU HAD
5 ALREADY STATED TO MR. MCAFEE THAT YOU THOUGHT IT WAS GOING TO
6 BE GOOD TO HAVE SOME SORT OF CONGRESSMAN OR SENATOR, SOMEONE
7 WHO HAD SOME INROADS INTO THE ARMY MAKING INTRODUCTIONS FOR YOU?
8 WHY WOULD THAT SHOCK YOU THEN?

9 A. I DON'T REMEMBER WHEN THAT STATEMENT WAS MADE, SIR. I
10 DON'T KNOW WHETHER THAT WAS PRIOR TO THE MEETING AT THE
11 PENTAGON OR WHETHER THAT WAS AFTER THE MEETING AT THE PENTAGON.
12 I DON'T REALLY REMEMBER HAVING MADE THAT STATEMENT.

13 Q. YOU DON'T REMEMBER HAVING MADE THE STATEMENT TO MR.
14 MCAFEE?

15 A. AGAIN, IT WOULD HAVE BEEN AN ORDINARY CONVERSATION
16 THAT I HAD, I AM NEITHER DENYING OR ADMITTING THAT I DID. BUT
17 IT WOULD HAVE BEEN AN ORDINARY CONVERSATION I MIGHT HAVE HAD
18 BUT I DON'T RECALL THE TIME THAT STATEMENT WAS MADE.

19 Q. YOU SAID IT IN THE GRAND JURY, DIDN'T YOU?

20 A. I DON'T RECALL SIR. IF I COULD READ THE GRAND JURY
21 TESTIMONY.

22 Q. I CAN SHOW PAGE 19, YOUR HONOR.

23 MR. LEWIN: MAY I RETRIEVE MY COPY FROM THE WITNESS?

24 THE COURT: SURELY.

25 BY MR. COLE:

1 Q. LINE 10 THROUGH LINE 15.

2 A. YES, SIR, AGAIN, CAN I READ THAT INTO THE RECORD AS MY
3 TESTIMONY, SIR?

4 Q. MR. MEADE, RIGHT NOW, I AM ASKING YOU IF YOU SAID THAT
5 IN THE GRAND JURY, THAT YOU TALKED ABOUT HAVING A CONGRESSMAN
6 OR SENATOR WHO COULD HAVE INROADS INTO THE ARMY TO HELP YOU
7 WITH THAT INTRODUCTION?

8 A. THAT, I BELIEVE STATED THAT I SAID THAT I POSSIBLY
9 COULD HAVE HAD THE CONVERSATION WITH CARL MCAFEE THAT WE MIGHT
10 NEED THE HELP FROM SOME SENATOR OR CONGRESSMAN AND NAMED ONE OR
11 TWO.

12 Q. SO, IT'S NO SURPRISE THAT CARL MCAFEE CONTACTED A
13 SENATOR OR CONGRESSMAN OR THIS CONGRESSMAN, IS IT, MR. MEADE?

14 A. WELL, TO ME, IT WOULD BE SOMEWHAT OF A SURPRISE. WELL,
15 MAYBE AGAIN, I MAY HAVE USED THE TERM IN THE WRONG MANNER, SIR,
16 WHEN HE WAS ALREADY A SUPPOSEDLY A FRIEND OR KNEW THE SECRETARY
17 OF THE ARMY, SIR. AND THAT IS WHAT I AM RELATING THAT TO, SIR.

18 Q. MR. MEADE, YOU TESTIFIED ON CROSS-EXAMINATION THAT
19 THERE WERE SOME OTHER LOANS THAT YOU HAD MADE. ONE OF THESE
20 LOANS WAS TO A MR. WILEY FANCHER -- I BELIEVE THERE WAS
21 DOCUMENTS INTRODUCED TO THAT REGARD -- IS THAT CORRECT, SIR?

22 A. YES, SIR.

23 Q. MR. FANCHER IS YOUR BUSINESS PARTNER OR WAS?

24 A. HE WAS AT THE TIME, SIR.

25 Q. AT THE TIME YOU MADE THE LOAN?

1 A. LET ME REPHRASE THAT. HE WAS SUPPOSED TO HAVE
2 EVENTUALLY BECOME A BUSINESS PARTNER, I GUESS, AND SO HE REALLY
3 WASN'T A FULL-FLEDGED BUSINESS PARTNER AT THE TIME.

4 Q. YOU WERE INVOLVED IN BUSINESS WITH HIM, THOUGH?

5 A. YES.

6 Q. AND YOU HAD KNOWN HIM FOR AWHILE.

7 A. YES, SIR.

8 Q. AND YOU WERE INVOLVED IN THE HYDROGEN CAR PROJECT THAT
9 HE HAD BROUGHT TO YOUR ATTENTION?

10 A. YES, SIR.

11 Q. THE OTHER LOAN WAS TO THE BIG CEDAR SPORTSMAN'S LODGE?

12 A. BIG CEDAR SPORTSMAN'S ASSOCIATION.

13 Q. NOW, THAT IS A BUSINESS, ISN'T IT? IT IS NOT A PERSON?

14 A. I BELIEVE IT IS A CORPORATION, SIR.

15 Q. IS CONGRESSMAN HANSEN A CORPORATION, MR. MEADE.

16 A. NO, SIR.

17 Q. DID YOU LOAN MONEY TO A CORPORATION WHEN YOU LOANED IT
18 TO CONGRESSMAN HANSEN?

19 A. THE QUESTION IS DID I LOAN MONEY TO A CORPORATION WHEN
20 I LOANED IT TO CONGRESSMAN HANSEN?

21 Q. YES.

22 A. NO, SIR.

23 Q. AND, IN FACT, WITH THE BIG CEDAR SPORTSMAN'S LODGE, YOU
24 GOT A DEED OF TRUST AS COLLATERAL ON THAT NOTE, DIDN'T YOU?

25 A. THERE WAS MORE LOANS MADE TO THE BIG CEDAR SPORTSMAN'S

1 ASSOCIATION BY ME PERSONALLY, THAN THE ONE THAT YOU ENTERED AS
2 AN EXHIBIT, AND I REALLY DON'T REMEMBER WHICH ONE WAS WHICH.
3 ONE OF THE LOANS WAS SECURED BY A SECOND DEED OF TRUST.

4 Q. MR. MEADE, WASN'T THERE A DEED OF TRUST THAT COVERED A
5 NUMBER OF THESE LOANS TO BIG CEDAR SPORTSMAN?

6 A. YES, SIR.

7 Q. AND THIS WAS ONE OF THEM?

8 A. PROBABLY IS, SIR, I JUST DON'T RECALL OFFHAND.

9 Q. WOULD SOMETHING REFRESH YOUR MEMORY AS TO WHETHER
10 THERE WAS A DEED OF TRUST ON THAT LOAN?

11 A. YES, SIR.

12 Q. WOULD IT BE A LETTER THAT YOU WROTE ABOUT IT?

13 A. YES, SIR, IT COULD BE.

14 Q. READ THAT TO YOURSELF, SIR.

15 Q. DOES THAT REFRESH YOUR MEMORY, MR. MEADE?

16 A. YES, SIR..

17 Q. WAS THAT BIG CEDAR LOAN SECURED BY A DEED OF TRUST?

18 A. YES, SIR.

19 Q. HOW ABOUT THE LOAN TO CONGRESSMAN HANSEN WAS THAT
20 SECURED BY A DEED OF TRUST?

21 Q. NO, SIR.

22 Q. THAT BIG CEDAR LOAN WAS 68 THOUSAND DOLLARS, WASN'T IT?

23 A. YES, SIR.

24 Q. AND YOU HAD A DEED OF TRUST ON IT, IS THAT RIGHT?

25 A. I BELIEVE THAT WAS A SECOND DEED OF TRUST, SIR.

1 Q. CONGRESSMAN HANSEN'S LOAN WAS 50 THOUSAND DOLLARS,
2 ISN'T THAT RIGHT?

3 A. YES, SIR.

4 Q. AND THAT WAS TO A PERSON NOT TO A CORPORATION, ISN'T
5 THAT RIGHT?

6 A. YES, SIR.

7 Q. AND YET YOU DIDN'T REQUIRE A DEED OF TRUST FROM HIM,
8 DID YOU?

9 A. NO, SIR.

10 Q A PERSONAL LOAN.

11 THE COURT: BEG YOUR PARDON? I DON'T KNOW IF YOU
12 RESPONDED TO IT.

13 THE WITNESS: I AM SORRY, I DIDN'T UNDERSTAND THAT AS
14 A QUESTION. YES, A PERSONAL LOAN.

15 BY MR. COLE:

16 Q. MR. MEADE, MR. LEWIN ASKED YOU ABOUT WHEN YOU WERE
17 HAVING DIFFICULTIES AT THE BANK, YOU HAD EVER TOLD CONGRESSMAN
18 HANSEN ABOUT THEM?

19 A. IF I HAD EVER TOLD CONGRESSMAN HANSEN ABOUT MY
20 DIFFICULTIES AT THE BANK?

21 Q. IS THAT CORRECT. IF YOU HAD TOLD HIM ABOUT THEM WHILE
22 THEY WERE GOING ON IN APRIL OR MAY OF 1982?

23 A. IS YOUR QUESTION DID HE ASK ME THAT QUESTION?

24 Q. YES.

25 A. YES, HE DID.

1 Q. AND WHAT WAS YOUR ANSWER, SIR?

2 A. TO THE BEST OF MY MEMORY, I HADN'T.

3 Q. YOU HADN'T TOLD HIM ANYTHING ABOUT THAT?

4 A. AT THAT TIME, SIR.

5 Q. WHO WAS YOUR LAWYER AT THAT TIME, MR. MEADE?

6 A. CARL MCAFEE.

7 Q. AND YOU TOLD HIM ABOUT IT, DIDN'T YOU?

8 A. YES, SIR.

9 Q. AND THERE WAS SOME PRESS ABOUT THAT, TOO, WASN'T THERE?

10 A. YES, SIR.

11 Q. AND IT WAS PRETTY MUCH THE WEEK AFTER YOU RESIGNED
12 THAT THE PRESS STARTED COMING OUT ABOUT THAT, WASN'T IT?

13 A. I DON'T REMEMBER THE DATES.

14 Q. IT WAS PRETTY SOON AFTER IT HAPPENED?

15 A. YES, SOON AFTER IT HAPPENED.

16 Q. AND, IN FACT, THE EXAMINATION BY THE BANK AUDITORS
17 STARTED ON APRIL FIFTH, DIDN'T IT?

18 A. AGAIN, I BELIEVE WE VERIFIED IT BEFORE. THAT MR.
19 REASOR HAD STATED THAT WAS THE STATE IT STARTED, AND HE
20 CERTAINLY SHOULD KNOW.

21 Q. THEN THE PAYMENT CONGRESSMAN HANSEN PLAYED ON THE
22 INTEREST PURSUANT TO YOUR CALL WAS APRIL 14TH, WASN'T IT, OF
23 1982?

24 A. I BELIEVE WE ESTABLISHED THAT, SIR, BY THE--

25 Q. I AM ASKING YOU, SIR, ISN'T THAT TRUE?

1 A. I DON'T REMEMBER THE DATES, SIR, RIGHT NOW.

2 Q. I SHOW YOU GOVERNMENT'S EXHIBIT 54, MR. MEADE. ISN'T
3 THAT THE CHECK WE WERE TALKING ABOUT?

4 A. YES, SIR.

5 Q. AND ISN'T THAT AN INTEREST PAYMENT CHECK BY
6 CONGRESSMAN HANSEN?

7 A. IT SAYS -- I ASSUME IT IS AN INTEREST PAYMENT CHECK.
8 \$9,476.00.

9 Q. MADE OUT TO MINERS AND MERCHANTS?

10 A. YES, SIR.

11 Q. LITTLE NOTATIONS ON THE BOTTOM TELLING WHAT LOANS IT
12 SHOULD APPLY TO, AND HOW MUCH ON EACH LOAN?

13 A. I DON'T KNOW SIR. I SEE SOMETHING DOWN HERE, BUT I
14 DON'T KNOW WHAT THAT SAYS.

15 Q. AND ISN'T THAT THE CHECK HE SENT IN RESPONSE TO YOUR
16 CALL, MR. MEADE?

17 A. COULD BE, SIR.

18 Q. AND DIDN'T YOU SAY THAT THAT CAME IN DURING THE TIME
19 OF THE EXAMINATION?

20 A. BY THE DATE IT HAS, YES, SIR.

21 Q. WOULDN'T YOU HAVE CALLED HIM AROUND THAT TIME OF THE
22 EXAMINATION?

23 A. NOT NECESSARILY, SIR. I COULD HAVE CALLED HIM PRIOR
24 TO THE EXAMINATION. I COULD HAVE CALLED HIM THE FIRST OF APRIL
25 OR THE END OF MARCH, BECAUSE THAT IS WHEN THE INTEREST WOULD

1 HAVE BEEN DUE.

2 Q. WELL, INTEREST WAS OVERDUE AT THAT POINT, WASN'T IT,
3 MR. MEADE?

4 A. I DON'T RECALL ABOUT THAT. BUT IT WOULD HAVE BEEN DUE
5 MARCH 31, OR APRIL ONE.

6 Q. MR. MEADE, YOU TESTIFIED TO MR. LEWIN THAT YOU WERE A
7 RESPECTED BANKER, DIDN'T YOU, OR THOUGHT YOU WERE?

8 A. I SAID I WOULD LIKE TO THINK I WAS A RESPECTED BANKER.

9 Q. MR. MEADE, DO RESPECTED BANKERS MISAPPROPRIATE BANK
10 FUNDS?

11 A. NO, SIR.

12 Q. DO THEY MAKE FALSE ENTRIES IN BANK LEDGERS?

13 A. NO, SIR.

14 Q. DO THEY MAKE FALSE STATEMENTS TO GET BANK LOANS?

15 A. NO, SIR.

16 Q. MR. MEADE, WHEN YOU CAME IN TO TALK TO MR. WEINGARTEN
17 AND MYSELF, WITH YOUR ATTORNEY, WE NEVER OFFERED YOU IMMUNITY,
18 DID WE?

19 A. NO, SIR.

20 Q. AS A MATTER OF FACT, WHAT WAS GOING ON WAS YOU WERE
21 BEING TOLD YOU MIGHT EVEN BE PROSECUTED, ISN'T THAT TRUE, SIR?

22 A. YES, SIR.

23 Q. AND IN RESPONSE TO THAT, MR. MEADE, YOU TOLD YOUR
24 LAWYER THAT YOU HADN'T DONE ANYTHING WRONG, ISN'T THAT RIGHT?

25 A. YES, SIR.

1 Q. MR. MEADE, THAT MEETING WAS IN MAY OF 1983, ISN'T THAT
2 RIGHT? DOES THAT COMPORT WITH YOUR RECOLLECTION, SIR?

3 A. WELL, IT IS DEFINITELY IN '83, AND IT WOULD HAVE BEEN
4 -- I DON'T KNOW WHETHER IT WAS IN MAY, SIR. I DON'T KNOW WHAT
5 THE DATE IT WAS, WAS BUT IT WAS IN '83.

6 Q. ISN'T IT TRUE, THAT THE NEXT MONTH, IN JUNE OF '83 IS
7 WHEN YOU FILED THIS THAT SUIT AFTER YOU HAD BEEN TO SEE MR.
8 WEINGARTEN AND MYSELF?

9 A. YOU MEAN WHEN I FILED THE SUIT AGAINST CONGRESSMAN
10 HANSEN?

11 Q. YES.

12 A. I BELIEVE THE SUIT -- I REALLY DON'T REMEMBER WHETHER
13 THE SUIT WAS FILED AFTER OR BEFORE, SIR.

14 Q. MR. MEADE, LET ME SHOW YOU A COPY, IF I CAN --
15 MR. COLE: YOUR HONOR, I WOULD LIKE THESE FOR
16 IDENTIFICATION TOGETHER MARKED AS EXHIBIT 61.

17 THE COURT: ALL RIGHT.

18 (WHEREUPON, GOVERNMENT'S EXHIBIT NO. 61
19 MARKED FOR IDENTIFICATION.)

20 BY MR. COLE:

21 Q. MR. MEADE, JUST LOOK AT THESE AND SEE IF YOU CAN
22 PERHAPS SEE A DATE ON THEM AS TO WHEN SUITS WERE FILED ON YOUR
23 BEHALF?

24 A. YES, SIR, I SEE IT SAYS WITNESS' SIGNATURE AND THE
25 AFFIANTS WAS THE 24TH DAY OF JUNE 1983.

1 Q. AND YOU WERE THE AFFIANT?

2 A. YES, SIR.

3 Q. THIS SUIT WAS FILED IN JUNE OF 1983, WASN'T IT?

4 A. YES, SIR. BY THOSE DOCUMENTS IT WAS, SIR.

5 Q. AND THAT WAS JUST A MONTH AFTER YOU HAD BEEN IN TO SEE
6 MR. WEINGARTEN AND MYSELF, ISN'T THAT RIGHT?

7 A. I REALLY DON'T REMEMBER THE DATE, SIR, I WAS UP HERE
8 BUT IT WOULD HAVE BEEN PRIOR TO THE FIRST OF JUNE THAT WE WERE
9 UP HERE, BECAUSE WE WERE UP HERE BEFORE THE HEARING IN ROANOKE.

10 Q. MR. MEADE, YOU SAID THAT YOU THOUGHT THE DEBT WAS
11 GOING TO BE PRETTY GOOD WITH CONGRESSMAN HANSEN AND IT TURNED
12 OUT NOT TO BE PRETTY GOOD, ISN'T THAT RIGHT?

13 A. WELL, I GOT PAID WITH MY INTEREST.

14 Q. ISN'T IT TRUE THAT YOU NEVER MADE ANY REQUEST FOR
15 INTEREST UNTIL AFTER YOU HAD BEEN -- OR ANY REQUEST FOR
16 PAYMENTS UNTIL AFTER YOU HAD BEEN IN THE GRAND JURY IN THIS
17 MATTER?

18 Q. DO YOU RECALL THE DATE YOU WERE IN THE GRAND JURY?

19 A. I REALLY DON'T REMEMBER ON THAT, SIR. I KNOW THAT I
20 MADE A -- SEEMED LIKE I REMEMBER MAKING A VERBAL REQUEST FOR
21 SOMETIME OR ANOTHER PRIOR TO HAVING THE ATTORNEY SEND HIM A
22 LETTER -- OR PRIOR TO MY SENDING HIM A LETTER REQUESTING
23 PAYMENT. IT SEEMED TO ME LIKE I HAD A CONVERSATION WITH THE
24 CONGRESSMAN PRIOR TO THE DATE OF THAT LETTER ASKING FOR SOME
25 TYPE OF PAYMENT.

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1 Q. YOU REMEMBER WHEN YOU WERE IN THE GRAND JURY, MR.
2 MEADE?

3 A. YES, SIR.

4 Q. YOU REMEMBER THE DATE?

5 A. NO, SIR.

6 MR. COLE: I'D LIKE TO SHOW THE WITNESS THE GRAND JURY
7 TESTIMONY, YOUR HONOR.

8 THE COURT: ALL RIGHT. WAIT JUST A MOMENT WHILE WE
9 CHANGE REPORTERS.

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822

BY MR. COLE:

1 Q WHAT WAS THE DATE YOU WERE IN THE GRAND JURY, MR.
2 MEADE?

3 A THURSDAY, JANUARY 27TH, 1983.

4 Q AND WASN'T IT FEBRUARY 8TH, '83, THAT THE FIRST
5 LETTER WAS SENT BY YOUR ATTORNEY TO CONGRESSMAN HANSEN
6 REQUESTING PAYMENT OF THAT LOAN, THAT \$50,000 LOAN?

7 A IT WAS AFTER THE DATE THAT I TESTIFIED BEFORE THE
8 GRAND JURY, BUT I DON'T REMEMBER THE DATE THAT MY ATTORNEY
9 SENT THE LETTER.

10 Q DIDN'T YOU JUST TESTIFY ON CROSS-EXAMINATION THAT
11 IT WAS THE 8TH OF FEBRUARY, '83, THAT THAT LETTER WAS SENT?

12 A I BELIEVE SOMEBODY SHOWED ME A COPY OF THE LETTER,
13 DID THEY NOT?

14 Q AND DIDN'T YOU TESTIFY ON CROSS-EXAMINATION THAT
15 ON MAY 4TH, AFTER YOUR MEMORY HAD BEEN REFRESHED, YOU WERE
16 IN THE OFFICES OF MR. WEINGARTEN AND ME DISCUSSING YOUR
17 INVOLVEMENT IN THIS CASE?

18 A AGAIN, I REMEMBER TESTIFYING TO THAT, BUT I DON'T
19 REMEMBER THE DATE AS BEING MAY THE 4TH. I'M NOT --

20 Q AND ISN'T IT TRUE THAT ONE MONTH LATER, YOU FILED
21 SUIT, ONLY AFTER WE AGAIN HAD QUESTIONED YOUR INVOLVEMENT
22 IN THIS?

23 A WELL, IT SEEMS TO ME THE INSTRUMENT IS GOING TO
24 SHOW THOSE EXACT DATES. YOU KNOW, I CAN'T JUST SIT HERE AND
25 RECALL ALL THE DATES WE'VE BEEN THROUGH. I CAN'T RECALL THE

1 EXACT DATES THAT, YOU KNOW, YOU ARE ASKING FOR RIGHT NOW,
2 SIR.

3 Q MR. MEADE, THERE'S A CHECK UP THERE THAT MR. LEWIN
4 SHOWED YOU CONCERNING PAYMENT OF THE LOAN. IS THAT CORRECT?

5 A YES, SIR.

6 Q DEFENDANT'S EXHIBIT 19?

7 A YES, SIR.

8 Q WHO IS THAT CHECK MADE OUT TO, MR. MEADE?

9 A JOHN D. MEADE, JR.

10 Q WHO IS THAT CHECK SIGNED BY?

11 A G. HANSEN.

12 Q WHAT KIND OF ACCOUNT IS THAT CHECK WRITTEN ON?

13 A TO ME, IT WOULD BE A JOINT ACCOUNT, SIR. YOU KNOW,
14 I DON'T REALLY KNOW HOW HE HAS IT -- THE ACCOUNT IS SET UP,
15 BUT BY THE NAMES AT THE TOP, I WOULD CONSIDER IT BEING A
16 JOINT ACCOUNT.

17 Q WITH THE CONGRESSMAN AND HIS WIFE?

18 A THAT'S THE NAMES THAT APPEAR AT THE TOP OF THE CHECK,
19 YES, SIR.

20 Q NO NAME OF ANY ORGANIZATION THERE, IS THERE?

21 A NO, SIR.

22 Q AND THE DATE OF THAT CHECK, MR. MEADE?

23 A FEBRUARY THE 8TH, 1984.

24 Q ARE YOU AWARE, MR. MEADE, THAT THAT CHECK OF
25 FEBRUARY 8TH, 1984, CAME SHORTLY AFTER THE TRIAL DATE IN THIS

1 MATTER WAS SET?

2 A NO, SIR.

3 MR. COLE: YOUR HONOR, I WOULD MOVE ADMISSION OF
4 DEFENDANT'S EXHIBIT 19 AT THIS TIME AND GOVERNMENT'S EXHIBIT
5 52, WHICH IS THE \$50,000 NOTE. I NEGLECTED TO MOVE THAT
6 BEFORE.

7 THE COURT: MR. LEWIN?

8 MR. LEWIN: WE HAVE NO OBJECTION. I'M SORRY. WHAT
9 IS GOVERNMENT'S EXHIBIT 52?

10 MR. COLE: GOVERNMENT'S EXHIBIT 52 IS THE \$50,000
11 NOTE SIGNED BY CONGRESSMAN HANSEN TO JOHN MEADE.

12 MR. LEWIN: THAT HASN'T BEEN OFFERED IN EVIDENCE
13 PREVIOUSLY?

14 MR. COLE: APPARENTLY NOT. I CHECKED THE CLERK'S
15 ROSTER.

16 THE COURT: IF IT HASN'T BEEN OFFERED IN EVIDENCE
17 PREVIOUSLY, AND IT CERTAINLY WAS MARKED FOR IDENTIFICATION
18 PREVIOUSLY, ANY OBJECTION?

19 MR. LEWIN: NO OBJECTION.

20 THE COURT: WITHOUT OBJECTION, IT IS IN EVIDENCE.

21 (GOVERNMENT'S EXHIBIT NO. 52
22 WAS RECEIVED IN EVIDENCE)

23 THE COURT: AND YOUR EXHIBIT NO. 19 I BELIEVE WAS
24 ALSO OFFERED. NO OBJECTION?

25 MR. LEWIN: NO OBJECTION.

1 THE COURT: IN EVIDENCE.

2 (DEFENDANT'S EXHIBIT NO. 19

3 WAS RECEIVED IN EVIDENCE)

4 MR. COLE: YOUR HONOR, AT THIS TIME, IF I MAY, I
5 WOULD LIKE TO COMPLETE THE CHART.

6 THE COURT: ALL RIGHT.

7 MR. COLE: YOUR HONOR, PERMISSION TO PLACE THIS
8 ON THE CHART AND PUBLISH IT TO THE JURY?

9 THE COURT: YOU DO.

10 MR. COLE: JUNE 23: "HANSEN, MCAFFEE AND MEADE
11 MEET WITH SECRETARY OF THE ARMY AT THE PENTAGON."

12 THE COURT: EXCUSE ME. WHAT DATE DID YOU SAY, SIR?

13 MR. COLE: JUNE 23, 1981, YOUR HONOR -- OR JULY
14 23. I'M SORRY.

15 NOVEMBER 21, 1981: "GEORGE HANSEN RECEIVES \$5,000
16 LOAN FROM MEADE."

17 THE COURT: I THINK THE AMOUNT --

18 MR. COLE: \$50,000 LOAN. I'M SORRY, YOUR HONOR.
19 IT'S GETTING A LITTLE LATE.

20 I HAVE NO FURTHER QUESTIONS RIGHT NOW, YOUR HONOR.

21 THE COURT: RECROSS?

22 RECROSS EXAMINATION

23 BY MR. LEWIN:

24 Q MR. MEADE, THAT CHECK THAT IS NOW IN EVIDENCE AS
25 DEFENDANT'S EXHIBIT 19, WHAT AMOUNT IS THAT IN?

1 A EXHIBIT 19?

2 Q YES.

3 A \$66,726.12.

4 Q SO THAT IS THE \$50,000 PLUS ACCUMULATED INTEREST.

5 A YES, SIR.

6 Q AND THAT'S PRIME RATE PLUS 1 PERCENT.

7 A YES, SIR.

8 Q AND THAT WAS A GOOD RATE OF INTEREST, WASN'T IT?

9 A YES, SIR.

10 Q NOW, MR. COLE ASKED YOU NOW ON REDIRECT ABOUT YOUR
11 GRAND JURY TESTIMONY CONCERNING INROADS BY CONGRESSMEN OR
12 SENATORS IN THIS MATTER. COULD YOU JUST TELL US, WITH
13 REFERENCE TO YOUR GRAND JURY TESTIMONY, WHAT YOU MEANT BY
14 THAT? AND I SHOW YOU SPECIFICALLY PAGE 19, LINES 17 THROUGH
15 24.

16 THE COURT: IS THERE A QUESTION? I'M SORRY.

17 MR. LEWIN: YES. I AM JUST ASKING THE WITNESS TO
18 EXPLAIN, AS HE HAD EXPLAINED BEFORE THE GRAND JURY, WHAT HE
19 MEANT BY THAT REFERENCE TO ASSISTANCE FROM CONGRESSMEN.

20 THE WITNESS: WELL, I BELIEVE WHAT I JUST READ IN
21 MY TESTIMONY THERE WAS THAT --

22 MR. COLE: YOUR HONOR, IF I MAY. THE QUESTION
23 FROM MR. LEWIN WAS WHAT DID HE MEAN BY IT.

24 MR. LEWIN: YES.

25 MR. COLE: NOT WHAT THE WITNESS HAD READ.

1 BY MR. LEWIN:

2 Q WELL, WHEN YOU USED THAT IN THE GRAND JURY, DOES
3 THIS REFRESH YOUR RECOLLECTION AS TO WHAT YOU MEANT? AND
4 YOU EXPLAINED IT TO THE GRAND JURY, DID YOU NOT?

5 MR. LEWIN: MAYBE THE EASIEST WAY, YOUR HONOR, IS
6 MAY I READ THE WITNESS' --

7 THE COURT: WELL, WHY DON'T YOU JUST ASK HIM THE
8 QUESTION AND SEE IF HE CAN DO IT WITHOUT REFERENCE TO THE
9 GRAND JURY TESTIMONY, MR. LEWIN. IF NOT, OF COURSE.

10 THE WITNESS: WOULD YOU PLEASE REPHRASE THE QUESTION
11 -- I MEAN RESTATE THE QUESTION?

12 BY MR. LEWIN:

13 Q WHEN YOU SPOKE TO THE GRAND JURY ABOUT USING A
14 CONGRESSMAN, CONGRESSMAN BILL WAMPLER OR SENATOR HARRY BYRD
15 OR SOMEBODY WHO COULD HAVE SOME INROADS INTO THE ARMY, DID
16 YOU THEN EXPLAIN TO THE GRAND JURY WHAT YOU MEANT BY THAT?

17 A YES, SIR.

18 Q O.K. AND WHAT -- COULD YOU NOW JUST TELL THIS COURT
19 AND JURY WHAT YOU MEANT.

20 A WELL, I MEANT THAT TO ME IT WOULD HAVE BEEN NO MORE
21 THAN IF I HAD A PROBLEM IN FARMING OR WANTED TO GET SOME
22 INFORMATION PERTAINING TO FARMING, CONGRESSMAN BILL WAMPLER
23 FROM OUR -- OR MY HOME DISTRICT WAS A MEMBER OF THE HOUSE
24 AGRICULTURE COMMITTEE. YOU KNOW, I WOULDN'T HAVE THOUGHT
25 IT WRONG TO GO TO HIM AND ASK FOR ASSISTANCE IN SEEING THE

1 SECRETARY OF AGRICULTURE IF THAT'S WHO I'D HAVE NEEDED TO
2 HAVE SEEN, SIR. AND THAT WAS THE WAY THAT I TRIED TO EXPLAIN
3 THAT TO THE GRAND JURORS.

4 Q AND YOU EXPLAINED, ALSO, THAT IT WAS YOUR VIEW THAT
5 ONE OF THE REASONS THAT WE PUT CONGRESSMEN INTO THE UNITED
6 STATES HOUSE OF REPRESENTATIVES WAS FOR THEM TO HELP THEIR
7 CONSTITUENTS IN THAT. THAT'S YOUR UNDERSTANDING.

8 A YES, SIR.

9 Q NOW, MR. COLE ASKED YOU ABOUT THOSE TWO PARTICULAR
10 LOANS THAT I HAD PUT BEFORE YOU, THE LOAN TO MR. FANCHER AND
11 THE LOAN TO THE BIG CEDAR SPORTSMEN'S ASSOCIATION.

12 A YES, SIR.

13 Q THOSE TWO LOANS WERE ONLY ONE OF 16 SPECIFIC ITEMS
14 THAT YOU LISTED IN A LETTER TO MR. COLE DATED RECEIVED ON
15 FEBRUARY 23RD, 1983, OF LOANS THAT YOU HAD GIVEN IN A
16 PERSONAL CAPACITY TO OTHER PRIVATE INDIVIDUALS IN AMOUNTS
17 EXCEEDING \$100. IS THAT RIGHT?

18 A I SUBMITTED A LIST TO MR. COLE. I DON'T REMEMBER
19 THE NUMBER THAT WAS ON THAT LIST OR THE DATE THAT I SUBMITTED
20 IT, SIR.

21 Q O.K. BUT IT DID HAVE A SUBSTANTIAL NUMBER OF LOANS
22 AND COPIES OF PROMISSORY NOTES AND THINGS OF THAT KIND.

23 A YES, SIR.

24 Q AND IT WAS IN RESPONSE TO HIS SPECIFIC REQUEST
25 WHETHER YOU HAD PROVIDED PERSONAL FUNDS OF YOURS TO OTHER

1 PRIVATE INDIVIDUALS.

2 A YES, SIR.

3 Q AND THAT WAS A LIST THAT YOU GOT UP FROM YOUR
4 RECORDS AT THE TIME.

5 A YES, SIR.

6 Q AND SPECIFICALLY, FOR EXAMPLE, YOU SENT HIM A
7 PROMISSORY NOTE DATED DECEMBER 20, 1981, FROM ONE JAMES BRYANT
8 IN THE AMOUNT OF \$3,000. IS THAT RIGHT? DO YOU RECALL THAT?

9 A I RECALL HAVING MADE A LOAN TO JAMES BRYANT. IT'S
10 PROBABLY IN THAT LIST THAT I SUBMITTED TO HIM, YES, SIR.

11 Q O.K. AND YOU TOLD HIM THAT THE ENTIRE PRINCIPAL
12 AMOUNT AND ACCRUED INTEREST WAS STILL OUTSTANDING AS OF
13 FEBRUARY 22, 1983.

14 A YES, SIR.

15 Q AND THERE WAS A PROMISSORY NOTE TO ONE CARSON BROWN
16 DATED APRIL 21, 1981, IN THERE.

17 A AGAIN, I REMEMBER MAKING A LOAN TO CARSON BROWN,
18 PERSONALLY, BUT I DON'T REMEMBER THE DATES. AND I BELIEVE
19 THE AMOUNT WAS \$2,000.

20 MR. LEWIN: LET'S JUST MARK THE ENTIRE DOCUMENT.

21 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 20 MARKED
22 FOR IDENTIFICATION.

23 (DEFENDANT'S EXHIBIT NO. 20 WAS
24 MARKED FOR IDENTIFICATION.

25 BY MR. LEWIN:

1 Q I SHOW YOU DEFENDANT'S EXHIBIT 20 MARKED FOR
2 IDENTIFICATION. IS THAT A COPY OF THE LETTER THAT YOU SENT
3 WITH ALL THE ATTACHMENTS CONCERNING PROMISSORY NOTES AND OTHER
4 LOANS THAT YOU HAD GIVEN FROM YOUR PERSONAL FUNDS TO VARIOUS
5 PEOPLE?

6 A YES, SIR.

7 Q AND THERE ARE IN THERE A SUBSTANTIAL NUMBER OF LOANS
8 TOTALLY INTEREST-FREE, AREN'T THERE? MAYBE THE WORD -- I'M
9 SORRY. I WON'T USE THE WORD --

10 A THERE'S PROBABLY SOME IN THERE, SIR.

11 Q SOME IN THERE. ALL RIGHT. I WAS GOING TO STRIKE
12 THE WORD "SUBSTANTIAL." THERE ARE SOME LOANS IN THERE THAT
13 ARE TOTALLY INTEREST-FREE?

14 A DO YOU WANT ME TO LOOK THROUGH THERE, SIR? I
15 DON'T REALLY REMEMBER.

16 Q JUST FROM YOUR RECOLLECTION AS TO WHAT YOU HAVE
17 LENT TO PEOPLE FROM YOUR PERSONAL FUNDS. HAVE YOU LENT MONEY
18 INTEREST-FREE?

19 A I HAVE LENT --

20 THE COURT: LET HIM ANSWER, MR. LEWIN.

21 THE WITNESS: I HAVE LENT MONEY PERSONALLY FREE --
22 OR INTEREST-FREE FOR A SHORT PERIOD OF TIME, YES, SIR.

23 BY MR. LEWIN:

24 Q O.K. AND THERE ARE LOANS AT LESS THAN A RATE OF
25 INTEREST OF PRIME PLUS 1 PERCENT.

1 A I HAVE MADE LOANS. I DON'T RECALL, YOU KNOW,
2 WHAT'S LISTED IN HERE, SIR.

3 MR. LEWIN: WE WILL OFFER DEFENDANT'S EXHIBIT 20
4 IN EVIDENCE.

5 MR. COLE: NO OBJECTION, YOUR HONOR.

6 THE COURT: IT'S IN EVIDENCE.

7 (DEFENDANT'S EXHIBIT NO. 20
8 WAS RECEIVED IN EVIDENCE)

9 BY MR. LEWIN:

10 Q YOU ANSWERED MR. COLE BY SAYING THAT YOU WERE MORE
11 ENTHUSIASTIC ABOUT THE POTENTIAL BOOK ON IRAN THAN ABOUT THE
12 BOOK ON THE INTERNAL REVENUE SERVICE; IS THAT CORRECT?

13 A YES, SIR.

14 Q BY THE WAY, YOU DID SAY THAT THE BOOK THAT
15 CONGRESSMAN HANSEN GAVE YOU HAD A WHITE COVER. IS THAT CORRECT?
16 AS YOU RECALL?

17 A I BELIEVE THAT'S CORRECT, SIR.

18 Q O.K. LET ME SHOW YOU WHAT I WILL MARK AS DEFEN-
19 DANT'S EXHIBIT 21.

20 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 21 MARKED
21 FOR IDENTIFICATION.

22 (DEFENDANT'S EXHIBIT NO. 21 WAS
23 MARKED FOR IDENTIFICATION)

24 MR. LEWIN: YOUR HONOR, THIS IS -- I WOULD LIKE --

25 THE COURT: WHY DON'T WE HAVE THE WITNESS TELL US

1 WHAT IT IS.

2 MR. LEWIN: O.K. NO, I WOULD JUST LIKE TO HAVE
3 PERMISSION TO SUBSTITUTE ANOTHER COPY OF THIS, BECAUSE THIS
4 ONE DOES HAVE -- IT'S A COPY I'VE BEEN USING, AND IT DOES HAVE
5 SOME RED UNDERLININGS. IT'S THE ONLY ONE I HAVE IN COURT
6 RIGHT NOW.

7 THE COURT: WE WILL SEE IF IT BECOMES RELEVANT TO
8 HAVE ANOTHER COPY SUBSTITUTED.

9 MR. LEWIN: WALL RIGHT.

10 BY MR. LEWIN:

11 Q SHOWING YOU DEFENDANT'S EXHIBIT 21 FOR IDENTIFICA-
12 TION, DOES THAT LOOK MORE LIKE THE VOLUME THAT THE CONGRESS-
13 MAN GAVE YOU?

14 A YES, SIR. TO MY MEMORY, THAT LOOKS MORE LIKE THE
15 VOLUME.

16 Q AND WHAT IS THE TITLE OF THAT VOLUME?

17 A "HOW THE IRS SEIZES YOUR DOLLARS AND HOW TO FIGHT
18 BACK."

19 Q BY?

20 A BY CONGRESSMAN GEORGE HANSEN, WITH LARRY ANDERSON.

21 Q AND THAT, IF YOU WILL LOOK AT THAT, IS THAT A SECOND
22 EDITION, OR A 1981 EDITION OF THE BOOK, JUST TURNING ON THE
23 INSIDE PAGE?

24 A IT SAYS "COPYRIGHT 1981 BY GEORGE HANSEN" --
25 GEORGE V. HANSEN.

1 Q ALL RIGHT.

2 MR. LEWIN: WE OFFER DEFENDANT'S EXHIBIT 21 IN
3 EVIDENCE, YOUR HONOR, AND WE WOULD LIKE TO SUBSTITUTE A CLEAN
4 COPY, BECAUSE THAT ONE, AS I SAY, HAS BEEN MARKED.

5 MR. COLE: YOUR HONOR, WE HAVE NO OBJECTION OTHER
6 THAN THE OBJECTION WE RAISED BEFORE.

7 THE COURT: ALL RIGHT. IT'S IN EVIDENCE. AND YOU
8 CAN SUBSTITUTE THE CLEAN COPY TOMORROW, MR. LEWIN?

9 MR. LEWIN: YES, YOUR HONOR.

10 THE COURT: ALL RIGHT, FINE. IN THE MEANTIME, WE
11 WILL HOLD ON TO THIS COPY.

12 (DEFENDANT'S EXHIBIT NO. 21
13 WAS RECEIVED IN EVIDENCE)

14 BY MR. LEWIN:

15 Q NOW, WITH REGARD TO YOUR ENTHUSIASM ABOUT A BOOK
16 ABOUT IRAN, YOU WERE REFERRING SPECIFICALLY TO CONVERSATIONS
17 YOU HAD HAD WITH CONGRESSMAN HANSEN ABOUT WHAT LARGE BANKS
18 HAD DONE WITH REGARD TO PROPERTY -- IRANIAN PROPERTY; IS THAT
19 RIGHT?

20 A WELL, THERE WERE CONVERSATIONS HAD THAT I HAD WITH
21 CONGRESSMAN HANSEN THAT -- PLUS NEWS ARTICLES OR NEWS STORIES
22 THAT I HAD READ THAT SLANTED OR INDICATED THAT THERE WAS
23 SOME LARGE BANKS INVOLVED MONETARILY.

24 Q INVOLVED MONETARILY IN --

25 A IN IRAN OR THROUGH THE IRANIAN HOSTAGE SITUATION,

1 SIR.

2 Q SO WHEN YOU WERE TALKING ABOUT GREATER INTEREST
3 ABOUT -- IN IRAN, YOU WERE NOT TALKING ABOUT SIMPLY THE HISTORY
4 OF THE INDIVIDUALS WHO WERE BEING HELD HOSTAGE, BUT YOU WERE
5 TALKING ABOUT THINGS HAVING TO DO WITH THE FINANCIAL INTEREST,
6 THE FINANCIAL SIDE OF THE IRANIAN QUESTION.

7 A YES, SIR.

8 Q O.K. AND THAT HAD BEEN THE SUBJECT OF SOME DISCUS-
9 SION BETWEEN YOURSELF AND CONGRESSMAN HANSEN.

10 A YES, SIR.

11 Q AND IT WAS YOUR UNDERSTANDING THAT THERE MIGHT WELL
12 BE A BOOK BY CONGRESSMAN HANSEN ON THAT SUBJECT, AS WELL.

13 A YES, SIR.

14 Q NOW, JUST ONE FINAL QUESTION, MR. MEADE. MR. COLE
15 ASKED YOU WHETHER YOUR LAWSUIT FILED IN JUNE OF 1983 WAS
16 FILED ONLY AFTER YOU HAD HAD -- YOUR COUNSEL HAD HAD A MEETING
17 ON MAY 4, 1983, WITH MR. COLE AND MR. WEINGARTEN. DO YOU
18 RECALL THAT QUESTION?

