

1 general about this and the next witness, if the similar
2 situation pertains, and I assume what you are saying for Mr.
3 Runft, and you are also saying as to Mr. McKenna the same
4 similar kinds of applications apply?

5 MR. LEWIN: Yes.

6 THE COURT: Obviously, cross-examination, as you know,
7 has some elasticity to it, just as has been exercised on both
8 sides of the table here.

9 MR. LEWIN: I understand.

10 THE COURT: Counsel for the government has heard you.

11 MR. LEWIN: Fine.

12 (End of bench conference)

13 whereupon,

14 JOHN L. RUNFT

15 was called as a witness by counsel for the Defendant and,
16 having been duly sworn by the Deputy Clerk, was examined and
17 testified as follows:

18 THE COURT: Good afternoon.

19 DIRECT EXAMINATION

20 BY MR. LEWIN:

21 Q. Mr. Runft, could you please state and spell your full
22 name?

23 A. My name is John L. Runft, R-U-N-F-T.

24 Q. Mr. Runft, where do you reside?

25 A. Boise, Idaho.

1 Q. How long have you lived there?

2 A. I have lived there approximately 30 years.

3 Q. What is your occupation?

4 A. I am a lawyer.

5 Q. How long have you been a lawyer?

6 A. I have been a lawyer since 1965. That is 20-some odd
7 years now, almost.

8 Q. Could you just describe for the Court and jury your
9 education from college?

10 A. Yes, I attended the College of Idaho, it is a private
11 college located in Caldwell, Idaho, and from there to the
12 University of Chicago Law School, where I acquired my doctor of
13 jurisprudence.

14 Q. In what year did you receive your JD from the
15 University of Chicago Law School?

16 A. Yes. I graduated from the University of Chicago in
17 1965.

18 Q. What firm are you with at present?

19 A. I am with the firm of Runft, Leroy, Stecher, Coffin &
20 O'Riordan.

21 Q. Have you been in partnership with others in past
22 years?

23 A. Certainly. As a young lawyer starting out, I was
24 employed as an associate in a firm in Boise by the name of
25 Moffat, Thomas, Barret & Blanton and later became a member of

1 the firm of Eberle & Berlin where I became a partner before I
2 started my own law firm.

3 Q. From then on, you have been the principal partner in
4 a law firm, which has had other partners?

5 A. That is correct, since 1974, July 1, 1974, to be
6 specific.

7 Q. Could you just describe for the Court and jury what
8 bars you are a member of?

9 A. I am a member of the Idaho Bar, through the Idaho
10 Supreme Court, a member of the District Court of Idaho, the
11 Ninth Circuit Court of Appeals, the Court of Claims, United
12 States Court of Claims, the Court of Appeals for the Federal
13 Circuit and also a member of the Bar of the United States
14 Supreme Court.

15 Q. Is there any work that you do as a specialty or any
16 area that you do more work in than others?

17 A. Personally, I have been involved in considerable
18 amount of administrative law, litigation regarding
19 administrative law, frequently with constitutional aspects.
20 Our firm, and I, do a lot of work in the areas of business,
21 commercial law, frequently with the government agencies, and
22 quite a bit of natural resources law.

23 Q. How many attorneys are there in your firm right now?

24 A. We have nine.

25 Q. By Idaho standards, that is a good sized firm?

1 A. That is a medium sized firm, yes.

2 Q. Are you a member of any bar associations or
3 organizations?

4 A. Yes. I am a member of the Idaho Bar Association, the
5 American Bar Association and the American Judicature Society.

6 Q. Have you published in any legal journals?

7 A. Yes. After I had been a member of the Idaho Bar for
8 several years, I published an article in the Idaho Law Review
9 and I have published several pamphlets dealing with certain
10 areas of administrative law.

11 Q. Mr. Runft, among your clients, is Congressman George
12 Hansen one of them?

13 A. He is.

14 Q. How long have you had Congressman Hansen as a client?

15 A. Since August of 1974.

16 Q. What kinds of matters has he consulted you about?

17 A. Congressman Hansen has --

18 MR. WEINGARTEN: Excuse me. May we approach the
19 bench.

20 (Bench conference)

21 MR. WEINGARTEN: I hate to do this, but that question
22 is what matters did he consult this lawyer on. This man
23 represented him in his criminal case here in the District of
24 Columbia. I mean if he is going to ask those questions, I
25 should be able to respond.

1 MR. LEWIN: Okay. I will phrase the question
2 differently.

3 THE COURT: Has he been cautioned not to discuss that
4 matter?

5 MR. LEWIN: I am sure he knows that. I will ask him
6 that --

7 THE COURT: I think we better bring him up here and
8 address that to him once again. I would hope with the rest of
9 your witnesses that that is a matter you should take care of.
10 I am trying to protect it for you and for the trial.