19 A YES, SIR.

20 Q ALL RIGHT. LET ME SHOW YOU --

21 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 22 MARKED
22 FOR IDENTIFICATION.

23 (DEFENDANT'S EXHIBIT NO. 22 WAS
24 MARKED FOR IDENTIFICATION)

25 BY MR. LEWIN:

1 Q -- WHAT I HAVE MARKED FOR IDENTIFICATION DEFENDANT'S
2 EXHIBIT 22. DO YOU RECOGNIZE THAT LETTER, MR. MEADE?

3 A YES, SIR.

4 Q AND IT'S A LETTER FROM YOUR COUNSEL TO CONGRESSMAN
5 HANSEN?

6 A YES, SIR.

7 Q ABOUT THE \$50,000 LOAN?

8 A YES, SIR.

9 Q AND IT DEMANDS PAYMENT OF THE PRINCIPAL PLUS INTEREST?

10 A YES, SIR.

11 Q AND YOU RECEIVED A COPY OF THAT LETTER?

12 A YES, SIR.

13 Q AND THAT LETTER WAS WRITTEN WITH YOUR AUTHORIZATION
14 AND INSTRUCTION?

15 A YES, SIR.

16 MR. LEWIN: WE MOVE DEFENDANT'S EXHIBIT 21 IN
17 EVIDENCE.

18 MR. COLE: NO OBJECTION, YOUR HONOR.

19 THE COURT: IT'S IN EVIDENCE.

20 (DEFENDANT'S EXHIBIT NO. 22

21 WAS RECEIVED IN EVIDENCE)

22 THE COURT: MAY I SEE SOME OF THOSE DOCUMENTS UP
23 THERE, PLEASE?

24 MR. LEWIN: YES, YOUR HONOR. WHICH --

25 THE COURT: ALL OF THOSE THAT ARE IN EVIDENCE THAT

1 ARE UP THERE WILL BE HELPFUL. BUT THE TESTIMONY CAN CONTINUE,
2 OF COURSE. THANK YOU.

3 BY MR. LEWIN:

4 Q WOULD YOU PLEASE -- LET ME READ JUST TWO PARAGRAPHS
5 OF THIS LETTER.

6 "DEAR CONGRESSMAN HANSEN: I HAVE BEEN CONSULTED"
7 -- IT'S DATED APRIL 5, 1983. "I HAVE BEEN CONSULTED BY
8 JOHN D. MEADE, JR., PERTAINING TO THE COLLECTION OF A PROMIS-
9 SORY NOTE DATED NOVEMBER 21, 1981, EVIDENCING A LOAN TO YOU
10 IN THE AMOUNT OF \$50,000 BEARING INTEREST AT THE RATE OF PRIME
11 PLUS 1 PERCENT FROM THE DATE OF THE NOTE. MR. MEADE DOES
12 NOT WISH TO CAUSE YOU ANY EMBARRASSMENT OR ANY UNNECESSARY
13 PROBLEMS, BUT HE NEEDS HIS MONEY AND IS MORALLY AND LEGALLY
14 ENTITLED TO RECEIVE IT. I WOULD APPRECIATE YOUR REMITTING
15 THE AMOUNT OWED TO MR. MEADE WITHOUT FURTHER DELAY. THE
16 INTEREST ACCRUED FROM NOVEMBER 21, 1981, THROUGH APRIL 5,
17 1983, AMOUNTS TO \$10,611.77. IT WILL CONTINUE TO ACCRUE AT
18 THE RATE OF \$16.67 PER DAY THEREAFTER.

19 "WE TRUST AND HOPE THAT FURTHER LEGAL ACTION WILL
20 NOT BE NECESSARY. VERY TRULY YOURS, J. D. BOWIE."

21 WAS THAT A LETTER FROM YOUR ATTORNEY TO MR. HANSEN
22 TELLING HIM THAT IF HE DIDN'T PAY, IT WOULD BE NECESSARY TO
23 BRING A LAWSUIT?

24 A YES, SIR.

25 MR. LEWIN: THANK YOU. NO FURTHER QUESTIONS.

1 MR. COLE: I HAVE NOTHING MORE, YOUR HONOR.

2 THE COURT: ALL RIGHT, MR. MEADE. YOU ARE EXCUSED.

3 I JUST ASK THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER
4 POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

5 THE WITNESS: THANK YOU, YOUR HONOR.

6 MR. WEINGARTEN: YOUR HONOR, HWE HAVE ANOTHER
7 STIPULATION. THIS MIGHT BE A GOOD TIME TO PUBLISH IT.

8 THE COURT: RIGHT.

9 MR. WEINGARTEN: STIPULATION NO. 10:

10 "IT IS HEREBY STIPULATED AND AGREED BETWEEN THE
11 PARTIES THAT THE ATTACHED SCHEDULE C, PROFIT OR LOSS STATE-
12 MENTS, ARE FROM THE TAX RETURNS OF GEORGE AND CONNIE HANSEN
13 FILED IN 1980, 1981, AND 1982, AND THAT THE NET LOSSES
14 REFLECTED IN ALL THREE STATEMENTS WERE USED AS TAX DEDUCTIONS
15 BY THE HANSENS FOR EACH OF THE THREE YEARS. RESPECTFULLY
16 SUBMITTED," THE PARTIES.

17 AND ATTACHED THERETO, YOUR HONOR, ARE THREE
18 SCHEDULE C, PROFIT OR LOSS FROM BUSINESS OR PROFESSIONAL
19 STATEMENTS, FOR THE YEARS 1980, 1981 AND 1982. FOR PURPOSES
20 OF IDENTIFICATION, I THINK WHEN THE CLERK GETS DONE WRITING
21 WE BETTER MARK THESE. THE NEXT GOVERNMENT EXHIBIT WOULD BE --

22 THE DEPUTY CLERK: 62.

23 MR. WEINGARTEN: 62-A FOR 1980, 62-B FOR 1981, AND
24 62-C FOR 1982. WITH THE COURT'S PERMISSION, I WOULD LIKE TO
25 PUBLISH JUST THE FIRST BOX FOR EACH SCHEDULE C.

1 THE COURT: ALL RIGHT.

2 MR. WEINGARTEN: ON TOP OF 62-A IT SAYS, "PROFIT
3 OR LOSS FROM BUSINESS OR PROFESSION." ALSO SAYS "SCHEDULE C.
4 NAME OF PROPRIETOR, GEORGE V. HANSEN. MAIN BUSINESS ACTIVITY,
5 WRITING. PRODUCT, BOOK. BUSINESS NAME, SELF. BUSINESS
6 ADDRESS, SAME."

7 I REPRESENT TO THE COURT THAT 62-B AND 62-C HAVE
8 IDENTICAL NOTATIONS.

9 THE COURT: LADIES AND GENTLEMEN OF THE JURY, AS
10 YOU HAVE PREVIOUSLY BEEN ADVISED, A STIPULATION IS AN
11 AGREED-UPON STATEMENT BETWEEN COUNSEL, AND YOU MAY CONSIDER
12 THOSE MATTERS AS UNDISPUTED EVIDENCE.

13 MR. COLE: THE GOVERNMENT'S NEXT WITNESS IS
14 THOMAS MILLER, YOUR HONOR.

15 THOMAS G. MILLER
16 WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN,
17 WAS EXAMINED AND TESTIFIED AS FOLLOWS:

18 THE COURT: GOOD EVENING, DR. MILLER.

19 THE WITNESS: HOW ARE YOU?

20 DIRECT EXAMINATION

21 BY MR. COLE:

22 Q DR. MILLER, WOULD YOU PLEASE STATE YOUR FULL NAME
23 AND SPELL YOUR LAST NAME FOR THE COURT REPORTER?

24 A THOMAS G. MILLER, M-I-L-L-E-R.

25 Q HOW ARE YOU EMPLOYED, DR. MILLER?

1 A I AM EMPLOYED BY THE GENERAL RESEARCH CORPORATION.

2 Q AND WHERE IS THAT LOCATED?

3 A THE MAIN OFFICE IS IN SANTA BARBARA, CALIFORNIA,
4 BUT I'M AT THE HUNTSVILLE BRANCH.

5 Q THAT'S HUNTSVILLE, ALABAMA?

6 A HUNTSVILLE, ALABAMA.

7 Q BEFORE WORKING FOR THIS COMPANY, DID YOU WORK AT
8 REDSTONE ARSENAL AT SOME POINT?

9 A I DID, FOR ABOUT 28 YEARS.

10 Q AND WHEN DID YOU LEAVE THE REDSTONE ARSENAL?

11 A DECEMBER OF 1981.

12 Q WHAT WAS YOUR JOB AT THE REDSTONE ARSENAL?

13 A AT THE TIME I LEFT, I WAS A BRANCH CHIEF OF THE
14 TECHNOLOGY DIVISION OF THE HIGH-ENERGY LASER LABORATORY.

15 Q OF -- EXCUSE ME?

16 A IT WAS THE ENERGY DIRECTORATE. IT WAS A LASER
17 LABORATORY, THE HIGH-ENERGY LASER LABORATORY.

18 Q AND COULD YOU TELL THE JURY WHAT THE REDSTONE
19 ARSENAL IS, PLEASE?

20 A THE REDSTONE ARSENAL IS AN ARMY INSTALLATION. IT
21 IS REALLY IN CHARGE OF THE ARMY'S LASER PROGRAM AND THE ARMY'S
22 MISSILE PROGRAM.

23 Q IS THE REDSTONE ARSENAL PART OF THE ARMY?

24 A CERTAINLY IS. PART OF THE U. S. ARMY MISSILE --
25 THE U. S. ARMY MISSILE COMMAND IS LOCATED AT REDSTONE ARSENAL.

1 Q AND THAT'S A MILITARY BASE, THE REDSTONE ARSENAL?

2 A IT'S A MILITARY BASE.

3 Q I WOULD LIKE TO DIRECT YOUR ATTENTION NOW TO
4 SEPTEMBER OF 1981. YOU WERE WORKING AT THE REDSTONE ARSENAL
5 THEN?

6 A THAT'S CORRECT.

7 Q DID YOU HAVE AN OCCASION TO MEET WITH TWO MEN BY
8 THE NAME OF JOHN MEADE AND CARL MCAFEE?

9 A I DID.

10 Q AND WAS THIS MEETING IN HUNTSVILLE, ALABAMA?

11 A IT WAS.

12 Q WHAT WAS THE PURPOSE OF THIS MEETING, DR. MILLER?

13 A SOMEONE HAD ASKED ME IF I WOULD MEET WITH THESE
14 TWO GENTLEMEN TO TRY TO ASCERTAIN THE FEASIBILITY OF A HYDRO-
15 GEN ENGINE.

16 Q WOULD IT BE FAIR TO SAY THIS ENGINE, THIS HYDROGEN
17 ENGINE WAS AN ENGINE THEY SAID COULD RUN ON WATER?

18 A THAT'S WHAT THEY SAID.

19 Q AND DID YOU MEET WITH MR. MEADE AND MR. MCAFEE TO,
20 DISCUSS THIS?

21 A YES.

22 Q WAS THERE ANY MENTION MADE OF THEM WANTING YOU TO
23 GO TO AUSTRALIA TO TEST THIS CAR?

24 A YES. THEY MENTIONED THAT THEY WERE LOOKING FOR
25 SOMEBODY TO GO TO AUSTRALIA.

1 Q AND DO YOU KNOW WHETHER OR NOT YOUR SUPERIORS HAD
2 A POSITION ON WHETHER OR NOT YOU SHOULD GO TO AUSTRALIA AT
3 THIS TIME?

4 A I DIDN'T KNOW AT THAT TIME.

5 Q DID YOU FIND OUT LATER?

6 A I FOUND OUT LATER.

7 Q WHAT DID YOU TELL MR. MEADE AND MR. MCAFEE WHEN
8 THEY ASKED YOU TO GO TO AUSTRALIA?

9 A WE TOLD MR. MEADE AND MR. MCAFEE THAT WE WOULD GO
10 IF WE GOT ORDERS FROM THE UNITED STATES ARMY TO GO.

11 Q DID YOU TELL THEM WHERE THOSE ORDERS WOULD HAVE
12 TO COME FROM? I MEAN THE ARMY IS A BIG PLACE. IS THERE
13 ANYWHERE IN PARTICULAR THAT THEY WOULD HAVE TO COME FROM?

14 A WELL, THE INDICATION WAS THAT IF THE ORDERS CAME
15 FROM THE SECRETARY OF THE ARMY, WE WOULD GO.

16 Q NOW, DO YOU RECALL THE DATE OF THIS MEETING, DR.
17 MILLER?

18 A I BELIEVE IT WAS SEPTEMBER THE 30TH, 1981.

19 Q AT THE TIME OF THIS MEETING, DID YOU EVER DISCUSS
20 WITH MR. MEADE OR MR. MCAFEE WHETHER OR NOT THIS HYDROGEN
21 CAR WOULD WORK?

22 A I GAVE THEM MY IDEAS, AND I ALSO MADE SOME CALCULA-
23 TIONS.

24 Q WHAT DID THOSE CALCULATIONS SHOW THEM?

25 A WELL, THE CALCULATIONS SHOWED THAT IF THEY TRULY

1 HAD MADE A HYDROGEN FUSION ENGINE, THAT THE DRIVER WOULD DIE
2 IN LESS THAN A SECOND OF EXPOSURE TO NEUTRONS.

3 Q NOW, I KNOW MYSELF AND THE JURY -- WOULD THAT BE
4 A FAIR STATEMENT, TO SAY THAT THEY WOULD DIE OF RADIATION
5 FROM THE NUCLEAR RADIOACTIVITY FROM THE ENGINE?

6 A FROM THE -- YOU SEE, WHEN TWO HYDROGEN MOLECULES
7 COMBINE, THEY GIVE OFF A NEUTRON, AND THESE NEUTRONS, IF THEY
8 ARE INCIDENT ON THE FLESH, HUMAN FLESH, IT CAUSES DISTURBANCES
9 WHICH WILL CAUSE ONE TO DIE IN A VERY SHORT TIME.

10 Q IS IT FAIR TO SAY YOU TOLD THEM IT WOULDN'T WORK?

11 A YES. WELL, I SAY I TOLD THEM THE PROBABILITY WAS
12 VERY HIGH THAT IT WOULDN'T WORK. YOU KNOW, YOU DON'T JUST
13 DISMISS SOMETHING RIGHT OFFHAND.

14 Q DID THERE COME A TIME A COUPLE OF WEEKS LATER WHEN
15 YOU GOT A CALL FROM MR. MEADE?

16 A YES.

17 Q BETWEEN THE TIME OF THIS MEETING ON THE 30TH OF
18 SEPTEMBER AND THE TIME YOU GOT A CALL FROM MR. MEADE, HAD
19 YOU DISCUSSED WITH YOUR SUPERIORS WHETHER OR NOT YOU COULD
20 GO TO AUSTRALIA?

21 A YES.

22 Q AND WHAT DID THEY TELL YOU?

23 A THEY TOLD US, "NO WAY."

24 Q WHEN MR. MEADE CALLED, WHAT DID HE HAVE TO SAY TO
25 YOU?

1 A WELL, HE ASKED IF THERE WAS ANY POSSIBILITY THAT
2 I COULD GO. AND I TOLD HIM AGAIN THAT I COULD GO ONLY IF
3 I GOT ORDERS FROM THE ARMY.

4 Q DID HE MENTION ANYTHING ABOUT HIS EFFORTS IN THE
5 PENTAGON AT THAT TIME?

6 A I DON'T BELIEVE I RECALL HIM SPECIFICALLY MENTIONING.

7 Q HE SAID NOTHING ABOUT HIS EFFORTS AT THE PENTAGON
8 HAD BEEN UNSUCCESSFUL AT THAT POINT?

9 A WELL, I THINK YOU'RE RIGHT. I THINK HE DID MENTION
10 THAT HE HAD BEEN IN CONTACT WITH PEOPLE AT THE PENTAGON AND
11 IT LOOKS LIKE THAT THE ORDERS WOULD NOT BE COMING DOWN FROM
12 THE PENTAGON.

13 Q DID HE MENTION THE NAME CONGRESSMAN HANSEN AT ALL
14 TO YOU DURING THAT CONVERSATION?

15 A WELL, AT ONE TIME HE MENTIONED THAT -- MY INDICATION
16 WAS THAT I COULDN'T PARTICIPATE IN ANY WAY. AND HE MENTIONED
17 THAT HE WOULD HAVE CONGRESSMAN HANSEN TO GIVE ME A CALL.

18 Q DID HE SPECIFICALLY SAY "CONGRESSMAN HANSEN"?

19 A YES.

20 Q DID HE TELL YOU WHAT STATE THE CONGRESSMAN WAS FROM?

21 A I DON'T BELIEVE HE DID.

22 MR. COLE: I HAVE NO FURTHER QUESTIONS, YOUR HONOR.

23 THE COURT: CROSS-EXAMINATION?

24 CROSS-EXAMINATION

25 BY MR. LEWIN:

Q DR. MILLER, ULTIMATELY, DID YOU GIVE MR. MEADE THE

1 NAMES OF SOME OTHER SCIENTISTS WHO COULD GO TO AUSTRALIA?

2 A YES. I TOLD HIM THAT I COULDN'T PARTICIPATE, BUT
3 I WOULD GIVE HIM SOME EXPERTS IN THIS FIELD.

4 Q AND WHO DID YOU NAME?

5 A I SUGGESTED DR. KRIEBEL AND DR. WILLIAMS AT AUBURN
6 UNIVERSITY.

7 Q AND TO YOUR KNOWLEDGE, IS IT YOUR TESTIMONY THAT
8 THEY ACTUALLY WENT TO AUSTRALIA?

9 A I KNOW THEY DID GO.

10 Q AND IS IT YOUR TESTIMONY THAT MR. MEADE FLEW THEM
11 OVER TO AUSTRALIA?

12 A I HAVE NO IDEA. I KNOW THAT THEY GOT PAID FOR GOING.
13 I HEARD DR. WILLIAMS SAY THAT THEY DID.

14 Q I SEE. DID YOU TELL THE FEDERAL BUREAU OF INVESTIGA-
15 TION THAT THEY HAD BEEN FLOWN TO AUSTRALIA BY MR. MEADE?

16 A I'M NOT REALLY SURE.

17 Q WELL, IF I SHOW YOU WHAT PURPORTS TO BE A FEDERAL
18 BUREAU OF INVESTIGATION REPORT OF AN INTERVIEW -- YOU WERE
19 INTERVIEWED BY THE FEDERAL BUREAU OF INVESTIGATION ON
20 JANUARY 24TH OF 1983, IN HUNTSVILLE?

21 A YES. WELL, AT SOME DATE. I CAN'T REMEMBER THE
22 DATE.

23 Q RIGHT. AND IF I SHOW YOU ON PAGE 3, THAT PARAGRAPH,
24 WOULD THAT REFRESH YOUR RECOLLECTION AS TO WHETHER YOU TOLD
25 THEM THAT THESE GENTLEMEN HAD BEEN FLOWN TO AUSTRALIA BY MEADE?

1 A MEADE WAS INVOLVED IN IT. I'M NOT REALLY SURE WHO
2 THE CHECK CAME FROM.

3 Q DID YOU TELL THE FBI THAT THEY HAD BEEN FLOWN BY
4 MEADE?

5 A I'M SURE I DID, FROM THAT. I KNOW THEY WERE FLOWN
6 THERE.

7 Q I SEE. DID YOU TELL THE FBI THAT MR. MEADE TOLD
8 YOU THAT HE WAS GOING TO PUT \$5 MILLION OF HIS OWN MONEY INTO
9 THE PROJECT?

10 A HE TOLD ME THAT IF THE ARMY DECIDED THE PROJECT
11 WAS FEASIBLE, HE WOULD.

12 Q AND DID YOU TELL THE FBI THAT MEADE TOLD YOU THAT
13 HE WOULD CUT YOU IN ON ALL THE PROFITS FROM THE PROJECT?

14 A YES.

15 Q AND IS IT -- BY THE WAY, DID YOU TELL THE FBI THAT
16 ALL THIS HAPPENED IN 1982?

17 A WELL, IT CERTAINLY DIDN'T HAPPEN IN 1982. IF I
18 SAID 1982, I WAS MISTAKEN. IT WAS 1981.

19 Q ALL RIGHT. IF I SHOW YOU THE FBI REPORT, IT DOES --

20 A WAIT, NOW, JUST A MINUTE. WHEN THEY WENT TO
21 AUSTRALIA?

22 Q YES.

23 A I'M PRETTY SURE THEY DIDN'T GO TO AUSTRALIA UNTIL
24 1982.

25 Q NO, I'M TALKING ABOUT WHEN YOU HAD THE MEETING WITH

1 MR. MEADE AND --

2 A YES. THAT SHOULD BE '81.

3 Q BUT YOU MAY HAVE TOLD THE FBI '82.

4 A I MIGHT HAVE.

5 Q YOU NEVER DID RECEIVE ANY CALL FROM CONGRESSMAN
6 HANSEN, DID YOU?

7 A NO.

8 Q AND YOU HAVE NEVER TALKED WITH CONGRESSMAN HANSEN
9 AT ALL.

10 A NO.

11 Q AND YOU DON'T KNOW WHETHER WHAT MR. MEADE TOLD YOU
12 WHEN HE SAID, "WHAT WOULD YOU DO IF CONGRESSMAN HANSEN CALLED
13 YOU," WHETHER THAT WAS TRUE OR NOT; WHETHER HE HAD ANY BASIS
14 FOR THINKING CONGRESSMAN HANSEN WOULD CALL YOU.

15 A NO.

16 MR. LEWIN: ALL RIGHT.

17 THE COURT: ANYTHING FURTHER?

18 MR. COLE: JUST TWO QUICK QUESTIONS, YOUR HONOR.

19 REDIRECT EXAMINATION

20 BY MR. COLE:

21 Q YOU TALKED TO THOSE AUBURN SCIENTISTS AFTER THEY
22 WENT TO AUSTRALIA, DIDN'T YOU?

23 A YES.

24 Q YOU KNOW THEM, DON'T YOU?

25 A YES.

1 Q WHAT DID THEY TELL YOU ABOUT THE HYDROGEN CAR?

2 A WELL, THEY SAID IT WAS A HOAX.

3 MR. COLE: THANKS VERY MUCH.

4 THE COURT: ANYTHING FURTHER?

5 YOU ARE EXCUSED, DR. MILLER. I JUST ASK THAT YOU
6 NOT DISCUSS YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS
7 IN THIS CASE UNTIL THE MATTER IS COMPLETED.

8 THE WITNESS: THANK YOU. AM I THROUGH?

9 THE COURT: YES.

10 THE WITNESS: THANK YOU.

11 THE COURT: MR. COLE OR MR. WEINGARTEN?

12 MR. COLE: GOVERNMENT CALLS ROBERT NORWOOD.

13 THE COURT: WHILE THE WITNESS IS COMING IN, COULD
14 I SEE COUNSEL AT THE BENCH, PLEASE, FOR A TIME ESTIMATE?

15 (AT THE BENCH)

16 THE COURT: AS YOU CAN TELL, THAT EXCITING DRONING
17 SOUND HAS GONE OFF, WHICH SOMETIMES GIVE US A LITTLE AIR IN
18 HERE. ABOUT HOW LONG DO YOU THINK MR. NORWOOD'S TESTIMONY
19 WILL BE?

20 MR. WEINGARTEN: THE SAME AS THE LAST WITNESS.

21 MR. COLE: I THINK ABOUT TEN MINUTES FOR ME, AT
22 THE MOST.

23 THE COURT: WILL THERE BE ANOTHER WITNESS FOLLOWING
24 HIM, SIMILARLY BRIEF?

25 MR. COLE: HE WILL BE A BANK CUSTODIAN. I THINK

1 HE WILL BE BRIEF.

2 MR. WEINGARTEN: THIS IS THE BANKER FROM GRUNDY.

3 THE COURT: FROM WHEREVER. I JUST WANT TO MAKE
4 SURE I CAN GET THEM OUT OF HERE -- THE JURY, THAT IS, BY
5 ABOUT 7:00, 7:10. I DON'T WANT TO REALLY GO MUCH BEYOND 7:00.
6 IT IS A LONGER DAY. FOR THE FIRST ONE, IN ANY EVENT, THEY
7 ARE NOT LOOKING AT IT YET, BUT THEY MAY START LOOKING AT THE
8 CLOCK. WE'VE GOT A HALF AN HOUR TO GO. I WOULD LIKE TO GET
9 AS MUCH ACCOMPLISHED IN A HALF HOUR AS WE CAN, BUT NOT REALLY
10 GO TOO MUCH BEYOND.

11 WITNESS 1, PRESUMABLY, WE CAN EASILY COMPLETE. THE
12 OTHER ONE, WE MAY HAVE TO START AND STOP IN THE MIDDLE OF
13 IT. WE WILL START TOMORROW AT 10:00, AND WE WILL BE GOING
14 TILL ABOUT 7:00 TOMORROW. ALL RIGHT? SO JUST CLUE ME IF
15 WE ARE VERY CLOSE TO THE END, AND MR. LEWIN CAN LET ME KNOW,
16 ALSO, IF HE BELIEVES HIS EXAMINATION WILL BE VERY SHORT OR
17 PROTRACTED; THEN I WILL HAVE AN IDEA WHAT TO DO.

18 THANK YOU. ALL RIGHT.

19 (END OF BENCH CONFERENCE)

20 ROBERT LEE NORWOOD

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

23 THE COURT: GOOD EVENING, MR. NORWOOD.

24 THE WITNESS: GOOD EVENING.
25

DIRECT EXAMINATION

BY MR. COLE:

Q IT'S DR. NORWOOD, IS THAT CORRECT?

A THAT'S CORRECT.

THE COURT: I BEG YOUR PARDON.

BY MR. COLE:

Q DR. NORWOOD, COULD YOU PLEASE STATE YOUR FULL NAME
AND SPELL YOUR LAST NAME FOR THE RECORD?

A ROBERT LEE NORWOOD, N-O-R-W-O-O-D.

Q WHAT KIND OF DOCTOR ARE YOU, SIR?

A I HAVE A PH.D. IN THEORETICAL AND APPLIED MECHANICS.

Q WHERE DO YOU WORK?

A IN THE OFFICE OF THE ASSISTANT SECRETARY OF THE
ARMY FOR RESEARCH, DEVELOPMENT AND ACQUISITION.

Q AND WHERE IS THAT LOCATED?

A IN THE PENTAGON.

Q HOW LONG HAVE YOU BEEN WITH THE PENTAGON, DR. NORWOOD?

A SINCE OCTOBER OF 1979.

Q AND YOU HAVE BEEN IN THE CAPACITY OF WHAT? WHAT
IS YOUR JOB THERE?

A I AM THE DEPUTY FOR AIR AND MISSILE DEFENSE.

Q IN YOUR CAPACITY AS AN EMPLOYEE OF THE PENTAGON,
HAVE YOU EVER COME IN CONTACT WITH A GENTLEMAN BY THE NAME
OF JOHN MEADE?

A I TALKED TO HIM ON THE PHONE.

1 Q AND WAS IT CONCERNING A PROJECT MR. MEADE WAS
2 INTERESTED IN?

3 A YES.

4 Q WOULD YOU TELL THE JURY WHAT THAT PROJECT WAS?

5 A IT WAS A PROJECT THAT HAD TO DO WITH A THERMONUCLEAR
6 CAR.

7 Q IS IT FAIR TO SAY, IN LAYMAN'S TERMS FOR THOSE OF
8 US WHO DON'T UNDERSTOOD TOO MUCH ABOUT SCIENCE, IT WAS A CAR
9 THAT RAN ON WATER? WAS THAT THE THEORY?

10 A WELL, YES. IT SORT OF USED A FUSION PRINCIPLE,
11 PRINCIPLE OF FUSION REACTION, AND WATER WAS THE MEDIUM.

12 Q NOW, FUSION REACTION, IS THAT KIND OF A RADIOACTIVE
13 TYPE OF -- NUCLEAR TYPE OF REACTION, SOMETHING LIKE THAT?

14 A YES. IT CAN BE DESCRIBED THAT WAY.

15 Q DO YOU RECALL WHEN YOU FIRST TALKED TO JOHN MEADE?

16 A SOMETIME IN AUGUST. I HAVE FORGOTTEN THE EXACT
17 DATE. I HAVE SOME NOTES. I COULD GET AN APPROXIMATE DATE.

18 Q IS EARLY AUGUST -- DOES THAT SOUND ABOUT RIGHT?

19 A YEAH. EARLY TO MID-AUGUST. SOMEWHERE IN THAT TIME
20 FRAME.

21 Q DO YOU REMEMBER THE NATURE OF YOUR CONTACT WITH
22 MR. MEADE?

23 A YES.

24 Q COULD YOU TELL US WHAT YOU TALKED ABOUT WITH HIM?

25 A YES. HE WAS INTERESTED IN HAVING THE ARMY SUPPLY

1 ASSETS, PEOPLE AS WELL AS EQUIPMENT, TO EVALUATE THIS THERMO-
2 NUCLEAR CAR THAT WAS IN AUSTRALIA.

3 Q AND WHO DID HE WANT TO PAY FOR THIS?

4 A WELL, ORIGINALLY I GUESS HE WANTED THE ARMY TO SEND
5 THESE PEOPLE AND THE EQUIPMENT. BUT I GUESS HE WOULD BE
6 WILLING TO PAY FOR IT HIMSELF. HE JUST WANTED THOSE ARMY
7 ENGINEERS OR SCIENTISTS AND EQUIPMENT TO GO AND DO AN EVALUA-
8 TION.

9 Q WERE THOSE SPECIFIC PEOPLE THAT HE WANTED FROM THE
10 ARMY, OR JUST GENERAL PEOPLE FROM THE ARMY?

11 A WELL, IT WAS MY UNDERSTANDING IT WAS ALWAYS JUST
12 THREE PEOPLE.

13 Q THREE SPECIFIC PEOPLE?

14 A YES.

15 Q WERE YOU AWARE OF WHETHER OR NOT MR. MEADE KNEW
16 THOSE PEOPLE BEFOREHAND, OR KNEW OF THEM BEFOREHAND?

17 A IT WAS MY IMPRESSION THAT HE DID. KNEW THE NAMES,
18 ANYWAY.

19 Q WHERE DID HE WANT THESE PEOPLE TO GO?

20 A AUSTRALIA, SOMEWHERE. QUEENSLAND, OR SOMETHING
21 LIKE THAT.

22 Q DID MR. MEADE EXPLAIN TO YOU IN ANY WAY HIS INTEREST
23 IN THE HYDROGEN CAR?

24 A YES. IN REFERENCE, HE SAID THAT HE HAD AN INTEREST
25 OR U. S. RIGHTS OR SOMETHING LIKE THAT TO THIS CAR, OR DEVICE.

1 Q DID HE EXPLAIN HOW MUCH MONEY THIS MIGHT MEAN TO
2 HIM?

3 A NO.

4 Q DID HE TELL YOU AT ALL THAT HE MIGHT BE ABLE TO
5 GET RICH OFF OF IT IF IT WORKED?

6 A NO.

7 Q IN RESPONSE TO MR. MEADE'S REQUEST, WHAT DID YOU
8 TELL HIM?

9 A I TOLD HIM IT WAS NOT, IN MY ESTIMATION, AN ARMY
10 MISSION. THAT I HAD BEEN AWARE OF THE REQUEST PREVIOUSLY
11 AND I DID SOME BACKGROUND WORK, AND AS A MATTER OF FACT, I
12 CALLED THE DEPARTMENT OF ENERGY AND GOT THE NAME OF SOME --
13 AN OFFICE FOR HIM TO CONTACT. AND WHEN HE TALKED TO ME ON
14 THE PHONE, I GAVE HIM THAT NAME AND PHONE NUMBER IN DOE.

15 Q DID YOU TELL HIM THERE WAS A DOE PROJECT OR A
16 DEPARTMENT OF ENERGY PROJECT AT THE TIME?

17 A I TOLD HIM THAT WOULD BE THE LOGICAL PLACE TO GO;
18 THAT IN FACT, SENDING ARMY PEOPLE AND EQUIPMENT TO AUSTRALIA
19 TO GIVE AN ASSESSMENT OF A COMMERCIAL VENTURE OR A THERMO-
20 NUCLEAR CAR WAS NOT AN ARMY MISSION. AND THAT IF IN FACT
21 THE ARMY WOULD DO SOMETHING LIKE THAT, THERE WERE PROCEDURES
22 TO FOLLOW THAT WERE NOT BEING FOLLOWED. THERE IS A PROCEDURE
23 TO HAVE THE ARMY EVALUATE A PRODUCT.

24 Q MR. MEADE WASN'T FOLLOWING THESE PROCEDURES?

25 A AS FAR AS I KNOW, HE DID NOT. AFTER I GAVE HIM THAT

1 INFORMATION, SOMETIME LATER I CHECKED WITH DOE, AND THEY
2 DIDN'T HAVE ANY RECORD OF MR. MEADE CALLING.

3 Q HE, TO YOUR KNOWLEDGE, NEVER CALLED THE DEPARTMENT
4 OF ENERGY?

5 A AS FAR AS I KNOW, HE DID NOT. AT LEAST THE OFFICE
6 THAT I GAVE HIM.

7 Q DID YOU TALK TO MR. MEADE AT ALL ABOUT THE PERSONNEL
8 THAT HE WANTED SENT, THE SPECIFIC PEOPLE FROM THE ARMY THAT
9 HE WANTED SENT?

10 A I DON'T REMEMBER THAT I DID.

11 Q DO YOU KNOW IF YOU TOLD MR. MEADE THOSE WEREN'T
12 NECESSARILY THE PEOPLE THAT YOU WOULD SEND IF YOU WERE GOING
13 TO LOOK INTO THE PROJECT?

14 A I DON'T KNOW IF I SAID THOSE WORDS. BY INFERENCE
15 -- IF I SAID -- WELL, I DID SAY THAT IT WASN'T AN ARMY
16 MISSION. THAT WOULD IMPLY THAT THOSE PEOPLE, YOU KNOW, WOULD
17 NOT HAVE BEEN THE ONES TO DO IT, IF IN FACT THE ARMY HAD BEEN
18 INVOLVED IN IT AT ALL.

19 Q FOLLOWING THIS CONTACT WITH MR. MEADE, DID YOU EVER
20 HAVE CONTACT WITH CONGRESSMAN HANSEN?

21 A TALKED TO HIM ON THE PHONE ONCE.

22 Q DO YOU RECALL ABOUT WHEN THAT WAS?

23 A 15 OCTOBER.

24 Q 1981?

25 A YES.

1 Q WHO MADE THE CALL?

2 A WELL, HE CALLED THE SECRETARIAT AND THE CALL WAS
3 TRANSFERRED TO ME, BECAUSE I HAD BEEN HANDLING THAT ISSUE
4 FOR THE SECRETARY.

5 Q DO YOU RECALL WHAT CONGRESSMAN HANSEN HAD TO SAY
6 DURING THAT CALL?

7 A YEAH, IN GENERAL. HE WANTED THE ARMY TO DECIDE
8 WHETHER OR NOT THEY WERE GOING TO ALLOW THE ENGINEERS TO DO
9 THIS EVALUATION, AND THAT HE WANTED TO HAVE THE ARMY AGREE
10 TO HAVE ENGINEERS DO IT, AND THE EQUIPMENT.

11 Q HOW WAS HIS TONE IN THIS CALL? WAS HE MILD ABOUT
12 IT?

13 A WELL, HE WAS FORCEFUL IN GETTING HIS POINT ACROSS.

14 Q AND HE SPECIFICALLY WANTED THE ARMY TO SEND THESE
15 PEOPLE TO AUSTRALIA, AND THE EQUIPMENT?

16 A WELL, HE WANTED THE ARMY TO -- THAT WAS MY IMPRES-
17 SION, YEAH; TO SEND ARMY EQUIPMENT AND PEOPLE TO -- OR ALLOW
18 THEM TO BE SENT, AT LEAST, AND DO AN EVALUATION.

19 Q NOW, THIS WAS CONCERNING THE SAME CAR THAT YOU
20 SPOKE TO MR. MEADE ABOUT?

21 A YES.

22 Q MOVING NOW TO -- WELL, WHAT DID YOU TELL CONGRESSMAN
23 HANSEN DURING THIS MEETING?

24 A WELL, I TRIED TO RELAY THE POINT THAT IT WASN'T
25 AN ARMY MISSION AND THAT THE ARMY REALLY SHOULDN'T BE INVOLVED

1 IN THAT TYPE OF VENTURE.

2 Q DID YOU TELL HIM ABOUT THE DEPARTMENT OF ENERGY?

3 A NO.

4 Q DID YOU TELL HIM ABOUT ARMY PROCEDURES THAT SHOULD
5 BE FOLLOWED?

6 A I MAY HAVE. I DON'T RECALL SAYING THOSE EXACT
7 WORDS: THAT THERE ARE OTHER PROCEDURES TO FOLLOW. I DO KNOW
8 THAT I TRIED TO GET THE POINT ACROSS THAT IT WASN'T AN ARMY
9 JOB TO DO THAT.

10 Q GOING TO A LATER TIME, NOVEMBER OF THAT SAME YEAR,
11 WERE YOU PRESENT WHEN ANOTHER CALL CAME IN FROM CONGRESSMAN
12 HANSEN?

13 A YES.

14 Q AND WHO DID THAT CALL COME IN TO?

15 A WELL, I THINK IT WAS IN RESPONSE TO A CALL THAT
16 HAD BEEN MADE PREVIOUSLY, AND MRS. HOEVER, THE SECRETARIAT,
17 RETURNED THE CALL TO CONGRESSMAN HANSEN.

18 Q YOU WERE PRESENT WHEN THIS CALL WAS RETURNED?

19 A THAT'S CORRECT.

20 Q DID IT CONCERN THE HYDROGEN CAR?

21 A YES.

22 Q AND THE DATE OF THIS CALL?

23 A I THINK IT WAS THE 23RD OF NOVEMBER.

24 Q 1981?

25 A YES.

1 MR. COLE: THANK YOU, DR. NORWOOD.

2 THE COURT: CROSS-EXAMINATION. MORE TO COME.

3 CROSS-EXAMINATION

4 BY MR. LEWIN:

5 Q SORRY, DR. NORWOOD.

6 NOW, I THINK YOU SAID IN ANSWER TO MR. COLE'S
7 QUESTIONS THAT YOU RECEIVED A PHONE CALL FROM CONGRESSMAN
8 HANSEN ON THE 15TH OF OCTOBER, 1981; IS THAT CORRECT?

9 A YEAH. I SAID THE OFFICE RECEIVED A CALL, AND THE
10 CALL WAS REFERRED TO ME.

11 Q ALL RIGHT. BEFORE THAT, YOU HAD HAD A NUMBER OF
12 TELEPHONE CONVERSATIONS WITH MR. MEADE; IS THAT CORRECT?

13 A I HAD ONE THAT I CAN RECALL. THERE MAY HAVE BEEN
14 ONE OTHER ONE, BUT I KNOW THERE WAS ONE.

15 Q YOU SAY YOU ONLY HAD ONE?

16 A I SAID I KNOW THAT I HAD ONE. NOW, THERE MAY HAVE
17 BEEN ANOTHER SHORT ONE; I DON'T KNOW. BUT I KNOW THERE WAS
18 ONE WHERE I DID TELL HIM ABOUT THE -- THAT IT WASN'T AN
19 ARMY MISSION, AND I GAVE HIM THE ADDRESSES AND NAMES AND
20 PHONE NUMBERS IN THE DEPARTMENT OF ENERGY.

21 Q WELL, WEREN'T THERE IN FACT A TOTAL OF THREE
22 CONVERSATIONS THAT YOU HAD WITH MR. MEADE? TELEPHONE
23 CONVERSATIONS?

24 A I DON'T RECALL THAT MANY, BUT I KNOW THAT THERE
25 WAS AT LEAST ONE. THERE MAY HAVE BEEN OTHER SHORT ONES.

1 THERE MAY HAVE BEEN ONE JUST IN THE BEGINNING TO JUST OPEN
2 UP THE ISSUE. BUT I KNOW THERE WAS ONE.

3 Q WE'RE TALKING ABOUT AUGUST OF 1981.

4 A YES. THAT'S CORRECT.

5 Q DO YOU RECALL TELLING -- AN AGENT OF THE FEDERAL
6 BUREAU OF INVESTIGATION CAME TO INTERVIEW YOU ABOUT THIS;
7 IS THAT CORRECT?

8 A YES, THAT'S RIGHT.

9 Q AND DO YOU RECALL TELLING HIM AFTER THE FIRST CALL
10 THAT YOU RECALLED AT LEAST TWO MORE TIMES SPEAKING WITH MR.
11 MEADE AFTER THIS INITIAL CONVERSATION?

12 A NO, BUT IT COULD BE POSSIBLE.

13 Q WELL, LET ME SHOW YOU THE REPORT OF THE AGENT,
14 SPECIFICALLY RIGHT THERE.

15 A OH, O.K.

16 Q DOES THAT REFRESH YOUR RECOLLECTION THAT THERE WERE
17 IN FACT THREE TELEPHONE CONVERSATIONS, AT LEAST? YOU SAID,
18 "AT LEAST TWO OTHER CONVERSATIONS WITH MR. MEADE."

19 A WELL, THERE MAY HAVE BEEN. AT THE TIME, I WAS
20 LOOKING THROUGH MY NOTES THAT I HAD. AND THE ONE I RECALL
21 RIGHT NOW IS THE ONE WHERE I GAVE HIM THE INFORMATION ABOUT
22 DEPARTMENT OF ENERGY. THERE COULD HAVE BEEN OTHERS AFTERWARDS
23 WHERE --

24 Q HOW DO YOU KNOW THE SPECIFIC DATES SO WELL, DR.
25 NORWOOD?

1 A I DON'T KNOW THE DATE OF THE MEADE CALL. I SAID
2 IT WAS SOMEWHERE ABOUT AUGUST OF '81.

3 Q DIDN'T YOU TELL THE AGENT OF THE FEDERAL BUREAU
4 OF INVESTIGATION THAT ON AUGUST 4, 1981, YOU RECEIVED A
5 TELEPHONE CALL FROM MR. MEADE?

6 A WELL, MAY HAVE. I CAN CHECK MY NOTES HERE.

7 Q OH, YOU DO HAVE NOTES WITH YOU, RIGHT?

8 A SURE.

9 Q O.K. COULD I SEE THOSE NOTES, PLEASE?

10 A YES. RIGHT HERE. IT'S AUGUST 4TH.

11 Q SO IT WAS THE 4TH OF AUGUST, 1981?

12 A YEAH.

13 Q ALL RIGHT. AND THEN YOU HAVE A NOTE OF YOUR OTHER
14 CONVERSATIONS WITH MR. MEADE?

15 A NO, I DON'T.

16 Q YOU DON'T.

17 A I DON'T HAVE A DATE.

18 Q I SEE. THESE ARE THE NOTES OF THESE CONVERSATIONS?
19 THE TELEPHONE CONVERSATIONS?

20 A YEAH, SOME OF THEM.

21 Q DR. NORWOOD, IT'S A FACT, IS IT NOT, THAT IN THESE
22 THREE TELEPHONE CONVERSATIONS WITH MR. MEADE, CONGRESSMAN
23 HANSEN'S NAME WAS NOT MENTIONED AT ALL?

24 A I DON'T RECALL THAT IT WAS.

25 Q DO YOU RECALL THAT YOU SPECIFICALLY TOLD --

1 THE COURT: MR. LEWIN, EXCUSE ME, SIR. IF YOU
2 WOULDN'T MIND GIVING THE WITNESS BACK THE NOTES FOR THE MOMENT,
3 AND WE WILL SEE WHAT HAPPENS THEREAFTER.

4 MR. LEWIN: ALL RIGHT.

5 BY MR. LEWIN:

6 Q DO YOU HAVE IN HERE A NOTE REGARDING THE TELEPHONE
7 CONVERSATION YOU HAD WITH CONGRESSMAN HANSEN?

8 A I DON'T THINK SO. LET ME LOOK.

9 NO, I DON'T.

10 Q BUT YOU ARE ABLE TO SPECIFY THE DATE FOR THAT
11 CONVERSATION WITH CONGRESSMAN HANSEN WITH GREAT DETAIL.

12 A YES.

13 Q AND HOW ARE YOU ABLE TO DO THAT?

14 A BECAUSE THE EVENING OF THE CALL, I WAS TAKING A
15 TRIP TO AN ARMY INSTALLATION, AND THAT CALL CAME JUST BEFORE
16 I WAS GETTING READY TO LEAVE, AND WE HAD TO SLIGHTLY DELAY
17 OUR DEPARTURE BECAUSE OF THAT. AND I WENT BACK AND CHECKED
18 THE PHONE LOGS, AND THAT'S THE TIME WHEN THAT TRIP WAS.

19 Q I SEE. BUT YOU DON'T HAVE A MEMORANDUM OF EXACTLY
20 WHAT YOU SAID AND WHAT CONGRESSMAN HANSEN SAID OR REFLECTING
21 YOUR NOTES OF WHAT HAPPENED AT THAT TIME.

22 A NO, I DON'T, BECAUSE RIGHT AFTER THE CONVERSATION
23 WAS OVER, WE LEFT, GOT ON THE AIRPLANE.

24 Q IN TERMS OF YOUR DIRECT TESTIMONY, I BELIEVE YOU
25 FIRST SAID IN ANSWER TO MR. COLE'S QUESTION -- I WROTE IT

1 DOWN -- THAT HE WAS TRANSFERRED TO YOU AND, IN GENERAL,
2 CONGRESSMAN HANSEN WANTED THE ARMY TO DECIDE WHETHER OR NOT
3 TO ALLOW ENGINEERS TO DO THE EVALUATION.

4 A I SAID -- THAT WAS PART OF IT, YES.

5 Q THAT WAS PART OF IT. BUT THAT WAS THE CONVERSATION:
6 HE WANTED YOU TO DECIDE WHETHER OR NOT TO ALLOW THE ENGINEERS
7 TO DO THE EVALUATION.

8 A YES. AND THE OTHER HALF, WHAT I BELIEVE I SAID,
9 WAS THAT IT WAS MY IMPRESSION THAT HE WANTED THE ANSWER IN
10 THE AFFIRMATIVE.

11 Q THAT WAS YOUR IMPRESSION.

12 A YES.

13 Q BUT WHAT YOU DO RECALL IS HE WANTED AN ANSWER.
14 HE WANTED YOU TO DECIDE WHETHER OR NOT TO DO IT.

15 A I RECALL THEM BOTH.

16 Q YOU RECALL THEM BOTH.

17 AND WITH REGARD TO THE OTHER CONVERSATION -- AND
18 YOU TOLD HIM THAT -- I'M SORRY.

19 WITH REGARD TO THAT QUESTION, YOU TOLD HIM YOU
20 THOUGHT IT WAS NOT AN ARMY FUNCTION.

21 A I TRIED TO GET THAT POINT ACROSS.

22 Q O.K. AND THAT WAS CONSISTENT WITH THE POSITION
23 YOU HAD BEEN TAKING THERETOFORE WITH MR. MEADE IN THESE
24 VARIOUS CONVERSATIONS.

25 A ABSOLUTELY.

1 Q AND WITH EVERYBODY ELSE WHOM YOU WERE TALKING TO.

2 A ABSOLUTELY.

3 Q AND CONGRESSMAN HANSEN DIDN'T THREATEN ANYTHING
4 TO YOU IN THAT CONVERSATION.

5 A NOPE.

6 Q YOU JUST SIMPLY TOLD HIM IT WAS NOT AN ARMY FUNCTION;
7 HE SAID "THANK YOU", AND HE HUNG UP.

8 A WELL, I DON'T KNOW IF IT WAS THAT SIMPLE.

9 Q I UNDERSTAND.

10 A THE CONVERSATION WENT ON FOR A FEW MINUTES, AND
11 FINALLY -- LET ME SEE. WE HAD TO LEAVE, SO I HAD TO END THE
12 CONVERSATION. AND I THINK SOMEONE ELSE IN THE OFFICE MAY
13 HAVE TALKED WITH HIM JUST TO FINISH UP THE CONVERSATION.

14 Q SO YOU SAID, "I'VE GOT TO LEAVE; I'M SORRY,
15 CONGRESSMAN, I'VE GOT TO LEAVE BECAUSE I'M GOING OUT OF TOWN."

16 A YEP.

17 Q AND YOU GAVE THE PHONE OVER TO SOMEBODY ELSE, AND
18 THEY FINISHED THE CONVERSATION.

19 A WELL, NO. THAT CONVERSATION ENDED -- I THINK THAT
20 CONVERSATION ENDED AND SOMEONE ELSE MAY HAVE CALLED HIM BACK
21 JUST TO LET HIM KNOW THAT WE WOULD GET BACK TO HIM THE NEXT
22 DAY WHEN WE GOT BACK IN TOWN.

23 Q I SEE. BUT YOU DIDN'T IN FACT TALK TO CONGRESSMAN
24 HANSEN EVER AGAIN.

25 A NO, I DID NOT.

1 Q O.K. AND THE ONLY OTHER TIME THAT YOU TESTIFIED
2 THAT YOU KNOW OF ANY TELEPHONE CONVERSATION WHATEVER WAS A
3 CONVERSATION YOU SAY WHICH A MRS. HOEVER --

4 A YES.

5 Q H-O-E-V-E-R?

6 A THAT'S CORRECT.

7 Q -- CALLED THE CONGRESSMAN BACK IN YOUR PRESENCE?

8 A WELL, THERE WERE THREE THAT I CAN REMEMBER.

9 Q I JUST WANT TO KNOW CONVERSATION THAT YOU -- YES,
10 THAT YOU WERE PRESENT AT.

11 A YES.

12 Q AND YOU SAY THERE WAS A CONVERSATION --

13 A THREE, YES.

14 Q O.K.

15 A THE ONE WHEN I TALKED TO HIM ON THE PHONE, ON THE
16 FOLLOWING DAY WHEN HE WAS CALLED BACK, AND THEN ON THE 23RD
17 OF NOVEMBER.

18 Q AND THE FOLLOWING DAY, WHEN HE WAS CALLED BACK,
19 HE WAS TOLD WHAT?

20 A THAT IT WAS NOT AN ARMY MISSION.

21 Q AND YOU TOLD HIM THAT?

22 A NO. MRS. HOEVER TOLD HIM THAT.

23 Q YOU WEREN'T PRESENT AT THAT TIME.

24 A I WAS PRESENT IN THE ROOM.

25 Q YOU WERE PRESENT THE NEXT DAY?

1 A I WAS. THAT'S CORRECT.

2 Q AND MRS. HOEVER TOLD HIM AGAIN WHAT YOU HAD TOLD
3 HIM IN THE PRIOR --

4 A IN GENERAL, YES. THAT IT WASN'T AN ARMY MISSION;
5 THAT THERE WERE OTHER PROCEDURES TO BE FOLLOWED IF IN FACT
6 THE ARMY WERE TO GET INVOLVED. IT WAS A DOE MISSION PRIMARILY.
7 YOU KNOW, THOSE TYPES OF THINGS.

8 Q O.K. AND THAT FINISHED IT FOR THAT DAY.

9 A THAT'S CORRECT.

10 Q AND THEN THE NEXT TIME WAS WHEN THEREAFTER?

11 A WELL, I HAVE RECORDS THAT IT WAS ON 23 NOVEMBER.
12 SO THAT'S WHEN I THINK THE NEXT ONE WAS. 23 NOVEMBER.

13 Q DO YOU HAVE A MEMORANDUM OF THAT CONVERSATION?

14 A NO. WE CHECKED THE PHONE LOGS. THE OFFICE PHONE
15 LOGS.

16 Q AND AGAIN, YOU WERE PRESENT WHEN MRS. HOEVER MADE
17 THAT CALL.

18 A THAT'S CORRECT.

19 Q AND IT WAS MADE IN HER OFFICE?

20 A YES.

21 Q AND THAT WAS A CALL THAT SHE PLACED BACK TO
22 CONGRESSMAN HANSEN?

23 A THAT'S CORRECT.

24 Q DID YOU EXPLAIN TO THE AGENT OF THE FBI THAT YOU
25 WERE PRESENT AT THOSE CONVERSATIONS?

1 A I THOUGHT I DID.

2 Q PARDON?

3 A I THOUGHT I DID.

4 Q THAT'S JUST A COPY OF HIS REPORT. THAT DOESN'T
5 SPECIFICALLY INDICATE THAT, DOES IT, DR. NORWOOD?

6 A I DON'T KNOW. LET ME SEE.

7 Q BUT YOU THINK YOU DID TELL THE AGENT OF THE FBI
8 THAT YOU WERE PRESENT WHEN MRS. HOEVER MADE THOSE CALLS?

9 A I DON'T REMEMBER IF I TOLD HIM THAT OR NOT. BUT
10 I WAS THERE.

11 Q O.K. DID, TO YOUR KNOWLEDGE, CONGRESSMAN HANSEN
12 TELL EITHER YOU OR MRS. HOEVER THAT WHAT HE WAS CONCERNED
13 WITH WAS THAT UNDUE PRESSURE MAY HAVE BEEN PUT ON THE EMPLOYEES
14 OF THE REDSTONE ARSENAL TO KEEP THEM FROM GOING TO AUSTRALIA?

15 A ON 23 NOVEMBER, I UNDERSTOOD THAT THAT WAS ONE OF
16 THE ISSUES OF THE CONVERSATION. PERHAPS THE MAIN ISSUE OF
17 THE CONVERSATION.

18 Q THE MAIN ISSUE OF THE CONVERSATION WAS THAT
19 CONGRESSMAN HANSEN WAS SAYING TO YOUR OFFICE THAT HE WAS
20 CONCERNED THAT THE INDIVIDUAL SCIENTISTS AT THE REDSTONE
21 ARSENAL HAD BEEN UNDULY PRESSURED SO THAT THEY HAD NO PERSONAL
22 CHOICE AS TO WHETHER OR NOT TO GO TO AUSTRALIA.

23 A YES.

24 Q AND YOUR RESPONSE TO THAT WAS WHAT?

25 A WE -- AS I RECALL, MRS. HOEVER SAID SHE WOULD LOOK

1 INTO IT.

2 Q DID YOU IN FACT LOOK INTO IT?

3 A YES.

4 Q DID YOU EVER REPORT BACK TO CONGRESSMAN HANSEN?

5 A I REPORTED BACK TO MRS. HOEVER.

6 Q DO YOU KNOW WHETHER MRS. HOEVER EVER REPORTED BACK
7 TO CONGRESSMAN HANSEN?

8 A I'M NOT SURE.

9 MR. LEWIN: THANK YOU.

10 MR. COLE: JUST TWO QUICK QUESTIONS ON REDIRECT,
11 YOUR HONOR.

12 REDIRECT EXAMINATION

13 BY MR. COLE:

14 Q THE CALL ON NOVEMBER 23RD THAT MRS. HOEVER MADE,
15 WAS THAT IN RESPONSE TO A CALL THAT CONGRESSMAN HANSEN MADE
16 ON THAT DAY?

17 A I THINK SO. WELL, NO; I DON'T KNOW ABOUT ON THAT
18 DAY. BUT IT WAS IN RESPONSE TO A CALL THAT HAD BEEN MADE.
19 I DON'T KNOW ABOUT -- IF THAT CALL WAS ON THE 23RD OR BEFORE
20 OR WHATEVER.

21 Q YOU DON'T RECALL AT THIS POINT WHEN THAT CALL WAS
22 MADE BY CONGRESSMAN HANSEN?

23 A NO, I DON'T. THE PHONE LOGS MAY INDICATE THAT,
24 BUT RIGHT NOW I JUST DON'T KNOW.

25 Q WERE YOU EVER TOLD ABOUT THIS HYDROGEN CAR, AS FAR

1 AS HOW IT WAS SUPPOSED TO WORK OR WHAT THE THEORY WAS BEHIND
2 IT?

3 A IN GENERAL, YES. IT WAS SUPPOSED TO BE A FUSION
4 DEVICE, A FUSION ENGINE THAT DISASSOCIATED WATER INTO ITS
5 COMPONENTS, AND THAT THOSE COMPONENTS, WHEN RECOMBINED IN
6 THE FUEL CELL, GENERATED ELECTRICITY OR FUEL. IT WAS SORT
7 OF A THERMONUCLEAR DEVICE; YOU ADDED WATER, AND OFF YOU WENT.

8 Q FROM YOUR EXPERIENCE AS A PH.D., WOULD IT WORK?

9 A I DIDN'T THINK IT HAD MUCH TECHNICAL FOUNDATION.
10 MR. COLE: THANK YOU.

11 THE COURT: MR. LEWIN, ANYTHING FURTHER?

12 MR. LEWIN: NO.

13 THE COURT: THANK YOU FOR YOUR TESTIMONY, DR. NORWOOD
14 YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS IT WITH
15 ANY OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS
16 COMPLETED.

17 THE WITNESS: O.K.

18 MR. COLE: YOUR HONOR, THIS MIGHT BE A GOOD PLACE
19 TO BREAK.

20 THE COURT: I WAS GOING TO SAY, IT'S FIVE MINUTES
21 OF 7:00. AND IF WE ARE GOING TO START ANOTHER WITNESS AND
22 CANNOT COMPLETE THAT WITNESS IN THE NEXT FIVE MINUTES OR SO,
23 IT IS TIME FOR US TO BE DOWN FOR THE EVENING.

24 LADIES AND GENTLEMEN OF THE JURY, WE HAVE COMPLETED
25 THE FIRST OF OUR 7:00 P.M. MARATHONS, AND -- THOUGH I SEE YOU

1 ARE STILL SMILING AND SEEMING IN GOOD SPIRIT, AND FOR THAT
2 WE THANK YOU. WE WILL HAVE YOU BACK HERE AT 10:00 O'CLOCK
3 TOMORROW MORNING FOR THE RESUMPTION OF THE TESTIMONY. AGAIN,
4 WE ANTICIPATE, UNLESS SOMETHING UNUSUAL HAPPENS IN THE COURSE
5 OF OUR ACTIVITIES OR OUR OTHER ACTIVITIES, THAT WE WILL BE
6 SITTING UNTIL ABOUT 7:00 TOMORROW EVENING, ALSO. SO, FOR
7 THAT PURPOSE, WHATEVER YOU NEEDED TO FORTIFY YOURSELVES TODAY,
8 DO AT LEAST THE SAME TOMORROW OR MORE SO, WHATEVER THAT MIGHT
9 BE.

10 HAVE A VERY GOOD EVENING. PLEASE REMEMBER THE
11 CONTINUING ADMONITION NOT TO DISCUSS THE CASE WITH ANYONE.
12 HAVE A GOOD EVENING.

13 AND IF COUNSEL WILL WAIT JUST ONE MOMENT AFTER THE
14 JURY HAS LEFT.

15 (THE JURY WAS EXCUSED FOR THE EVENING AT 6:55 P.M.)

16 THE COURT: ALL RIGHT. AS TO TOMORROW, 10:00
17 O'CLOCK TOMORROW MORNING. ONE OR TWO CUSTODIANS?

18 MR. WEINGARTEN: YES. WE WILL REST BY 10:30.

19 MR. COLE: 11:00, AT THE OUTSIDE.

20 THE COURT: OPTIMISM REIGNS AT 7:00 O'CLOCK AT NIGHT.
21 YOU ARE JUST AS EAGER TO GET OUT OF HERE AS THOSE JURORS WERE,
22 RIGHT? ALL RIGHT.

23 ALL RIGHT. EARLY TOMORROW, SHORTLY AFTER WE BEGIN,
24 WE SHOULD BE COMPLETED, AND THEN YOU HAVE SOME EXHIBITS. IS
25 THAT RIGHT, MR. WEINGARTEN? OR YOU HAVE SOME DISCUSSION OF

1 POTENTIAL EXHIBITS FROM THE DEFENSE.

2 MR. WEINGARTEN: RIGHT.

3 THE COURT: I REMEMBER SOMETHING ABOUT EXHIBITS.

4 ALL RIGHT.

5 SO, MR. LEWIN IS ON NOTICE TO HAVE WITNESSES READY.

6 MR. LEWIN: YES, YOUR HONOR.

7 THE COURT: OUT YONDER, OR WHEREVER, SO THAT WE
8 CAN KEEP MOVING UNTIL 7:00 O'CLOCK TOMORROW NIGHT. RIGHT?

9 MR. LEWIN: YES, YOUR HONOR.

10 THE COURT: HAVE A GOOD EVENING, ALL.

11 (WHEREUPON, AT 6:57 P.M., THE TRIAL WAS ADJOURNED,
12 TO RECONVENE AT 10:00 A.M., TUESDAY, MARCH 27, 1984.)

13
14 CERTIFICATE OF REPORTER

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

19
20 GORDON A. SLODYSKO
21 OFFICIAL COURT REPORTER

22
23 SHIRLEY POPEJOY
24 OFFICIAL REPORTER

25 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. 7
8 : :
9 : ----- X

10 WASHINGTON, D. C.

11 TUESDAY, MARCH 27, 1984

12 THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER
13 TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED
14 STATES DISTRICT JUDGE, AT APPROXIMATELY 10:00 A.M.

15 APPEARANCES:

16 FOR THE GOVERNMENT:

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

19 FOR THE DEFENDANT:

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

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 XWITNESSDIRECTCROSSREDIRECTRECROSS

JACKSON E. REASOR, JR.

872

887

896

897

IVAN IRWIN, JR.

930

966

977

KENNETH A. CARUSO

992

1000

1002

JOHN L. RUNFT

1008

1101

1155

1161

EXHIBITFOR IDENTIFICATIONIN EVIDENCE

GOVERNMENT'S

56-A AND 56-B

874

63

879

880

8-C

899

14 AND 16

901

64

1116

1118

65

1132

75, 76 AND 77

1135

DEFENDANT'S

23

889

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1052

		870-A
1	<u>EXHIBITS (CONTINUED)</u>	<u>FOR IDENTIFICATION</u>
2	DEFENDANT'S	<u>IN EVIDENCE</u>
3	36	1057
4	37	1059
5	40	1071
6	75, 76 AND 77	1072
7	73	1078
8	39	1082
9	1	1110
10	79 AND 80	1158
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P R O C E E D I N G S

THE COURT: YES.

MR. WEINGARTEN: MAY WE APPROACH THE BENCH, PLEASE?

THE COURT: SURELY.

(AT THE BENCH)

MR. WEINGARTEN: THIS IS A PERSONAL MATTER. IT
DOESN'T HAVE TO BE ON THE RECORD.

THE COURT: A PERSONAL MATTER. ALL RIGHT.

(DISCUSSION OFF THE RECORD.)

(IN OPEN COURT)

THE COURT: ALL RIGHT. ARE WE READY FOR THE JURY,
THEN?

MR. COLE: YES, YOUR HONOR.

THE COURT: ALL RIGHT.

(THE JURY RETURNED TO THE COURTROOM)

THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

THE JURY (EN MASSE): GOOD MORNING.

THE COURT: ALL RIGHT. MR. COLE, IS IT?

MR. COLE: YES. GOVERNMENT'S NEXT WITNESS IS
JACKSON REASOR.

JACKSON E. REASOR, JR.

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

THE COURT: GOOD MORNING, MR. REASOR.

THE WITNESS: GOOD MORNING.

DIRECT EXAMINATION

BY MR. COLE:

Q MR. REASOR, WOULD YOU PLEASE STATE YOUR FULL NAME,
AND SPELL YOUR LAST NAME FOR THE COURT REPORTER?

A JACKSON EDWIN REASOR, JR. MY LAST NAME IS
R-E-A-S-O-R.

Q MR. REASOR, HOW ARE YOU EMPLOYED?

A I AM EMPLOYED AS A TRUST OFFICER AT A BANK IN
BLUEFIELD, WEST VIRGINIA, AT THE PRESENT TIME.

Q THE NAME OF THAT BANK, SIR?

A FLATTOP NATIONAL BANK OF BLUEFIELD.

Q PRIOR TO BEING A TRUST OFFICER AT THE FLATTOP
NATIONAL BANK, DID YOU HAVE ANOTHER JOB AT A BANK?

A YES, I DID. I WAS EMPLOYED AT MINERS AND MERCHANTS
BANK IN GRUNDY, VIRGINIA.

Q AND YOUR POSITION IN THAT BANK?

A ORIGINALLY I WAS VICE PRESIDENT AND GENERAL COUNSEL.
WHEN I LEFT THE BANK THIS PAST NOVEMBER, I WAS PRESIDENT
OF THE BANK.

Q WHEN DID YOU BECOME PRESIDENT OF THE MINERS AND
MERCHANTS BANK, SIR?

A IN JUNE, 1982.

Q -AND THAT WAS WHEN YOU OFFICIALLY BECAME PRESIDENT.
DID YOU ASSUME THOSE DUTIES A LITTLE EARLIER THAN THAT?

A YES. I WAS APPOINTED ACTING PRESIDENT ON APRIL 29,

1 1982.

2 Q COULD YOU EXPLAIN TO THE JURY HOW YOU BECAME ACTING
3 PRESIDENT OF THE MINERS AND MERCHANTS BANK ON APRIL 29TH,
4 1982?

5 A WELL, PRIOR TO THAT TIME, AS I SAID, I WAS VICE
6 PRESIDENT AND GENERAL COUNSEL, WHICH WAS BASICALLY CONSIDERED
7 THE NUMBER TWO POSITION AT THE BANK. MR. JOHN D. MEADE,
8 JR., WAS PRESIDENT OF THE BANK. DURING THE MONTH OF APRIL,
9 1982, THE FEDERAL RESERVE BANK AND VIRGINIA BUREAU OF FINAN-
10 CIAL INSTITUTIONS CONDUCTED A ROUTINE BANK EXAMINATION OF
11 OUR INSTITUTION, AND DURING THE COURSE OF THAT EXAMINATION
12 DISCOVERED CERTAIN IRREGULARITIES INVOLVING THE PRESIDENT
13 OF THE BANK, MR. JOHN MEADE. ON APRIL THE 29TH, A SPECIAL
14 BOARD MEETING OF THE BOARD OF DIRECTORS OF THE BANK WAS CALLED,
15 AND AT THAT MEETING THESE ALLEGATIONS AND CHARGES WERE
16 PRESENTED TO THE BOARD, AND MR. MEADE WAS FORCED TO RESIGN
17 AT THAT TIME. AND I WAS APPOINTED ACTING PRESIDENT.

18 Q AND WHEN DID THIS EXAMINATION BEGIN, MR. REASOR?
19 THE BANK EXAMINATION?

20 A IT WAS THE VERY FIRST MONDAY IN APRIL, APPROXI-
21 MATELY APRIL THE 5TH, 1982.

22 Q MR. REASOR, IN YOUR CAPACITY AS PRESIDENT OF MINERS
23 AND MERCHANTS BANK AND AS VICE PRESIDENT AND GENERAL COUNSEL,
24 DID YOU HAVE ACCESS TO ALL THE RECORDS IN THE BANK?

25 A YES, I DID.

1 Q AND IN THE COURSE OF YOUR DUTIES THERE, DID YOU
2 HAVE OCCASION TO REVIEW CERTAIN LOANS THAT WERE MADE, IN
3 SPECIFIC TO A MR. CARL MCAFEE AND ODELL ROGERS TOGETHER,
4 WHICH INVOLVED SECURITY OR COLLATERAL BEING NOTES THAT THEY
5 HAD RECEIVED FROM A CONGRESSMAN GEORGE HANSEN?

6 A YES.

7 Q MR. REASOR, I WOULD LIKE TO SHOW YOU NOW A NUMBER
8 OF EXHIBITS ALL AT ONCE AND SEE IF WE CAN ESTABLISH WHAT
9 THESE ARE, AND THEN I WOULD LIKE TO ASK YOU SOME QUESTIONS
10 ABOUT THEM.

11 FIRSTLY, NOT IN EVIDENCE AT THE PRESENT TIME,
12 GOVERNMENT'S EXHIBIT 56-A AND 56-B. I WOULD LIKE YOU TO LOOK
13 AT THOSE TWO, MR. REASOR, AND TELL ME IF YOU RECOGNIZE THEM.

14 A YES. THEY ARE COPIES OF LEDGER SHEETS USED AT
15 MINERS AND MERCHANTS BANK.

16 Q AND DO THOSE RELATE TO THE LOANS THAT MR. ROGERS
17 AND MR. MCAFEE HAD RECEIVED USING AS COLLATERAL CONGRESSMAN
18 HANSEN'S NOTE?

19 A YES, THEY ARE.

20 MR. COLE: YOUR HONOR, I WOULD MOVE THEM INTO EVIDENCE
21 AT THIS TIME.

22 THE COURT: NO OBJECTION?

23 MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

24 THE COURT: IN EVIDENCE, WITHOUT OBJECTION.

25 (GOVERNMENT'S EXHIBITS 56-A AND
56-B RECEIVED IN EVIDENCE)

1 BY MR. COLE:

2 Q MR. REASOR, I AM GOING TO HAND YOU A NUMBER OF OTHER
3 EXHIBITS AT THIS POINT. EXHIBIT NO. 41, WHICH IS IN EVIDENCE,
4 A \$25,000 NOTE FROM GEORGE HANSEN TO ODELL ROGERS AND CARL
5 MCAFEE; EXHIBIT NO. 43, WHICH IS A \$25,000 NOTE FROM ROGERS
6 AND MCAFEE TO THE MINERS AND MERCHANTS BANK; EXHIBIT NO. 44,
7 A \$25,000 CHECK FROM MINERS AND MERCHANTS BANK TO CARL MCAFEE;
8 EXHIBIT NO. 45, WHICH IS A \$60,000 NOTE FROM GEORGE HANSEN
9 TO ODELL ROGERS AND CARL MCAFEE; NO. 47, A \$60,000 NOTE FROM
10 CARL MCAFEE TO MINERS AND MERCHANTS BANK; NO. 48, A LOAN-
11 CLEARING DOCUMENT FROM MINERS AND MERCHANTS BANK TO CARL
12 MCAFEE; NO. 49, A DEPOSIT SLIP WHICH GOES WITH THAT NOTE.
13 AND THAT'S ABOUT ALL FOR RIGHT NOW. THAT'S, I THINK, ENOUGH.

14 MR. REASOR, IF YOU COULD KIND OF ASSEMBLE THOSE
15 RECORDS IN AN ORDER THAT YOU FEEL COMFORTABLE WITH, I WOULD
16 LIKE YOU TO JUST GO THROUGH VERY QUICKLY, IF I CAN, WITH ME
17 AND WITH THE JURY, HOW THESE LOANS OCCURRED AND WHEN THEY
18 OCCURRED.

19 FIRST OF ALL, A \$25,000 LOAN WAS MADE BY THE
20 MINERS AND MERCHANTS BANK; IS THAT CORRECT?

21 A THAT'S CORRECT.

22 Q AND WHEN WAS THAT LOAN MADE, SIR?

23 A IT WAS MADE IN JULY OF 1981.

24 Q AND THAT WAS MADE TO MR. MCAFEE AND MR. ROGERS?

25 A THAT'S CORRECT.

1 Q AND THE SECURITY ON THAT LOAN, OR COLLATERAL?

2 A WAS A NOTE THAT THEY HELD SIGNED BY MR. GEORGE
3 HANSEN.

4 Q AND THAT NOTE IS GOVERNMENT'S EXHIBIT 41; IS THAT
5 CORRECT?

6 A YES, IT IS.

7 Q AND THE MONEY WAS PAID TO MR. MCAFEE IN A CASHIER'S
8 CHECK, WHICH IS GOVERNMENT'S EXHIBIT 44?

9 A THAT'S CORRECT.

10 Q AND THAT CHECK IS SIGNED BY WHO?

11 A THE AUTHORIZED SIGNATURE ON BEHALF OF THE BANK IS
12 JOHN D. MEADE, JR.

13 Q TO YOUR KNOWLEDGE, DID MR. MEADE NEGOTIATE THIS
14 LOAN FOR THE BANK?

15 A TO MY KNOWLEDGE.

16 Q AND THE TERMS OF THIS NOTE THAT THE BANK GAVE TO
17 MR. ROGERS AND MR. MCAFEE?

18 A THE NOTE IS A DEMAND NOTE AT 20 PERCENT INTEREST.

19 Q NOW, THAT NOTE DOESN'T HAVE TO BE PAID AT ANY SPECIFIC
20 TIME AS FAR AS THE PRINCIPAL OF THE NOTE, DOES IT?

21 A NOT UNLESS THERE WAS A PREVIOUS AGREEMENT. OTHER-
22 WISE, JUST ON DEMAND OF THE BANK.

23 Q NO AGREEMENT IS REFLECTED ON THAT NOTE?

24 A NOT ON THE FACE OF THE NOTE, NO.

25 Q UNDER YOUR BANK RULES, HOWEVER, INTEREST IS DUE

1 QUARTERLY?

2 A THAT'S CORRECT.

3 Q AND WHEN WOULD THE FIRST INTEREST PAYMENT BE DUE
4 ON THAT NOTE?

5 A IT WAS SIGNED IN -- INSTITUTED IN JULY, SO THE FIRST
6 PAYMENT WOULD BE DUE THE LAST DAY OF SEPTEMBER, AND THEN
7 EACH CALENDAR QUARTER AFTERWARDS.

8 Q SO IT WOULD BE SEPTEMBER 30TH, 1981?

9 A THAT'S CORRECT.

10 Q NOW I WOULD LIKE YOU TO GO TO A \$60,000 LOAN MADE
11 BY YOUR BANK TO MR. MCAFEE, I BELIEVE, IN THIS CASE.

12 A THAT'S CORRECT.

13 Q THAT WOULD BE GOVERNMENT'S EXHIBIT 47.

14 A YES.

15 Q AND IS THERE SECURITY FOR THAT NOTE, SIR?

16 A YES. IT ALSO REFERS TO A \$60,000 NOTE PAYABLE TO
17 ODELL ROGERS AND CARL MCAFEE, WITH G. A. HANSEN AS MAKER.

18 Q AND THAT WAS USED TO SUPPORT THIS LOAN; IS THAT
19 RIGHT?

20 A THAT'S CORRECT.

21 Q AND HOW WERE THE PROCEEDS PAID OUT BY THE BANK ON
22 THAT LOAN?

23 A THERE WAS A \$60,000 DEPOSIT -- WELL, FIRST THERE
24 WAS A \$60,000 LOAN-CLEARING CHECK, WHICH IS USED WITH ALL
25 THE LOANS, AND IT INDICATES ON THE LOAN-CLEARING CHECK THAT

1 IT WAS TO BE DEPOSITED TO THE CHECKING ACCOUNT AT MINERS AND
2 MERCHANTS BANK OF ARTHUR ODELL ROGERS; AND THEN THERE IS A
3 DEPOSIT SLIP THE SAME DATE, SHOWING A \$60,000 DEPOSIT TO THAT
4 CHECKING ACCOUNT.

5 Q NOW, THE \$60,000 LOAN-CLEARING DOCUMENT IS EXHIBIT
6 48?

7 A THAT'S CORRECT.

8 Q AND THE DEPOSIT IS EXHIBIT 49.

9 A YES.

10 Q NOW, THAT LOAN DOCUMENT, THAT LOAN-CLEARING DOCUMENT,
11 THAT'S MADE OUT TO CARL MCAFEE, ISN'T IT?

12 A CORRECT.

13 Q BUT INSTRUCTIONS WERE ON IT TO DEPOSIT TO ODELL
14 ROGERS' ACCOUNT?

15 A THAT'S CORRECT.

16 Q THIS IS ALSO A DEMAND NOTE, SIR?

17 A YES.

18 Q NO SPECIFIC TIME FOR REPAYMENT?

19 A NOT ON THE FACE OF THE NOTE, NO.

20 Q AND WHEN WOULD THE FIRST INTEREST PAYMENT BE DUE
21 ON THAT NOTE?

22 A ALSO ON SEPTEMBER 30TH, 1981.

23 Q SO IT WOULD HAVE THE SAME DATE OF INTEREST BEING DUE

24 A YES.

25 Q AND COULD YOU TELL ME WHAT THE NUMBERS OF THOSE TWO

1 LOANS ARE? DOES THE BANK ASSIGN NUMBERS TO LOANS?

2 A YES, IT DOES. THE \$25,000 LOAN NUMBER IS 10719.
3 AND THE \$60,000 LOAN NUMBER WAS 10742.

4 Q MR. REASOR, I WOULD LIKE TO GO THROUGH WITH YOU,
5 FIRST OF ALL, WERE THESE NOTES EVER PAID OFF?

6 A YES, THEY WERE.

7 Q AND DO YOU KNOW WHEN THEY WERE PAID OFF?

8 A MY RECOLLECTION IS THAT ONE OF THE LOANS WAS PAID
9 OFF IN AUGUST OF 1982 AND ONE IN JUNE OF 1983.

10 Q I WOULD LIKE TO SHOW YOU TWO EXHIBITS THAT HAVE
11 BEEN MARKED. ONE EXHIBIT IS 55-A AND B -- IT INCLUDES TWO
12 CHECKS. THE NEXT EXHIBIT HAS NOT BEEN MARKED YET. I WOULD
13 ASK THE CLERK TO ASSIGN IT THE NEXT NUMBER, IF HE WOULD,
14 PLEASE.

15 THE DEPUTY CLERK: GOVERNMENT EXHIBIT 63 MARKED
16 FOR IDENTIFICATION.

17 (GOVERNMENT'S EXHIBIT NO. 63 WAS
18 MARKED FOR IDENTIFICATION)

19 BY MR. COLE:

20 Q GOVERNMENT EXHIBIT 63. HAVE YOU EVER SEEN THOSE
21 CHECKS BEFORE, MR. REASOR?

22 A YES, I HAVE.

23 Q ARE THOSE THE CHECKS THAT WERE USED TO PAY OFF BOTH
24 THE SIXTY AND THE TWENTY-FIVE THOUSAND DOLLAR LOANS?

25 A THAT'S CORRECT.

1 MR. COLE: I WOULD MOVE THEM INTO EVIDENCE AT THIS
2 TIME, YOUR HONOR.

3 MR. CAMPBELL: NO OBJECTION, YOUR HONOR.

4 THE COURT: IN EVIDENCE.

5 (GOVERNMENT'S EXHIBIT NO. 63
6 WAS RECEIVED IN EVIDENCE)

7 BY MR. COLE:

8 Q MR. REASOR, WHO MADE THOSE CHECKS OUT?

9 A WELL, IT APPEARS TO BE THE SIGNATURE OF G. V. HANSEN.

10 Q WHAT KIND OF ACCOUNT ARE THOSE CHECKS WRITTEN ON?
11 IS IT A BUSINESS ACCOUNT, OR DOES IT LOOK LIKE A PERSONAL
12 ACCOUNT, FROM WHAT YOU'VE SEEN AS A BANKER?

13 A IT APPEARS TO BE A PERSONAL ACCOUNT.

14 Q AND WHOSE ACCOUNT IS IT, FROM WHAT YOU CAN TELL
15 FROM THE FACE OF THE CHECK?

16 A WELL, GENERALLY, THE NAME ON THE CHECK IS USUALLY
17 THE SAME AS THE NAME OF THE ACCOUNT. THE NAME ON THE CHECK
18 IS HONORABLE GEORGE V. HANSEN, MRS. CONNIE S. HANSEN.

19 Q WOULD THIS BE KNOWN IN THE BANKING TRADE AS A JOINT
20 ACCOUNT?

21 A IT APPEARS THAT IT WOULD BE, YES.

22 Q NOW, GOING TO GOVERNMENT'S EXHIBIT 55-A AND B, THERE'S
23 TWO CHECKS THERE, SIR? THAT WAS -- 55-A AND B ARE THE TWO
24 CHECKS THAT I HANDED YOU JUST THERE.

25 A YES, THERE ARE TWO CHECKS.

1 Q AND THE FIRST ONE IS \$34,602.74?

2 A THAT'S CORRECT.

3 Q DATED AUGUST 18TH, 1982.

4 A I BELIEVE SO. THE COPY IS DIFFICULT TO READ.

5 Q HOW ABOUT GOING TO THE \$30,000 CHECK?

6 A THAT'S DATED AUGUST 18TH, 1982.

7 Q FROM YOUR RECORDS IN THE BANK, WERE BOTH OF THESE
8 CHECKS RECEIVED ON THE SAME DATE?

9 A YES.

10 Q AND WERE THEY DELIVERED PERSONALLY TO THE BANK?

11 A THAT'S CORRECT.

12 Q AND DO YOU KNOW WHO DELIVERED THEM PERSONALLY TO
13 THE BANK?

14 A NO, I DO NOT FOR SURE. I WAS TOLD THERE WERE TWO
15 INDIVIDUALS, ONE WHO WAS POSITIVELY IDENTIFIED AS CARL MCAFEE.

16 Q DID YOU EVER FIND OUT SUBSEQUENTLY WHO THE OTHER
17 INDIVIDUAL WAS?

18 A FROM THE DESCRIPTIONS OF THE INDIVIDUAL, I SURMISED
19 WHO IT WAS, BUT I NEVER FOUND OUT POSITIVELY.

20 Q ALL RIGHT, SIR. ON THE OTHER CHECK THAT I SHOWED
21 YOU, GOVERNMENT EXHIBIT 63, WHAT KIND OF ACCOUNT IS THAT WRITTEN
22 ON?

23 A IT'S BASICALLY LISTED THE SAME: HONORABLE GEORGE
24 V. HANSEN, MRS. CONNIE S. HANSEN.

25 Q A JOINT ACCOUNT?

1 A IT APPEARS TO BE.

2 Q AND WHO SIGNS THE CHECK?

3 A G. V. HANSEN.

4 Q AND THE DATE OF THE CHECK?

5 A JUNE 6TH, 1983.

6 Q MR. REASOR, THIS IS NOT A BUSINESS ACCOUNT THAT
7 THIS CHECK COMES OFF OF?

8 A IT DOESN'T APPEAR TO BE A BUSINESS ACCOUNT, NO.

9 Q WERE YOU EVER TOLD IN ANY OF YOUR DEALINGS CONCERNING
10 THESE LOANS THAT THESE LOANS WERE NOT CONGRESSMAN HANSEN'S
11 LOANS, BUT WERE THE LOANS OF SOME NONPROFIT ORGANIZATION OR
12 GROUP?

13 A NO.

14 Q DID YOU HAVE COMMUNICATION WITH CONGRESSMAN HANSEN
15 OR PEOPLE ON HIS STAFF CONCERNING THESE LOANS AT ANY TIME?

16 A I TALKED WITH A MR. MCKENNA FROM MR. HANSEN'S OFFICE,
17 IS THE ONLY INDIVIDUAL I TALKED TO.

18 Q WAS THIS IN YOUR OFFICE THAT YOU TALKED TO HIM?

19 A ONCE IT WAS IN MY OFFICE, YES. I TALKED TO HIM
20 ON THE PHONE, AS WELL.

21 Q AND WAS HE CALLING CONCERNING THESE TWO LOANS?

22 A YES.

23 Q AND DID MR. MCKENNA AT ANY TIME EVER TELL YOU THAT
24 HE WAS AT ALL ASSOCIATED WITH ANY ORGANIZATION OR NONPROFIT
25 GROUP AND THAT'S WHY HE WAS CALLING YOU?