11 MR. LEWIN: I know that.

12 THE COURT: But I have to say, in reference to your
13 original request as to how you are exposing Mr. Runft, if you
14 ask him what kinds of matters he has consulted with Mr. Hansen
15 on, that opens the world.

16 MR. LEWIN: This is a background question, which I
17 just want to get in the fact that he has discussed with him
18 personal and financial and other matters.

19 THE COURT: If it starts to be specific, then when
20 they ask certain questions I have to allow it. So I am giving
21 you fair notice.

22 MR. LEWIN: I will ask the question another way.

23 THE COURT: Yes. Mr. Runft, come up here for a
24 moment, please. We will save time and don't have to put the
25 jury in and out.

1 Whatever questions are being addressed to you, I
2 understand you have not been advised that you are not, I repeat,
3 not to discuss anything about Congressman Hansen's prior
4 conviction. The jury is unaware of it. So answer the
5 questions, of course, truthful but that is one matter that you
6 cannot refer to. Mr. Lewin will make sure of that with
7 subsequent witnesses that those he is calling are fully aware
8 they are not to discuss Congressman Hansen's prior conviction.

9 So you are asked the question what you had consulted
10 him about. If that question is still going to be asked of you
11 after this recess, by all means answer to your heart's content,
12 except for that one matter.

13 THE WITNESS: I will.

14 THE COURT: Is that understood?

15 THE WITNESS: I will follow that admonition.

16 THE COURT: All right. Fine.

17 (End of bench conference)

18 BY MR. LEWIN:

19 Q. Mr. Runft, in representing Congressman Hansen, have
20 you represented him in connection with personal financial
21 matters?

22 A. Yes, I have.

23 Q. Since, you say, 1974, that period of time, he has
24 called you on the telephone from Washington to discuss matters
25 that relate to his personal finances?

1 A. Yes, he has. He has called me on personal matters,
2 campaign matters, all sorts of matters.

3 Q. Directing your attention specifically, Mr. Runft, to
4 early or mid-1976, did Congressman Hansen discuss with you the
5 matter of his and his wife's financial obligations as of that
6 time?

7 A. In mid-1976, I can recall we had discussions about
8 their financial circumstances at that time. They were general
9 conversations to begin with, and I recall they were, of course,
10 addressing the specific issues to their accountant at that time,
11 yes.

12 Q. Could you describe for the Court and jury
13 specifically what the circumstances were that were being
14 discussed with you and that you were being consulted about, as
15 of that time?

16 A. I believe it was in 1976 that Congressman Hansen
17 wanted to have me prepare a means by which the congressman
18 could, as I recall, solicit personal funds, separate from
19 campaign funds, if this would be a possibility under the
20 Federal Election Committee regulations.

21 He asked me to look into the matter, the question
22 being, at the time, whether such a solicitation could be
23 separated from campaign solicitation. And so I spent some time
24 looking into the law in that regard.

25 Q. Had you become aware, at that time, about the

1 financial circumstances of Congressman and Mrs. Hansen?

2 A. Yes.

3 Q. Could you just describe for us what, to your
4 understanding, were their financial circumstances as of that
5 period of time?

6 A. The congressman and his wife had a considerable
7 amount of debt at that time, which had been, to a large degree,
8 the result of some --

9 Q. Without going into what the reasons were, just
10 describe for us what the circumstances were as of that time.

11 A. Circumstances, yes, I understand. The circumstances
12 were that the Hansens did have a considerable amount of debt
13 and they desired to seek a way, within the law and properly,
14 with my advice and the advice of their accountant, a way in
15 which they could ameliorate the situation.

16 Q. The specific means that were being suggested were to
17 do what?

18 A. Well, initially, the thought was to determine whether
19 the congressman could solicit, privately, funds from potential
20 donors that would not be used for campaign purposes, and we
21 approached the Federal Election Committee on that basis.

22 Q. Was there, as of that time, a federal law which
23 restricted the means under which funds could be solicited for
24 campaign or political purposes?

25 A. Well, the Federal Election Committee was directed by

1 a statute at that time, which was in force. That statute, I
2 don't recall exactly when it came into being, but it did follow
3 on the heels of the House Administration Committee, which had
4 formally exercised that jurisdiction.

5 The new law did set forth the standards by which
6 office holders, such as congressmen, could raise money,
7 directed principally toward campaign money and political
8 exercise.

9 Q. So just to make that clear, the Federal Election
10 Commission was a federal agency which regulated how congressmen
11 could collect funds for campaign purposes?

12 A. Correct.

13 Q. And for election purposes?

14 A. Right.

15 Q. This particular matter on which you were being
16 consulted was whether there was some way, consistent with that
17 federal election law, under which solicitations could be made
18 to cover personal obligations, is that right?

19 A. That is correct, and whether there was a way that
20 could be devised whereby Congressmen Hansen could, within that
21 law, go forward and make these private solicitations, some way
22 he could raise money.

23 Q. So that people would be able to contribute to him and
24 his wife personally?

25 A. That is correct.

1 Q. Did you, pursuant to those discussions, attempt to
2 work out some arrangement which would be consistent with
3 federal election law?

4 A. I did. I spent a considerable amount of time
5 analyzing the federal election law, and spent several trips to
6 the Federal Election Commission itself, where I met with a
7 gentleman named David Stein, who was a lawyer there, and also
8 with a Mr. Leitchberg, or it might have been Lietchfield. My
9 notes would tell me.

10 But in any event, I met with the attorneys for the
11 Federal Election Commission, analyzed the law, and eventually
12 devised a law which I submitted to George. He reviewed it.
13 This plan was prepared and submitted in writing to the Federal
14 Election Commission for an opinion.

15 I may add that the law of the Federal Election
16 Commission, one of its duties was to issue opinions upon
17 request by counsel for the congressman, so the congressman
18 could go to the Commission and ask for an opinion as to their
19 plan.

20 Q. Let me place before you, Mr. Runft, Defendant's
21 Exhibit 30 for identification, and ask you whether you
22 recognize that document?

23 A. Yes, I do.

24 This document is dated February 18th, 1977. It is a
25 copy of the letter which I assisted Congressman Hansen in

1 drafting, which was addressed to the Federal Election Committee
2 requesting an advisory opinion on the plan that I had devised.

3 Q. You drafted that letter essentially?

4 A. Yes.

5 Q. It was submitted to the Federal Election Commission
6 on behalf of Congressman Hansen, signed by him?

7 A. It was, under his signature, yes.

8 MR. LEWIN: I offer Defendant's Exhibit 30 in
9 evidence.

10 MR. WEINGARTEN: Hasn't the Court ruled on it already?

11 THE COURT: I believe I have, but I think it is very
12 important I see counsel at the bench. You can sit there for a
13 moment, if you wish, sir.

14 (Bench conference)

15 THE COURT: One of my continuing difficulties,
16 gentlemen, is, of course, I don't have a copy of this document
17 at the time it is being offered into evidence. I will have to
18 rely upon counsel.

19 There isn't a single word mentioned in this one or
20 any of the forthcoming documents, that refers to guilt, to
21 innocence, to conviction, to trial or to anything that
22 surrounds that matter? There is no way I can foresee that it
23 does or doesn't in light of seeing the document but it is
24 really up to counsel to scrutinize it. I would say the same
25 for the government's side.

1 We with did rule earlier as to those exchange of
2 letters to and from Congressman Hansen dealing with these
3 matters, that they would be admissible.

4 MR. LEWIN: Let me give you a copy.

5 THE COURT: Again, I am going to rely upon counsel
6 offering it, because if there is something in there you will
7 have to live with it, Mr. Lewin, just like with the witnesses.

8 MR. LEWIN: I understand.

9 THE COURT: In the future.

10 MR. LEWIN: Right.

11 THE COURT: Do I take it there is nothing in here
12 concerning the matter?

13 MR. LEWIN: No.

14 THE COURT: I don't want to keep calling you up here
15 each time for this matter.

16 Just for your information again, as to the group of
17 correspondence to and from Congressman Hansen, Mrs. Hansen, if
18 she is present to so testify, concerning his way that he
19 concedes of these funds and how he can apply these funds, I
20 have ruled he can bring that into evidence. I take it we have
21 a continuing objection from the government. We don't have any
22 objection by the government to responses but objection to the
23 congressman's letters. But we will note the objections as they
24 are appropriate at the time.

25 MR. WEINGARTEN: Fine.

1 (End of bench conference)

2 MR. LEWIN: We offer Defendant's Exhibit 30.

3 THE COURT: It is in evidence.

4 (Whereupon, Defendant's Exhibit
5 No. 30 was received into evidence).

6 BY MR. LEWIN:

7 Q. We have made copies of that just for publication to
8 the jury. I don't think it is necessary for the jury to read
9 the whole letter but since it is in evidence, while Mr. Runft
10 is testifying about it, I would like to have the copies
11 available to the jury to look at the letter.