1 A NO.

2 Q WHAT DID YOU UNDERSTAND MR. MCKENNA'S RELATIONSHIP
3 TO THESE LOANS OR TO CONGRESSMAN HANSEN TO BE WHEN HE TALKED
4 TO YOU ABOUT THESE LOANS?

5 A HE INDICATED THAT HE WAS A PERSONAL REPRESENTATIVE
6 OF MR. HANSEN'S.

7 Q MR. REASOR, I WOULD LIKE YOU TO NOW LOOK AT THE
8 LEDGERS THAT HAVE BEEN PUT INTO EVIDENCE, GOVERNMENT'S
9 EXHIBIT 56-A AND 56-B. IS THERE AN INDICATION, FIRST OF
10 ALL, MR. REASOR, AS TO WHEN THE FIRST INTEREST PAYMENT WAS
11 MADE, OR THE DATES OF THE CHECKS FOR THE FIRST INTEREST PAYMENT?

12 A YES.

13 Q I WOULD LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE
14 AS GOVERNMENT'S EXHIBIT 51. IT'S A PAGE WITH TWO CHECKS
15 ON IT. ARE THOSE THE TWO CHECKS THAT WERE USED TO MAKE THAT
16 INTEREST PAYMENT, OR MAKE PART OF THAT INTEREST PAYMENT?

17 A YES. ACCORDING TO OUR RECORDS AT THE BANK, YES.

18 Q AND COULD YOU TELL ME HOW MUCH EACH OF THOSE CHECKS
19 ARE FOR AND WHO WROTE THEM?

20 A THE FIRST CHECK IS FOR \$623.06; IT'S DRAWN ON
21 CHEROKEE CATTLE COMPANY, AND IT'S SIGNED BY JOHN D. MEADE, JR.

22 Q AND THE DATE OF THAT CHECK, SIR?

23 A SEPTEMBER 30TH, 1981.

24 Q AND THE OTHER CHECK, PLEASE.

25 A IS MADE PAYABLE AGAIN TO MINERS AND MERCHANTS BANK,

1 FUNDS, \$636.53, ALSO DATED SEPTEMBER 30TH, 1981, DRAWN ON
2 THE ACCOUNT OF M&T EQUIPMENT COMPANY, SIGNED BY MALCOLM
3 VAN DYKE.

4 Q DOES ODELL ROGERS HAVE ANY CONNECTION THAT YOU KNOW
5 OF TO M&T EQUIPMENT COMPANY?

6 A IT IS MY UNDERSTANDING HE IS A PART OWNER, YES.

7 Q IN YOUR RESEARCH THROUGH THE BANK'S RECORDS, DID
8 YOU FIND OUT WHETHER ANY OTHER MONEY WAS JOINED WITH THESE
9 TWO CHECKS TO MAKE THIS INTEREST PAYMENT ON THE 30TH OF
10 SEPTEMBER, 1981?

11 A YES. ACCORDING TO THE BANK RECORDS, THESE TWO CHECKS
12 AND A CERTAIN AMOUNT OF CASH WAS USED TO MAKE INTEREST PAYMENTS
13 ON BOTH OF THE \$25,000 AND THE \$60,000 NOTE.

14 Q WAS THE CASH IN A SIMILAR AMOUNT TO THE CHECKS?
15 MAYBE NOT EXACTLY, BUT CLOSE IN AMOUNT?

16 A I BELIEVE SO.

17 Q I WOULD LIKE TO SHOW YOU WHAT IS ALREADY IN EVIDENCE
18 AS GOVERNMENT'S EXHIBIT 51-B AND ASK YOU TO LOOK AT THE CHECK
19 STUB. IT'S A CHECK STUB FROM ONE OF THE CHECKS FROM M&T
20 EQUIPMENT THAT MADE THIS SEPTEMBER 30TH PAYMENT. THERE ARE
21 SOME NUMBERS THERE. FIRST, THERE'S THE NUMBER ONE-THIRD. AND
22 NEXT TO THE NUMBER ONE-THIRD ARE TWO NUMBERS AND TWO AMOUNTS.
23 COULD YOU TELL THE JURY WHAT THOSE NUMBERS ARE?

24 A ONE NUMBER IS 10742, DASH -- IT APPEARS TO BE
25 \$1019.18. AND BELOW THAT IS THE NUMBER 10719, DASH, \$890.41.

1 Q DO THOSE NUMBERS CORRESPOND TO THE TWO LOANS THAT
2 YOU ARE TALKING ABOUT HERE, MR. REASOR?

3 A YES, THEY DO.

4 Q AND ARE THOSE THE AMOUNTS OF INTEREST WHICH WERE
5 DUE ON BOTH OF THOSE LOANS AS OF THE 30TH OF SEPTEMBER, 1981?

6 A YES. THAT'S CORRECT.

7 Q FOLLOWING THIS INTEREST PAYMENT WHICH WAS MADE BY
8 CHECKS FROM MR. MEADE AND MR. ROGERS AND SOME CASH, WHEN WAS
9 THE NEXT INTEREST PAYMENT DUE?

10 A THE NEXT INTEREST PAYMENT WOULD HAVE BEEN DUE
11 SEPTEMBER 31ST, 1981.

12 Q SEPTEMBER 31ST, OR DECEMBER?

13 A EXCUSE ME. DECEMBER 31ST.

14 Q WAS IT MADE?

15 A IT WAS, BUT NOT AT THAT TIME.

16 Q WHEN WAS IT FINALLY MADE?

17 A IT WAS MADE ON APRIL 16TH, 1982.

18 Q IS IT TRUE THAT AT THAT POINT THERE WOULD HAVE BEEN
19 TWO INTEREST PAYMENTS DUE, OR OVERDUE AT THAT POINT?

20 A YES. THE DECEMBER QUARTER AND THE QUARTER ENDING
21 MARCH '82.

22 Q HOW WAS THAT PAYMENT MADE IN APRIL OF '82 FOR INTEREST?
23 DO YOUR RECORDS REFLECT ANYTHING ABOUT THAT?

24 A MY RECOLLECTION IS THAT THEY WERE MADE BY CHECK,
25 BUT I REALLY CAN'T SAY FOR SURE.

1 MR. COLE: WITH THE COURT'S INDULGENCE FOR ONE MOMENT,
2 YOUR HONOR.

3 THE COURT: SURELY.

4 BY MR. COLE:

5 Q MR. REASOR, I WOULD LIKE TO SHOW YOU GOVERNMENT'S
6 EXHIBIT 54, WHICH IS ALREADY IN EVIDENCE, A CHECK DATED APRIL
7 14TH, 1982. IS THAT THE CHECK USED TO PAY THAT INTEREST IN
8 APRIL OF 1982 THAT WE ARE NOW DISCUSSING?

9 A I BELIEVE IT WAS, YES.

10 Q AND WHOSE CHECK IS THAT?

11 A IT APPEARS TO BE THE SIGNATURE OF G. V. HANSEN.

12 Q DURING THE TIME THIS CHECK WAS WRITTEN, MR. REASOR,
13 WAS THERE A BANK EXAMINATION GOING ON AT YOUR BANK?

14 A YES.

15 Q AND WAS IT CONCERNING MR. MEADE'S LOAN ACTIVITIES?

16 A THAT'S CERTAINLY PART OF THE EXAMINATION, YES.

17 Q I WOULD LIKE TO NOW ASK YOU ONE MORE QUESTION ABOUT
18 THIS, MR. REASOR. WE HAVE HEARD SOMETHING ABOUT A LOAN BEING
19 PARTICIPATED. COULD YOU TELL US WHAT PARTICIPATING A LOAN IS?

20 A WELL, IN THIS PARTICULAR INSTANCE, PARTICIPATING
21 A LOAN SIMPLY MEANT THAT IT WAS SOLD TO ANOTHER BANK. AND
22 THAT IS DONE FREQUENTLY. FOR VARIOUS REASONS, BANKS BUY AND
23 SELL LOANS TO EACH OTHER.

24 Q WERE EITHER OF THESE LOANS SOLD TO ANOTHER BANK?

25 A YES. THE \$25,000 NOTE WAS SOLD TO DICKENSON -

1 BUCHANAN BANK.

2 Q AND WHEN WAS THAT SOLD?

3 A THE DATES ARE DIFFICULT TO READ. IT WAS IN EARLY
4 1982, I BELIEVE ON JANUARY -- EXCUSE ME. I BELIEVE IT WAS
5 ON APRIL THE 5TH, 1982.

6 Q APRIL THE 5TH, 1982?

7 A YES.

8 Q WAS THAT THE SAME DATE THAT THE BANK EXAMINERS CAME
9 INTO YOUR BANK?

10 A I BELIEVE IT WAS, YES.

11 MR. COLE: NO FURTHER QUESTIONS AT THIS TIME, YOUR
12 HONOR.

13 THE COURT: CROSS-EXAMINATION.

14 CROSS-EXAMINATION

15 BY MR. CAMPBELL:

16 Q GOOD MORNING, MR. REASOR.

17 A GOOD MORNING.

18 Q MR. REASOR, IT'S YOUR TESTIMONY THAT IT WAS ON OR
19 ABOUT APRIL 5TH OF 1982 THAT A BANK EXAMINATION BEGAN OF
20 MINERS AND MERCHANTS WHILE YOU WERE VICE PRESIDENT AND GENERAL
21 COUNSEL; IS THAT CORRECT?

22 A THAT'S CORRECT.

23 Q AND AT THE TIME, MR. MEADE WAS PRESIDENT OF THE BANK.

24 A YES.

25 Q AND IT WASN'T UNTIL APRIL 29TH OF 1982, THE END OF

1 THAT MONTH, THAT MR. MEADE WAS RELIEVED OF HIS DUTIES AS
2 PRESIDENT OF THE BANK; IS THAT CORRECT?

3 A THAT'S CORRECT.

4 Q AND IT WAS AT THAT TIME THAT YOU WERE APPOINTED
5 AS ACTING PRESIDENT OF THE BANK OF MINERS AND MERCHANTS.

6 A THAT'S CORRECT.

7 Q AND IT WAS SUBSEQUENT TO THAT TIME THAT YOU BECAME
8 AWARE OF AN INVESTIGATION OF POSSIBLE CRIMINAL CHARGES THAT
9 MIGHT BE BROUGHT AGAINST MR. MEADE IN CONNECTION WITH THE
10 ACTIVITIES THAT HAD BEEN AUDITED DURING THAT MONTH OF APRIL
11 BY THE BANK EXAMINERS. IS THAT CORRECT?

12 A YES.

13 Q AND SOMETIME DURING THE MONTH OF MAY, EARLY MONTH
14 OF MAY, 1982, YOU HAD RECEIVED A SUBPOENA OR A NUMBER OF
15 SUBPOENAS FROM A FEDERAL GRAND JURY INVESTIGATING THOSE BANK-
16 ING PROCEDURES, ASKING FOR CERTAIN RECORDS. IS THAT CORRECT?

17 A THAT'S CORRECT.

18 Q AND PURSUANT TO YOUR RECEIPT OF THOSE SUBPOENAS,
19 YOU NOTIFIED INDIVIDUALS WHOSE RECORDS WERE INVOLVED CONCERN-
20 ING THE FACT THAT A SUBPOENA HAD BEEN RECEIVED AND THAT THE
21 SUBPOENA COVERED THEIR RECORDS. IS THAT CORRECT?

22 A THAT'S CORRECT.

23 Q AND YOU NOTIFIED THOSE INDIVIDUALS BY LETTER, DID
24 YOU NOT?

25 A YES, WE DID.

1 Q AND ONE OF THOSE INDIVIDUALS YOU NOTIFIED WAS
2 CONGRESSMAN GEORGE HANSEN, WAS IT NOT?

3 A THAT'S CORRECT.

4 Q PRIOR TO THAT TIME, YOU HAD NO ORAL CONVERSATIONS
5 WITH CONGRESSMAN HANSEN; IS THAT CORRECT?

6 A NO. I THINK -- AND I ONLY SEEM TO -- I FEEL THAT
7 ON MAYBE SEVERAL OCCASIONS HE MAY HAVE CALLED THE BANK TO
8 TALK TO MR. MEADE AND I MAY HAVE ANSWERED THE PHONE, HAD A
9 CONVERSATION TO THE EXTENT THAT MR. MEADE WAS NOT THERE, AND
10 SO FORTH. BUT NEVER ANY DISCUSSIONS OF ANY LOANS, NO.

11 Q NEVER ANY DISCUSSIONS OF ANY LOANS, NEVER MAY
12 DISCUSSIONS OF ANY GRAND JURY SUBPOENAS.

13 A THAT'S CORRECT.

14 Q AND YOUR FIRST COMMUNICATION WITH CONGRESSMAN HANSEN
15 CONCERNING A GRAND JURY SUBPOENA THAT YOU HAD RECEIVED FOR
16 THE BANK RECORDS WAS IN THE FORM OF A LETTER THAT YOU SENT
17 HIM AFTER THE RECEIPT OF THAT GRAND JURY SUBPOENA. IS THAT
18 CORRECT?

19 A THAT'S CORRECT.

20 MR. CAMPBELL: I WOULD LIKE TO HAVE THIS MARKED
21 AS DEFENDANT'S EXHIBIT 23.

22 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 23 MARKED
23 FOR IDENTIFICATION.

24 (DEFENDANT'S EXHIBIT NO. 23 WAS
25 MARKED FOR IDENTIFICATION)

1 BY MR. CAMPBELL:

2 Q MR. REASOR, I HAND YOU WHAT HAS BEEN MARKED AS
3 DEFENDANT'S EXHIBIT NO. 23 AND I ASK IF YOU CAN IDENTIFY THAT
4 FOR THE COURT AND JURY.

5 A YES. THAT'S THE LETTER THAT I WROTE TO MR. HANSEN
6 ON MAY 17TH, 1982.

7 Q AND COULD YOU TELL US WHAT THE -- WELL, IT'S A SHORT
8 LETTER. COULD YOU READ THE TWO PARAGRAPHS WHICH YOU WROTE?

9 MR. CAMPBELL: EXCUSE ME, YOUR HONOR. WE WOULD
10 LIKE TO MOVE THAT EXHIBIT INTO EVIDENCE AT THIS TIME.

11 MR. COLE: NO OBJECTION, YOUR HONOR.

12 THE COURT: IN EVIDENCE.

13 (DEFENDANT'S EXHIBIT NO. 23
14 WAS RECEIVED IN EVIDENCE)

15 BY MR. CAMPBELL:

16 Q COULD YOU KINDLY READ THE TWO PARAGRAPHS THAT YOU
17 WROTE IN THE LETTER THERE?

18 A IT SAYS: "SIR, ON MAY 6, 1982, MINERS AND MERCHANTS
19 BANK WAS SERVED WITH A SUBPOENA TO TESTIFY OR PRESENT CERTAIN
20 DOCUMENTS BEFORE THE GRAND JURY ON JUNE 8, 1982. YOUR NAME
21 WAS LISTED AS ONE OF THE INDIVIDUALS OR ENTITIES TO BE COVERED.
22 THE BANK IS REQUIRED TO PRESENT ANY AND ALL LOAN RECORDS AND
23 A LISTING OF ANY ACCOUNTS FOR THE PERIOD JANUARY 1, 1980, TO
24 MAY 1, 1982, THAT YOU MAY HAVE HAD WITH MINERS AND MERCHANTS
25 BANK. IF YOU HAVE ANY QUESTIONS REGARDING THIS SUBPOENA, YOU

1 SHOULD CONTACT YOUR ATTORNEY AND/OR THE UNITED STATES DISTRICT
2 COURT FOR THE WESTERN DISTRICT OF VIRGINIA BEFORE JUNE 8, 1982.
3 UNLESS WE HEAR FROM YOU PRIOR TO THIS DATE, YOUR RECORDS
4 WILL BE DELIVERED TO THE GRAND JURY."

5 Q NOW, MR. REASOR, ATTACHED TO THAT LETTER IS AN
6 ENVELOPE, IS THERE NOT?

7 A THAT'S CORRECT.

8 Q AND THAT ENVELOPE IS THE ENVELOPE IN WHICH THIS
9 LETTER WAS SENT, IS IT NOT?

10 A IT APPEARS TO BE, YES.

11 Q IT IS, IN FACT, A CERTIFIED -- PIECE OF CERTIFIED
12 MAIL, IS THAT CORRECT?

13 A THAT'S CORRECT.

14 Q AND THERE WAS A RETURN RECEIPT REQUESTED ON THAT
15 PIECE OF MAIL, WAS THERE NOT?

16 A YES.

17 Q AND THE NOTATION ON THAT ENVELOPE -- FIRST OF ALL,
18 COULD YOU TELL US WHAT THE DATE OF THE POSTMARK IS ON THE
19 ENVELOPE?

20 A MAY 18, 1982.

21 Q SO YOU HAD WRITTEN THE LETTER ON MAY 17TH, THE
22 LETTER WAS POSTMARKED ON MAY 18TH; IS THAT CORRECT?

23 A THAT'S CORRECT.

24 Q AND IT APPEARS FROM THE RETURN RECEIPT NOTATION
25 THAT THE LETTER WAS NOT RECEIVED UNTIL MAY 20TH, 1982.

1 A THAT'S CORRECT.

2 Q SUBSEQUENT TO YOUR MAILING THAT LETTER TO CONGRESS-
3 MAN HANSEN, PUTTING HIM ON NOTICE OF THE GRAND JURY SUBPOENA
4 FOR BANK RECORDS THAT INVOLVED HIS LOANS TO MR. MCAFEE AND
5 MR. ROGERS AND MR. MEADE -- LOANS FROM MR. MCAFEE, MR. ROGERS
6 AND MR. MEADE, YOU HAD A CONVERSATION WITH SOMEONE ON THE
7 CONGRESSMAN'S STAFF ABOUT THAT SUBPOENA, DID YOU NOT?

8 A YES. I BELIEVE IT WAS AFTER THIS LETTER WAS SENT.

9 Q IT WAS AFTER THE LETTER WAS SENT. AND THAT WAS
10 MR. MCKENNA? IS THAT WHAT YOUR RECOLLECTION IS?

11 A YES.

12 Q AND AT THAT TIME YOU EXPLAINED TO HIM THE CIRCUM-
13 STANCES CONCERNING THE GRAND JURY INVESTIGATION AND THE NOTES
14 THAT HAD BEEN INVOLVED IN THE SUBPOENA. IS THAT CORRECT?

15 A THAT'S CORRECT.

16 Q NOW, TURNING YOUR ATTENTION TO APRIL 1983, YOU HAD
17 BEGUN, HAD YOU NOT, AT THAT TIME CERTAIN STEPS TO TRY TO
18 COLLECT ON THE \$25,000 NOTE WHICH THE BANK HAD RECEIVED FROM
19 MR. ROGERS AND MR. MCAFEE SECURED BY A \$25,000 NOTE TO THEM
20 BY MR. HANSEN, HAD YOU NOT?

21 A THAT'S CORRECT.

22 Q AND IN APRIL OF 1983, YOU HAD SENT TO MR. MCAFEE
23 A NOTE -- OR A LETTER SUGGESTING THAT THE BANK WAS DEMANDING
24 PAYMENT IN FULL OF THE INTEREST AND PRINCIPAL ON THAT NOTE,
25 DID YOU NOT?

1 A I BELIEVE THAT'S CORRECT, YES.

2 Q AND YOU SENT COPIES OF THAT LETTER TO MR. ROGERS
3 AND CONGRESSMAN HANSEN.

4 A I THINK SO, YES.

5 Q AND SUBSEQUENT TO THAT TIME, YOU HAD CONVERSATIONS
6 WITH MR. MCKENNA CONCERNING THE PURCHASE OF THAT NOTE TO
7 SATISFY THE OBLIGATION, DID YOU NOT?

8 A YES.

9 Q AND YOU ARE AWARE, ARE YOU NOT, THAT THERE WAS A
10 PIECE OF LITIGATION THAT WAS FILED AGAINST THE CONGRESSMAN
11 BY MR. ROGERS AND MR. MCAFEE SEEKING COLLECTION ON THE NOTE
12 THAT WAS IN YOUR POSSESSION. IS THAT CORRECT?

13 A I WAS TOLD THAT THERE WAS SUCH LITIGATION, YES.

14 Q BUT YOU HAD IN FACT BEGUN NEGOTIATING THE PURCHASE
15 OF THE NOTE BEFORE THAT LITIGATION WAS INITIATED; ISN'T THAT
16 CORRECT?

17 A WELL, I HAD NEGOTIATED, OR HAD SPOKEN TO MR. MCKENNA
18 ABOUT THE LOAN BEING PAID OFF AT MINERS AND MERCHANTS BANK,
19 YES.

20 Q AND THAT WAS BEFORE LITIGATION WAS FILED, WAS IT
21 NOT?

22 A BY MINERS AND MERCHANTS BANK?

23 A NO. BY MR. MCAFEE AND MR. ROGERS AGAINST CONGRESS-
24 MAN HANSEN.

25 A I REALLY HAVE NO IDEA, BECAUSE I DON'T KNOW WHEN

1 THAT LITIGATION WAS FILED.

2 Q IN ANY EVENT, ON JUNE 9TH, 1983, YOU SENT A LETTER
3 TO THE CONGRESSMAN INDICATING YOUR RECEIPT OF A CHECK IN THE
4 AMOUNT OF \$31,045.20 IN FULL SATISFACTION OF THE NOTE THAT
5 THE BANK HELD FROM MR. MCAFEE AND MR. ROGERS AND THE COLLATERAL
6 NOTE OF MR. HANSEN TO MR. MCAFEE AND MR. ROGERS; IS THAT
7 CORRECT?

8 A I BELIEVE THAT'S CORRECT, YES.

9 MR. CAMPBELL: I WOULD LIKE TO HAVE THIS MARKED
10 AS DEFENDANT'S EXHIBIT NO. 24.

11 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 24 MARKED
12 FOR IDENTIFICATION.

13 (DEFENDANT'S EXHIBIT NO. 24 WAS
14 MARKED FOR IDENTIFICATION)

15 BY MR. CAMPBELL:

16 Q I HAND YOU WHAT IS MARKED DEFENDANT'S EXHIBIT 24
17 FOR IDENTIFICATION AND ASK IF YOU CAN IDENTIFY THAT, MR.
18 REASOR.

19 A YES. IT IS A LETTER THAT I WROTE ON JUNE 9TH, 1983,
20 TO MR. HANSEN, WITH COPIES TO MR. MCAFEE AND MR. ROGERS.

21 Q AND WHAT IS THE SUBSTANCE OF THAT LETTER?

22 A WELL, IT READS: "UPON RECEIPT OF YOUR CHECK IN
23 THE AMOUNT OF \$31,045.20 APPLIED AS PAY-OFF ON THAT CERTAIN
24 NOTE FROM CARL E. MCAFEE AND ODELL ROGERS TO MINERS AND
25 MERCHANTS BANK SECURED BY THAT CERTAIN NOTE FROM GEORGE V.

1 HANSEN TO ODELL ROGERS AND CARL MCAFEE, ENCLOSED IS THE
2 AFORESAID NOTE TO MINERS AND MERCHANTS BANK ASSIGNED AND
3 TRANSFERRED TO YOU. ALSO ENCLOSED IS YOUR RECEIPT AND YOUR
4 NOTE TO MR. ROGERS AND MR. MCAFEE. IF THERE ARE ANY FURTHER
5 QUESTIONS CONCERNING THIS TRANSACTION, DO NOT HESITATE TO
6 CONTACT ME."

7 Q SO, AT THAT POINT, THE \$25,000 OBLIGATION WAS
8 SATISFIED BY CONGRESSMAN HANSEN, WAS IT NOT?

9 A TO MINERS AND MERCHANTS BANK, YES.

10 Q AND YOU TRANSFERRED BOTH THE NOTE FROM MR. MCAFEE
11 AND MR. ROGERS TO THE BANK AND THE NOTE FROM CONGRESSMAN
12 HANSEN TO THOSE TWO GENTLEMEN TO CONGRESSMAN HANSEN UPON YOUR
13 RECEIPT OF THAT CHECK IN THAT AMOUNT.

14 A THAT'S CORRECT.

15 MR. CAMPBELL: THE COURT'S INDULGENCE, YOUR HONOR.

16 NO FURTHER QUESTIONS, YOUR HONOR.

17 THE COURT: ANYTHING FURTHER?

18 MR. COLE: JUST ONE OR TWO QUESTIONS ON REDIRECT.

19 MR. CAMPBELL: YOUR HONOR, I WOULD LIKE TO MOVE
20 DEFENDANT'S EXHIBIT NO. 24 INTO EVIDENCE.

21 MR. COLE: I HAVE NO OBJECTION.

22 THE COURT: IT IS NOT IN EVIDENCE.

23 (DEFENDANT'S EXHIBIT NO. 24
24 WAS RECEIVED IN EVIDENCE)
25

REDIRECT EXAMINATION

BY MR. COLE:

Q MR. REASOR, WHEN YOU MET WITH MR. MCKENNA DOWN IN GRUNDY, AT YOUR BANK, HE JUST SHOWED UP, DIDN'T HE?

A YES.

Q HE HADN'T CALLED YOU TO MAKE AN APPOINTMENT, DID HE?

A NO.

Q THIS WAS THE FIRST YOU HAD HEARD FROM HIM; IS THAT RIGHT?

A THAT'S CORRECT.

Q MATTER OF FACT, DIDN'T HE MAKE SOME COMMENT ABOUT WHAT A LONG DRIVE IT WAS?

A I BELIEVE SO.

Q SO THE FIRST REACTION TO THAT LETTER THAT YOU HAD SENT OUT, ONE OF THE DEFENSE EXHIBITS, NOTIFYING THE CONGRESSMAN THAT THERE WERE SUBPOENAS OUT FOR HIS LOAN RECORDS, WAS THAT MR. MCKENNA DROVE FROM WASHINGTON, D. C., DOWN TO GRUNDY, VIRGINIA, TO TALK TO YOU ABOUT THOSE. IS THAT RIGHT?

A YES. THAT'S MY UNDERSTANDING.

Q AND HE NEVER TOLD YOU ANYTHING OTHER THAN HE WAS JUST A LEGISLATIVE AIDE FOR THE CONGRESSMAN?

A THAT HE WAS REPRESENTING CONGRESSMAN HANSEN, WAS A PERSONAL REPRESENTATIVE OF HIS.

Q MR. REASOR, ON THESE PAY-OFF'S ON THE LOAN, IF YOU COULD CHECK THE LEDGER, AFTER THE APRIL PAYMENT OF INTEREST,

1 WHICH WAS DURING THE BANK EXAMINATION, BETWEEN THEN AND THE
2 PAY-OFF, WAS THERE EVER ANY OTHER PAYMENT MADE ON THE LOAN --
3 ON THE \$25,000 LOAN?

4 A NO, THERE WAS NOT.

5 Q AND THE FINAL PAYMENT WAS MADE ON THE \$25,000 LOAN
6 ON WHAT DATE? DO YOU HAVE A CHECK OR THE LETTER THAT YOU
7 HAVE THERE YOU SENT? I KNOW THERE'S A LOT OF PAPERS UP THERE,
8 MR. REASOR.

9 A IS THIS ON THE 25,000?

10 Q YES.

11 A THE 25,000 WAS -- WELL, MY LETTER BACK TO CONGRESSMAN
12 HANSEN WAS DATED JUNE THE 9TH, SO I WOULD SAY THE NOTE WAS
13 PAID OFF ON THE 8TH OR THE 9TH.

14 Q AND THE CHECK, AS A MATTER OF FACT, WAS DATED THE
15 6TH; IS THAT RIGHT?

16 A THAT'S CORRECT.

17 Q AND THAT WAS AFTER THE INDICTMENT IN THIS CASE?

18 A I BELIEVE IT WAS. I'M NOT SURE.

19 MR. COLE: THANKS.

20 RECROSS EXAMINATION

21 BY MR. CAMPBELL:

22 Q MR. REASOR, THE LETTER WHICH YOU SENT NOTIFYING
23 THE CONGRESSMAN OF THE RECEIPT OF SUBPOENAS, THAT WAS DATED
24 MAY 17TH; IS THAT CORRECT?

25 A THAT'S CORRECT.

1 Q AND THE INDICATION ON THE RETURN RECEIPT WAS THAT
2 IT WAS RECEIVED MAY 20TH; IS THAT CORRECT?

3 A THAT'S CORRECT.

4 Q ISN'T IT TRUE THAT THE RECEIPT OF THE PAYMENT FOR
5 THE \$60,000 NOTE IN THE BANK'S POSSESSION WASN'T UNTIL
6 AUGUST THE 18TH, 1982?

7 A THAT'S CORRECT.

8 Q THAT WAS NEARLY TWO MONTHS LATER, WAS IT NOT?

9 A THREE MONTHS LATER.

10 Q THREE MONTHS LATER. AND IT WASN'T AS THOUGH MR.
11 MCKENNA HAD JUST JUMPED IN THE CAR AS SOON AS HE RECEIVED
12 THE -- OR THE CONGRESSMAN RECEIVED YOUR LETTER AND DRIVEN
13 DOWN, AS MR. COLE SUGGESTS, AND PAID OFF THE LOAN.

14 A NO. HE CAME DOWN, BUT HE DID NOT PAY OFF THE LOANS
15 AT THAT TIME.

16 Q AND THAT DID NOT OCCUR, IN FACT, UNTIL AUGUST THE
17 18TH, 1982.

18 A THAT'S CORRECT.

19 Q IN FACT, THAT WAS APPROXIMATELY ONE YEAR AFTER THE
20 NOTE WAS MADE.

21 A YES. APPROXIMATELY.

22 MR. CAMPBELL: NO FURTHER QUESTIONS, YOUR HONOR.

23 MR. COLE: I HAVE NOTHING FURTHER, YOUR HONOR. I
24 WOULD JUST LIKE TO FINISH THE CHART. I WOULD ASK THE COURT
25 ALLOW THE WITNESS TO BE EXCUSED.

1 THE COURT: YES. MR. REASOR, YOU ARE EXCUSED. I
2 WOULD ASK ONLY THAT YOU NOT DISCUSS YOUR TESTIMONY WITH ANY
3 OTHER POSSIBLE WITNESS IN THIS CASE UNTIL THE MATTER IS CONCLUDED.

4 HAVE A GOOD DAY.

5 THE WITNESS: THANK YOU.

6 MR. COLE: YOUR HONOR, I REQUEST TO PUT THE FIRST
7 ONE UP AND PUBLISH IT TO THE JURY.

8 THE COURT: YOU MAY.

9 MR. COLE: THE NEXT ENTRY READS, "NOVEMBER 23, 1981:
10 GEORGE HANSEN DEPOSITS \$50,000 LOAN FROM MEADE INTO GEORGE
11 HANSEN REACH ACCOUNT."

12 MR. LEWIN: THAT LINE WE HAVE NO OBJECTION TO.

13 THE COURT: "1982"?

14 MR. COLE: THE FINAL ENTRY ON THIS CHART, "APRIL
15 14, 1982: GEORGE HANSEN PAYS \$8,476.71 IN PARTIAL INTEREST
16 ON \$25,000 AND \$60,000 LOANS."

17 YOUR HONOR, AT THIS TIME, GOVERNMENT'S EXHIBIT 8-C
18 IS NOW COMPLETED, AND I WOULD MOVE IT INTO EVIDENCE.

19 THE COURT: SUBJECT TO THE RUNNING OBJECTION?

20 MR. LEWIN: SUBJECT TO THE PRIOR OBJECTION.

21 THE COURT: ALL RIGHT. IT IS IN EVIDENCE, OVER
22 THAT OBJECTION.

23 (GOVERNMENT'S EXHIBIT 8-C WAS
24 RECEIVED IN EVIDENCE)

25 THE COURT: MR. WEINGARTEN?

1 MR. WEINGARTEN: THANK YOU, YOUR HONOR. WE HAVE A
2 STIPULATION; I BELIEVE IT IS 11. I REQUEST PERMISSION TO
3 PUBLISH IT TO THE JURY.

4 THE COURT: ALL RIGHT.

5 REMEMBER, LADIES AND GENTLEMEN OF THE JURY, THAT
6 A STIPULATION IS AN AGREED-UPON STATEMENT BY AND BETWEEN
7 COUNSEL AND THE PARTIES IN THIS CASE, AND YOU MAY CONSIDER
8 IT AS UNDISPUTED EVIDENCE.

9 MR. WEINGARTEN.

10 MR. WEINGARTEN: THANK YOU.

11 STIPULATION NO. 11: "IT IS HEREBY STIPULATED AND
12 AGREED BY THE PARTIES THAT THE \$25,000 THAT GEORGE V. HANSEN
13 RECEIVED ON JULY 23RD, 1981, FROM MESSRS. MCAFEE AND ROGERS,
14 THE \$60,000 THAT GEORGE V. HANSEN RECEIVED ON AUGUST 19TH,
15 1981, FROM MESSRS. MCAFEE AND ROGERS, AND THE \$50,000 GEORGE
16 V. HANSEN RECEIVED ON NOVEMBER 21, 1981, FROM JOHN MEADE WERE
17 DEPOSITED IN AN ACCOUNT IN THE RIGGS NATIONAL BANK OF
18 WASHINGTON CALLED THE GEORGE HANSEN REACH ACCOUNT, AND WERE
19 WITHDRAWN WITHIN ONE WEEK OF EACH DEPOSIT BY GEORGE V. HANSEN
20 THROUGH CHECKS WRITTEN BY GEORGE V. HANSEN. THE PAYMENTS
21 MADE BY THESE CHECKS WERE NOT RELATED TO THE ASSOCIATION FOR
22 CONCERNED TAXPAYERS. RESPECTFULLY SUBMITTED," THE PARTIES.

23 THE COURT: ALL RIGHT.

24 MR. WEINGARTEN: YOUR HONOR, AT THIS TIME WE
25 REQUEST ABOUT TWO MINUTES TO CHECK THE EXHIBIT LIST, AND IF

1 WE ARE SATISFIED THAT THAT IS IN SHAPE, WE ARE PREPARED TO
2 REST.

3 THE COURT: ALL RIGHT.

4 MR. WEINGARTEN: THERE IS AN INDICATION ON THE
5 CLERK'S RECORD THAT GOVERNMENT EXHIBITS 14 AND 16, RELATING
6 TO THE \$50,000 NOTE TO CONNIE HANSEN IN DALLAS, WERE NOT
7 MOVED INTO EVIDENCE. WE SO MOVE AT THIS TIME.

8 MR. LEWIN: NO OBJECTION, YOUR HONOR.

9 THE COURT: MAYBE SO. I HAD IT IN MY LIST THAT
10 IT HAD BEEN MOVED INTO EVIDENCE. BUT, IN ANY EVENT, THERE
11 IS NO OBJECTION, SO IT IS NOW IN EVIDENCE IF IT HAD NOT BEEN
12 BEFORE.

13 (GOVERNMENT'S EXHIBITS 14 AND
14 16 WERE RECEIVED IN EVIDENCE)

15 THE COURT: GENTLEMEN, AS SOON AS YOU HAVE COMPLETED
16 THAT, I WILL ASK YOU TO COME UP HERE FOR A MOMENT.

17 GENTLEMEN, WHY DON'T YOU COME UP TO THE BENCH FOR
18 A MINUTE.

19 (AT THE BENCH)

20 THE COURT: I UNDERSTAND ONE OF OUR JURORS HAS TO
21 GO TO THE BATHROOM, SO WE ARE GOING TO BE TAKING A FIVE OR
22 TEN-MINUTE RECESS, IN ANY EVENT, AT THIS POINT. I JUST WANTED
23 TO MAKE SURE THE GOVERNMENT IS GOING TO BE RESTING.

24 MR. WEINGARTEN: RIGHT.

25 THE COURT: AND I ASSUME THE GOVERNMENT WANTS TO

1 SAY THAT JUST IMMEDIATELY PRIOR TO TAKING THE RECESS.

2 AND I DO WANT TO SAY THAT I AM REITERATING MY RULING
3 ON MATERIALITY WHICH I HAD DECIDED EARLIER IN FAVOR OF THE
4 GOVERNMENT. WE WILL GIVE SOME EXPLANATION OF THAT AFTERWARDS,
5 WHEN I PRESUME THERE WILL BE SOME OTHER DISCUSSION AT THE
6 BENCH.

7 BUT, IN ANY EVENT, YOU ARE GOING TO BE RESTING NOW.

8 MR. WEINGARTEN: RIGHT.

9 THE COURT: DO YOU WANT TO SAY THAT, AND I'LL LET
10 THE JURY GO FOR TEN MINUTES?

11 MR. LEWIN: SURE.

12 THE COURT: ALL RIGHT.

13 (END OF BENCH CONFERENCE)

14

15 THE COURT: MR. WEINGARTEN?

16 MR. WEINGARTEN: YOUR HONOR, THE GOVERNMENT RESTS.

17 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WE
18 ARE GOING TO TAKE AN APPROXIMATELY TEN-MINUTE RECESS, LET'S
19 SAY 15-MINUTE RECESS AT THIS TIME SO THAT YOU CAN REFRESH
20 YOURSELVES. AND THEN WE WILL COME BACK FOR ABOUT AN HOUR OF
21 CONTINUING ACTIVITY IN THE COURTROOM.

22 PLEASE DO NOT DISCUSS THE CASE AMONG YOURSELVES.

23 THE GOVERNMENT HAS RESTED.

24 AND IF COUNSEL WILL WAIT FOR A MOMENT, AND MR.

25 HANSEN, WE WILL TALK ABOUT OUR PROCEDURES WHEN WE COME BACK

1 FROM OUR BRIEF REST, ALSO.

2 (THE JURY LEFT THE COURTROOM)

3 THE COURT: MR. LEWIN, HOW WILL YOU PLAN TO PROCEED,
4 THEN? I KNOW YOU HAVE PRESENTED ME, AND I THANK YOU FOR THAT,
5 WITH THE DEFENDANT'S EXHIBIT LIST, WHICH IS SITTING ON MY
6 DESK THIS MORNING, AS I HAVE HAD THE GOVERNMENT'S EXHIBIT
7 LIST ALL ALONG.

8 MR. LEWIN: YES, YOUR HONOR.

9 THE COURT: THAT WILL BE VERY HELPFUL.

10 MR. LEWIN: YES. WE HAVE -- AS YOUR HONOR NOTES,
11 THE DEFENDANT EXHIBIT LIST BEGINS WITH EXHIBIT 25, BECAUSE
12 THERE WERE VARIOUS EXHIBITS THAT WE MARKED DURING THE
13 GOVERNMENT'S CASE.

14 THE COURT: I GATHERED THAT.

15 MR. LEWIN: SO THOSE ARE THE EXHIBITS THAT WE ARE
16 EXPECTING THAT WE WILL BE USING IN THE PRESENTATION OF THE
17 DEFENSE CASE. AND WE WILL BEGIN, OF COURSE, CALLING WITNESSES
18 IF YOUR HONOR DENIES OUR MOTION, WHICH WE ARE NOW MAKING
19 UNDER RULE 29, FOR A JUDGMENT OF ACQUITTAL.

20 WITH REGARD TO THAT MOTION, WE ARE MAKING A MOTION
21 AT THIS TIME FOR A JUDGMENT OF ACQUITTAL UNDER RULE 29, AND
22 MR. BRAGA WILL BE PRESENTING THE LEGAL ARGUMENT IN SUPPORT
23 OF THAT MOTION.

24 OF COURSE, WITH REGARD TO MATERIALITY, WE HAVE
25 PREVIOUSLY SET OUT OUR POSITION IN THE LEGAL MEMORANDA. WE

1 BELIEVE IT IS CONFIRMED BY EVERYTHING THAT HAS HAPPENED IN
2 THE COURSE OF THE GOVERNMENT'S CASE, THAT THE ELEMENT OF
3 MATERIALITY IS ABSENT IN THIS CASE. WHATEVER STATEMENTS WERE
4 MADE WERE PLAINLY NOT MATERIAL WITHIN THE MEANING OF ANY CASE
5 UNDER SECTION 1001. AND WE REITERATE THAT AT THE PRESENT
6 TIME.

7 IN ADDITION TO THAT, AS I SAID, MR. BRAGA WILL BE
8 PRESENTING ARGUMENT ON MOTIONS DIRECTED TO SPECIFIC COUNTS
9 OF THE INDICTMENT. I DON'T KNOW WHETHER YOUR HONOR WOULD
10 PREFER TO HAVE THAT DONE NOW OR AFTER THE RECESS.

11 THE COURT: WE WILL COME BACK IN TEN MINUTES, AND
12 WE WILL TAKE PART OF THE REMAINING FIVE MINUTES THAT THE JURY
13 HAS TO HEAR THAT AND PERHAPS JUST A VERY FEW MOMENTS BEYOND
14 IT. BUT WE WILL HAVE IT BRIEFLY HEARD, BOTH PARTIES'
15 POSITIONS.

16 (SHORT RECESS TAKEN FROM 10:55 A.M. UNTIL 11:05 A.M.)

17 (JURY NOT PRESENT)

18 THE COURT: WE CERTAINLY HAVE SMOKERS YONDER.
19 EVERY TIME YOU GO BY, YOU HAVE THESE CLOUDS OF SMOKE THAT
20 ENGULF YOU AS I AM ABOUT TO COME INTO THE COURTROOM.