12 THE COURT: The jury can have a copy to look at for a
13 moment, but obviously I want their concentration to be on the
14 witness' testimony. They will have the original of the
15 document that is placed in evidence back in the jury room at
16 the time of their deliberations.

17 So all I ask you, ladies and gentlemen, to take a
18 quick, flipping look, so to speak, at the document that is now
19 being perused, given to you for your perusal. But then I ask
20 you to put it down. It will be collected by the marshal and
21 the testimony will be ongoing. I don't want your attention to
22 be diverted from the testimony.

23 We will wait a moment while they take a quick look at
24 it, Mr. Lewin. Then they will be collected and we will go on
25 with the testimony. Just a very quick look, please, ladies and

1 gentlemen.

2 All right. They have been collected. We are ready
3 to go on with the testimony.

4 BY MR. LEWIN:

5 Q. The letter states, Mr. Runft, does it not, that the
6 request is being made, that second sentence of the first
7 paragraph, "So it is submitted that federal office holders
8 should be afforded the means to supplement their income
9 provided by their federal salary if it can be done in a manner
10 that will not influence or effect their nomination or election
11 to federal office."

12 Was that the purpose of submitting this letter to the
13 Federal Election Commission?

14 A. Yes, it was. The plan was designed to that purpose.
15 All contributions were to be solicited outside of the district.
16 That is under the provision herein.

17 Q. Why don't you summarize, since the jury has had a
18 very brief opportunity to glance at the letter, why don't you
19 summarize for us what it is, this plan you had come to, really
20 provided for.

21 A. Well, it was designed to provide a means whereby
22 Congressman Hansen could accept gifts from well-wishers. These
23 gifts would have to be unconditional, and to avoid any
24 implication at all of vote getting, the idea was to have these
25 solicitations to be done outside the district. They would not

1 be done in the Congressional district.

2 I went through the Act itself and tried to meet every
3 single criteria. As you all saw, it is a rather lengthy set of
4 provisions here, whereby I attempted to meet any of the
5 possible objections to this kind of a plan.

6 For example, all the disbursements from gifts were to
7 be paid out solely for the costs of the effort, that is to say,
8 any money that would come in would be paid for the costs.
9 There wouldn't be any money mixed with campaign money. There
10 are many, many provisions here. But the purpose here was to
11 achieve or receive unconditional gifts for purely a personal,
12 non-political purpose.

13 Q. And the objective, looking at the bottom of the first
14 page of Exhibit 30, you say, "That if federal office holders
15 are held to a standard of 'personal gifts customarily received
16 prior to candidacy,' and are to be severely limited in their
17 receipt of honorariums and other extra federal income, they
18 have little prospect of every overcoming extraordinary personal
19 expenses or losses while pursuing their careers as federal
20 office holders, unless they were wealthy prior to candidacy."

21 MR. WEINGARTEN: Is there a question?

22 MR. LEWIN: The document is in evidence. I think if
23 I could publish part of the document.

24 THE COURT: The thing is, what is the question?

25 MR. LEWIN: I am asking him whether that was the

1 objective, or indeed whether -- I don't know if I have to ask
2 the question. May I just read that to the jury? That is part
3 of the letter.

4 THE COURT: Not the whole letter.

5 MR. LEWIN: My purpose in originally distributing was
6 to hope that the jury could read that. But instead could I
7 just read it.

8 "There must be some provision by which federal office
9 holders of modest means can overcome the burden of
10 extraordinary personal expenses and losses while continuing to
11 serve the constituency which elected them."

12 was that the objective you were trying to achieve?

13 A. It was indeed. The concept here was, you take a
14 congressman of modest means, who is not wealthy, and if he is
15 subjected to extraordinary expenses, something perhaps beyond
16 his control, how can he make up for it? He can't go out and go
17 into business. He does not have the unlimited authority under
18 the Act to collect a vast amount of honorariums from speeches.
19 As a candidate, as an office holder, he is severely limited and
20 is limited only to the income of his salary.

21 What we were attempting to do here, within the law,
22 was to find a means by which these losses could be recouped.

23 Q. There was to be a maximum in terms of the permissible
24 contribution?

25 A. \$100.

1 Q. No contribution of more than \$100 could be accepted?

2 A. It was felt, again as I say, the small contribution
3 of \$100 or less, solicitation outside the Congressional
4 district, all these steps were taken to try to devise a means
5 whereby the congressman could do this properly and within the
6 law.

7 Q. Any contributor would be asked to sign a statement
8 which would indicate that he is making this donation for
9 personal use and not to be given to influence any nomination or
10 election or as a campaign contribution?

11 A. That is quite so, and the form is set forth in the
12 letter, which we presented to the Commission.

13 Q. To your knowledge, that letter, Defendant's Exhibit
14 30, was submitted to the Federal Election Commission?

15 A. Yes, it was.

16 Q. To your knowledge, was there a response ultimately
17 received from the Federal Election Commission?

18 A. Yes. A response came in March of 1977, approximately
19 a month later.

20 Q. Let me place before you what has been marked as
21 Defendant's Exhibit 32 for identification. What is Defendant's
22 Exhibit 32 for identification?

23 A. Exhibit 32 is a copy of the opinion from the Federal
24 Election Commission that was solicited in Exhibit 30. That is
25 to say, the plan that we submitted was responded to by the

1 Federal Election Commission in an opinion, and this opinion is
2 Exhibit 32.

3 MR. LEWIN: We offer Defendant's Exhibit 32 into
4 evidence.

5 MR. WEINGARTEN: No objection.

6 THE COURT: It is in evidence.

7 (Whereupon, Defendant's Exhibit
8 No. 32 was received into evidence).

9 BY MR. LEWIN:

10 Q. That is a four-page letter, is that right?

11 A. It is a four-page letter. I had said that it was in
12 March and it is indeed dated March 30, 1977.

13 Q. Does it set out, in separate paragraphs, the various
14 conditions that you had specified in the letter that was
15 submitted to the Federal Election Commission?

16 A. Yes, it does. This letter describes, again, the
17 conditions under which the personal funds would be solicited in
18 the plan that we submitted. It repeats them verbatim for
19 several pages here.

20 Q. Directing your attention to page 3, the paragraph
21 towards the bottom of the page, beginning with the word "based",
22 have you found that page?

23 A. I have indeed.

24 Q. After the enumeration of the various conditions you
25 had specified in your letter, could you just read for the Court

1 and jury what that paragraph says on page 3?

2 A. All right.

3 "Based on your representations as to how the personal
4 fund-raising would be conducted, and the conditions under which
5 gifts would be solicited and accepted, the Act and proposed
6 regulations would not apply. Accordingly, there is no
7 obligation to submit to the Commission any letters, cards,
8 affidavits or reports related to the described plan for
9 personal fund solicitation."

10 Q. Now, could you tell the Court and jury what, in
11 substance, the Commission was saying in response in its letter
12 of March 30th, 1977?

13 A. Well, in substance, the Federal Election Commission,
14 after reviewing the plan, concluded that the plan not being a
15 campaign-type plan, was not within the Act; that is, it was
16 outside of the act and not subject to the provisions of the Act,
17 which limit and control campaign solicitations and
18 contributions.

19 Q. In other words, it was not prohibited by the federal
20 election law?

21 A. That is correct.

22 Q. So that so far as the federal election law is
23 concerned?

24 A. It didn't apply.

25 Q. It did not apply and it was entirely permissible

1 under the federal election law to conduct a campaign according
2 to the standards that you had set out to collect contributions
3 for personal expenses that the Hansens had incurred, or
4 obligations that they had to repay?

5 A. If done in accordance with the plan that we had
6 outlined.

7 Q. As outlined?

8 A. Yes.

9 Q. Now, Mr. Runft, did that conclude the matter insofar
10 as the permissibility of such a solicitation was concerned?

11 A. No, it did not.

12 Q. Why not?

13 A. Because in considering the propriety of any plan of
14 this nature, for a congressman, one not only has to consider
15 the federal election law but also the rules and regulations of
16 the House of Representatives, the body in which he serves, for
17 those bodies have rules of standards and ethics which must be
18 looked to.

19 Q. In the course of consideration of the plan by the
20 Federal Election Commission then, had Congressman Hansen, as
21 well, made application or formal submission to the appropriate
22 house committee?

23 A. Yes, he did.

24 Q. Let me place before you, before you continue any
25 further, what has been marked as Defendant's Exhibit 31 for

1 identification.

2 MR. WEINGARTEN: Could we have a copy?

3 MR. LEWIN: Yes.

4 BY MR. LEWIN:

5 Q. I interrupted you. You said yes?

6 A. Yes, he did. You handed me Exhibit No. 31, which I
7 recognize as being the copy of a letter dated March 14, 1977,
8 to Richardson Preyer, a member of Congress and the chairman of
9 the Select Committee on Ethics. This letter was signed by Mr.
10 Hansen, Congressman Hansen.