21 ALL RIGHT. YES, MR. LEWIN. MR. BRAGA.

22 MR. BRAGA: AT THIS TIME, YOUR HONOR, I WOULD LIKE
23 TO MAKE A RULE 29 MOTION FOR JUDGMENT OF ACQUITTAL.

24 YOUR HONOR, WE RECOGNIZE THAT THE TEST IS VERY
25 STRINGENT TO GET A MOTION FOR A JUDGMENT OF ACQUITTAL AT THE

1 CLOSE OF THE GOVERNMENT'S CASE, BUT IN THIS CASE, WE BELIEVE
2 IT HAS BEEN MET.

3 I WOULD LIKE TO SPLIT MY ARGUMENT. THERE IS REALLY
4 TWO DIFFERENT PARTS TO IT. THE FIRST PART GOES TO COUNT 2,
5 WHICH IS THE COUNT THAT ALLEGES THAT CONGRESSMAN HANSEN
6 FAILED TO REPORT ON MAY 15TH, 1981, THAT HE WAS INDEBTED TO
7 NELSON BUNKER HUNT. THAT COUNT ARISES FROM THE FACT THAT
8 MR. HUNT FULFILLED HIS GUARANTEE ON CONNIE HANSEN'S DALLAS
9 LOAN AND PURCHASED THAT NOTE FROM THE DALLAS NATIONAL BANK.

10 THERE IS NO EVIDENCE THAT HAS BEEN ADDUCED BY THE
11 GOVERNMENT THAT GEORGE HANSEN KNEW THAT NELSON BUNKER HUNT
12 PURCHASED THAT LOAN BY MAY 15TH, 1981, WHEN HE FILLED OUT
13 HIS EIGA FORM FOR THE YEAR 1980.

14 I CULLED THE TRANSCRIPTS ON THIS POINT, AND THAT
15 IS WHAT I JUST HANDED UP TO THE COURT. THE ONLY PEOPLE WHO
16 TESTIFIED ABOUT MR. HUNT'S PURCHASE OF THE NOTE WERE MR.
17 HUNT, HIMSELF, AND SAM HENRY OF THE DALLAS NATIONAL BANK. SAM
18 HENRY TESTIFIED MERELY THAT MR. HUNT FULFILLED HIS GUARANTEE
19 AND PURCHASED THE NOTE ON JUNE 3RD, 1980. MR. HUNT TESTI-
20 FIED -- I BELIEVE IF YOU LOOK AT PAGE 105 OF THE TRANSCRIPT
21 I HAVE HANDED UP TO YOU -- THAT AFTER HE PURCHASED THE NOTE,
22 HE HAD WRITTEN SOME LETTERS TO CONNIE HANSEN TRYING TO COL-
23 LECT ON THE NOTE. AND LATER ON, ON PAGE 130, WHICH IS THE
24 SECOND CLIP OF THE TRANSCRIPT, THAT HE BELIEVED HE CALLED
25 MRS. HANSEN ONE TIME. NOWHERE IN THE EVIDENCE ADDUCED BY THE

1 GOVERNMENT ARE THERE ANY DATES AS TO WHEN MR. HUNT MIGHT HAVE
2 WRITTEN THESE LETTERS TO CONNIE HANSEN, WHEN MR. HUNT MIGHT
3 HAVE CALLED CONNIE HANSEN ABOUT THIS. THE ONLY DATE THAT
4 ENTERS INTO THIS PURCHASE OF THE HUNT NOTE IS IN CROSS-
5 EXAMINATION OF MR. HUNT, MR. WEINGARTEN BROUGHT OUT THAT WHEN
6 MR. IRWIN, MR. HUNT'S ATTORNEY, CAME TO WASHINGTON IN CONNEC-
7 TION WITH THE BLACKMAIL LETTER, HE HAD CONNIE HANSEN SIGN
8 TWO NEW NOTES INDICATING HER INDEBTEDNESS TO NELSON BUNKER
9 HUNT.

10 MR. HUNT WASN'T PRESENT AT THAT TIME AND, CONSE-
11 QUENTLY, HIS TESTIMONY DID NOT REVEAL ANY OF THE CIRCUMSTANCES
12 SURROUNDING THE SIGNING OF THOSE NEW NOTES. HE DID NOT SAY
13 WHO WAS THERE AND, MOST IMPORTANTLY FOR PRESENT PURPOSES,
14 HE DID NOT SAY THAT GEORGE HANSEN WAS THERE AND WAS AWARE
15 THAT CONNIE HANSEN SIGNED THESE NEW NOTES.

16 WITHOUT ANY DIRECT EVIDENCE THAT GEORGE HANSEN KNEW
17 THAT NELSON BUNKER HUNT PURCHASED THIS NOTE BY MAY 15TH, 1981,
18 WHEN HE FILLED OUT THAT EIGA FORM, THE GOVERNMENT IS FORCED
19 TO TRY TO IMPUTE CONNIE HANSEN'S KNOWLEDGE OF THAT PURCHASE
20 TO GEORGE HANSEN. IF THEY CAN SHOW THAT GEORGE HANSEN HAD
21 IMPUTED KNOWLEDGE OR CONSTRUCTIVE KNOWLEDGE THROUGH CONNIE
22 HANSEN, THEN THEY COULD ARGUE THAT THEY HAVE SUFFICIENTLY
23 ESTABLISHED THAT GEORGE HANSEN KNOWINGLY LEFT THAT OFF HIS
24 EIGA FORM, BECAUSE HE KNEW ABOUT IT. THE ONLY WAY THAT THEY
25 COULD IMPUT THAT KNOWLEDGE TO GEORGE HANSEN WOULD BE THROUGH

1 A PRINCIPAL-AGENCY TYPE OF RELATIONSHIP. THEY WOULD HAVE
2 TO SHOW THAT CONNIE HANSEN WAS GEORGE HANSEN'S AGENT, GEORGE
3 HANSEN WAS THE PRINCIPAL; WHEN CONNIE HANSEN WAS NOTIFIED
4 BY NELSON BUNKER HUNT THAT HE HAD PURCHASED THIS NOTE, THEN
5 THAT KNOWLEDGE COULD BE IMPUTED TO GEORGE HANSEN AND THEY
6 WOULD HAVE MADE THEIR CASE.

7 IT IS ABSOLUTELY CLEAR IN THE DISTRICT OF COLUMBIA
8 AND THE VAST MAJORITY OF JURISDICTIONS THAT THE MERE FACT
9 OF A MARITAL RELATIONSHIP DOES NOT CREATE THAT PRINCIPAL-
10 AGENCY RELATIONSHIP. IT DOESN'T EXIST ANY MORE. THE GOVERN-
11 MENT HAS TO ESTABLISH THAT THAT AGENCY-PRINCIPAL RELATIONSHIP
12 EXISTS. IN THIS CASE, THERE IS NO EVIDENCE FROM WHICH THAT
13 CAN BE ESTABLISHED.

14 EVERY PIECE OF EVIDENCE THE GOVERNMENT HAS INTRO-
15 DUCED IN THIS CASE GOES TO SHOW, IF ANYTHING, THAT GEORGE
16 HANSEN MAY HAVE ACTED AS AN AGENT FOR CONNIE HANSEN IN SOME
17 OF HER TRANSACTIONS. THERE HAS BEEN NO EVIDENCE THAT CONNIE
18 HANSEN HAS ACTED AS AN AGENT FOR GEORGE HANSEN, AND PARTICULARLY
19 NO EVIDENCE THAT SHE ACTED AS AN AGENT FOR GEORGE HANSEN
20 WITH RESPECT TO THIS DALLAS LOAN. WITHOUT THAT RELATIONSHIP,
21 NO KNOWLEDGE CAN BE IMPUTED TO GEORGE HANSEN ABOUT THE FACT
22 THAT MR. HUNT PURCHASED THIS NOTE. AND I SUBMIT THAT, THERE-
23 FORE, WE ARE ENTITLED TO A MOTION FOR A JUDGMENT OF ACQUITTAL
24 ON THAT COUNT. THE GOVERNMENT HAS NOT ESTABLISHED SUFFICIENTLY
25 TO ALLOW ANY REASONABLE JUROR TO DRAW A FAIR CONCLUSION

1 BEYOND A REASONABLE DOUBT THAT GEORGE HANSEN KNEW THAT
2 NELSON BUNKER HUNT HAD PURCHASED THIS LOAN WHEN HE FILLED
3 OUT HIS EIGA FORM ON MAY 15TH, 1981.

4 WITH RESPECT TO THE OTHER COUNTS -- I MIGHT ADD
5 ONE MORE THING ON THAT. I SAID THAT IT'S CLEAR THAT THERE
6 IS NO AGENCY-PRINCIPAL RELATIONSHIP JUST BY THE FACT OF A
7 MARITAL RELATIONSHIP. IT IS ALSO CLEAR UNDER STANDARD
8 PRINCIPLES OF AGENCY LAW THAT THE BURDEN OF PROVING AGENCY
9 IS UPON THE PARTY CLAIMING AGENCY. THE GOVERNMENT HAS TO
10 SHOW A PRINCIPAL-AGENCY RELATIONSHIP TO IMPUTE THAT KNOWLEDGE
11 TO CONGRESSMAN HANSEN. THEY HAVE THE BURDEN OF ESTABLISHING
12 IT, AND THE EVIDENCE IN THIS CASE DOESN'T SUPPORT THAT.

13 WITH REGARD TO COUNTS 1, 3 AND 4, WE WOULD MOVE
14 FOR A JUDGMENT OF ACQUITTAL ON THE GROUND THAT THERE IS
15 INSUFFICIENT EVIDENCE ON THE SPECIFIC INTENT ELEMENT THAT
16 IS REQUIRED TO FIND A VIOLATION OF 18 USC 1001. AS THE
17 CIRCUIT COURT OF APPEALS FOUND IN UNITED STATES VS. DIGGS
18 AND, INDEED, AS THE GOVERNMENT'S OWN JURY INSTRUCTIONS
19 RECOGNIZE, THE INTENT REQUIRED IN THIS CASE REQUIRES AN
20 INTENT TO DECEIVE SOMEBODY. IN THIS CASE, THERE IS NO DIRECT
21 EVIDENCE OF AN INTENT TO DECEIVE, SO THE GOVERNMENT IS FORCED
22 TO ATTEMPT TO PROVE THAT THERE WAS SOME IMPROPRIETY IN THE
23 DEALINGS THAT WERE NOT REPORTED--THAT WERE ALLEGEDLY NOT
24 REPORTED, SO THAT THEY CAN SHOW THAT THERE WAS A MOTIVE TO
25 CONCEAL THOSE ITEMS.

1 THEY HAVE TRIED TO DO THAT BY SHOWING THAT NELSON
2 BUNKER HUNT WAS OVERLY GENEROUS TO CONNIE HANSEN, AND THEY'VE
3 TRIED TO DO THAT BY SHOWING THAT MESSRS. MEADE, MCAFEE AND
4 ROGERS WERE SOMEHOW ENGAGED IN COLLUSIVE ACTIVITY WITH
5 CONGRESSMAN HANSEN IN CONNECTION WITH MEETING WITH THE
6 SECRETARY OF THE ARMY. WE SUBMIT THAT THAT EVIDENCE, IF THE
7 COURT LOOKS AT IT IN TOTAL, IS NOT SUFFICIENT TO ESTABLISH
8 THAT ANYTHING WRONG WENT ON THERE THAT WOULD PROVIDE A MOTIVE
9 FOR CONGRESSMAN HANSEN TO CONCEAL THOSE MATTERS.

10 THE FACT OF SETTING UP THE APPOINTMENT WITH THE
11 SECRETARY OF THE ARMY IS SOMETHING THAT CONGRESSMEN DO EVERY
12 DAY. THAT'S STANDARD. THEY REPRESENT THEIR CONSTITUENTS;
13 THEY REPRESENT PEOPLE WHO COME TO THEM FOR HELP. THERE'S
14 NOTHING WRONG WITH THAT.

15 AND I BELIEVE THE TESTIMONY ABOUT THE HUNT DEALINGS
16 EQUALLY SHOWS THAT THERE WAS NO EVIDENCE OF IMPROPRIETY, AND
17 CERTAINLY NO EVIDENCE FROM WHICH A REASONABLE JUROR COULD
18 FAIRLY CONCLUDE BEYOND A REASONABLE DOUBT THAT ANYTHING WAS
19 WRONG WITH THOSE TRANSACTIONS.

20 BUT EVEN IF THIS COURT SHOULD FIND THAT THE GOVERN-
21 MENT HAS PRODUCED ENOUGH EVIDENCE OF IMPROPRIETY ON THOSE
22 COUNTS THAT CONGRESSMAN HANSEN MIGHT HAVE HAD A MOTIVE TO CONCEAL
23 AS THE GOVERNMENT'S CASE RESTS, COUNTS 3 AND 4 OF THIS INDICT-
24 MENT SHOULD STILL BE DISMISSED, BECAUSE THE ITEMS THAT WERE
25 SUPPOSED TO HAVE BEEN REPORTED UNDER THOSE COUNTS, THERE'S

1 NO LINK TO WHAT THE GOVERNMENT HAS PROFFERED AS THE MOTIVE.
2 THE GOVERNMENT SAYS THAT COUNTS 3 AND 4, CONGRESSMAN HANSEN
3 DIDN'T REPORT BECAUSE HE WANTED TO CONCEAL HIS WIFE'S DEALING
4 WITH NELSON BUNKER HUNT.

5 IF HE HAD REPORTED THE ITEMS HE WAS SUPPOSED TO
6 REPORT, ON COUNT 4 HE WOULD HAVE REPORTED A LIABILITY TO THE
7 FIRST NATIONAL BANK OF DALLAS WITH A NUMERICAL -- OR AN
8 ALPHABETICAL LETTER OFF TO THE SIDE OF IT THAT INDICATED THE
9 VALUE OF THAT LOAN. ON COUNT 3, HE WOULD HAVE REPORTED A
10 COMMODITIES OR SILVER TRANSACTION, WITH AN ALPHABETICAL
11 LETTER OFF TO THE SIDE INDICATING THE VALUE. NEITHER ONE
12 OF THOSE REPORTS WOULD HAVE IN ANY WAY INDICATED TO ANYONE
13 THAT CONGRESSMAN HANSEN HAD A RELATIONSHIP WITH NELSON BUNKER
14 HUNT. THEREFORE, THEIR ATTEMPTED LINK BETWEEN THE IMPROPRIETY
15 AND NOT REPORTING SIMPLY DOESN'T EXIST, AND WE CONTEND THAT
16 A MOTION FOR A JUDGMENT OF ACQUITTAL IS WARRANTED.

17 THE COURT: WHICH COUNSEL? MR. WEINGARTEN?

18 MR. WEINGARTEN: YOUR HONOR, I WILL RESPOND IN THE
19 ORDER THAT MR. BRAGA MADE HIS ARGUMENTS.

20 I DIDN'T ANTICIPATE THE ARGUMENT ON COUNT 2, THE
21 ARGUMENT BEING THAT CONGRESSMAN HANSEN DIDN'T KNOW THAT NELSON
22 BUNKER HUNT HAD ASSUMED THE LOAN. I THINK WE CAN RELY ON
23 A GREAT DEAL MORE FOR THAT THAN AN AGENCY. I THINK THE
24 EVIDENCE IS VERY, VERY CLEAR THAT IT WAS GEORGE HANSEN WHO
25 WENT TO BUNKER HUNT FIRST FOR MONEY. IT WAS GEORGE HANSEN

1 WHO KNEW ABOUT THE SOYBEAN TRANSACTION, BECAUSE THAT'S WHAT
2 HE WAS REQUESTING, OR HE ANTICIPATED SUCH A TRANSACTION. IT
3 WAS GEORGE HANSEN WHO DEALT WITH THE DALLAS BANKER FROM
4 MAY 27TH, 1977, WHEN THE LOAN WAS MADE, FORWARD. CONNIE
5 HANSEN'S ONLY INVOLVEMENT WAS TO SHOW UP IN DALLAS. EVERY
6 CONTACT THEREAFTER, ACCORDING TO SAM HENRY, WAS WITH
7 CONGRESSMAN HANSEN.

8 I BELIEVE IN THE RECORD IS CORRESPONDENCE FROM SAM
9 HENRY TO GEORGE HANSEN THAT IF THE LOAN IS NOT PAID, BUNKER
10 HUNT WOULD HAVE TO GET INVOLVED -- C.C. TO BUNKER HUNT. I
11 MEAN IT WAS SO APPARENT. THE EVIDENCE IS OVERWHELMING THAT
12 IT WAS GEORGE HANSEN WHO WAS ON TOP OF THIS LOAN.

13 AND IF THAT WAS NOT ENOUGH, APRIL OF '81, THOSE
14 NOTES WERE BACK-DATED. THE EVIDENCE FROM NELSON BUNKER HUNT
15 IS THAT GEORGE HANSEN PARTICIPATED IN THOSE MEETINGS, AND
16 I THINK YOU CAN INFER FROM THAT THAT HE WAS A PARTICIPANT
17 IN THE BACK-DATING. I THINK THE EVIDENCE IS SIMPLY OVER-
18 WHELMING THAT CONGRESSMAN GEORGE HANSEN KNEW BY MAY '81 THAT
19 NELSON BUNKER HUNT HAD ASSUMED THOSE LOANS.

20 AS FAR AS THE QUESTION OF INTENT FOR THE REST OF THE
21 COUNTS, IT'S OBVIOUS THAT THIS CASE IS A QUESTION OF INTENT.
22 I THINK WE HAVE NO TROUBLE MEETING THE OTHER ELEMENTS OF THIS
23 CRIME. I THINK THE EVIDENCE THAT WE HAVE OFFERED IN OUR CASE-
24 IN-CHIEF MAKES IT VERY CLEAR THAT THE DEFENDANT TOOK GREAT
25 CARE TO HIDE VERY SUSPICIOUS AND POTENTIALLY EMBARRASSING

1 TRANSACTIONS BY NOT REPORTING THEM ON HIS FINANCIAL DISCLOSURE
2 STATEMENT.

3 AS FAR AS COUNTS 3 AND 4, NOT MAKING IT AXIOMATIC
4 TO SOME INVESTIGATIVE REPORTER OR FBI AGENT THAT CONGRESSMAN
5 GEORGE HANSEN WAS INVOLVED WITH NELSON BUNKER HUNT, I THINK
6 THAT'S AN UNDERSTATEMENT OF THE SKILLS OF PEOPLE WHO LOOK
7 AT THESE SORTS OF THINGS. I THINK WHAT'S CLEAR IS THAT THERE
8 WERE, IN FACT, VERY SUSPICIOUS TRANSACTIONS, AND WHAT'S CLEAR
9 IS THAT THEY WEREN'T REPORTED. AND I THINK AT THE VERY LEAST,
10 WE HAVE MET OUR RULE 29 BURDEN.

11 THE COURT: MR. BRAGA?

12 MR. BRAGA: YOUR HONOR, IF I COULD JUST MAKE TWO
13 BRIEF POINTS.

14 MR. WEINGARTEN SAYS THAT MR. HUNT TESTIFIED THAT
15 GEORGE HANSEN PARTICIPATED IN THE MEETINGS THAT HIS ATTORNEY
16 HAD UP IN WASHINGTON. I BELIEVE IF YOU LOOK AT THE TRANS-
17 CRIPTS, YOU WILL SEE THAT MR. HUNT DIDN'T TESTIFY TO ANY SUCH
18 THING. HE DIDN'T KNOW; HE WASN'T THERE.

19 AND AS FAR AS THE LETTER FROM SAM HENRY THAT MR.
20 WEINGARTEN REFERRED TO, IT'S IN EVIDENCE, IT'S A MARCH 18TH,
21 1980, LETTER FROM SAM HENRY TO MR. AND MRS. HANSEN. AND IT
22 DOES REQUEST PAYMENT ON THE NOTE. BUT THE LAST PARAGRAPH
23 OF THAT NOTE DOES NOT SAY IF IT'S NOT PAID, THAT NELSON
24 BUNKER HUNT IS GOING TO PURCHASE IT. IT SAYS IF IT'S NOT
25 PAID, IT IS GOING TO BE TURNED OVER TO THE BANK'S ATTORNEYS

1 FOR COLLECTION.

2 THE COURT: ALL RIGHT.

3 PRIOR TO THE IMPANELING OF THE JURY, I RULED ON
4 THE ELEMENT OF MATERIALITY UNDER 18 USC 1001 AS A MATTER OF
5 LAW AND TOLD THE COUNSEL JUST BEFORE THE GOVERNMENT RESTED
6 THAT I WAS REITERATING THAT RULING, WHICH I NOW AM. ONE
7 ESSENTIAL ELEMENT OF THE OFFENSE DEFINED BY 18 USC 1001, THE
8 STATUTE WHICH THE DEFENDANT IS CHARGED TO HAVE VIOLATED IN
9 THIS CASE, REQUIRES MATERIALITY. AND THAT IS THAT ANY FACT
10 THAT IS FALSIFIED, CONCEALED, OR COVERED UP, OR ANY STATEMENT
11 OR REPRESENTATION WHICH IS FALSE, FICTITIOUS OR FRAUDULENT,
12 BE MATERIAL.

13 THAT QUESTION, EARLIER DECIDED IN FAVOR OF THE
14 GOVERNMENT, HAS, UPON REVIEW AND REFLECTION AND EXAMINATION
15 OF THE RECORDS AT THIS TIME DURING THE GOVERNMENT'S CASE-
16 IN-CHIEF, BEEN REITERATED, AND AGAIN IT IS BEING DECIDED IN
17 FAVOR OF THE GOVERNMENT.

18 THE MATERIAL FALSE STATEMENT IS ONE, OF COURSE,
19 THAT HAS A TENDENCY TO INFLUENCE, OR IS CAPABLE OF INFLUENCING
20 THE DECISION OF THE TRIBUNAL, IN THIS INSTANCE THE CONGRESS,
21 IN MAKING THE DETERMINATION. AND THE FALSE STATEMENT MUST
22 SIMPLY HAVE THE CAPACITY TO PERVERT THE FUNCTIONING OF A
23 GOVERNMENT AGENCY.

24 AS WE KNOW FROM THE DOCUMENTATION THAT WAS PRESENTED
25 BEFORE THE COURT EARLIER ON, THE CLERK OF THE HOUSE OF

1 REPRESENTATIVES IS OBLIGATED TO MAKE THESE CONGRESSIONAL
2 FINANCIAL DISCLOSURE STATEMENTS AVAILABLE TO THE PUBLIC A
3 SHORT PERIOD OF TIME, I BELIEVE IT IS 15 DAYS, AFTER THEY
4 ARE RECEIVED, AND THEY ARE DUE ON OR BEFORE THE 15TH OF MAY
5 OF EACH AND EVERY YEAR. THE CLERK IS ALSO OBLIGATED TO SEND
6 THESE REPORTS TO THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL
7 CONDUCT FOR ITS REVIEW, AND THE STANDARDS COMMITTEE IS TO
8 DETERMINE WHETHER THE REPORTS HAVE BEEN FILED IN A TIMELY
9 MANNER, IF THEY ARE COMPLETE, AND IF THEY ARE IN PROPER FORM.
10 AND IF THERE IS NO REPORT, THEN THE COMMITTEE DIRECTS THE
11 INDIVIDUAL WHO SHOULD HAVE RESPONDED TO TAKE NECESSARY COR-
12 RECTIVE ACTION.

13 AND THE MEMBERS OF THE HOUSE OF REPRESENTATIVES
14 ARE ADVISED THROUGH THE COMMITTEE'S MANUAL OF THE SPECIFICS
15 AS TO HOW THEY ARE TO FILL OUT THEIR FORM. THE HOUSE RULES,
16 ACCORDING TO WHAT WE HAVE HEARD IN THIS CASE AND THE DOCUMENTA-
17 TION, PLACES THE RESPONSIBILITY OF THE HOUSE TO DISCIPLINE
18 ITS OWN MEMBERS IN THE COMMITTEE ON THE STANDARDS OF OFFICIAL
19 CONDUCT. AND THE DEFENSE, ITSELF, HAS SAID IN ITS BRIEF
20 CONCERNING THE MOTION TO DISMISS THAT THIS MONITORING HAS
21 TO DO WITH THE DETERENCE OF THE CONFLICTS OF INTEREST AND
22 THE OTHER FORMS OF ALLEGEDLY UNETHICAL CONDUCT BY MEMBERS
23 OF THE HOUSE, AND THIS IS ACCOMPLISHED BOTH DIRECTLY BY A
24 REVIEW OF THE FINANCIAL DISCLOSURE FORMS THEMSELVES BY THAT
25 COMMITTEE ON THE STANDARDS OF OFFICIAL CONDUCT AND ALSO,

1 INDIRECTLY, BY THE REVIEW OF THOSE REPORTS BY THE MEMBERS
2 OF PUBLIC WHO HAVE THE OPPORTUNITY TO HAVE ACCESS TO THOSE
3 FINANCIAL DISCLOSURE FORMS, AND THEN UPON REVIEW AND ACCESS,
4 CAN FILE COMPLAINTS, IF A MEMBER OF THE PUBLIC SO WISHES, WITH
5 THAT COMMITTEE UNDER PROCEDURES THAT HAVE BEEN ESTABLISHED
6 IN THE HOUSE RULES.

7 THOSE FINANCIAL DISCLOSURE REPORTS SUBMITTED BY
8 CONGRESSMAN HANSEN IN THIS CASE. IF FALSE, HAVE THE CAPACITY
9 OF INFLUENCING THE WORK OF THE STANDARDS COMMITTEE AND, THEREBY,
10 THE CONGRESS ITSELF. SO THE ELEMENT OF MATERIALITY IS FOUND
11 AGAIN AS A MATTER OF LAW.

12 AS TO THE MOTION FOR JUDGMENT OF ACQUITTAL AS TO
13 EACH OF THE FOUR COUNTS, THE EVIDENCE IS SUFFICIENT ON ALL
14 OF THOSE COUNTS TO SUSTAIN A CONVICTION AND TO ALLOW ANY
15 REASONABLE JUROR TO FAIRLY CONCLUDE GUILT BEYOND A REASONABLE
16 DOUBT. THE MOTION FOR JUDGMENT OF ACQUITTAL AS TO EACH OF
17 THE FOUR COUNTS IS DENIED, AND IT IS UP TO THE DEFENSE TO
18 CHOOSE WHETHER OR NOT IT WISHES TO GO FORWARD.

19 MR. LEWIN, I TAKE IT THAT YOU WILL BE GOING FORWARD,
20 AS YOU HAVE EARLIER INDICATED TO US.

21 MR. LEWIN: YES, YOUR HONOR. WE WILL PROCEED.

22 THE COURT: ALL RIGHT. NOW, THE GOVERNMENT HAS
23 SAID -- AND I REALIZE THE JURY IS STILL WAITING FOR OUR
24 ATTENTION. THE GOVERNMENT HAD SAID EARLIER THAT IT WISHED
25 US TO TAKE UP AT AN EARLY TIME -- AND THIS MAY BE THE TIME --

1 SOME OF THE EXHIBITS THAT THE DEFENDANT HAS PROPOSED THAT
2 WILL SUBSEQUENTLY BE OFFERED FOR ADMISSION IN THIS CASE AND
3 SEE IF WE CAN RULE UPON THEM WITHOUT THE BENEFIT OF ANY
4 TESTIMONY AT THIS TIME.

5 LET ME HEAR WHICH ONES YOU HAVE IN MIND, MR.
6 WEINGARTEN, NOW THAT WE ALL ARE SUPPLIED WITH THE DEFENDANT'S
7 EXHIBIT LIST, AND SEE IF WE CAN RULE UPON THESE WITHOUT HAVING
8 THE BENEFIT OF CORRELATIVE TESTIMONY.

9 MR. WEINGARTEN: I THINK THE MOST EXPEDITIOUS WAY
10 FOR ME TO PROCEED WOULD BE AS FOLLOWS: I BELIEVE I CAN
11 SEPARATE THE EXHIBITS INTO THREE CATEGORIES. THE FIRST WOULD
12 BE CORRESPONDENCE IN 1977 AND 1978 BETWEEN CONGRESSMAN HANSEN
13 AND/OR HIS REPRESENTATIVES AND OTHER MEMBERS OF CONGRESS OR
14 THE FEDERAL ELECTION COMMISSION RELATING TO SOLICITING MONIES
15 AND RESULTS THEREBY.

16 WE OBJECT TO ALL EVIDENCE FROM CONGRESSMAN HANSEN
17 AND HIS REPRESENTATIVES TO OTHER OFFICIALS. WE DO NOT OBJECT
18 TO THE RESPONSES CONGRESSMAN HANSEN MAY HAVE RECEIVED. OUR
19 PURPOSE IN OBJECTING TO THE FIRST RATHER THAN THE SECOND IS
20 WE BELIEVE THAT IT CONTAINS NOTHING BUT SELF-SERVING HEARSAY;
21 THAT IT'S EITHER WHOLLY IRRELEVANT, OR IF RELEVANT IN PART,
22 CONTAINS EXTREMELY PREJUDICIAL MATERIAL THAT CAN ONLY SERVE
23 TO PREJUDICE THE JURY ONE WAY OR THE OTHER, AND HAS NOTHING
24 TO DO WITH THE ISSUES PRESENTLY BEING TRIED.

25 PERHAPS THE OTHER EVIDENCE, THE EVIDENCE THAT

1 CONGRESSMAN HANSEN MAY HAVE RECEIVED FROM THE F.E.C. OR CER-
2 TAIN MEMBERS OF CONGRESS COULD BE IN THE SAME CATEGORY, BUT
3 WE DON'T HAVE THE SAME OBJECTION BECAUSE THERE IS NOT THIS
4 ELEMENT OF SELF-SERVING HEARSAY CONTAINED IN THOSE DOCUMENTS.

5 THE SECOND MAJOR CATEGORY OF OBJECTION WE HAVE IS
6 THE MATERIALS FROM THE ASSOCIATION OF CONCERNED TAXPAYERS.
7 I DON'T THINK THERE'S A DISPUTE IN THIS CASE THAT THERE'S
8 SUCH AN ORGANIZATION. I THINK THE ISSUE IN THIS CASE IS WHETHER
9 OR NOT THE MONIES FROM THE VIRGINIA PEOPLE WENT INTO THAT
10 ORGANIZATION. I THINK THE MATERIALS THEMSELVES ARE IRRELE-
11 VANT. I THINK THEY WOULD RAISE ISSUES WHOLLY IRRELEVANT TO
12 WHAT'S BEING TRIED HERE, AND FOR THAT REASON, WE WOULD OBJECT.

13 IN ADDITION, THERE ARE SOME TAX BILLS, I GUESS,
14 LEGISLATION AUTHORED BY CONGRESSMAN HANSEN THAT THEY WILL
15 SEEK TO INTRODUCE. IF IN FACT HE IS PERMITTED TO DO THAT,
16 I WOULD ASK THAT HE WAIVE ALL RIGHTS HE HAS UNDER THE SPEECH
17 OR DEBATE CLAUSE BECAUSE, FRANKLY, WE HAVE SOME LEGISLATION
18 OFFERED BY CONGRESSMAN HANSEN THAT WE WOULD LIKE TO INTRODUCE
19 AS WELL, AND WE WOULDN'T DARE INTRODUCE IT BECAUSE OF THE
20 SPEECH OR DEBATE CLAUSE.

21 I THINK WHAT'S GOOD FOR THE GOOSE IN THIS INSTANCE
22 IS GOOD FOR THE GANDER -- AND I SUPPOSE THAT'S A RATHER TRITE
23 EXPRESSION THIS EARLY IN THE MORNING.

24 THE COURT: EVEN LATE IN THE MORNING.

25 MR. WEINGARTEN: YES. I'M SORRY.

1 FINALLY, WE NOTE THAT THERE ARE SOME MEMOS FROM
2 IVAN IRWIN TO HIS FILE THAT I GUESS ARE GOING TO BE OFFERED
3 IMMEDIATELY WHEN IVAN IRWIN TAKES THE STAND. THESE ARE REPORTS
4 THAT A LAWYER MADE TO HIMSELF. WE ARE GOING TO OBJECT TO
5 THOSE. THOSE ARE ALSO HEARSAY; THEY ARE SELF-SERVING. IVAN
6 IRWIN IS GOING TO TESTIFY. HE HAD A CLEAR RECOLLECTION ABOUT
7 THESE EVENTS WHEN HE TESTIFIED IN THE GRAND JURY. I DARESAY
8 HE PROBABLY KNOWS THE CASE BETTER THAN I DO. I DON'T THINK
9 THESE DOCUMENTS ARE NECESSARY, AND WILL BE OBJECTED TO.

10 THE COURT: CAN WE TAKE THEM UP, IF POSSIBLE, MR.
11 LEWIN, BY THE CATEGORIES MORE OR LESS AS THE GOVERNMENT HAS
12 PROPOSED THEM?

13 MR. LEWIN: CERTAINLY, YOUR HONOR.

14 THE COURT: AND PLEASE KEEP IN MIND, GENTLEMEN,
15 THAT YOU'VE SEEN THESE PIECES OF MATERIAL, OR SOME OF THEM,
16 IN ANY EVENT, AND THE COURT HAS NOT. SO I HAVE TO DRAW ANY
17 OF MY INFORMATION IN RULING SOLELY FROM WHAT IS BEING ARGUED
18 OUT THERE.

19 MR. LEWIN: CERTAINLY.

20 WITH REGARD TO THE FIRST CATEGORY, YOUR HONOR,
21 THE DEFENSE -- AND IT HAS BEEN PLAIN TO THE GOVERNMENT FROM
22 THE INITIAL -- EVEN THE ORIGINAL INTERVIEW THEY HAD WITH
23 CONGRESSMAN HANSEN AND WITH MRS. HANSEN -- IS SIMPLY THAT
24 WHAT HAPPENED WITH REGARD TO THE ETHICS IN GOVERNMENT ACT
25 FORMS IS A CONTINUATION OF A PRACTICE WHICH CONGRESSMAN HANSEN

1 WAS REQUIRED TO ADOPT BACK IN 1977, WHEN HE ENTERED INTO A
2 SEPARATION OF PROPERTY AGREEMENT, AND THAT WHAT HE DID UNDER
3 THE ETHICS IN GOVERNMENT ACT FOLLOWED PRECISELY IN THE
4 HISTORY -- IN ACCORDANCE WITH THAT PAST HISTORY. IT IS
5 ESSENTIAL IN THAT REGARD TO DEMONSTRATE WHAT HIS CORRESPONDENCE
6 WAS AT THAT TIME WITH THE HOUSE ETHICS COMMITTEE ON THIS
7 PARTICULAR QUESTION, ON THE QUESTION OF SEPARATION OF PROPERTY
8 AND HOW HIS WIFE'S INCOME AND LIABILITIES ARE TO BE TREATED.
9 AND THE CORRESPONDENCE RELATES TO THAT. THAT'S EXACTLY --
10 IT WAS A MATTER OF PUBLIC RECORD. IT WAS FILED WITH THE HOUSE
11 ETHICS COMMITTEE AT THE TIME. IT RECEIVED ENORMOUS PUBLICITY
12 IN IDAHO, ABOUT WHAT HE WAS SAYING TO THE HOUSE ETHICS
13 COMMITTEE. IT WAS WELL KNOWN IN THE HOUSE; IT WAS WELL KNOWN
14 IN IDAHO. AND THAT IS THE BASIS FOR HIS HAVING TAKEN THE
15 POSITION HE DID CONSISTENTLY WHEN THE ETHICS IN GOVERNMENT
16 ACT WAS ENACTED AND THEREAFTER DURING THE FOUR YEARS COVERED
17 BY THIS INDICTMENT.

18 IF WE ARE NOT PERMITTED TO SHOW THE CORRESPONDENCE
19 THAT HE WROTE TO THE HOUSE ETHICS COMMITTEE, WHICH WAS A MATTER
20 OF PUBLIC RECORD, BUT ONLY WHAT THE HOUSE ETHICS COMMITTEE
21 SAID BACK TO HIM, THE JURY IS TOTALLY DISABLED FROM KNOWING
22 WHAT--ALL THESE THINGS WHICH WERE IN CONGRESSMAN HANSEN'S MIND
23 AT THE TIME THESE ETHICS IN GOVERNMENT ACT FORMS WERE FILLED
24 OUT. SO THEY ARE AT THE HEART, REALLY, OF THE DEFENSE.

25 THE SECOND CATEGORY OF MATERIALS THAT MR. WEINGARTEN

1 TALKED ABOUT --

2 THE COURT: EXCUSE ME. LET ME STOP YOU FOR A MOMENT,
3 IF I MAY, MR. LEWIN, SO WE KNOW WHICH EXHIBITS YOU BELIEVE
4 FALL WITHIN SHALL WE SAY CATEGORY 1, THAT CATEGORY YOU HAVE
5 JUST BEEN ADDRESSING. THEN THERE WON'T BE ANY CONFUSION LATER
6 ON, WHATEVER THE RULING OF THE COURT. ALL RIGHT?

7 MR. LEWIN: WELL, I DON'T KNOW WHAT -- THE GOVERN-
8 MENT, I THINK, IS THE ONE THAT IS OBJECTING, BUT I SUPPOSE
9 THEY ARE TALKING ABOUT EXHIBIT 30, WHICH IS A LETTER FROM
10 GEORGE HANSEN TO THE FEDERAL ELECTION COMMISSION; EXHIBIT
11 31, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; THEN
12 EXHIBIT 33, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN FRENZEL;
13 THEN 34, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER;
14 36, A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; 38,
15 A LETTER FROM GEORGE HANSEN TO CONGRESSMAN PREYER; 39, A LETTER
16 FROM CONNIE HANSEN TO CONGRESSMAN PREYER.

17 THE COURT: IS MRS. HANSEN GOING TO BE HERE TO
18 TESTIFY?

19 MR. LEWIN: YES, YOUR HONOR.

20 I GUESS THAT'S WHAT THEY ARE TALKING ABOUT.

21 THE COURT: NO. 42, CONNIE HANSEN FUND LETTER?

22 MR. LEWIN: CONNIE HANSEN FUND LETTER, YES.

23 THE COURT: I ASSUMED SO. ALL RIGHT. I DON'T KNOW
24 WHAT SOME OF THE OTHERS ARE.

25 ALL RIGHT. THAT WOULD BE AS TO THAT FIRST CATEGORY.

1 ALL RIGHT. LET'S GO ON WITH THE NEXT MATTER.

2 MR. LEWIN: 36 -- I'M SORRY, YOUR HONOR. JUST TO
3 CORRECT THAT, I KNEW THERE WAS ANOTHER LETTER. EXHIBIT 36
4 IS A LETTER FROM CONNIE HANSEN TO CONGRESSMAN PREYER; NOT
5 FROM GEORGE HANSEN.

6 THE COURT: ALL RIGHT.

7 MR. LEWIN: I KNEW THERE WERE TWO LETTERS FROM MRS.
8 HANSEN THAT WE WERE INTRODUCING THERE.

9 SO THOSE ALL RELATE TO WHAT CONGRESSMAN HANSEN AND
10 MRS. HANSEN TOLD THE HOUSE AT THE TIME THAT THIS WHOLE ISSUE
11 FIRST CAME UP IN 1977, PRIOR TO AND CONTEMPORANEOUS WITH THE
12 SEPARATION OF PROPERTY AGREEMENT, AS TO WHICH THERE WILL BE
13 SUBSTANTIAL TESTIMONY, AS WELL.

14 THAT'S THE DEFENSE. I MEAN THE GOVERNMENT DOESN'T
15 LIKE IT, BUT THAT HAPPENS TO BE THE DEFENSE REGARDING THE
16 STATE OF MIND. AND YOU CAN'T SIMPLY SAY TO A DEFENDANT WHO
17 IS TESTIFYING ABOUT HIS HIS STATE OF MIND: YOU CAN'T INTRODUCE
18 EVIDENCE AS TO WHAT YOU OFFICIALLY AND FORMALLY TOLD THE
19 CONGRESS BACK IN '77 WHEN THIS ISSUE FIRST CAME UP.

20 AND, AGAIN, THEY WERE NOT SECRET COMMUNICATIONS.
21 THEY WERE PUBLIC DOCUMENTS, PUBLICLY AVAILABLE AND SUBSTAN-
22 Tially REPORTED IN THE PRESS.

23 AND THE CONNIE HANSEN FUND LETTER, ALSO REPORTED
24 AT THAT TIME AS A RESULT OF ALL THIS, WERE THE ACTIONS THAT
25 WERE TAKEN BY MRS. HANSEN PURSUANT TO WHAT WAS DONE IN 1977

1 AND THE LEGAL ARRANGEMENTS THAT WERE WORKED OUT IN '77.

2 THE SECOND CATEGORY OF DOCUMENTS ARE THE MATERIALS
3 FROM THE ASSOCIATION OF CONCERNED TAXPAYERS. NOW, AGAIN,
4 MR. WEINGARTEN HAS BEEN TRYING SINCE THE OUTSET OF THIS --

5 THE COURT: WELL, NOW, LET'S COME DOWN TO WHAT YOU
6 WISH TO PROVE THROUGH THAT, AND LET'S SEE HOW WE CAN MOVE
7 ON ON THAT ONE.

8 MR. LEWIN: WHAT WE WISH TO PROVE ABOUT THAT IS
9 PRECISELY THAT THE FUNDS, THE \$135,000 WHICH IS THE GOVERN-
10 MENT'S ENTIRE CASE ON COUNT 1, WAS UTILIZED BY CONGRESSMAN
11 HANSEN IN FULL FOR THE PAYMENT FOR THE PRINTING AND THE MAILING
12 AND THE DISTRIBUTION OF MATERIALS WHICH CARRY OUT A PROGRAM
13 THAT HE HAD INITIATED AND HAD IN MIND FROM SOMETIME IN 1980
14 THROUGH THE TIME OF THESE LOANS, THROUGH THE TIME OF THE DISTRIBU-
15 TION OF THESE MATERIALS. IT IS, PRECISELY, PROOF TO THE
16 JURY. YOU CAN'T SIMPLY SAY TO THE JURY: LOOK, THE CONGRESSMAN
17 INTENDED TO USE THE MONEY FOR THIS, WITHOUT SHOWING THEM THAT
18 IN FACT IT WAS USED FOR THIS. THESE ARE THE MAILINGS THAT
19 WERE SENT OUT WITH THAT MONEY, YOUR HONOR. THAT'S EXACTLY IT.