11 Q. Was that letter submitted pursuant to discussions
12 with you?

13 A. Yes. As a matter of fact, I reviewed this letter, I
14 believe by phone, before it was submitted. Yes, I did.

15 MR. LEWIN: We offer Defendant's Exhibit 31 in
16 evidence.

17 THE COURT: Subject to the earlier discussion at
18 bench?

19 MR. WEINGARTEN: May we approach the bench?

20 THE COURT: All right. Will you step down, please.

21 (Bench conference)

22 MR. WEINGARTEN: It is not my style to try and
23 sandbag Mr. Lewin by letting something in and coming back and
24 trying to get the conviction in. I think that if the first
25 paragraph is allowed in and the paragraph on the second page is

1 allowed in it is grossly unfair to leave that on the record and
2 disallow the government to prove that part of the quote unquote,
3 "political harassment" and "dirty tricks", included him
4 pleading guilty to campaign violations in this courthouse, so
5 we object to this document.

6 MR. LEWIN: Your honor, there were an enormous number
7 of matters totally apart from this one thing that were done
8 with regard to Congressman Hansen during that period of time.
9 If Mr. Weingarten is suggesting that this language is being
10 used to cover or describe that one incident, that is simply not
11 true. As Mr. Weingarten knows, there were allegations.

12 There was a civil suit that Congressman Hansen was
13 involved with in terms of theft of his credit records. That
14 cost an enormous amount. There were allegations that were
15 being made by the Federal Election Commission because
16 Congressman Wayne Hayes had moved them to do that. Congressmen
17 Hayes' name has come up in Mr. Weingarten's interrogation of
18 Mr. Hunt, and that is precisely accurate, that Congressman
19 Hayes had generated an enormous amount of activity and churned
20 up an enormous amount of activity against Congressman Hansen.

21 The fact that Congressman Hansen was saying at that
22 period of time there were all these matters that have put me in
23 debt, it seems to me is truthful, appropriate and proper and is
24 not at all improper or unfair in saying that that was the
25 reason for the debt.

1 THE COURT: Are you saying then that there are many
2 other matters, not just one, but many other matters in addition
3 to the conviction, which stimulated the phrases that he had a
4 considerable amount of legal, professional and other non-campaign
5 expenses?

6 MR. LEWIN: Yes.

7 THE COURT: Stimulating further the expression that
8 he had large expenses "pushed on me personally by political
9 harassment and dirty tricks that had not previously been" --

10 MR. LEWIN: Absolutely.

11 MR. WEINGARTEN: It is the Wayne Hayes' allegation
12 that brought this matter to the attention of the Department of
13 Justice. That triggered the Department of Justice's
14 investigation and that investigation culminated in a guilty
15 plea by the congressman.

16 MR. LEWIN: I am sorry, Your Honor. Wayne Hayes
17 tried, in various ways, to make various kinds of allegations.
18 Nearly all the allegations ended up being dismissed.

19 There was one thing, and I have given the
20 documentation to Your Honor, regarding that conviction.
21 Besides, there was the Wayne Hayes' allegations and following
22 Wayne Hayes and, indeed, as a result of other activity back in
23 Idaho, as I say, there was a lawsuit involved concerning theft
24 of credit, disclosure of his tax records, theft of his credit
25 record, all sorts of things, far, far beyond this one matter.

1 Indeed, in terms of expenses, I submit that the
2 expenses relating to that criminal matter were very small
3 compared with those related to the other forms of harassment
4 that were involved, precisely because, as the records that we
5 have shown Your Honor indicate, when that matter came up, the
6 congressman had retained an attorney here. He said, "Okay, we
7 will work out a disposition." They worked out a disposition
8 and it was only after there was a misunderstanding by Judge
9 Hart as to what the allegation was that another attorney came
10 in and promptly, within another week, that whole matter was
11 cleared up.

12 THE COURT: You mean the prison term that he received
13 was vacated?

14 MR. LEWIN: Right, within a week.

15 THE COURT: He received some statement to the extent
16 that, well, I thought you were a villain but you were really
17 stupid. The newspaper has reported that.

18 MR. LEWIN: The point is that that took up very
19 little time and very little in the way of attorney's costs.

20 THE COURT: All right. The bottom line is that you
21 are saying that this group of letters this correspondence, the
22 first of this type, which is your No. 31 refers to many others,
23 and in fact the majority of matters other than the conviction?

24 MR. LEWIN: Yes.

25 THE COURT: Which created the legal professional

1 expenses that you are now trying to have recuse? by
2 solicitations from personal contributions.

3 MR. LEWIN: Yes, that is correct.

4 THE COURT: All right. There may be other
5 communications that are closer to it. Certainly the one we
6 talked about earlier, that refers to innocence and such, is
7 going to have to be stricken. Either we strike the whole thing
8 or we will have to remove that part of it.