20 IT'S LIKE SAYING, YOU KNOW, YOUR DEFENSE IS THAT
21 YOU BORROWED MONEY FOR A CERTAIN PURPOSE, YOU KNOW, TO BUY
22 STOCKS, BUT WE'RE NEVER GOING TO SHOW THE JURY THE STOCKS
23 THAT YOU BOUGHT.

24 THE COURT: WHICH OF THE PROPOSED EXHIBITS GOES
25 TO THAT?

1 MR. LEWIN: WELL, THE EXHIBITS THAT GO TO THAT ARE,
2 I SUPPOSE, EXHIBIT 47 --

3 THE COURT: THE NEWSLETTER?

4 MR. LEWIN: THE "ACT" NEWSLETTER.

5 THE COURT: HOW DOES THAT SUBSTANTIATE?

6 MR. LEWIN: WELL, THAT SHOWS WHAT "ACT" IS, WHAT
7 THE ASSOCIATION FOR CONCERNED TAXPAYERS IS. THE MONEY WAS
8 USED FOR THE NEWSLETTER. IT GOES TO -- LET'S SEE. WHICH
9 ARE THE OTHER "ACT" MAILINGS? WE DON'T HAVE ON HERE THE
10 "ACT" MAILINGS? OH, THAT'S NOT LISTED ON THERE. I GUESS
11 MR. WEINGARTEN ANTICIPATED, BECAUSE WE HAD GIVEN HIM COPIES.
12 I GUESS WE HAVE NOT PUT IT ON THIS LIST, BUT WE HAVE GIVEN
13 HIM COPIES, AND WE ARE INTENDING TO OFFER THE ONE OR TWO
14 ACTUAL MAILINGS THAT WERE SENT OUT, THE MAILING MATERIALS
15 THAT WERE SENT OUT BY "ACT" TO THIS BROAD MAILING LIST SO
16 THAT THE JURY SEES WHAT WAS DONE WITH THAT MONEY. AND THERE
17 WILL BE TESTIMONY THAT THAT WAS PRECISELY WHAT THAT MONEY
18 WAS USED FOR. CHECKS WILL BE SHOWN, LEDGERS, ACCOUNT STATE-
19 MENTS, ALL OF THAT THAT WILL DEMONSTRATE THAT PRECISELY THE
20 MONEY WAS USED FOR THAT. AND THAT IS THE REALISTIC PROOF
21 OF THE FACT THAT THE FUNDS WERE USED FOR IT: THAT WHEN HE
22 WENT TO MR. MCAFEE AND WHEN HE GOT THE LOANS FROM MR. MCAFEE
23 AND FROM MR. MEADE, HE HAD THAT IN MIND, AND THAT'S HOW THE
24 THING WAS ACTUALLY IMPLEMENTED

25 SO THAT'S THE MATERIALS FROM THE ASSOCIATION OF

1 CONCERNED --

2 THE COURT: OTHER THAN EXHIBIT 47, THOSE ARE NOT
3 YET LISTED, AND THERE WILL BE SOME --

4 MR. LEWIN: THERE WILL BE SOME MORE, WHICH WILL BE
5 "ACT" MAILINGS, YES.

6 THE COURT: EXCUSE ME. THERE IS SOMETHING -- I
7 JUST TURNED MY PAGE THERE. 71 IS A CHECK TO "ACT" IN THE
8 AMOUNT OF \$2500? IS THAT --

9 MR. LEWIN: I DON'T THINK THAT THEY ARE DISPUTING
10 CHECKS THAT -- I DON'T THINK THEY ARE SAYING WE CAN'T PRODUCE
11 CHECKS FROM THE CONGRESSMAN.

12 THE COURT: THAT'S NO PROBLEM. I SEE THAT BY THE
13 WAVE OF A HAND. ALL RIGHT.

14 MR. LEWIN: RIGHT.

15 THE THIRD CATEGORY IS THE LEGISLATION TO BE INTRO-
16 DUCED. THE ONLY LEGISLATION THAT WE ARE OFFERING -- AND,
17 YOU KNOW, OFFERED LEGISLATION IS, I THINK, USED BY COURTS
18 EVERY DAY; LEGISLATIVE HISTORY. IN OTHER WORDS, WHAT WE WANT
19 TO DO AND WHAT WE THINK WE ARE ENTITLED TO DO IS OFFER THREE
20 BILLS. THESE ARE ITEMS 43, 44 AND 45, WHICH ARE, AGAIN,
21 PART OF THE PROGRAM THAT THE CONGRESSMAN HAD IN MIND IN
22 1980, IN 1981, TO REFORM THE TAX LAWS. THEY ARE THOSE BILLS
23 THAT WERE INTRODUCED, AND THE DATES THEY WERE INTRODUCED,
24 TO SHOW THAT IN FACT THAT IS EXACTLY WHAT HE CARRIED OUT.
25 HE OFFERED AND INTRODUCED THOSE BILLS.

1 WE ARE NOT GOING TO GO INTO QUESTIONING, YOU KNOW,
2 UNDERLYING LEGISLATIVE DISCUSSIONS ABOUT THAT OR ANYTHING LIKE
3 THAT. WE WANT TO OFFER THE BILLS TO SHOW THE JURY THE DATES
4 THE BILLS WERE OFFERED, BECAUSE THEY ARE VERY IMPORTANT WITH
5 REGARD TO THOSE LOANS, BECAUSE THEY ARE SIMULTANEOUS, ALMOST,
6 WITH THE LOANS.

7 YOU KNOW, THE REASON HE WENT OUT AND GOT THE LOANS
8 AT THAT TIME IS BECAUSE AT THOSE DATES, THIS WHOLE EFFORT
9 WAS REALLY BEING COMPARATIZED, WITH THE SUBMISSION OF THIS
10 LEGISLATION, WITH THE CREATION OF THE "ACT" -- ALL THESE
11 THINGS. THE TIMING OF THEM IS ESSENTIAL.

12 MR. WEINGARTEN, THE PROSECUTION, HAS TRIED TO DO
13 ABOUT, YOU KNOW, DATES AND HERE AND THAT AND THE OTHER THING.
14 WE WANT TO DEMONSTRATE, AND I THINK WE ARE ENTITLED TO
15 DEMONSTRATE THAT THOSE DATES WERE DATES WHICH WERE AROUND
16 THE TIME WHEN THIS EFFORT WAS BEING LAUNCHED. AND THERE WERE
17 REASONS PRECISELY FOR SEEKING FUNDS AT THAT TIME, WHETHER THE
18 FUNDS WERE USED AT THAT TIME OR NOT. I MEAN THE LAST STIPU-
19 LATION INDICATES, YOUR HONOR, WE DON'T DISPUTE THE FACT THE
20 FUNDS WERE SOLICITED. IT TURNED OUT THAT THERE WAS A HIATUS
21 BETWEEN THE TIME THAT THEY WERE SOLICITED AND THE TIME THAT
22 THEY ACTUALLY HAD TO BE PAID. BUT THERE WAS EVERY BELIEF
23 AT THE TIME THAT THEY WOULD HAVE TO BE USED PROMPTLY.

24 AND I THINK WE ARE ENTITLED TO SHOW THAT THE LEGIS-
25 LATION WAS INTRODUCED AND THAT THINGS WERE GETTING MOVING AT

1 THAT POINT, AND THAT'S WHY THE CONGRESSMAN HAD TO GO OUT AND
2 SOLICIT THE FUNDS AT THAT TIME.

3 AND FINALLY, THE MEMOS FROM MR. IRWIN TO HIS FILE.
4 WELL, THAT'S EXTRAORDINARY. I MEAN RULE 803(5), WHICH MR.
5 WEINGARTEN KNEW WELL ENOUGH TO BE CITING TO YOUR HONOR UP
6 THERE AT THE BENCH THE OTHER DAY, WHICH IS CONTEMPORANEOUS
7 RECOLLECTION RECORDED -- THOSE ARE MEMORANDA WHICH MR. IRWIN
8 WILL TESTIFY HE MADE TO HIS FILE AT THE TIME OF THE EVENTS
9 IN QUESTION. HE RECALLS SOME THINGS, BUT THEY CLEARLY RECITE
10 WHAT HAPPENED WITH VERY GREAT PRECISION BECAUSE THEY WERE
11 DONE ON THAT DAY OR THE NEXT DAY. AND THEY ARE THE BEST
12 EVIDENCE OF WHAT ACTUALLY HAPPENED, I SUBMIT, DURING THOSE
13 DAYS.

14 MR. WEINGARTEN HAS MADE AN ISSUE WITH MR. HUNT:
15 WHAT HAPPENED BETWEEN MARCH 31 AND APRIL 6? WHY DID IT TAKE
16 SIX DAYS TILL THERE WAS THIS MEETING WITH THE ATTORNEY GENERAL?
17 YOU'VE GOT A STEP-BY-STEP DESCRIPTION OF EXACTLY WHAT HAPPENED,
18 EXACTLY WHO WAS THERE, EXACTLY WHAT THEIR REACTIONS WERE TO
19 EVENTS THAT TOOK PLACE THREE YEARS AGO, MARCH OF '81. IT
20 WOULD BE A TRAVESTY IF THE JURY WERE NOT PERMITTED TO SEE
21 THOSE CONTEMPORANEOUS DOCUMENTS WHICH DISCLOSE WHAT HAPPENED
22 AT THE TIME.

23 THE COURT: LAST FEW WORDS.

24 MR. WEINGARTEN: YES. AS FAR AS -- RUNNING THROUGH
25 IT AGAIN, THE STATE OF MIND OF SOMEONE IN 1977, WE SUBMIT,

1 WOULD HAVE VERY LITTLE RELEVANCE TO WHAT CONGRESSMAN HANSEN
2 DID IN MAY '79 WHEN HE STARTED FILLING OUT THESE FORMS. BUT
3 IN ADDITION TO THAT, STATE OF MIND EVIDENCE IS NOT SOMEONE
4 SITTING DOWN AND MAKING A RECORD TO BE USED SOMETIME SUBSE-
5 QUENT.

6 WHAT THOSE EXHIBITS REPRESENT ARE A CAREFULLY CRAFTED
7 EFFORT TO PUT DOWN SELF-SERVING INFORMATION THAT COULD BE
8 OF USE LATER. THEY LOOK BACKWARD AT SPECIFIC EVENTS AND
9 RECORD SPECIFIC EVENTS IN AN EFFORT TO USE THEM LATER. THIS
10 IS NOT STATE OF MIND EVIDENCE UNDER THE HEARSAY RULE.

11 STATE OF MIND IS TO INDICATE WHAT YOU ARE GOING
12 TO DO AT THAT PARTICULAR MOMENT, IF IN FACT THAT'S RELEVANT.
13 WE ARE TALKING ABOUT EVENTS THAT ARE AT LEAST 18 MONTHS
14 PRIOR TO CONGRESSMAN HANSEN FIRST REPORTING UNDER THE EIGA.
15 AND, OF COURSE, IN 1978, THE FACT THAT THE EIGA CHANGED THE
16 RULES AND REGULATIONS IS SOMETHING THAT ALSO BEARS UPON THIS
17 ISSUE.

18 AS FAR AS THE "ACT" INFORMATION IS CONCERNED, IF YOU
19 WANT TO PROVE THAT YOU PURCHASED A CAR, YOU DON'T HAVE TO
20 BRING THE CAR INTO COURT. THERE ARE OTHER WAYS OF PROVING
21 THAT "ACT" ACTUALLY SENT OUT FLYERS AT A GIVEN PERIOD OF TIME
22 OTHER THAN INTRODUCING THE THINGS THEMSELVES, PARTICULARLY
23 WHEN THEY ARE INFLAMMATORY AND IRRELEVANT. AND CERTAINLY,
24 IF WITNESSES ARE GOING TO TESTIFY TO THOSE EVENTS, THAT
25 INFORMATION CAN BE ELICITED.

1 AS FAR AS THE BILLS ARE CONCERNED, I MEAN IT'S A
2 CLASSIC SPEECH OR DEBATE PROBLEM. WE WOULD NEVER IN A MILLION
3 YEARS BE ALLOWED TO INTRODUCE IN OUR CASE-IN-CHIEF THE BILLS
4 CONGRESSMAN HANSEN INTRODUCED. I MEAN -- I MEAN I GUESS THE
5 POINT IS CLEAR.

6 AND FINALLY, IVAN IRWIN, IT'S A LAWYER SITTING DOWN
7 AND MAKING A REPORT THAT HE HOPES WILL BE USEFUL TO HIM LATER.
8 THAT IS NOT 803(5) MATERIAL. THAT IS -- I MEAN I GUESS IF
9 IVAN IRWIN TAKES THE STAND AND SAYS, "I DON'T REMEMBER ANY-
10 THING, OR I NEED THIS TO REFRESH MY RECOLLECTION," THAT MAY
11 BE THE FIRST STEP. BUT CONTAINED IN THOSE DOCUMENTS IS
12 HEARSAY UPON HEARSAY. HE IS REPORTING WHAT OTHER PEOPLE MAY
13 HAVE SAID.

14 MY GUESS IS WHEN IVAN IRWIN TESTIFIES, HE'S GOING
15 TO HAVE A VERY GOOD RECOLLECTION OF WHAT HAPPENED DURING THOSE
16 DAYS, AND THAT SHOULD BE SUFFICIENT FOR PURPOSES OF THIS
17 TRIAL.

18 THE COURT: TAKING IT BACKWARDS, THEN, WE WILL SEE
19 HOW IVAN IRWIN'S RECOLLECTION IS AND DETERMINE AT THAT TIME
20 WHETHER OR NOT HE WILL NEED THESE MEMOS IN ORDER TO FORTIFY
21 AND AFFIRM AND SUBSTANTIATE HIS RECOLLECTION AND GIVE HIM
22 MORE DETAIL THAN HE IS ABLE TO RECALL. SO WE CAN'T RULE
23 ON THAT UNTIL WE HEAR MR. IRWIN'S TESTIMONY.

24 AS TO THE LEGISLATION -- AND I'M WORKING BACKWARDS
25 -- THAT MR. HANSEN HAS OFFERED, I AGREE WITH THE GOVERNMENT

1 THAT IT WOULD BE INAPPROPRIATE TO ADMIT THESE PIECES OF
2 LEGISLATION IN EVIDENCE DEPENDENT ON THE TESTIMONY THAT HAS
3 BEEN HEARD THUS FAR, BUT -- BUT, COUNSEL CAN REACH A STIPULA-
4 TION AS TO THE DATES, SINCE MR. LEWIN HAS SAID THAT THAT IS
5 SO ESSENTIAL TO HIS CASE -- THE DATES THAT THESE PIECES OF
6 LEGISLATION WERE OFFERED, THE NUMBER OF THE BILL, AND THE
7 NAME THAT IS GIVEN IN THE CAPTION OF THE BILL, AND NO MORE.

8 AS TO THE ASSOCIATION FOR CONCERNED TAXPAYERS AND
9 EXHIBITS RELATING TO THAT, THOSE EXHIBITS AS HAVE THUS FAR
10 BEEN IDENTIFIED TO THE COURT WILL BE ADMISSIBLE, OVER GOVERN-
11 MENT OBJECTION, IT GOING TO THE THEORY OF DEFENSE IN THIS
12 CASE.

13 SIMILARLY AS TO THE CORRESPONDENCE BETWEEN MR. HANSEN
14 AND/OR HIS REPRESENTATIVES AND MEMBERS OF CONGRESS AND/OR
15 THE FEDERAL ELECTION COMMISSION, NOT ONLY THE RESPONSES THAT
16 MR. HANSEN RECEIVED WILL BE ADMISSIBLE, BUT ALSO MR. HANSEN'S
17 CORRESPONDENCE TO THOSE HE ADDRESSES, SO THAT THEY CAN BE
18 SEEN TOGETHER AS A PACKAGE, AND WHATEVER IS TO BE DERIVED
19 FROM THAT CAN BE DERIVED AS A COLLECTIVE MATTER.

20 ALL RIGHT, GENTLEMEN. LET US HAVE ABOUT A HALF
21 AN HOUR OF TESTIMONY BEFORE WE TAKE OUR LUNCHTIME RECESS TODAY.
22 LET US BEGIN WITH THE JURY. YOU ALREADY MADE, IF MY MEMORY
23 IS CLEAR, MR. LEWIN, AN OPENING STATEMENT AT THE COMMENCEMENT
24 OF THE CASE, SO WE ARE GOING RIGHT INTO THE HEART OF TESTIMONY;
25 RIGHT?

1 MR. LEWIN: YES, YOUR HONOR.

2 THE COURT: ALL RIGHT. CAN WE HAVE THE JURY.

3 (THE JURY RETURNED TO THE COURTROOM AT 11:43 A.M.)

4 THE COURT: LADIES AND GENTLEMEN OF THE JURY, WHILE
5 YOU HAVE BEEN RESTING, WE HAVE RULED ON CERTAIN MOTIONS AND
6 DISCUSSED THE ADMISSIBILITY OR LACK OF IT AS TO SOME EXHIBITS,
7 SO WE THINK WE CAN MOVE ALONG A LITTLE MORE QUICKLY NOW. AND
8 WE WILL BEGIN WITH THE TESTIMONY ON BEHALF OF THE DEFENSE.

9 MR. LEWIN.

10 MR. LEWIN: YOUR HONOR, THE DEFENSE CALLS IVAN IRWIN.

11 THE COURT: ALL RIGHT.

12 INCIDENTALLY, MR. LEWIN, DO I HAVE A COMPLETE LIST
13 OF THOSE PERSONS INTENDED TO BE CALLED WHICH I WAS GIVEN AT
14 THE OUTSET OF THE CASE?

15 MR. LEWIN: NO, YOUR HONOR. I THINK WE WILL PROVIDE
16 A LIST AT LUNCH.

17 THE COURT: VERY GOOD.

18 IVAN IRWIN, JR.
19 WAS CALLED AS A WITNESS AND, AFTER BEING FIRST DULY SWORN,
20 WAS EXAMINED AND TESTIFIED AS FOLLOWS:

21 THE COURT: GOOD MORNING, MR. IRWIN.

22 THE WITNESS: GOOD MORNING, YOUR HONOR.

23 DIRECT EXAMINATION

24 BY MR. LEWIN:

25 Q GOOD MORNING, MR. IRWIN. COULD YOU PLEASE STATE

1 YOUR NAME FOR THE COURT REPORTER?

2 A IVAN IRWIN, JR.

3 Q AND, MR. IRWIN, WHERE DO YOU RESIDE?

4 A IN DALLAS, TEXAS.

5 Q AND HOW ARE YOU EMPLOYED?

6 A I AM AN ATTORNEY.

7 Q AND SINCE WHEN HAVE YOU BEEN A MEMBER OF THE BAR?

8 A SINCE 1957.

9 Q AND WHAT FIRM ARE YOU WITH?

10 A THE FIRM OF SHANK, IRWIN & CONANT.

11 Q MR. IRWIN, DO YOU NUMBER AMONG YOUR CLIENTS ONE

12 NELSON BUNKER HUNT?

13 A YES, SIR.

14 Q AND HAVE YOU BEEN REPRESENTING MR. HUNT FOR SOME

15 PERIOD OF TIME?

16 A YES, SIR.

17 Q SINCE APPROXIMATELY WHEN?

18 A ALL OF HIS ADULT LIFE, THE FIRM HAS.

19 Q AND WITH REGARD TO THE FIRM'S PRACTICE, ARE YOU

20 THE PRINCIPAL ATTORNEY WHO ADVISES HIM?

21 A I AM ONE OF PROBABLY THREE OR FOUR PRINCIPAL

22 ATTORNEYS IN THE FIRM WHO ADVISES HIM.

23 Q MR. IRWIN, LET ME DIRECT YOUR ATTENTION BACK TO

24 THE DATE OF MARCH 31, 1981. AND LET ME ASK YOU IN THAT

25 REGARD WHETHER YOU RECALL ANY EVENTS OF THAT DAY RELATING

1 TO THE RECEIPT BY MR. HUNT OF A LETTER ON THAT DAY.

2 A I DO RECALL EVENTS.

3 Q IN RECALLING THOSE EVENTS, HAVE YOU IN THE PAST
4 MADE REFERENCE IN ANY WAY TO ANY NOTES THAT YOU HAD TAKEN
5 AT THE TIME?

6 A I TOOK NOTES AT THE TIME WHICH I DICTATED TO THE
7 FILE IN THE FORM OF MEMORANDA, AND I HAVE REVIEWED THOSE.

8 Q YOU SAY YOU DICTATED TO THE FILE. DID YOU DICTATE
9 THEM ON ABOUT THE DAYS IN QUESTION?

10 A YES, SIR.

11 Q ON THE DAY THE EVENTS OCCURRED, OR A DAY THEREAFTER?

12 A YES, SIR.

13 Q AND IS IT YOUR USUAL PRACTICE TO DO THAT WITH
14 REGARD TO MATTERS IN YOUR PROFESSION?

15 A YES, SIR.

16 Q THE MATTERS THAT BEGIN WITH MAY 31 OF 1981 HAVE,
17 HAVE THEY NOT, BEEN A SUBJECT OF INQUIRY ALMOST EVER SINCE
18 THAT DATE?

19 A YES, SIR.

20 Q AND HAVE YOU HAD OCCASION DURING THAT PERIOD OF
21 TIME TO REREAD THOSE MEMORANDA OF YOURS?

22 A YES, SIR.

23 Q LET ME ASK YOU, MR. IRWIN, WHETHER IF NOT FOR THE
24 REREADING OF THOSE MEMORANDA, WOULD YOUR RECOLLECTION BE
25 PERFECT WITH REGARD TO ALL THE EVENTS THAT OCCURRED AT THAT

1 TIME?

2 A I THINK THE REREADING OF THE MEMORANDA WAS HELPFUL,
3 ALTHOUGH I MUST SAY I HAVE A PRETTY GOOD MEMORY WITHOUT
4 REFERENCE TO THE MEMOS.

5 Q O.K. BUT DID YOU, FOR EXAMPLE, REREAD THE MEMORANDA
6 BEFORE YOU DISCUSSED THESE MATTERS WITH ANY FBI AGENTS OR
7 GOVERNMENT COUNSEL WHO INTERROGATED YOU ABOUT THEM?

8 A NO, SIR. I REALLY DIDN'T REREAD THOSE MEMORANDA
9 UNTIL LAST WEEK.

10 Q O.K. WELL, LET ME ASK YOU, THEN, FIRST, TO DESCRIBE
11 FOR US WHAT YOU RECALL HAPPENED ON MARCH 31, 1981.

12 A YES, SIR.

13 YOUR HONOR, MAY THE RECORD REFLECT THAT MR. HUNT --
14 AND I REPRESENT TO THE COURT THAT MR. HUNT HAS CONTINUOUSLY
15 WAIVED ANY ATTORNEY-CLIENT PRIVILEGE, SO THAT I AM FREE TO
16 TESTIFY TO THESE MATTERS?

17 THE COURT: IT WAS A QUESTION I WAS ABOUT TO
18 ADDRESS TO YOU IF NO ONE ELSE DID.

19 THE WITNESS: ALL RIGHT. THANK YOU, YOUR HONOR.

20 THE COURT: YOU HAVE CLEARLY AND UNEQUIVOCALLY
21 DISCUSSED THIS MATTER WITH YOUR CLIENT, MR. NELSON BUNKER
22 HUNT, AND HE HAS CLEARLY AND UNEQUIVOCALLY ALLOWED YOU TO
23 SPEAK TO ANY MATTERS THAT ARE GOING TO BE ADDRESSED TO YOU
24 BY EITHER COUNSEL HERE IN CONNECTION WITH THIS CASE?

25 THE WITNESS: ABSOLUTELY, YOUR HONOR.

1 THE COURT: AND HE HAS WAIVED ANY PRIVILEGE THAT
2 HE MIGHT HAVE HAD IN THAT CONNECTION?

3 THE WITNESS: THAT'S CORRECT, YOUR HONOR.

4 MR. LEWIN: I BELIEVE, YOUR HONOR, JUST TO REMIND
5 YOU IN THAT REGARD, I THINK MR. HUNT ON THE WITNESS STAND
6 TESTIFIED THAT HE HAD WAIVED THE PRIVILEGE --

7 BY MR. LEWIN:

8 Q YOU HAVE TESTIFIED BEFORE THE GRAND JURY, I UNDER-
9 STAND; HAVE YOU NOT?

10 A YES, SIR.

11 Q AND YOU ANSWERED QUESTIONS THAT FBI AGENTS ASKED
12 YOU ABOUT.

13 A YES, SIR.

14 Q AND PRIOR TO ALL THOSE INQUIRIES, MR. HUNT HAD
15 AUTHORIZED YOU TO ANSWER THOSE QUESTIONS; IS THAT CORRECT?

16 A YES, THAT'S CORRECT.

17 Q ALL RIGHT. SO, NOW, PLEASE TELL US WHAT YOU RECALL
18 HAPPENED ON MARCH 31, 1981.

19 A MIDAFTERNOON, I RECEIVED A TELEPHONE CALL FROM MR.
20 HUNT, WHO ASKED ME TO COME TO HIS OFFICE.

21 THE COURT: EXCUSE ME. THIS IS MARCH 31?

22 THE WITNESS: MARCH 31, 1981.

23 THE COURT: ALL RIGHT.

24 THE WITNESS: MR. HUNT GAVE ME A DETAILED NARRATIVE
25 OF HIS ACQUAINTANCE WITH CONGRESSMAN HANSEN AND MRS. HANSEN,

1 FOLLOWING WHICH HE HANDED ME AN ENVELOPE WHICH CONTAINED A
2 LETTER, WHICH I READ, WHICH SUBSEQUENTLY I UNDERSTAND WAS
3 THE BASIS FOR THE CONVICTION OF THE AUTHOR OF THAT LETTER.
4 IT WAS THE BLACKMAIL LETTER.

5 MR. HUNT ASKED ME WHAT I THOUGHT HE SHOULD DO ABOUT
6 IT. I RECOMMENDED THAT THE BLACKMAIL ATTEMPT BE TURNED OVER
7 TO THE FEDERAL BUREAU OF INVESTIGATION IN VIEW OF WHAT I
8 CONSIDERED TO BE THE COMPLETELY EXTORTIONATE CHARACTER OF
9 THAT LETTER. MR. HUNT AGREED WITH THAT RECOMMENDATION.

10 MR. HUNT DID STATE THAT HE THOUGHT WE NEEDED TO
11 GET THE RECORDS TOGETHER AT OUR END TO PROVE THAT THE ALLEGA-
12 TIONS WERE ABSOLUTELY FALSE. HE TOLD ME THAT HE GOT A LOT
13 OF MAIL FROM CRACKPOTS AND THAT THIS COULD BE A CRACKPOT
14 TYPE LETTER.

15 WE ALSO HAD SOME DISCUSSION AS TO THE DATE. THE
16 DATE WAS MARCH 31, 1981, WHICH WAS THE DAY BEFORE APRIL FOOLS'
17 DAY, AND HE THOUGHT THIS MIGHT BE AN APRIL FOOLS' PRANK; AND
18 HE DISCUSSED A PRIOR SITUATION WHERE HE HAD RECEIVED THROUGH
19 THE MAILS AN APRIL FOOLS' PRANK, SO HE HAD SOME QUESTION
20 ABOUT THE LEGITIMACY OF THE LETTER. BUT, YOU KNOW, HE SAID
21 YOU CAN DO WITH IT WHAT YOU WANT. IF I THOUGHT IT WAS
22 APPROPRIATE TO TURN THE LETTER AND THE ADDITIONAL INFORMATION
23 WHICH HE FELT WE NEEDED OVER TO THE AUTHORITIES, THEN HE
24 AGREED WITH THAT RECOMMENDATION.

25 BY MR. LEWIN:

1 Q DID YOU DO ANYTHING ELSE ON MARCH 31?

2 A I SUGGESTED -- I BELIEVE MR. HUNT SUGGESTED THAT
3 I TAKE THE LETTER TO TOM WHITAKER, WHO IS AN ADMINISTRATIVE
4 SECURITY EMPLOYEE OF THE HUNT FAMILY, A FORMER MEMBER OF THE
5 FEDERAL BUREAU OF INVESTIGATION AND A FORMER PRIVATE INVESTI-
6 GATOR, TO SEE WHAT HE THOUGHT SHOULD BE DONE WITH THE LETTER.

7 I TOOK THE LETTER TO MR. WHITAKER. HE FELT THAT
8 IT SHOULD BE CAREFULLY PRESERVED AND NOT HANDLED ANY FURTHER,
9 BECAUSE THE FBI MIGHT WANT TO CHECK FOR FINGERPRINTS ON THE
10 LETTER. HE PUT THE LETTER BETWEEN TWO PIECES OF CELLOPHANE
11 AND TOOK POSSESSION OF THE LETTER.

12 MR. HUNT SUGGESTED THAT SINCE CONGRESSMAN HANSEN
13 WAS MENTIONED IN THE BLACKMAIL LETTER, THAT HE SHOULD BE MADE
14 AWARE OF THIS. HE HAD HIS SECRETARY CALL MRS. HANSEN, AND
15 MR. HANSEN GOT ON THE LINE. THERE WAS NO DISCUSSION AS TO
16 THE CONTENT OF THE LETTER, OR REALLY EVEN THE SUBJECT MATTER,
17 EXCEPT THAT MR. HUNT SAID THAT HE HAD AN IMPORTANT MATTER,
18 THAT I'D BEEN AN ATTORNEY FOR HIM FOR A NUMBER OF YEARS, THAT
19 HE WANTED ME TO DISCUSS THIS WITH THEM FACE TO FACE. WE BEGAN
20 CHECKING CALENDARS. IT TURNED OUT THE FASTEST MEETING WE
21 COULD SET UP WAS AT 2:00 O'CLOCK THE NEXT DAY, WHICH WOULD
22 HAVE BEEN APRIL FOOLS' DAY, APRIL 1. AND WE MADE ARRANGEMENTS
23 FOR THAT TO TAKE PLACE IN WASHINGTON.

24 Q O.K. LET ME RETURN TO THAT FOR A MOMENT.

25 MR. HUNT ASKED YOU TO CALL CONGRESSMAN HANSEN OR MRS. HANSEN?

1 A NO. HE ACTUALLY ASKED HIS SECRETARY TO PLACE THE
2 CALL. I THINK HE INSTRUCTED LOIS SNOW, YOU KNOW, PLEASE GET
3 MRS. HANSEN ON THE LINE.

4 Q IT WAS MRS. HANSEN HE WAS TRYING TO CALL?

5 A I THINK THAT'S RIGHT. ALTHOUGH I DO REMEMBER THAT
6 CONGRESSMAN HANSEN CAME ON THE LINE. I DON'T KNOW WHETHER
7 IT WAS MORE THAN ONE TELEPHONE OR A SPEAKER AT THEIR END.
8 I'M NOT SURE. BUT WE WERE ON A SPEAKER IN BUNKER'S OFFICE --
9 MR. HUNT'S OFFICE. I DO REMEMBER THAT.

10 Q DID MR. HUNT ALSO IN THE INITIAL DISCUSSIONS DISCUSS
11 WITH YOU WHAT HIS RELATIONSHIP HAD BEEN WITH MRS. HANSEN PRIOR
12 TO THAT TIME?

13 A YES, SIR.

14 Q AND COULD YOU TELL THE COURT AND JURY WHAT IT IS
15 HE TOLD YOU?

16 A MR. HUNT SAID THAT HE HAD MET CONGRESSMAN HANSEN
17 AND HIS WIFE SOME FIVE OR SIX YEARS BEFORE AT A POLITICAL
18 FUND-RAISING AFFAIR, PROBABLY IN WASHINGTON, AND HAD MET THEM
19 ON SIMILAR OCCASIONS AFTER THAT. HE SAID THAT CONGRESSMAN
20 HANSEN WAS VERY UP-FRONT ABOUT HAVING FINANCIAL DIFFICULTIES
21 AS A RESULT OF SOME ALLEGATIONS WHICH HAD BEEN MADE AGAINST
22 HIM BY WAYNE HAYS, AND PERHAPS BY THE INTERNAL REVENUE SERVICE,
23 AFTER CONGRESSMAN HANSEN HAD UNSEATED AN INCUMBENT REPRESENTA-
24 TIVE FROM IDAHO. MR. HUNT SAID THAT CONGRESSMAN HANSEN NEEDED
25 SOME CONTRIBUTIONS TO PAY OFF THESE DEBTS, OR DEBTS THAT HAD

1 RESULTED FROM DEFENDING HIMSELF --

2 THE COURT: EXCUSE ME, SIR.

3 WOULD COUNSEL COME UP HERE FOR A MOMENT?

4 (AT THE BENCH)

5 THE COURT: I THINK YOUR WITNESS IS ABOUT TO TALK
6 ABOUT THE CONVICTION.

7 MR. LEWIN: I DON'T THINK SO.

8 THE COURT: WELL, I DON'T KNOW. I ALMOST DIDN'T
9 DO IT IN TIME, BUT HE STARTED TO SAY "DEFENDING HIMSELF."
10 BUT HE IS STARTING TO EXPLORE A MATTER THAT I THINK IS
11 FRAUGHT WITH GREAT DANGER. OF COURSE, YOU PUT HIM ON AS
12 THE WITNESS, BUT NONETHELESS, I AM VERY MUCH CONCERNED THAT
13 HE MAY NOT KNOW THAT WE HAVE EXCLUDED THAT REFERENCE TO THE
14 JURY. AND I THINK WE ARE GOING TO HAVE TO BRING HIM UP HERE
15 AND TELL HIM NOT TO MAKE ANY MENTION, UNLESS YOU WANT IT
16 BROUGHT FORWARD, MR. LEWIN, WHICH I SUGGEST YOU DO NOT.

17 MR. LEWIN: NO, I DO NOT.

18 THE COURT: I THINK AFTER MY RULING YOU WERE
19 COMFORTABLE, IN THAT YOU DO NOT WANT IT IN THE RECORD.

20 MR. LEWIN: THAT IS TRUE.

21 MR. WEINGARTEN: THERE ARE TWO THINGS SINCE WE ARE
22 UP HERE. ONE--I HAVEN'T MADE AN OBJECTION. I WONDER HOW LONG
23 THIS IS GOING TO GO ON. THIS IS OBVIOUSLY PURE HEARSAY.
24 THIS IS WHAT BUNKER HUNT IS TELLING HIM. I'M JUST WONDERING
25 WHAT EXCEPTION MAKES THIS ADMISSIBLE. THAT'S NUMBER ONE.

1 NUMBER TWO, I SAID IT BEFORE, BUT JUST FOR THE
2 RECORD, IT JUST SEEMS SO UNFAIR FOR THIS WITNESS TO TALK ABOUT
3 THE FINANCIAL PLIGHT OF GEORGE HANSEN BECAUSE OF TROUBLES
4 HE HAS HAD AND THEN HE HAD TO GO OUT AND GET CONTRIBUTIONS,
5 AND THAT THE GOVERNMENT IS NOT PERMITTED TO ESTABLISH THAT
6 THE FINANCIAL TROUBLES ARE NOT THAT HE HAS BEEN VICTIMIZED,
7 BUT THAT HE WAS PROSECUTED AND PLED GUILTY.

8 MR. LEWIN: NO. THE FINANCIAL TROUBLES ARE
9 ATTRIBUTABLE TO A WHOLE RANGE OF THINGS, AND MR. WEINGARTEN
10 WELL KNOWS THAT. AND THAT DOESN'T MEAN THAT HE CAN GO INTO
11 EVERY CIVIL OR EVERY OTHER MATTER THAT IS RELATED TO THE
12 FINANCIAL TROUBLES. THAT IS JUST NOT RELEVANT.

13 THE COURT: HIS TROUBLES BEFORE THIS JURY ARE SOME
14 FINANCIAL TROUBLES AS A RESULT OF CONGRESSIONAL ACTIVITIES
15 AND BATTLES. AND ASSUMEDLY THEY DON'T KNOW -- AT LEAST WE
16 HOPE THEY DON'T KNOW WHAT OCCURRED THERE SPECIFICALLY.

17 MR. LEWIN: THAT IS TRUE.

18 MR. WEINGARTEN: YOUR HONOR, THERE IS AN EXHIBIT
19 THAT THE COURT HAS RULED ADMISSIBLE, THE LETTER FROM CONNIE
20 HANSEN, THAT INDICATES THAT THE INVESTIGATIONS -- THAT SHE
21 SENT OUT A FLYER, AND I'M NOT QUOTING HER, BUT I'M COMING
22 VERY CLOSE TO QUOTING HER, THAT SAID THE INVESTIGATIONS
23 OCCURRED BECAUSE THESE ALLEGATIONS PROVE NOTHING BUT MY
24 HUSBAND'S INNOCENCE. WORDS TO THAT EFFECT. IF THAT EVIDENCE
25 COMES IN, IT EXACERBATES THE PROBLEM.

1 THE COURT: I WOULD SUGGEST MAYBE THAT PART HAS
2 TO BE WHITED OUT OR EXCISED IN SOME WAY.

3 MR. LEWIN: IF THERE IS SOME PARTICULAR PORTION.
4 IF MR. WEINGARTEN WILL TELL ME SPECIFICALLY WHAT HE IS REFER-
5 RING TO. I DON'T KNOW OF ANY PARTICULAR SECTION.

6 THE COURT: IF THERE IS SUCH A SECTION, I SUGGEST
7 YOU CULL IT, BECAUSE IF IT COMES IN, MR. LEWIN -- THIS IS
8 YOUR CLIENT. I'VE TOLD YOU I DON'T HAVE THESE EXHIBITS IN FRONT
9 OF ME.

10 MR. LEWIN: IF MR. WEINGARTEN KNOWS OF SOME PARTICU-
11 LAR THING THAT OUGHT TO BE EXCISED OUT OF THE EXHIBIT, I
12 WOULD CONSIDER THAT. BUT NOT THE EXHIBIT IN GENERAL.

13 THE COURT: YOU WOULDN'T WANT IT IN THAT CONTEXT.

14 BUT AS FAR AS THE INSTANT MATTER IS CONCERNED, I
15 WOULD SUGGEST THAT MR. IRWIN TELL US WHAT HE KNOWS ABOUT THIS
16 MATTER AND HOW HE ACTED UPON IT. AND I WOULD LIKE TO BRING
17 HIM UP HERE, WITH THE CONSENT OF COUNSEL, SO I DON'T HAVE TO
18 PUT THE JURY OUT JUST TO TELL HIM NOT TO DISCUSS IT. ALL
19 RIGHT?

20 MR. LEWIN: SURE.

21 THE COURT: ALL RIGHT.

22 (IN OPEN COURT)

23 THE COURT: MAY WE SEE YOU UP HERE AT THE BENCH,
24 MR. IRWIN?

25

1 (AT THE BENCH)

2 THE COURT: MR. IRWIN, I DON'T KNOW WHAT YOU WERE
3 GOING TO TESTIFY TO. VERY CLEARLY, SO THERE IS NO DOUBT IN
4 YOUR MIND, THERE HAS BEEN NO REFERENCE PUT BEFORE THE JURY,
5 NOR WILL THERE BE, ABOUT MR. HANSEN'S PRIOR CONVICTION. SO
6 I DON'T KNOW WHETHER YOU WERE GOING TO SAY SOMETHING ABOUT
7 DENFENDING HIMSELF FROM THAT OR ANYTHING THAT RELATES TO THAT,
8 OR ANY ALLEGED INNOCENCE OR ANY ALLEGED GUILT. NOTHING ABOUT
9 THAT CONVICTION. THE JURY KNOWS NOTHING ABOUT HIS TROUBLES
10 IN THAT REGARD.

11 ALL RIGHT?

12 THE WITNESS: ALL RIGHT.

13 THE COURT: I WANT TO BE VERY CERTAIN, FOR THE
14 PROTECTION OF THIS TRIAL, THAT THAT DOES NOT COME FORTH. THAT
15 IS, OF COURSE, UP TO COUNSEL WHO CALLS YOU TO HAVE MADE THAT
16 CLEAR TO YOU. PERHAPS IT WAS MADE CLEAR TO YOU. BUT I WANT
17 TO BE ABUNDANTLY CLEAR BEFORE YOU TALK ANY FURTHER THAT YOU
18 ARE FULLY AWARE THAT YOU CANNOT HAVE A DROP OR A HINT OF THAT
19 MENTIONED AT THIS TRIAL.

20 THE WITNESS: ALL RIGHT. YOUR HONOR, MR. HUNT DID
21 NOT MENTION THAT TO ME, SO IN MY STATEMENT OF WHAT MR. HUNT
22 TOLD ME, I WOULD NOT BE MENTIONING THAT.

23 THE COURT: RIGHT. IN YOUR SUBSEQUENT TESTIMONY,
24 I TRUST THAT YOU WILL BE REFERRING TO HOW YOU ACTED UPON
25 WHATEVER YOU HEARD AND SO FORTH, SO WE DON'T GET INTO THE

1 HEARSAY PROBLEMS. ALL RIGHT?

2 THE WITNESS: YES.

3 THE COURT: AS A LAWYER, YOU KNOW THAT. I DON'T
4 HAVE TO CUT IT FOR YOU. VERY GOOD.

5 (END OF BENCH CONFERENCE)

6 THE COURT: ALL RIGHT. SHALL WE CONTINUE.

7 MR. LEWIN: YES.

8 BY MR. LEWIN:

9 Q MR. IRWIN, IN HIS DISCUSSIONS WITH YOU, DID MR. HUNT
10 DESCRIBE ANY ADVICE OR ASSISTANCE HE HAD PROVIDED TO MRS.
11 HANSEN?

12 A YES.

13 Q AND DID HE DESCRIBE FOR YOU HOW HE HAD ASSISTED
14 HER WITH REGARD TO RECOMMENDATIONS CONCERNING THE PURCHASE
15 OF SOYBEAN CONTRACTS?