9 MR. LEWIN: Yes. I don't know what Mr. Weingarten
10 thinks but I am not intending to read what he views to be the
11 inflammatory portions of this letter. The only thing on this
12 letter I would like to read would be the second and third
13 paragraphs, which don't refer to those, which simply say, "Look,
14 this is what I am trying to do. I am somebody of modest means.
15 I don't have an outside force. I am trying to do some method
16 which will not interfere."

17 THE COURT: Obviously you conduct your
18 cross-examination as you wish, Mr. Lewin. Sometime it is going
19 to go so far, and I don't want to have to open the door. So I
20 guess I am saying in the vernacular, don't push it. Let's keep
21 it contained. Fair is fair.

22 (End of bench conference)

23 THE COURT: Since we had recessed at the bench for a
24 moment, we might as well recess now because there is something
25 back there in the jury room. Let's take a recess until 3:30.

1 (Recess)

2 (Bench conference)

3 MR. WEINGARTEN: It occurred to us at the break that
4 evidence is coming in through this witness, and I guess
5 subsequent witnesses, that there was this enormous debt created
6 by political dirty tricks, et cetera, et cetera. That is the
7 evidence of the defense. We have received no defense discovery
8 supporting this alleged debt, save this property/settlement,
9 which makes a bald allegation that there was \$372,000 in debt,
10 separated to Connie Hansen, with absolutely no supporting
11 information whatever.

12 I think at this time, particularly since the Court is
13 at least justifying a ruling that the conviction can't come in
14 because there are other expenses that were generated at this
15 time, at this time I think we should at least have discovery
16 supporting the existence of this debt or a specific proffer
17 from defense counsel that such a debt existed. I recall that
18 when we considered the Pentagon evidence, the Court properly
19 required government to make a specific proffer as to what we
20 were going to prove so the Court could make a determination
21 based upon our good faith proffer.

22 THE COURT: All right.

23 MR. LEWIN: What can I --

24 THE COURT: Can you give us any detail, since
25 apparently there was no discovery, here and now, concerning

1 this quarter of a million dollar obligation, 300,000?

2 MR. WEINGARTEN: \$372,000.

3 THE COURT: All right, something like that. What
4 other problems did he have that generated substantial sums of
5 debt? Can this witness testify as to those other matters,
6 being very careful, of course, that he doesn't touch the
7 conviction?

8 MR. LEWIN: The truth is, I think he does know about
9 various -- I don't think it is necessarily useful in terms of
10 this case, presenting it before the jury. If Mr. Weingarten
11 wants to go into what the other political dirty tricks were, he
12 could go into it, I suppose, with this witness or could go into
13 it with other witnesses who will testify, but I will represent
14 to Your Honor that from my familiarity with this case, from my
15 discussions with the various witnesses, there is just no
16 question about the fact that there were administrative
17 proceedings of various kinds, allegations that were made before
18 the Federal Election Commission which were washed out, which
19 turned out to be unsubstantiated.

20 Indeed, if Your Honor wants I have documents
21 contemporaneous with that April, 1977, thing where the Federal
22 Election Commission says there was no problem as to allegations
23 that were made to the Federal Election Commission. There is a
24 lawsuit in which this witness represented Congressman Hansen
25 against Mr. Morgan.

1 THE COURT: I don't care about that. My question to
2 you, Mr. Lewin, and I think you are answering it but we are
3 coming to it in reams of paper -- I just wanted to keep it down
4 to a focus -- are there any incidents that you could relate
5 like A, B, C, D, these are some of the matters upon which you
6 are relying on to say a substantial portion or a majority of
7 his expenses were not conviction associated expenses?

8 MR. WEINGARTEN: Perhaps I didn't make my position
9 clear.

10 MR. LEWIN: I don't understand what Mr. Weingarten
11 says.

12 MR. WEINGARTEN: Maybe I can restate it.

13 MR. LEWIN: Let me say this: "It was so much a
14 matter of public notice, and Mr. Weingarten, there is no reason
15 why he should read the Idaho press back in 1976 and 1977, but
16 everybody in Idaho knew that the Hansens had enormous financial
17 obligations. And, as I say, if you look to the criminal matter,
18 the criminal matter was one which involved a very limited
19 amount of time. There was no trial.

20 THE COURT: When was it?

21 MR. LEWIN: The criminal matter was in 1975, February
22 of 1975. It was a very limited period of time. There was no
23 trial. He hired a local counsel here. He said, "Okay we will
24 plead. No problem." He plead and totally unexpectedly Judge
25 Hart said, "Okay, you are going to jail."