16 A YES.

17 Q AND THE RESULTS OF THAT TRANSACTION?

18 A YES.

19 Q AND DID HE ALSO DESCRIBE FOR YOU THE FACT THAT AS
20 A RESULT OF THE SOYBEAN TRANSACTION, THERE HAD TO BE A LOAN?

21 A YES.

22 Q AND THAT HE GUARANTEED THAT LOAN?

23 A YES.

24 Q AND DID HE FURTHER DESCRIBE TO YOU WITH REGARD TO
25 MRS. HANSEN THE DETAILS OF A SILVER COMMODITY TRANSACTION?

1 A YES, SIR.

2 Q AND LET ME ASK YOU, MR. IRWIN, WHETHER WITH REGARD
3 TO ALL THESE, WHETHER HE SPOKE OF CONGRESSMAN HANSEN OR OF
4 MRS. HANSEN.

5 A MRS. HANSEN.

6 Q DID HE AT ANY TIME SAY TO YOU ON THAT DAY THAT THAT
7 WAS ANY ASSISTANCE TO CONGRESSMAN HANSEN?

8 A NO. HE SAID THAT IT HAD BEEN REPRESENTED TO HIM
9 BY CONGRESSMAN HANSEN AND MRS. HANSEN THAT THEY HAD ENTERED
10 A SETTLEMENT AGREEMENT PARTITIONING THEIR ESTATE UNDER IDAHO
11 LAW; THAT CONGRESSMAN HANSEN'S WIFE HAD ASSUMED THE BULK OF
12 THE OBLIGATIONS WHICH WERE OWED FOLLOWING THE WAYNE HAYS
13 AFFAIR, AND THAT SHE HAD RECEIVED CLEARANCE FROM THE HOUSE
14 ETHICS COMMITTEE TO CONDUCT A FUND-RAISING, AND IT WOULD BE
15 PERFECT FOR MR. HUNT, IF HE WAS INCLINED, TO HELP MRS. HANSEN;
16 AND THAT ALL OF THE TRANSACTIONS WHICH HE HAD ENTERED INTO,
17 WHICH YOU MENTIONED, THE SOYBEANS, THE GUARANTEE OF THE LOAN,
18 THE SILVER TRANSACTION, WERE ALL TRANSACTIONS WITH THE
19 CONGRESSMAN'S WIFE.

20 Q THANK YOU. AND JUST LET PLACE BEFORE YOU WHAT HAS
21 BEEN MARKED AS DEFENDANT'S EXHIBIT 2 IN EVIDENCE AND ASK YOU
22 WHETHER YOU RECOGNIZE THAT DOCUMENT.

23 A YES, SIR.

24 Q AND WHAT IS IT?

25 A THIS IS A COPY OF THE ENVELOPE AND THE LETTER WHICH

1 MR. HUNT GAVE ME ON THE AFTERNOON OF MARCH 31, 1981.

2 Q AND IT IS YOUR TESTIMONY THAT ON THAT AFTERNOON,
3 YOU MADE AN ARRANGEMENT TO FLY TO WASHINGTON, BUT DID NOT
4 TELL MRS. HANSEN OR THE CONGRESSMAN, IF HE WAS ON THE PHONE,
5 SPECIFICS -- SPECIFICALLY WHY YOU WERE COMING.

6 A THAT IS CORRECT.

7 Q O.K. NOW, COULD YOU JUST TELL US WHAT YOU DID THE
8 NEXT DAY, THEN, MR. IRWIN.

9 A I FLEW TO WASHINGTON AND MET WITH MRS. HANSEN.
10 CONGRESSMAN HANSEN ASKED TO BE PRESENT AS A BYSTANDER. I
11 ASKED CONGRESSMAN HANSEN'S WIFE FOR INFORMATION, THE PROPERTY
12 SETTLEMENT, THE CONFIRMATIONS, THE ACCOUNT DOCUMENTS WHERE
13 THE SILVER TRADING TOOK PLACE WITH MR. MING.

14 Q LET ME INTERRUPT YOU FOR JUST A MOMENT, MR. IRWIN.

15 A SURELY.

16 Q THAT DAY, THAT IS, APRIL 1, WHERE DID YOU MEET WITH
17 MRS. HANSEN WITH CONGRESSMAN HANSEN PRESENT?

18 A I CAN'T REMEMBER THE NAME OF THE BUILDING. IT WAS
19 IN CONGRESSMAN HANSEN'S OFFICES.

20 Q IT WAS AT HIS OFFICE --

21 A HERE IN WASHINGTON.

22 Q RIGHT. AND -- ALL RIGHT. I'M SORRY. I INTERRUPTED
23 YOU. GO AHEAD.

24 A I WAS TRYING TO PULL TOGETHER THE RECORDS WHICH
25 MR. HUNT WANTED ME TO GET, WHICH I'VE JUST MENTIONED, AS WELL

1 AS THE CORRESPONDENCE DEALING WITH THE CONTACTS BETWEEN MRS.
2 HANSEN AND THE HOUSE ETHICS COMMITTEE. I WANTED CONFIRMATION
3 FROM MRS. HANSEN THAT SHE OWED THE MONEY TO MR. HUNT.

4 I TOLD THEM THAT A LETTER HAD BEEN RECEIVED ACCUSING
5 MR. HUNT OF HAVING MADE A BRIBE TO CONGRESSMAN HANSEN THROUGH
6 SOME SILVER TRANSACTIONS. I ASKED THEM IF THEY KNEW THE
7 NAME -- THIS DOESN'T HAVE IT ON HERE, BUT THERE WAS A NAME.
8 IF THEY KNEW THAT PERSON, IF THEY KNEW WHO HAD BEEN RESPONSIBLE
9 FOR SENDING A LETTER OF THIS TYPE. I DID NOT HAVE THE LETTER
10 WITH ME.

11 I DON'T KNOW HOW MUCH FARTHER YOU WANT ME TO GO.
12 WE DISCUSSED THE WHOLE SITUATION.

13 Q ALL RIGHT. LET ME ASK YOU FIRST WHAT I HAD INTENDED
14 TO ASK YOU BEFORE. HAD YOU EVER MET CONGRESSMAN OR MRS. HANSEN
15 BEFORE?

16 A NO.

17 Q AND IN TERMS OF THAT TRIP, YOU SAY YOU DID NOT TAKE
18 THE LETTER WITH YOU.

19 A NO, SIR.

20 Q AND YOU DID NOT TAKE A COPY OF THE LETTER.

21 A NO, SIR.

22 Q DID YOU TELL THEM THE SUBSTANCE OF WHAT THE LETTER
23 CONTAINED?

24 A YES, SIR.

25 Q AND DID YOU THEN ASK MRS. HANSEN ABOUT THAT SILVER

1 TRANSACTION?

2 A YES.

3 Q AND DID SHE ANSWER YOUR QUESTIONS REGARDING THE
4 SILVER TRANSACTION?

5 A YES.

6 Q THERE IS A REFERENCE IN EXHIBIT 2 BEFORE YOU TO
7 AN ASSERTION THAT MR. HUNT HAD ASSISTED IN PROVIDING THE
8 \$125,000 FOR THE MARGIN CALL.

9 A RIGHT.

10 Q HAD MR. HUNT TOLD YOU ANYTHING ABOUT THE TRUTH OR
11 FALSITY OF THAT ASSERTION?

12 A MR. HUNT, ON THE AFTERNOON BEFORE, HAD SAID THAT
13 HE HAD ABSOLUTELY NOTHING TO DO WITH ANY OF THE FINANCIAL
14 STEPS THAT MRS. HANSEN WENT THROUGH. HE DID NOT GUARANTEE
15 HER ACCOUNTS; HE DIDN'T PUT UP MARGIN MONEY. HE DIDN'T DO
16 ANYTHING. HE JUST RECOMMENDED THE BROKER AND MAYBE GAVE HER
17 SOME ADVICE ON COMMODITIES AND WHEN TO BUY OR SELL.

18 Q DID YOU VERIFY THAT INFORMATION WITH MRS. HANSEN?

19 A ABSOLUTELY. MRS. HANSEN SAID THAT THEY HAD PUT
20 UP THE MARGIN MONEY, HAD ARRANGED FOR A LOAN FROM A BANK IN
21 POCA TELLO, IDAHO; THAT. -- SHE SAID THERE WAS SOME DELAY IN
22 THE FUNDS REACHING THE BROKER BECAUSE OF A SNOWSTORM IN CHICAGO
23 WHICH SOMEHOW HAD DELAYED THE WIRE TRANSFERS.

24 Q NOW, THERE WAS AN ASSERTION IN THAT BLACKMAIL LETTER
25 ABOUT A SILVER MINE IN IDAHO.

1 A YES, SIR.

2 Q DID YOU ASK CONGRESSMAN HANSEN ABOUT THAT SILVER
3 MINE?

4 A YES. I ASKED HIM IF HE HAD EVER DONE ANYTHING FOR
5 BUNKER HUNT WITH RESPECT TO THE ACQUISITION OF ANY SILVER
6 MINE IN IDAHO, AND HE DENIED THAT HE HAD DONE ANYTHING FOR
7 MR. BUNKER HUNT IN CONNECTION WITH ANYTHING, INCLUDING THAT.

8 BUT I WAS EXTREMELY FAMILIAR WITH THE FALSITY OF
9 THE ACCUSATION OF THE BLACKMAIL LETTER, ANYWAY.

10 Q HOW COME YOU WERE EXTREMELY FAMILIAR WITH THAT?

11 A THROUGH MY REPRESENTATION OF MR. HUNT, THE ONLY
12 SILVER MINE AT THAT TIME THAT HE HAD HAD ANY INTEREST IN WOULD
13 HAVE BEEN A VERY INDIRECT INTEREST THROUGH STOCK IN A
14 COMPANY CALLED SUNSHINE MINING COMPANY, WHICH WAS ACQUIRED
15 BY PRIVATE PURCHASE FROM TWO INDIVIDUALS, OR TWO COMPANIES,
16 REALLY, IN MARCH OF 1977, FOLLOWED BY AN INTERSTATE CASH
17 TENDER OFFER FOR THE BALANCE -- NOT THE BALANCE, BUT FOR ABOUT
18 28 PERCENT OF THE SHARES OF THAT COMPANY, A MATTER WHICH HAD
19 BEEN RESISTED BY IDAHO STATE OFFICIALS AND HAD GONE ALL THE
20 WAY TO THE UNITED STATES SUPREME COURT, IN WHICH THERE
21 CERTAINLY WAS NO INVOLVEMENT OF CONGRESSMAN HANSEN AT ALL,
22 AND CERTAINLY NO INFLUENCE OVER ANY STATE OFFICIALS, BECAUSE
23 IT WAS AN E RMOUS BATTLE.

24 Q SO IT WAS SOMETHING YOU PERSONALLY KNEW WAS FALSE.

25 A I CERTAINLY DID.

1 Q AND DID YOU ALSO KNOW THAT THAT MINE WAS NOT IN
2 CONGRESSMAN HANSEN'S DISTRICT AT ALL?

3 A MR. HUNT TOLD ME THAT. I DIDN'T KNOW IT BEFORE
4 MR. HUNT TOLD ME THAT.

5 Q AND CONGRESSMAN HANSEN --

6 A AND IT WAS CONFIRMED WHEN I WAS HERE IN WASHINGTON
7 THAT CONGRESSMAN HANSEN WAS FROM THE SOUTHERN DISTRICT, WHICH
8 WAS NOT THE MINING REGION OF THE COEUR D'ALENE AREA MENTIONED
9 IN THE LETTER.

10 Q WAS THERE SOME DISCUSSION THEREAFTER ABOUT WHAT
11 SHOULD BE DONE ABOUT THAT BLACKMAIL LETTER?

12 A I TOLD THE CONGRESSMAN THAT MR. HUNT WAS PROBABLY
13 GOING TO TAKE IT TO THE FBI. HE WAS LEAVING IT UP TO ME.
14 HE HAD EXPRESSED THE FACT THAT, WELL, IT MIGHT BE AN APRIL
15 FOOLS' JOKE; WE NEED TO GET SOME INFORMATION, BUT THAT'S WHERE
16 MR. HUNT WAS HEADED. AND CONGRESSMAN HANSEN SAID THAT THAT
17 WAS UNACCEPTABLE. BECAUSE HE WAS INVOLVED, BECAUSE HE WAS
18 A CONGRESSMAN HERE IN WASHINGTON, THAT HE WAS GOING TO INSIST
19 THAT IT GO TO THE ATTORNEY GENERAL OF THE UNITED STATES, AND
20 HE WAS GOING TO BE CALLING TO GET AN APPOINTMENT AT THE
21 EARLIEST POSSIBLE DATE.

22 Q AND HOW DID YOU REACT TO THAT INFORMATION FROM
23 CONGRESSMAN HANSEN?

24 A I TOLD HIM I WOULD INFORM MR. HUNT OF CONGRESSMAN
25 HANSEN'S REACTION AND GO FROM THERE.

1 A AND WAS THAT CONGRESSMAN HANSEN'S IMMEDIATE REACTION?

2 A IMMEDIATE, YES.

3 Q WHAT DID YOU DO FOLLOWING THAT MEETING, THEN,
4 MR. IRWIN?

5 A I WENT TO THE AIRPORT; I CALLED MR. HUNT AND TOLD
6 HIM ABOUT THE MEETING AND THAT I'D BE GETTING ON A PLANE AND
7 BE BACK IN DALLAS THAT NIGHT. HE SAID, "FINE. LET'S GET
8 TOGETHER TOMORROW." AS TO THIS SUBJECT, I THINK THAT IS ALL
9 THAT WAS DONE.

10 Q NOW, THAT WAS APRIL 1 OF 1981.

11 A YES, SIR.

12 Q DO YOU RECALL WHAT DAY OF THE WEEK APRIL 1 WAS?

13 A WEDNESDAY.

14 Q WEDNESDAY. AND COULD YOU TELL US WHAT HAPPENED
15 ON THURSDAY WITH REGARD TO THIS?

16 A WELL, FIRST, BEFORE YOU GET TO THAT, WAS THERE ANY
17 DISCUSSION WITH CONGRESSMAN HANSEN ABOUT A COPY OF THE BLACKMAIL
18 LETTER?

19 A YES. IT WAS KIND OF A MUTUAL AGREEMENT THAT MRS.
20 HANSEN WOULD GET THE RECORDS CONCERNING HER SILVER TRADING
21 AT MING, THE OPENING OF HER ACCOUNT, THE CONFIRMATIONS, THE
22 CORRESPONDENCE WITH THE ETHICS COMMITTEE; AND I BELIEVE SHE
23 SAID SHE WOULD GET A COPY OF THE SEPARATION AGREEMENT, ALTHOUGH
24 I THINK IT WAS BACK IN IDAHO. AND IN TURN, I WOULD ARRANGE
25 TO GET A COPY OF THE BLACKMAIL LETTER SENT BACK BY FEDERAL

1 EXPRESS.

2 Q NOW, YOU MENTIONED CORRESPONDENCE WITH THE ETHICS
3 COMMITTEE. DID THAT COME UP IN THE COURSE OF YOUR DISCUS-
4 SIONS WITH HER?

5 A YES.

6 Q WHAT WAS SAID ABOUT CORRESPONDENCE WITH THE ETHICS
7 COMMITTEE?

8 A THAT MRS. HANSEN HAD ASSUMED A SUBSTANTIAL PORTION
9 OF THE OBLIGATIONS THAT FOLLOWED THE WAYNE HAYS AFFAIR AND
10 HAD ADVISED THE HOUSE ETHICS COMMITTEE THAT SHE WAS GOING
11 TO BE CONDUCTING A FUND-RAISING CAMPAIGN TO PROTECT THE
12 FAMILY, AND THAT THERE HAD BEEN NO OBJECTION REGISTERED BY
13 THE HOUSE ETHICS COMMITTEE TO HER DOING SO.

14 Q AND THAT WAS CORRESPONDENCE RELATING TO THAT
15 MATTER, IS THAT RIGHT?

16 A YES, SIR.

17 Q SO SHE WAS GOING TO BE PROVIDING THAT TO YOU.

18 A YES.

19 Q WHEN YOU RETURNED TO DALLAS, DID YOU IN FACT SEND
20 OUT A COPY OF THE BLACKMAIL LETTER?

21 A YES.

22 Q DID YOU HEAR ANY MORE ON THAT DAY FROM CONGRESSMAN
23 OR MRS. HANSEN?

24 A CONGRESSMAN HANSEN CALLED ME AND WANTED TO KNOW --
25 THE COURT: EXCUSE ME. THIS IS APRIL 1, STILL?

1 THE WITNESS: NO. THIS IS APRIL 2, YOUR HONOR.
2 THIS WOULD BE THURSDAY, APRIL 2.

3 BY MR. LEWIN:

4 Q THURSDAY, APRIL 2.

5 A CONGRESSMAN HANSEN CALLED ME AND ASKED WHAT WAS
6 MR. HUNT'S REACTION TO HIS INSISTENCE THAT THE MATTER GO TO
7 THE ATTORNEY GENERAL OF THE UNITED STATES. I TOLD HIM THAT
8 I HAD NOT YET BEEN ABLE TO REACH MR. HUNT, WHO WAS TIED UP
9 AND WOULD BE TIED UP THROUGH THE LUNCH HOUR, BUT THAT I WOULD
10 BE MEETING WITH MR. HUNT LATER THAT AFTERNOON, I WAS SURE,
11 AND WE'D GET WITH HIM.

12 Q DID YOU IN FACT TALK WITH MR. HUNT LATER THAT
13 AFTERNOON?

14 A I DID.

15 Q AND DID YOU TELL HIM ABOUT YOUR CONVERSATION AND
16 MR. HANSEN'S INSISTENCE THAT THE MATTER BE TAKEN TO THE
17 ATTORNEY GENERAL?

18 A YES.

19 Q AND WHAT WAS MR. HUNT'S REACTION?

20 A WELL, THE FIRST THING THAT CAME UP IS THAT MR.
21 WHITAKER HAD RAISED A QUESTION OF WHETHER THIS WAS REALLY
22 EXTORTION OR BLACKMAIL, BECAUSE IT WAS A DEMAND FOR A LOAN,
23 WHICH WAS PROMISED TO BE REPAID AFTER 120 DAYS. AND MR. HUNT
24 WANTED RESEARCH, LEGAL RESEARCH DONE ON THAT QUESTION TO BE
25 SURE THAT THIS WAS IN FACT BLACKMAIL. I BELIEVED THAT IT WAS,

1 BUT I SAID I WOULD GET AN ASSOCIATE OF THE FIRM TO DO SOME
2 RESEARCH ON THAT AND WE WOULD GET AN ANSWER.

3 I BELIEVE A CALL WAS THEN PLACED TO CONGRESSMAN
4 HANSEN AND MRS. HANSEN. I BELIEVE THERE WAS -- WE DISCUSSED
5 WITH THEM THE FACT THAT RESEARCH WAS BEING DONE ON THE QUESTION
6 WHETHER THIS DID CONSTITUTE BLACKMAIL.

7 THE COURT: EXCUSE ME. YOU SAY "WE DISCUSSED".
8 YOU DISCUSSED?

9 THE WITNESS: I THINK IT WAS ON THE SPEAKER PHONE
10 WITH MR. HUNT PRESENT, AND MAYBE EVEN MR. WHITAKER. AND I
11 THINK MR. HUNT WOULD HAVE PREFERRED TO HAVE TAKEN THE
12 BLACKMAIL LETTER--IF IT WAS SUBSTANTIATED THAT THIS WAS NOT
13 A CRACKPOT, WAS NOT AN APRIL FOOLS' JOKE, WAS REALLY BLACKMAIL.
14 HE WANTED TO TAKE IT TO THE FBI IN DALLAS. THAT WOULD HAVE
15 BEEN HIS PREFERENCE.

16 CONGRESSMAN HANSEN, ON THE OTHER HAND, WAS INSISTING
17 THAT BECAUSE HE WAS A NATIONAL, PROMINENT FIGURE AND A
18 CONGRESSMAN IN WASHINGTON, THAT IT HAD TO GO TO THE ATTORNEY
19 GENERAL OF THE UNITED STATES. AND THAT WAS BASICALLY THE
20 CONVERSATION, AS I REMEMBER IT.

21 BY MR. LEWIN:

22 Q DID MR. HUNT INDICATE TO YOU THAT HE WOULD SLEEP
23 ON THE MATTER OF WHETHER TO GO FORWARD AS CONGRESSMAN HANSEN
24 ASKED?

25 A YES, HE DID.

1 Q ALL RIGHT. THAT FINISHES THURSDAY, APRIL 2. COULD
2 YOU TELL US WHAT HAPPENED ON THE 3RD OF APRIL, WHICH WOULD
3 BE A FRIDAY?

4 A WE -- WHEN I SAY "WE", AGAIN IT'S MR. HUNT AND I,
5 CALLED CONGRESSMAN HANSEN, OR MAYBE RETURNED HIS CALL WOULD
6 BE MORE ACCURATE; I'M NOT SURE. CONGRESSMAN HANSEN BY THAT
7 TIME HAD SECURED AN APPOINTMENT FOR MONDAY MORNING WITH THE
8 ATTORNEY GENERAL OF THE UNITED STATES, I THOUGHT.

9 LET'S SEE. ARE WE ON THURSDAY OR FRIDAY?

10 Q WE ARE NOW ON FRIDAY, APRIL 3RD.

11 A FRIDAY, YES. MR. HUNT AGREED --

12 Q WELL, LET ME GO BACK TO THAT FOR A MOMENT. YOU
13 CALLED CONGRESSMAN HANSEN? DO YOU RECALL IT SPECIFICALLY,
14 OR WOULD IT BE HELPFUL TO LOOK AT A MEMORANDUM FOR THAT DATE
15 FOR YOU?

16 A IT WOULD BE HELPFUL TO LOOK AT THE MEMORANDUM. WE
17 WERE ON THE TELEPHONE.

18 Q LET ME PLACE BEFORE YOU WHAT HAS BEEN MARKED AS
19 DEFENDANT'S EXHIBIT 27 FOR IDENTIFICATION.

20 A YES. THIS REFRESHES MY RECOLLECTION. MR. HUNT
21 AND I DID PLACE THE CALL.

22 Q ALL RIGHT. SO YOU PLACED THE CALL ON THE 3RD OF
23 APRIL TO CONGRESSMAN HANSEN?

24 A YES.

25 Q AND WHAT HAPPENED AT THAT TIME?

1 A MR. MCKENNA WAS ON THE LINE --

2 Q WHO WAS MR. MCKENNA?

3 A HE WAS A STAFF ATTORNEY IN CONGRESSMAN HANSEN'S
4 OFFICE WHOM I HAD MET ON APRIL 1 FOR THE FIRST TIME.

5 Q ALL RIGHT. MR. MCKENNA WAS NOT IN THE MEETING ON
6 APRIL 1, WAS HE? YOU JUST MET HIM.

7 A NO. NO, NO. BUT I MET HIM.

8 Q ALL RIGHT. SO YOU SAY CONGRESSMAN HANSEN AND MR.
9 MCKENNA WERE ON THE LINE ON APRIL 3.

10 A RIGHT. THEY ADVISED THAT THEY HAD SECURED AN
11 APPOINTMENT FOR MONDAY AND SUGGESTED THAT WE HANDLE THE MATTER
12 IN THE SAME FASHION. MR. HUNT AGREED. AND I WAS ASKED TO
13 GO TO WASHINGTON ON SUNDAY IN ORDER TO MEET WITH CONGRESSMAN
14 HANSEN AND GO TO THE OFFICE OF THE ATTORNEY GENERAL OF THE
15 UNITED STATES ON MONDAY MORNING.

16 Q AND WAS THERE INDICATION GIVEN TO YOU ON THE TELE-
17 PHONE THAT THE COPY OF THE BLACKMAIL LETTER HAD BY THEN ARRIVED
18 IN CONGRESSMAN HANSEN'S OFFICE?

19 A YES.

20 Q ALL RIGHT.

21 MR. LEWIN: SHALL WE TAKE A BREAK NOW FOR LUNCH,
22 YOUR HONOR? OR SHOULD WE GO ON?

23 THE COURT: WELL, IF WE CAN ACCOMPLISH MONDAY, I
24 THINK THAT'S ALL THAT REMAINS, ISN'T IT?

25 MR. LEWIN: THERE'S A LITTLE BIT MORE AFTER MONDAY,

1 BUT -- AND MONDAY MAY TAKE A LITTLE WHILE.

2 THE COURT: ALL RIGHT. THEN WE WILL TAKE A BREAK
3 AT THIS TIME.

4 LADIES AND GENTLEMEN OF THE JURY, THIS IS OUR CUSTO-
5 MARY LUNCHTIME BREAK WHICH WE WILL TAKE AT THIS TIME, AGAIN
6 AN HOUR AND FIFTEEN MINUTES FOR LUNCHEON. I WOULD LIKE YOU
7 BACK AT 1:30 THIS AFTERNOON, WITH THE CONTINUING ADMONITION
8 NOT TO DISCUSS THE CASE, BUT TO HAVE A VERY GOOD LUNCHEON.

9 OUR WITNESS, OF COURSE, IS IN THE MIDST OF HIS
10 TESTIMONY, AND, AS HE WELL KNOWS, HE IS NOT TO DISCUSS THE
11 TESTIMONY WITH ANYONE DURING THIS INTERRUPTION IN HIS
12 TESTIMONY. WE WILL SEE YOU BACK, ALSO, SIR, 1:30 THIS
13 AFTERNOON, AS WELL AS COUNSEL AND MR. HANSEN.

14 HAVE A GOOD LUNCHEON.

15 (WHEREUPON, AT 12:17 P.M., THE TRIAL WAS RECESSED,
16 TO RECONVENE AT 1:30 P.M., THE SAME DAY)

1 AFTERNOON SESSION

2 THE COURT: Good afternoon. Won't you come back,
3 please. We are ready for the jury, but minus some counsel.

4 MR. CAMPBELL: Mr. Lewin will be here directly.

5 THE COURT: You have the same problem, don't you, Mr.
6 Campbell, as I do?

7 Is Mr. Bragg going to join us also?

8 MR. CAMPBELL: Yes.

9 THE COURT: Any idea where they may be? Here comes
10 one. Here comes two. Fine.

11 We can bring the jury in.

12 (Jury present at 1:30)

13 THE COURT: Good afternoon, ladies and gentlemen. We
14 hope you had a nice luncheon. We shall continue with the
15 testimony.

16 Mr. Lewin.

17 whereupon,

18 IVAN IRWIN

19 resumed the stand and, having been previously duly sworn by the
20 Deputy Clerk, was examined and testified further as follows:.

21 DIRECT EXAMINATION (resumed)

22 BY MR. LEWIN:

23 Q. Before the lunch recess, I believe we had gotten up
24 to the date of Monday, April 6th.

25 A. Yes, sir.

1 Q. Could you please, Mr. Irwin, describe for us what you
2 did on Monday, April 6th, 1961?

3 A. I went to the office of Congressman Hansen, met there
4 with him, and Mr. Jim Runft, his personal attorney.

5 Q. Had you met Mr. Runft before that?

6 A. No, I had never met him.

7 Q. He was introduced to you on April 6th?

8 A. That is correct.

9 Q. About what time of the day was it?

10 A. 9:00 in the morning, as I remember.

11 Q. So you flew in the night before?

12 A. Yes, sir.

13 Q. All right.

14 A. I began to get from Mr. Runft some of the information
15 that I had come up for the week before. I may have already
16 covered this, the account information on Mrs. Hansen's account
17 with Ming Commodities, some correspondence that she had with
18 the House Ethics Committee, some confirmation trade slips on
19 her silver transactions.

20 Apparently Mr. Runft had not brought with him the
21 property settlement agreement, so I did not get that at that
22 time.

23 We went to the office of the Attorney General. I am
24 not sure I know the name of the building. Mr. McKenna was with
25 us, and after a very short wait, we met with Mr. Rudolph

1 Giuliani and Mr. Ken Caruso.

2 Q. Rudolph Giuliani, G-I-U-L-I-A-N-I?

3 A. I believe so.

4 Q. Is that right?

5 A. I think that is right. I forget his exact title,
6 Associate Attorney General or something close to that.

7 Q. Was it your understanding that he was the top man in
8 the Department of Justice assigned to criminal matters?

9 A. Yes, that was my understanding.

10 Q. Who also was with him?

11 A. Mr. Ken Caruso.

12 Q. C-A-R-U-S-O?

13 A. Yes.

14 Q. What was your understanding about Mr. Caruso's
15 position?

16 A. I forget precisely what his title was.

17 Q. You met in Mr. Giuliani's office?

18 A. We met at a conference room. I don't believe it was
19 an office.

20 Q. Let's just get clear for the jury exactly who was
21 there. Yourself?

22 A. Right, the congressman, Mr. Runft, Mr. McKenna, Mr.
23 Giuliani, Mr. Caruso.

24 Q. All right.

25 A. I turned over to the government representatives the

1 original of the blackmail letter.

2 Q. You had brought that with you?

3 A. Yes, I had.

4 Q. It was in cellophane?

5 A. It was in cellophane. We had Xeroxed the cellophane
6 the week before when we sent the copy. The statutes and the
7 cases which our office had done to show that while this was a
8 demand for a loan, it nevertheless was extortion, and
9 Congressman Hansen pretty well took up, at that point, and made
10 a rather full, I think, recital of the same facts that I have
11 gone over about how he had met Mr. Hunt, and the division of
12 the property, and the silver trading, and that there was
13 nothing to any of these claims of his having somehow helped Mr.
14 Hunt in connection with the purchase of a silver mine in Idaho.
15 We didn't get all the way through that because Mr.
16 Giuliani said, "I am not really interested in the facts. You
17 wouldn't be here if there wasn't anything to this." He said, "I
18 will get from Director Webster's office" --

19 Q. Who is Director Webster?

20 A. The director of the Federal Bureau of Investigation.
21 "We will send a No. 2 and No. 3 man over this afternoon, to
22 Congressman Hansen's office, for interviews."

23 That is really about what happened there.

24 Q. Is it fair to say that the principal person speaking
25 during this meeting was the congressman?

1 A. I believe so, supported to some extent by Mr. Runft
2 and me.

3 Q. Was the congressman disclosing everything regarding
4 that silver transaction to Mr. Giuliani?

5 A. Yes, he was explaining, attempting to. As I said, we
6 all got a little bit cut short because Mr. Giuliani said, "I am
7 not really worried about the facts, so much. You wouldn't be
8 here if there was any truth to this blackmail."

9 Q. Then you say the meeting concluded?

10 A. Yes.

11 Q. About how long would you say it took?

12 A. Maybe an hour.

13 Q. Then what --

14 A. An hour and a half.

15 Q. Was Mr. Caruso there throughout the whole meeting?

16 A. As well as I remember.

17 Q. Did he participate in any way?

18 A. He may have asked a question or two. I believe that
19 Mr. Giuliani was a little more in charge.

20 Q. Then Mr. Giuliani said to you that what, what would
21 happen next?

22 A. That he would have a No. 2 or No. 3 man from Director
23 Webster's office go to Congressman Hansen's office to interview
24 us.

25 Q. So you returned to Congressman Hansen's office?

1 A. Right.

2 Q. Could you please describe for the Court and jury what
3 happened next?

4 A. Okay. Mr. Hunt, on Saturday, before I went to
5 Washington the second time, had insisted that I either come
6 back with some money from the Hansens or that I come back with
7 some fresh notes to evidence the indebtedness of Mrs. Hansen
8 resulting from Mr. Hunt's payoff of the First National Bank in
9 Dallas loan.

10 After some discussions with Mr. Runft and the
11 congressman and his wife and me and so forth, and calling
12 Dallas to get from Mr. Hunt's financial people some dates and
13 amounts, as reflected from the accounting records, we prepared
14 two new notes. One was dated the day that Mr. Hunt had made an
15 interest payment for Mrs. Hansen, in the amount of about \$3,000
16 plus. I don't remember the exact amount.

17 And the second one was a much larger note of about
18 \$61,000 dated in June of 1980, when Mr. Hunt had purchased the
19 note from InterFirst, the note that Mrs. Hansen wrote to Inter-
20 First. It was dated that day. We were trying to protect Mr.
21 Hunt from interest on those dates. We didn't have a
22 calculation of accrued amounts so we just dated it the date Mr.
23 Hunt spent his money.

24 We waited until a phone call came in from someone who
25 identified himself as with the Federal Bureau of Investigation.

1 Q. One minute. Before you get to that, you have just
2 described the matter of preparing these notes.

3 A. Yes.

4 Q. That was done, you say, at your client's insistence,
5 Mr. Hunt insisted that you come back either with money or with
6 fresh notes?

7 A. That is right.

8 Q. I show you what have been marked as Government's
9 Exhibits 26A in evidence and 26b in evidence, and I ask you
10 whether those are the documents that you have just testified
11 about?

12 A. These are copies, yes.

13 Q. They are copies of those documents that you prepared
14 on that day?

15 A. Yes.

16 Q. Is it an accurate statement to say those documents
17 had been back-dated?

18 A. They were dated the date that Mr. Hunt spent his
19 money, either paying the interest on Mrs. Hansen's note or
20 paying off the note, including accrued interest to that date.

21 Q. So that is a perfectly proper way to work up those
22 notes in terms of your experience as an attorney?

23 A. It was by far the cleanest, easiest and most accurate
24 way to reflect the debt, that is correct.

25 Q. Thank you.

1 Now, Mr. Irwin, you were telling us, at that point
2 when I interrupted you, that there was a call from the FBI at
3 some point in the afternoon.

4 A. Right. Someone who identified himself, and I don't
5 have the pronunciation, it is something like Mr. Heieck or
6 something like that.

7 Q. Would it be, just looking at your memoranda, would it
8 be H-E-I-E-C-K?

9 A. It could be that, yes. Something. I am not sure I
10 can pronounce the name. He wanted to conduct the interviews
11 over the telephone.

12 Q. Could you tell us what you recall it was he said?

13 A. He said, "I am from the Federal Bureau of
14 Investigation, and I have been assigned to this matter. Is Mr.
15 Irwin there?"

16 I was brought to the phone, and he repeated, "I am
17 from the FBI. I would like to interview you over the telephone
18 about the George Hansen/Bunker Hunt matter."

19 I said, "How can you establish you are with the FBI?
20 How can you give me some identification?"

21 I said, "I am sorry, sir, I am not going to conduct
22 this investigation over the telephone. We were told that
23 representatives would be here and I am going to insist upon
24 proper identification." And that was the end of the telephone
25 conversation.

1 I reported what happened to Congressman Hansen.

2 Q. What did Congressman Hansen then do?

3 A. He called back to the office of the Attorney General,
4 and was very upset about this being handled in a very
5 amateurish way and that they needed to get some people over
6 there to interview, as they had said they would do, that this
7 was not going to be something that could possibly be conducted
8 on the telephone with some unknown person with no
9 identification.

10 Q. What happened thereafter?

11 A. We waited until two agents, Mr. Hoy and Mr. Trailor
12 arrived, and I believe I was interviewed first, because I had a
13 plane to catch back to Dallas. I think Congressman Hansen and
14 Mrs. Hansen may have been there for a part of that interview,
15 and I may have even been there for a moment or two while some
16 questions were asked of them, but I left to catch my plane.

17 Q. So you were interviewed that afternoon and then left
18 back for Dallas?

19 A. Yes, sir, that is correct.

20 Q. Subsequent to that time, you have been interviewed on
21 various other occasions with regard to these same matters?

22 A. Yes, sir, I have been fingerprinted, interviewed. I
23 have been to the grand jury.

24 Q. Let's talk about it.

25 Did the agents who came over that afternoon

1 fingerprint everybody?

2 A. They didn't. That was subsequently done by an agent
3 in the Dallas office in the Federal Bureau of Investigation.
4 His name is Lamar.

5 Q. He fingerprinted you?

6 A. Yes, sir.

7 Q. You were subsequently, you say, again interrogated by
8 FBI agents?

9 A. Yes. Mr. Hunt was interrogated, and I was with him.

10 Q. You appeared before the grand jury and testified
11 fully?

12 A. Yes, sir.

13 Q. Any indication ever from Mr. Hunt or from Mr. Hansen
14 or anything that you should conceal anything or not disclose
15 anything?

16 A. No, sir.

17 Q. Just with regard to those notes, and that obligation,
18 Mr. Irwin, was there a time prior to the receipt of the
19 blackmail letter when your firm was asked by Mr. Hunt to make a
20 demand of Mrs. Hansen to pay on the obligation?

21 A. Yes, sir.

22 Q. Could you tell us when that was?

23 A. In July, 1980.

24 Q. Let me show you, Mr. Irwin, what has been marked as
25 Defendant's Exhibit 72 for identification, and ask you whether

1 you recognize that letter?

2 A. Yes, sir.

3 Q. Was that letter written by your law firm at Mr. Hunt's
4 instruction or request?

5 A. Yes, sir.

6 Q. It was sent out on what date?

7 A. July 17, 1980.

8 Q. What was the purpose of the letter?

9 A. In the previous month, in June of 1980, Mr. Hunt had
10 been called upon by the First National Bank of Dallas to honor
11 his guarantee on Connie Hansen's \$50,000 note. We were asked
12 to demand payment of Mrs. Hansen, which was done with this
13 letter.

14 MR. LEWIN: We offer Defendant's Exhibit 72 into
15 evidence.

16 MR. WEINGARTEN: No objection.

17 THE COURT: It is in evidence.

18 (Whereupon, Defendant's Exhibit
19 No. 72 was received into evidence)

20 MR. LEWIN: Thank you. Thank you, Mr. Irwin.

21 THE COURT: I take it that means we are ready for
22 cross-examination.

23 Mr. Weingarten.

24 CROSS-EXAMINATION

25 BY MR. WEINGARTEN:

1 Q. Good afternoon, Mr. Irwin.

2 A. Good afternoon.

3 Q. You have testified, of course, that you are a member
4 of the law firm of Shank Irwin?

5 A. Yes.

6 Q. In Dallas?

7 A. Yes.

8 Q. One of your clients is Nelson Bunker Hunt?

9 A. Yes, sir.

10 Q. Is Mr. Hunt a personal friend of yours also?

11 A. Yes, sir.

12 Q. You have known him for all of his life?

13 A. Since I was in high school.

14 Q. Can you roughly estimate the percentage of your law
15 related business that is Hunt related?

16 A. 25 percent.

17 Q. Now, you testified that March 31st, 1981, is the day
18 the blackmail letter came to your attention?

19 A. Yes, sir.

20 Q. Do you have the blackmail letter up there?

21 A. Yes, sir.

22 Q. Is it fair to say that upon notice of that letter,
23 that is the first time you ever knew there was a relationship
24 between Mr. Hunt and the Hansens?

25 A. Correct.

1 Q. So we are perfectly clear on that, until March 31st,
2 1981, you knew nothing of Mr. Hunt's relationship with the
3 Hansens?

4 A. That is correct.

5 Q. You knew nothing about the soybean transaction,
6 nothing of the silver transaction?

7 A. That is correct.

8 Q. Nothing of the loans involved in this case?

9 A. That is correct.

10 Q. All brand new when you walked into Mr. Hunt's office
11 on March 31st?

12 A. Correct.

13 Q. Now, is it fair to say that when you first looked at
14 the blackmail letter your first reaction was to pick up the
15 phone and call the FBI?

16 A. That is pretty close to correct. This gave a time
17 limit -- I don't remember what it is -- in which Mr. Hunt was
18 to deposit money or the supposed evidence of this bribe in
19 connection with the silver mine was going to be turned over to
20 the FBI.

21 My reaction was when somebody makes a threat like
22 that, which was absolute poppycock, is take it to the FBI.

23 Q. Of course, it wasn't immediately taken to the FBI,
24 and the reason for that was Mr. Hunt's suggestion to contact
25 the Hansens?

1 A. Well, no, that is not complete at all.

2 It wasn't taken because Mr. Hunt said, "Before we
3 take it, let's get the records that will show that I had
4 nothing to do with Connie Hansen's silver contracts. I want
5 you to go see Mrs. Hansen and get those records. I want to get
6 the copy of this property settlement agreement that they said
7 they entered into, and I want to get the correspondence that
8 she had with the House Ethics Committee and anything else. So
9 that we have everything in order on our end and then we will
10 take it."

11 Please understand, he still was wondering if this was
12 an April fool's joke or just a crank letter.

13 Q. Let me just ask you, did you ever get a copy of the
14 property settlement agreement?

15 A. No, sir.

16 Q. Did you ask for it?

17 A. Yes, sir.

18 Q. Now, of course, pursuant to all these events on
19 Tuesday, March 31st, you did do some investigation into the
20 allegations of the blackmail letter?

21 A. Yes, sir.

22 Q. You satisfied yourself that Nelson Bunker Hunt never
23 had George Hansen do him any favors relating to the Sunshine
24 Mine in northern Idaho?

25 A. I knew that.

1 Q. You had no problem there. So that blackmailer was
2 obviously wrong at least on that score, from your personal
3 knowledge?

4 A. He was absolutely wrong, and I believe you have told
5 me that he said he made it up.

6 Q. Yes, sir.

7 you are certain, from talking to Mr. Hunt, that he
8 was dead wrong on the margin, is that correct?

9 A. That is right.

10 Q. Mr. Hunt had nothing to do with that margin?

11 A. That is correct.

12 Q. Now, he was right on some things, though, wasn't he?

13 A. To the extent that this suggests that Mr. Hunt used
14 his broker to introduce Mrs. Hansen to, yes, that is accurate.

15 Q. Of course, the profit was \$87,475?

16 A. I think that is right. I think that is accurate.

17 Q. And the contracts were first purchased in Bunker Hunt's
18 account, were they not?

19 A. I don't have personal knowledge of that, but I
20 understand that to be the case.

21 Q. Now, of course, you had extensive conversations about
22 Mr. Hunt's role, in this particular silver transaction, with
23 Mr. Hunt?

24 A. Yes.

25 Q. And Mr. Hunt did tell you that he influenced the

1 purchase and the sale of these contracts, did he not?

2 A. He said that he had recommended silver. He thought
3 it was a good investment and had given her some advice on
4 timing.

5 Q. Of course, in the commodities market, timing is
6 everything, is it not?

7 A. Yes, sir, that is very important.

8 Q. You make your money and lose your money on the timing,
9 when you buy and when you sell?

10 A. It is very risky.

11 Q. It is very risky?

12 A. Yes, sir.

13 Q. Is it not fair to say that Bunker Hunt made the
14 decisions in the \$87,000 silver contract?

15 A. I think he made recommendations. I don't think he
16 made decisions.

17 Q. Do you know whether or not the recommendations were
18 followed?

19 A. As far as I know, they were.

20 Q. When you came up to the District of Columbia, I guess
21 that is the first time you ever met the Hansens?

22 A. That is correct.

23 Q. Was Mrs. Hansen knowledgeable on the commodities
24 market?

25 A. I don't know how to answer that. I didn't ask her

1 any specific questions about that. I don't think she was. I
2 don't think she had had any significant commodities experience.

3 Q. In your discussion of the commodities transaction,
4 wasn't it just perfectly apparent to you that she knew
5 absolutely nothing about the commodities market and nothing
6 about the silver transaction?

7 A. She knew about the silver transactions. I certainly
8 didn't get the impression that she had any significant
9 experience in commodities trading.

10 Q. Would you turn to your memo, I guess that is before
11 you, or maybe it isn't. Do you have your memo before you, your
12 memos?

13 A. I have the April 3 memo.

14 Q. All right. This is April 7th.

15 THE COURT: Does that have an exhibit number?

16 MR. WEINGARTEN: Maybe I should get this marked.

17 Is Defendant's Exhibit 29 marked, please?

18 MR. LEWIN: April 7th?

19 MR. WEINGARTEN: Yes.

20 MR. LEWIN: All right.

21 BY MR. WEINGARTEN:

22 Q. Sir, I would like to approach you with Defendant's
23 Exhibit 29. Is that a memo you wrote memorializing
24 conversations with the Hansens?

25 A. Yes.

1 Q. If you would, look at the eighth line and begin with
2 the first full sentence. Does it not read, "Mrs. Hansen was
3 not real sure of exactly how the silver trading had been done"?

4 A. Yes, that is right.

5 Q. What did you mean by that?

6 A. She didn't have her confirmations in front of her.
7 She didn't have any specific recollection of the timing.

8 Q. Weren't you being charitable there, Mr. Irwin?

9 A. I don't know. That was my impression, you know, she
10 was not real sure of exactly how it had been done.

11 Q. Did Mrs. or Mr. Hansen represent to you that they had
12 secured a loan to meet their margin payment?

13 A. I think that is right.

14 Q. Which one, was it Mrs. Hansen who represented that or
15 Mr. Hansen?

16 A. I think both.

17 Q. Do you now know that that loan constituted a \$125,000
18 check written on an account with \$300?

19 A. No, I did not know that.

20 Q. Did they ever tell you that?

21 A. No.

22 Q. Now, you said one of your purposes in going up to
23 D.C. was to collect money for Mr. Hunt?

24 A. Right, or bring back fresh notes.

25 Q. When you say fresh notes, had there been any notes in

1 this case from Mr. Hunt to the Hansens?

2 A. From Mr. Hunt to the Hansens?

3 Q. Yes.

4 A. No.

5 Q. When you say fresh notes, are you implying that there
6 were notes before, new notes?

7 A. No. The note that Mr. Hunt bought was a note from
8 Mrs. Hansen to the First National Bank of Dallas, which was
9 endorsed over to Mr. Hunt when he had to pay it off.

10 Q. Right.

11 A. He wanted direct obligation from the Hansens to him.

12 Q. Heretofore, there was not a piece of paper so
13 reflecting the obligation?

14 A. That is right, except to the extent you could trace
15 it back through the First National.

16 Q. Did they make any representations to you, when you
17 were in the District of Columbia, April of 1981, as to whether
18 or not they would pay that money?

19 A. They said they would.

20 Q. Did they give you a time reference?

21 A. When I was there the first time, on April 1st,
22 Congressman Hansen said he would try to put something in order
23 to get something done by the next week. When I was there the
24 next week, on April 6th, the notes were broken into two pieces,
25 the smaller note representing the interest payment and the

1 larger note representing the purchase of the principal and the
2 rest of the interest. And you will note that the smaller note
3 has a relatively short maturity date, May 25 of 1981. That was
4 done that way because that was something that was going to be
5 handled by that date.

6 The other one has a longer -- I take it back. They
7 are the same maturity dates. I am sorry. But I remember that
8 there was a fairly short maturity date when these notes were
9 going to be taken care of by those days.

10 Q. Were they?

11 A. No.

12 Q. Have they been taken care of to this date?

13 A. No, sir.

14 Q. When you got to the department, you met with, of
15 course, the Assistant Attorney General, Mr. Giuliani, and his
16 assistant, Mr. Caruso. I think it was your testimony that Mr.
17 Hansen carried the ball?

18 A. Yes. After turning over the original of the letter
19 and explaining the circumstances under which it had been
20 received, and the statutes and the cases, I think at that point
21 the congressman did most of the talking.

22 Q. Did he go into some detail about the property
23 separation agreement and some detail about his relationship
24 with Bunker Hunt and some detail about how the silver
25 transaction evolved?

1 A. Some detail.

2 Q. Did he bother to tell Mr. Giuliani that it was he
3 himself who spent the \$87,000 profit?

4 A. That was never mentioned.

5 Q. Did you ever hear that before I told you that?

6 A. I think I read something about that in the newspapers,
7 just out of last week's testimony.

8 Q. Just from this trial. Did Mr. Hansen ever tell you
9 that?

10 A. No.

11 Q. Did Mrs. Hansen ever tell you that?

12 A. No.

13 Q. Did Bunker Hunt ever tell you that?

14 A. No.

15 Q. Now, Mr. Irwin, were you careful with the Hansens
16 when you first came to Washington?

17 A. I was cautious.

18 Q. Was there a particular reason for that?

19 A. Yes, sir.

20 Q. What was that?

21 A. The conversation I had with Mr. Hunt on the day
22 before included his recollection that the amount of money that
23 had been committed in connection with this defense against the
24 Wayne Hayes' accusations was about \$450,000. The extortion
25 letter, or blackmail letter, calls for \$440,000. That amount

1 was so similar that, for all I knew, the blackmail letter could
2 have emanated from the Hansens.

3 Q. Did Bunker Hunt say he had personal knowledge that
4 they had debts of \$450,000?

5 A. No, that is what the congressman had told him, and
6 Mrs. Hansen told him.

7 MR. WEINGARTEN: Thank you, sir.

8 THE COURT: Redirect.

9 REDIRECT EXAMINATION

10 BY MR. LEWIN:

11 Q. On this last thing you testified about, Mr. Irwin,
12 you ultimately learned the name of the person who had been the
13 author of the blackmail letter?

14 A. Yes, sir.

15 Q. It was a Mr. Emens?

16 A. Yes, sir.

17 Q. Did you learn under what circumstances Mr. Emens
18 plead guilty?

19 MR. WEINGARTEN: Excuse me. May we approach the
20 bench?

21 THE COURT: You may. Step down, please.

22 (Bench conference)

23 MR. WEINGARTEN: I request a proffer. If we are
24 going into the plea agreement, obviously it is irrelevant.

25 MR. LEWIN: Mr. Weingarten has opened the door to

1 this. I would not have gone into it, but he has now ask the
2 man about that \$440,000 and 450,000, which I represent I have
3 never heard before. But by suggesting in some way that maybe
4 there was an innuendo that the congressman was involved, I
5 think we are entitled to go into what ultimately happened with
6 regard to the author of the blackmail letter and to get before
7 the jury --

8 THE COURT: I think the jury has heard that already.

9 MR. LEWIN: They only heard he plead guilty. What I
10 would like to do --

11 THE COURT: Plead guilty, received a sentence.

12 MR. LEWIN: Not received a sentence. The stipulation
13 did not go into that, and I assume that Mr. Weingarten was
14 going to pose all that. I would like to be able to offer, and
15 I will offer certified copies, of the things that are in the
16 court record relating to Mr. Emens, which are his judgment of
17 conviction, the plea agreement and the charge that was made
18 against him, the information that was filed against him.

19 I think I am entitled to do that now that Mr.
20 Weingarten has opened that door by suggesting that in some way,
21 through this witness, that somehow the congressman may have
22 been involved with this and that there is some kind of
23 arrangement here.

24 What the government did was it worked out an
25 arrangement with this blackmailer and there was a disposition

1 of that case. I think what the government has done is wholly
2 improper.

3 MR. WEINGARTEN: They are totally unrelated. It is
4 absolutely relevant from Mr. Lewin's examination what was on
5 Ivan Irwin and Bunker Hunt's mind when they sent Mr. Irwin up
6 to Washington, D.C.

7 THE COURT: Certainly, the matter of the letter was
8 introduced by you. Mr. Lewin, understandably, the matter was
9 explored on direct examination. The matter of the entire
10 letter obviously that has already been received into evidence,
11 and I think you moved it into evidence.

12 MR. LEWIN: Yes.

13 THE COURT: It was a defense exhibit. Certainly
14 there can be an examination as to other parts of that letter.
15 The examination itself, there is nothing faulty with the
16 examination. I don't know if any of you expected this
17 testimony. I certainly hadn't heard it before. But as far as
18 doing something with Arthur Emens, you will have to refresh my
19 memory as to how much the jury knew about Arthur Emens.

20 MR. LEWIN: The stipulation was that Arthur Emens
21 plead guilty.

22 THE COURT: In a certain court.

23 MR. LEWIN: And he was an employee of Mr. Ming.

24 THE COURT: I think there was a date.

25 MR. LEWIN: When he plead guilty. On the other hand,

1 I certainly think we should be able to put into evidence the
2 things that appear in the court record regarding Arthur Emens,
3 which are the judgment of conviction, the plea agreement.

4 THE COURT: I don't think the judgment of conviction
5 is in the court record, but I don't know.

6 MR. LEWIN: The Court record is here in this court.
7 It is a matter of public knowledge.

8 THE COURT: He has been convicted we know that.

9 MR. LEWIN: The judgment of conviction is in the
10 court record. We have a certified copy in the court record.
11 The judgment of conviction, which includes whatever sentence he
12 obtained, the plea agreement and the information that he plead
13 to, those are the things which we should be able to offer.

14 THE COURT: Let's see the stipulation, Joe. The
15 stipulation was Stipulation No. 9, which was filed on March
16 23rd, which taking away the other verbiage was: "The person
17 who wrote the blackmail letter to Nelson Bunker Hunt was Arthur
18 Emens, III, an employee of Ming Commodity Services, Oklahoma
19 City, Oklahoma from October, 1979, until May 1981. Prior to
20 his employment with Ming commodity services, Mr. Emens was
21 employed by Cargill Investor Services on the floor of the
22 Commodities Exchange in New York City. Mr. Emens plead guilty
23 to blackmail on May 27, 1982."

24 Now, it doesn't even mention the court. Somehow I
25 had a memory of that but that may have been through some other

1 source, other conversation that we had in or out of the
2 presence of the jury.

3 MR. WEINGARTEN: It is totally beyond me that this is
4 relevant in any way, shape or form. The last question to this
5 witness was directed towards what was Bunker Hunt doing with
6 his attorney vis-a-vis the blackmail letter. That was totally
7 relevant in response to his direct examination.

8 THE COURT: Mr. Lewin, and I have to admit when Mr.
9 Irwin is on the stand, just as I think Mr. Campbell did, we
10 have a little trouble with those two surnames Irwin and Lewin,
11 some for some reason. There are similarities, but certainly I
12 know the difference.

13 You certainly may ask, as a result of the redirect,
14 or recross, you may certainly ask if he knows what the
15 disposition of Mr. Emens is, but you are not in a position to
16 testify and tell him what that disposition is.

17 MR. LEWIN: May I put in the record the judgment of
18 conviction?

19 THE COURT: No, because I don't think it is
20 appropriate. We do have the fact there was a Mr. Emens. We
21 have the fact that he plead guilty. The jury will have that
22 stipulation before it that he plead guilty. If Mr. Irwin knows
23 of the disposition of Mr. Emens' case, I will let him testify
24 to that, and follow through to this question and to this
25 testimony. Of course, you can explore anything else about the

1 letter but as far as Mr. Emens, I will have to hold it to that
2 point.

3 MR. WEINGARTEN: Just so there is no confusion, when
4 the Court says disposition, is the Court referring to the fact
5 that Arthur Emens was convicted of blackmail in the District of
6 Columbia?

7 THE COURT: Yes. I don't know whether it was the
8 District of Columbia or not?

9 MR. WEINGARTEN: Nothing to do with plea agreements,
10 nothing to do with sentencing.

11 THE COURT: No. Let me make it very clear. The
12 disposition, if he knew where, it occurred, in which court it
13 occurred, if he knows, he can tell us. If he knows what the
14 final sentence was, nothing about plea agreements or anything
15 else, if he knows, he can tell us. If he doesn't know, he
16 doesn't.

17 MR. WEINGARTEN: May I inquire, how is what Arthur
18 Emens was sentenced to relevant to this case?

19 THE COURT: All right. It may not be specifically
20 relevant but it does complete the little chapter. He plead
21 guilty. Let them have that much but not the plea agreement.
22 That has nothing to do with this.

23 (End of bench conference)

24 THE COURT: Mr. Lewin.

25 BY MR. LEWIN:

1 Q. I asked you, before we had the bench conference, Mr.
2 Irwin, whether you knew that one Arthur Emens was the person
3 who had written the blackmail letter?

4 A. Yes, sir.

5 Q. You knew that that individual had nothing to do with
6 Congressman Hansen?

7 A. That is correct.

8 Q. Did you know what the disposition of the charges
9 against Mr. Emens were?

10 A. Mr. Emens, I believe, was found guilty of misdemeanor
11 extortion. I believe he was fined and given some number of
12 hours of community service.

13 THE COURT: We thank you for your testimony. I just
14 ask that you not discuss it with any other possible witness in
15 this case until this matter is concluded.

16 THE WITNESS: Thank you.

17 THE COURT: Next witness.

18 MR. LEWIN: Your Honor, may we approach the bench on
19 the next witness?

20 THE COURT: If necessary, yes.

21 (Bench conference)

22 MR. LEWIN: There is an evidentiary question, Your
23 Honor, with regard to the next witness, on which we would like
24 a ruling in limine. The next witness is Mr. Caruso, about whom
25 there has been some testimony that he was present at the

1 meeting with Mr. Giuliani and the other gentlemen on that date
2 of April 6th.

3 Mr. Caruso, I have interviewed him. He will testify
4 about what was said during the meeting, that the matter was
5 fully explored, the questions were asked and so on. The
6 gentlemen at the meeting then left. Mr. Caruso has advised me
7 that subsequent to the departure of everybody from the meeting,
8 Mr. Giuliani said to Mr. --

9 THE COURT: Nobody else was at the meeting or was
10 there anyone else left?

11 MR. LEWIN: Nobody other than Mr. Giuliani and Mr.
12 Caruso.

13 THE COURT: Just the two.

14 MR. LEWIN: Congressman Hansen and the others had all
15 left. Subsequent to the departure, Mr. Giuliani said to Mr.
16 Caruso words to the effect, "He is either on the level or " --

17 THE COURT: Who is "he"?

18 MR. LEWIN: Speaking about Congressman Hansen. The
19 words that were used were to the effect, "He is either on the
20 level or he is constructing a defense for himself." Those
21 words, we submit, were said out of the presence certainly of
22 Congressman Hansen. They constitute hearsay with regard to him
23 and would not be admissible.

24 Mr. Caruso has told me, as I think he told Mr.
25 Weingarten, and I have advised Mr. Weingarten that I was going

1 to raise it with Your Honor, that he would respond to questions
2 relating to that if Your Honor ruled --

3 THE COURT: We don't want the jury to hear.

4 MR. LEWIN: If Your Honor ruled that that was
5 admissible. If, on the other hand, Your Honor rules it is not
6 admissible, of course he will not testify to that. Our
7 submission is that that statement is not admissible. It is
8 purely hearsay. It was said by Mr. Giuliani to Mr. Caruso and
9 we request a ruling from the Court in advance so that the
10 matter can be communicated to Mr. Caruso so he will know he is
11 not to refer to that.

12 THE COURT: How about to Mr. Giuliani, too, while we
13 are covering it?

14 MR. LEWIN: Right. Mr. July any, I talked to him, he
15 was planning to be in Washington Thursday morning. So out of
16 convenience to his schedule, I told him we would call him to
17 appear Thursday rather than to appear today.

18 THE COURT: They are both listed?

19 MR. LEWIN: They are both listed, right. But that is
20 where we stand with regard to that, but the same issue would
21 come up with regard to Mr. Giuliani.

22 THE COURT: You have discussed it with him also?

23 MR. LEWIN: Yes.

24 MR. WEINGARTEN: Your Honor, Mr. Lewin and I
25 discussed this earlier. I said, our response, as to whether or

1 not we would try to elicit this type of testimony from Mr.
2 Caruso, would depend upon what evidence is first elicited from
3 him through Mr. Irwin and Mr. Caruso.

4 Evidence was elicited through Mr. Irwin as to what
5 Mr. Giuliani said to them. There could only be one purpose to
6 that evidence and that is to reflect the intent and the state
7 of mind of the Department of Justice at the time they received
8 the blackmail allegation. It is only fair that we be allowed
9 to respond to that with evidence in kind, and evidence in kind
10 would be evidence of Mr. Giuliani's state of mind immediately
11 following that meeting.

12 THE COURT: My concern about this is the testimony of
13 Mr. Irwin that said that Mr. Giuliani had said that he you
14 wouldn't be here if he weren't interested, or something to that
15 effect. We all heard the testimony coming through, as a
16 reflection, purportedly, of what Mr. Giuliani had said to
17 everybody present or to those who remained.

18 You know, normally I would agree with you, Mr. Lewin,
19 that it should not come in. I think perhaps the best we can do
20 is to tell Mr. Caruso not at this point to volunteer it, and we
21 will see where the testimony goes at that point. You are
22 trying to show the state of mind of these people and how they
23 are reacting, are you not?

24 MR. LEWIN: No.

25 THE COURT: How they are reacting to Mr. Hansen and

1 Mr. Hunt, through his emissaries, concern about this letter,
2 you are bringing it to their attention.

3 MR. LEWIN: That is right.

4 THE COURT: You are interested in their reaction and
5 what they did about this?

6 MR. LEWIN: Your Honor, the reason we have introduced
7 this evidence, and the only argument I will be making to the
8 jury with regard to it, as we have indicated in our pretrial
9 motions, relates to Congressman Hansen's consciousness of
10 innocence with regard to this. I am not trying, and I will
11 represent to the Court, I will make no argument to the jury
12 that the Department of Justice thought this was credible or
13 believable or anything, neither one way or the other. The only
14 reason that Mr. Irwin testified to it is that it happened in
15 the course of the meeting. It appears in his memorandum.

16 THE COURT: The memorandum hasn't been admitted.

17 MR. LEWIN: I understand. But it happened. I mean,
18 it was said in the course of the meeting. It was the reason he
19 explained for cutting off some of the elaboration of all the
20 details that Mr. Giuliani said, "Look, you wouldn't be here if
21 this wasn't right. So therefore you needn't bother going any
22 further."

23 So we are not trying to presume, in any way, Mr.
24 Giuliani's state of mind. I will not be suggesting that Mr.
25 Giuliani thought that the people were innocent. I am

1 interested in showing that the matter was brought to the
2 attention of the Department of Justice, and as I say, I will
3 not make an argument based on that statement that indicates
4 that they thought he was not culpable.

5 THE COURT: But the problem is, Mr. Lewin, Mr. Irwin,
6 having testified that Mr. Giuliani said, "You wouldn't be here
7 if you weren't innocent," I am paraphrasing, I recognize that,
8 really opens up the door to what Mr. Giuliani said, expressing
9 his sense of the matter at that time. This is Mr. Giuliani's
10 view of, "You wouldn't be here unless you were innocent."

11 MR. LEWIN: Your honor, A, not out of the presence of
12 the defendants, or the defendant; B, not out of the words of
13 another witness. If Mr. Giuliani -- you know, I think it is a
14 different issue, again, if we were to call Mr. Giuliani and he
15 were here to be cross-examined, and our present intention is to
16 call him, but if he is here, and the question of what he
17 intended was an issue, then whatever statements he made or did
18 not make might be relevant.

19 I will represent to the Court that I have, in
20 speaking with Mr. Giuliani, Mr. Giuliani has said to me, "Look
21 I made that statement but I didn't have any basis for it. It
22 was an unfair statement to make. I had no basis for making
23 that statement." But he says, "I recall having made it."

24 Sure, when Mr. Giuliani is here on Thursday, if Your
25 Honor says this is all admissible, I will go into it with Mr.

1 Giuliani and explore the fact that there was no basis for his
2 statement, even if he made it.

3 With regard to Mr. Caruso making the statement, I
4 think it is clearly inadmissible. It is classic hearsay in
5 this instance. Mr. Caruso said another man said something. We
6 don't have the declarant on the stand to explain what he said.

7 THE COURT: But Mr. Giuliani is or is not going to be
8 here?

9 MR. LEWIN: He is going to be here on Thursday.

10 THE COURT: The jury has been so advised, in a sense,
11 "Do you recognize this name, and you have told us earlier on he
12 is going to be here.

13 MR. LEWIN: I have spoken to him. I told him to be
14 here Thursday. Now, to be candid with Your Honor, in view of
15 this issue, I mean, I had some doubt in my own mind whether it
16 was wise to put him on the stand. But it appears to me that
17 his statement to Mr. Caruso is clearly hearsay with regard to
18 Mr. Caruso testifying about it.

19 If Mr. Giuliani were here, it is another issue, but I
20 would think, even with regard to Mr. Giuliani, and particularly
21 if the statement is not being introduced to examine rest any
22 Department of Justice official's state of mind, it seems to me
23 it is very remote to be saying because Mr. July an think makes
24 that kind of a statement to people that is proof in this case
25 of some kind. I don't think the jury is likely to draw that

1 inference.

2 The whole purpose of that evidence is consciousness
3 of innocence.

4 MR. WEINGARTEN: Your Honor, Mr. Lewin wants his cake
5 and he wants to eat it too. He knew that the Giuliani
6 statement from Irwin was in that memo. Nevertheless, he
7 elicited it. He did not tell Mr. Irwin to ignore that
8 statement and testify around it. Now he comes back and says
9 that if Mr. Giuliani's words are introduced through another
10 witness it is hearsay after just having done that on the
11 witness stand with his own witness. That really is having your
12 cake and eating it, too.

13 MR. LEWIN: Your Honor, a statement made in the
14 presence of the defendant is not, in that sense, hearsay. If
15 Mr. Giuliani made it to Congressman Hansen and made it in the
16 presence of the other people, then it is part of the conference
17 that took place at that time. The fact that Mr. Giuliani may
18 make some statements at a later date regarding Congressman
19 Hansen, I don't think Mr. Weingarten would be claiming he is
20 entitled to put in every statement Mr. Giuliani may have made
21 regarding Congressman Hansen.

22 MR. WEINGARTEN: I don't know what the presence or
23 non-presence of the defendant has to do with hearsay. I mean,
24 if the evidence of Mr. Giuliani's words are relevant through
25 Mr. Irwin, to demonstrate whatever demonstrate, they are

1 equally relevant five minutes later when we examine Mr. Caruso
2 on exactly the same issue.

3 MR. LEWIN: I did not hear any objection from Mr.
4 Weingarten when Irwin testified to that statement. To that
5 extent, Mr. Weingarten is saying to me, "that statement may not
6 go in." Mr. Weingarten I did not object to any statement made
7 by Mr. Giuliani at that meeting. He recognizes that the
8 statements made during that meeting were relevant to the intent
9 of consciousness and innocence in this case. Consequently,
10 they are proper evidence.

11 But the fact that this statement was made later on by
12 Mr. Giuliani, I submit, is not -- in any event, if what Your
13 Honor is saying is okay the proper person to explore with this
14 is Mr. Giuliani, our present intention is to have Mr. Giuliani
15 on the stand Thursday morning. I guess it can be explored with
16 him, but it should not be done with Mr. Caruso who doesn't even
17 know what he said. I can speculate what he said.

18 THE COURT: I am not going to let it in through Mr.
19 Caruso. If Mr. Giuliani is called either by the defense or the
20 prosecution, and he is a witness obviously available to both
21 sides, it may well come in through him.

22 I have to admit I am concerned about the statement
23 that Mr. Irwin made -- I grant you there was no objection to it --
24 with reference to you wouldn't be here if you weren't innocent."
25 I think it was repeated more than once. I know you are

1 frowning, Mr. Lewin, but the record will reflect whether it was
2 or not. That was my memory. Not through Mr. Caruso, but
3 certainly if Mr. Giuliani comes in here, I wouldn't doubt if
4 that matter is going to be explored. As I say, the government
5 can call him.

6 MR. LEWIN: Sure. Thank you.

7 THE COURT: All right. Can I advise Mr. Caruso of
8 that?

9 THE COURT: Yes, just briefly.

10 (End of bench conference)

11 Whereupon,

12 KENNETH A. CARUSO

13 was called as a witness by counsel for the Defendant and,
14 having been duly sworn by the Deputy Clerk, was examined and
15 testified as follows:

16 THE COURT: Good afternoon, Mr. Caruso.

17 THE WITNESS: Good afternoon, Your Honor.

18 DIRECT EXAMINATION

19 BY MR. LEWIN:

20 Q. Could you please state your full name for the Court
21 and jury?

22 A. My name is Kenneth A. Caruso.

23 Q. Caruso is spelled?

24 A. C-A-R-U-S-O.

25 Q. Mr. Caruso, what is your employment?

1 A. I am Assistant United States Attorney in the southern
2 district of New York. I am a federal prosecutor in New York
3 City.

4 Q. You prosecute criminal cases?

5 A. That is correct.

6 Q. For the government?

7 A. Correct.

8 Q. How long have you been an attorney?

9 A. I graduated from law school in 1977.

10 Q. Following your graduation from law school in 1977,
11 where were you employed?

12 A. I was a law clerk to a federal district judge in New
13 York City for one year. I was in private practice with a New
14 York City firm for two and a half years. I was a special
15 assistant to the Associate Attorney General of the United
16 States here in Washington for two years, and I have been an
17 Assistant United States Attorney for just about a year.

18 Q. The private practice that you were engaged in was
19 with which firm?

20 A. Patterson, Belnap, Webb & Tyler.

21 Q. Was a member of that firm Rudolph Giuliani?

22 A. Yes.

23 Q. That is the same gentleman who subsequently became
24 Associate Attorney General?

25 A. Yes.

1 Q. In what year did Mr. Giuliani become Associate
2 Attorney General?

3 A. 1981.

4 Q. Did he ask you to come over and join him in any
5 capacity at the Department of Justice?

6 A. Yes. I became his special assistant, a member of his
7 staff.

8 Q. As Associate Attorney General, what were Mr. Giuliani's
9 responsibilities?

10 A. He supervised the criminal justice components of the
11 Department of Justice, that is, the criminal division, which
12 the lawyers prosecute criminal cases, the United States
13 Attorneys, which are the lawyers in about 95 different cities
14 around the country, who prosecute criminal cases. He
15 supervised the Bureau of Prisons, the United States Marshal's
16 Service. All the criminal justice components within the
17 Department of Justice reported to him essentially.

18 Q. So he was a supervisor over all federal prosecutors
19 essentially?

20 A. Yes.

21 Q. In that respect, is it fair to say he was the highest
22 ranking official at the Department of Justice responsible for
23 criminal cases in the United States?

24 A. Well, that is not quite accurate, but the Attorney
25 General and the Deputy Attorney General are responsible for

1 criminal prosecutions and they are above Mr. Giuliani.

2 Q. They are responsible for criminal prosecutions, as
3 well as many other things?

4 A. That is right.

5 Q. But in terms of a narrow focused area of
6 responsibility, he was the top man?

7 A. Yes.

8 Q. He first entered on his duties about when?

9 A. I believe he started before he was confirmed by the
10 Senate, in about February of 1981, and I believe he was
11 confirmed by the Senate in April of 1981.

12 Q. Specifically, in April of 1981, were you already on
13 board?

14 A. Yes. I am not sure if I was formally appointed yet
15 either, but I was either appointed to that job or acting in a
16 designate capacity.

17 Q. Directing your attention specifically to the date of
18 April 6th, 1981, which was a Monday, and to the morning of that
19 day, do you recall any meeting being held there at the
20 Department of Justice with Mr. Giuliani and yourself?

21 A. Yes.

22 Q. Could you tell us how come you were present at that
23 meeting?

24 A. well, Mr. Giuliani asked me to be present at that
25 meeting.

1 Q. And to join him?

2 A. Yes, sir.

3 Q. To your recollection, was there anybody else from the
4 Department of Justice there?

5 A. I don't recall anyone else from the Department of
6 Justice being at the meeting.

7 Q. Do you recall who the meeting was with?

8 A. Yes, I do.

9 Q. Who was it with?

10 A. The meeting was with Congressman Hansen, a man who I
11 believe was a member of Mr. Hansen's staff, and I believe two
12 attorneys who came to the meeting with that group. I don't
13 know if they were Mr. Hansen's attorneys or not. I believe it
14 was those four individuals, Mr. Giuliani and myself.

15 Q. When you say Congressman Hansen, do you see him in
16 the courthouse today?

17 A. Yes, Congressman Hansen is sitting in the courtroom
18 at the end of defense table.

19 Q. Did you know, before the meeting began, what the
20 purpose of that meeting was?

21 A. No, I don't think I did.

22 Q. Could you describe for us what happened at that
23 meeting?

24 A. Yes. Congressman Hansen and the other gentleman
25 arrived and we went into our conference room. I can't recall

1 exactly who said what, but the congressman, as well as the
2 other people who were with him, explained that he and, I think
3 this Nelson Bunker Hunt, had been the recipients of a letter
4 which they said sought an extortion payment, a blackmail
5 payment, from them.

6 A copy of the letter was shown to us, and perhaps
7 even given to us. I don't recall that. We read the letter.
8 We discussed it. We discussed likely prospects, who might have
9 sent this letter which demanded a sum of money, on pains of
10 disclosing that a bribe had been paid.

11 Q. Do you recall Congressman Hansen going into some
12 detail concerning a silver commodities transaction that was
13 discussed in that letter?

14 A. He discussed that, yes.

15 Q. Let me place before you, Mr. Caruso, what is in
16 evidence as Defendant's Exhibit 2. Is that the letter that was
17 shown to you at that time?

18 A. This is a copy of it, yes.

19 Q. If you will look at that, you will see that the
20 letter refers to a silver commodities transaction, is that
21 correct?

22 A. Yes, it does.

23 Q. Was that silver commodities transaction discussed?

24 A. Yes, it was.

25 Q. Was the fact that Mrs. Hansen had made a profit of

1 \$87,000 discussed?

2 A. Yes, it was.

3 Q. Did Congressman Hansen respond to questions by Mr.
4 Giuliani and/or yourself regarding the details of that
5 transaction?

6 A. Yes, I think he did, yes. I don't recall
7 specifically the questions that were asked and answers that
8 were given, but there was a discussion.

9 Q. To your recollection, all questions that were asked
10 were answered?

11 A. Yes.

12 Q. To your recollection, did Mr. Giuliani tell the
13 people who came that an investigation would be begun?

14 A. Yes, I think he told them that.

15 Q. Did he tell them that he would send out the FBI?

16 A. He told them he would contact the FBI and that FBI
17 agents would get in touch with the congressman and anyone else
18 who they thought might have some relevant information.

19 Q. During this meeting, were you taking any notes?

20 A. I don't recall taking any notes. I don't recall
21 taking notes, I might have but I don't recall doing that.

22 Q. Did you find any notes at all?

23 A. No. I have looked for that, for notes of that
24 meeting, and I haven't found any in the files that I have from
25 that period of time.

1 Q. How did the meeting end?

2 A. The meeting ended with our saying -- Mr. Giuliani
3 saying, that he would get in touch with people, officials at
4 the FBI, and that some agents would get in touch with the
5 people who should be interviewed.

6 Q. To your knowledge, was that done?

7 A. Yes, it was.

8 Q. Did you hear again from Congressman Hansen later that
9 afternoon?

10 A. I don't recall hearing again from him. I don't
11 recall that, no.

12 Q. Do you recall that there was any complaint about the
13 investigation being conducted in any amateurish way or anything
14 along that line?

15 A. I don't recall it.

16 Q. Could it have happened and you just don't recall it
17 today?

18 A. I am saying I don't remember one way or the other if
19 there was such a conversation. There could have been but I
20 don't remember whether there was or not.

21 Q. Did you ever follow-up to find out what the result of
22 the investigation was?

23 A. Well, I have to answer, as put, the answer to that
24 question is no, I did not.

25 MR. LEWIN: Thank you.

1 THE COURT: Cross-examination.

2 CROSS-EXAMINATION

3 BY MR. WEINGARTEN:

4 Q. Good afternoon, Mr. Caruso. We, of course, know each
5 other from your service here in Washington?

6 A. Yes, we do.

7 Q. Mr. Caruso, when was the April 6th meet set up?

8 A. On the morning of April 6th.

9 Q. To your knowledge, is the Department of Justice and
10 the FBI open on the weekends, for emergencies?

11 A. Oh, yes, of course.

12 Q. Did Congressman Hansen talk to you about problems he
13 may have had with the IRS or a book he was writing?

14 A. Yes, he mentioned that. He talked about the Internal
15 Revenue Service and problems that he perceived in that service.

16 Q. Was this part of the April 6th meeting?

17 A. Yes, at the same meeting. There was only one meeting,
18 and he discussed the IRS at that meeting. He told us he would
19 send us a copy of a book he had written about the IRS.

20 Q. Mr. Caruso, did you perceive any relevance between
21 the blackmail letter and Mr. Hansen's talking about the IRS?

22 A. No.

23 Q. Did Mr. Hansen ever volunteer any information about a
24 soybean deal between Mrs. Hansen and Nelson Bunker Hunt?

25 A. I don't recall any such discussion, no.

1 Q. Did he ever discuss anything about a loan Mr. Hunt
2 may have made to Mrs. Hansen or Mr. Hansen?

3 A. I don't recall any such discussion.

4 Q. Was Mr. Hunt mentioned during the recitation of facts?

5 A. Yes, oh, yes.

6 Q. Now, there was some discussion about a silver
7 transaction, was there not?

8 A. There was.

9 Q. I think pursuant to a question from Mr. Lewin, you
10 answered that in fact someone represented that Mrs. Hansen had
11 made an \$87,000 profit?

12 A. Yes, that is right.

13 Q. Was information also provided to you that in fact it
14 was Mr. Hansen who spent that money?

15 A. No.

16 Q. Now, as a result of the April 6th meet with the
17 congressman and his colleagues, what investigative steps were
18 forthcoming?

19 A. The matter was referred to the FBI.

20 Q. Please continue.

21 A. Ultimately to the public integrity section of the
22 criminal division in the Justice Department.

23 Q. Is it normal, within the United States Department of
24 Justice, when there is an investigation, for the FBI to do the
25 investigative work and the prosecutive component of the

1 criminal division to assume the legal end of it?

2 A. Yes, that is the way it happens.

3 Q. In this instance, what component of the criminal
4 division was assigned the case?

5 A. The public integrity section.

6 Q. To your knowledge, what kinds of cases does the
7 public integrity section handle?

8 A. The public integrity section handles only one kind of
9 case, and that is cases involving allegations of wrongdoing by
10 public officials.

11 Q. If this case had been perceived just as a blackmail,
12 would the case have been assigned to the public integrity
13 section?

14 A. No, it shouldn't have been.

15 Q. Have you ever heard the expression, "race to the
16 prosecutor's office?"

17 A. Yes, I have.

18 Q. What does that mean to you, sir?

19 A. That means, in a situation where there are several
20 people who may be involved in a crime, the first one to reach
21 the prosecutor's office can sometimes cut the best deal for
22 himself or begin to create a defense for himself.

23 MR. WEINGARTEN: Thank you, sir.

24 THE COURT: Mr. Lewin.

25 REDIRECT EXAMINATION

1 BY Mr. LEWIN:

2 Q. Mr. Caruso, this information that you have just told
3 Mr. Weingarten regarding the assignment of the case to the
4 public integrity section, did you follow that back in 1981?
5 Were you involved in the assignment of this case to the public
6 integrity section?

7 A. Was I involved in the assignment of it? No.

8 Q. Do you know when it was assigned to the public
9 integrity section?

10 A. I don't know when it was assigned, no.

11 Q. So you don't know whether, as of April 6th, or indeed
12 any time in April, or May or June, or any time at that point,
13 when it was assigned to the public integrity section?

14 A. It got assigned to the public integrity section.

15 Q. At some point because you know Mr. Weingarten, and he
16 is with the public integrity section?

17 A. That is not the only fact that leads me to that
18 conclusion. But it was, at some point in time, assigned to the
19 public integrity section, but I don't know when.

20 Q. Now, with regard to the matter of the Internal
21 Revenue Service and Congressman Hansen's discussions of the
22 Internal Revenue Service --

23 A. Yes.

24 Q. -- it was pretty clear that that letter was
25 suggesting an impropriety on the part of Congressman Hansen,

1 was it not?

2 A. Yes, yes.

3 Q. You don't have any doubt about it, do you?

4 A. The letter suggested impropriety on the part of
5 Congressman Hansen, that is absolutely right. It suggested
6 that.

7 Q. If Congressman Hansen was trying to explore why
8 somebody would be trying to create some difficulty for him, he
9 might explore what differences he had had with either agencies
10 or others?

11 A. Yes.

12 Q. And it was that in context that all that discussion
13 came up about people who there might be some problem with or
14 how he had taken public stands?

15 A. Yes, I think that is right.

16 Q. He indicated that he had taken very strong public
17 stands on a number of issues?

18 A. He did.

19 Q. And IRS was only one of several that were discussed?

20 A. I recall the discussion about the IRS. I don't
21 specifically recall discussions about other specific issues.
22 He did say that he had taken various public stands on various
23 issues.

24 Q. Therefore, because he had made himself a public
25 figure in that regard, there might be people who might be

1 taking or seeking to take some kind of threats against him?

2 A. Yes.

3 Q. Did he suggest in any way that in that letter there
4 was also a substantial foreign policy element that raised a
5 problem?

6 A. I don't remember him suggesting that at that time. I
7 do recall a discussion of that at some point in time. I am not
8 sure when, but there is this document in evidence. It says
9 something about financing an operation that won't violate U.S.
10 laws. There was some suggestion that there was some sort of
11 foreign policy.

12 Q. But there were foreign elements in there involved in
13 some kind of insurrection or something?

14 A. That is what the document says.

15 Q. That is what the document says?

16 A. Yes.

17 MR. LEWIN: Thank you.

18 THE COURT: Anything further?

19 MR. WEINGARTEN: No.

20 THE COURT: Thank you for your testimony, Mr. Caruso.
21 You are excused. I ask, of course, you not discuss it with any
22 other possible witness in this case until the matter is
23 concluded. Have a good day.

24 THE WITNESS: Thank you.

25 THE COURT: Next witness, Mr. Lewin.

1 MR. LEWIN: We call John Runft.

2 May we have a brief bench conference?

3 THE COURT: Yes.

4 (Bench conference)

5 THE COURT: What do we have?

6 MR. LEWIN: Your Honor, this present witness and the
7 next witness, who is Mr. McKenna, were individuals who are
8 attorneys. Mr. Runft is Congressman Hansen's private attorney.
9 His office is in Boise. He has frequent consultation with the
10 congressman on legal matters. He will be testifying about
11 advice that he has given to the congressman regarding the
12 disclosure of these matters and his participation in the
13 property settlement agreement.

14 THE COURT: Regarding the disclosure of which matters,
15 financial disclosure statements?

16 MR. LEWIN: Yes, financial disclosure statements and
17 things of that nature, and with regard to the preparation of
18 the property settlement agreement.

19 Congressman Hansen, of course, for purposes of this
20 testimony, waives the attorney-client privilege for that
21 limited purpose. I just want to be sure that, I think it is
22 clear from the cases, that wherever there is an "advice of
23 counsel" defense in a criminal prosecution, and an attorney
24 testifies in terms of advice of counsel, it is permissible to
25 go into that and there is a waiver for that purpose.

1 That does not mean, of course, that there is a waiver
2 in any other areas pertaining to the attorney-client privilege,
3 only to the extent of matters disclosed to counsel for purposes
4 of that legal advice, statements made by counsel to the client
5 with regard to that specific matter. But I just want to make
6 clear and put on the record that the waiver is limited to the
7 work that Mr. Runft and Mr. McKenna did in the area of the
8 separation of property agreement, the consultation regarding
9 the financial disclosure forms and those areas.

10 THE COURT: Of course, the waiver extends to the
11 reasonable cross-examination on those matters, too.

12 MR. LEWIN: Of course.

13 THE COURT: Not just the direct examination.

14 MR. LEWIN: Of course, of course. But I just want to
15 be sure that there is no question in the record that by putting
16 Mr. Runft on the stand we are not simply saying that Mr.
17 Weingarten or Mr. Cole can cross-examine him about any unrelated
18 matters simply because he is an attorney.

19 THE COURT: You wouldn't be examining him on unrelated
20 matters either, because we have to focus on what is in the case.
21 And anything that is brought up in the case or has relevance to
22 the case is a legitimate subject of cross-examination, right?

23 MR. LEWIN: Yes.

24 THE COURT: You do recognize, and of course the
25 prosecutors can speak for themselves, I am just talking in