1 I think Judge Hart said, "I didn't understand what
2 the charge was."

3 In terms of expense, that is a very, very minimal
4 expense. I have checked it again with the congressman over the
5 recess. These people were in great debt and that is where it
6 stood.

7 MR. WEINGARTEN: Maybe I wasn't clear enough. What
8 we are looking for is evidence that he was in great debt, debts
9 supported by documents that are unrelated to the prosecution of
10 1975. I think we are entitled to that, if there is going to
11 be evidence that there was such a debt.

12 We have received no discovery on that score, except
13 this one solitary figure on this property settlement agreement,
14 that there is going to be evidence offered to support the
15 existence of that debt. We would like some back up
16 documentation of it.

17 THE COURT: Is there going to be any evidence offered,
18 other than the conclusionary statement, through the witnesses,
19 that they were \$300,000, \$400,000 in debt?

20 MR. LEWIN: That is right.

21 THE COURT: There is no documentation?

22 MR. LEWIN: There is no documentation, because this
23 is a debt, Your Honor, that builds up by the fact that you are
24 paying expenses, you have a family of five people. All these
25 things add up. You have a home in Idaho, a home here. Sure,

1 if Mr. Weingarten wants to, he can ask the witnesses, he can
2 ask if the congressman takes the stand, he can ask Mr. Hansen
3 how did you generate that debt?

4 But certainly if there testimony is, and I submit it
5 is supported by ample documentation, "we were in great debt,"
6 indeed it would be crazy for people to go to these extremes to
7 try and collect funds if they were not in great debt. I don't
8 know what he wants and I don't believe -- let me say one other
9 thing: It is not the burden of a defendant in a criminal case.

10 THE COURT: You are asking, Mr. Weingarten, if Mr.
11 Lewin is going to produce any evidence in this regard of the
12 debt. You want, of course, to see that because you have had no
13 discovery in that regard. If he is going to make the statement
14 only through the witnesses, of course, that it is \$300,000 or
15 \$400,000, in a sum of money without any allocation as to how
16 that resulted, and we are being told that there is no
17 documentation?

18 MR. LEWIN: Right.

19 THE COURT: I guess you can make of it what you want
20 to so far as the examination is concerned that they were being
21 asked for money without any documentation behind it.

22 MR. LEWIN: That is right.

23 THE COURT: If he says there is no documentation, he
24 can't provide it to you.

25 MR. LEWIN: I can't provide any documentation. I am

1 telling you, there were great debts, and they are listed in
2 there, in terms of personal loans. There were great debts that
3 were owing and consequently, the Hansens had to find some way
4 to meet them. That is the way it is.

5 Again, as I say, if Mr. Weingarten wants to argue to
6 the jury, there is no basis for showing these people were in
7 debt, they really had a lot of money, they had it in Swiss bank
8 accounts, let him argue it. If he says Swiss bank accounts, of
9 course, I will scream and I think it is inadmissible, there is
10 no basis for it, but if he wants to argue to the jury, look
11 they have made up this debt, fine, let him argue the debt was
12 made up, that these people were really in fine circumstances
13 and this is all a smokescreen, if that is and I say argument.

14 MR. WEINGARTEN: I know Mr. Lewin's reputation is a
15 completely ethical honorable man, and if it is his
16 understanding that he is offering this evidence and it is his
17 understanding that such a debt existed and he is so
18 representing, then we get past that first threshold. If there
19 is no discovery, we get past the second threshold and I guess
20 we are on our own on cross-examination.

21 THE COURT: That is what he is telling us. I really
22 understood Mr. Lewin to say there is no documentation, he is
23 not going to be offering any, he doesn't have any and you will
24 have to make what you can out of cross-examination.

25 MR. LEWIN: Right, and the separation agreement

1 itself recites it. It was written in 1977, and this witness
2 will so testify. If you want to inquire of the witness inquire
3 of the witness.

4 THE COURT: I think by documentation I may be wrong,
5 but I gather d you meant other than the property settlement,
6 you wanted something tangible, IOU "X" number of dollars?

7 MR. LEWIN: No, I don't have an IOU.

8 THE COURT: Or whatever you might represent, tangible
9 evidence over and above what the parties declared were their
10 obligations?

11 MR. LEWIN: Yes.

12 THE COURT: If there isn't any, I can't order any,
13 right? Right.

14 (End of bench conference)

15 THE COURT: Bring the jury in.

16 (Jury present at 3:50)

17 THE COURT: Shall we continue.

18 BY MR. LEWIN:

19 Q. I believe before the recess, Mr. Runft, we had been
20 discussing Defendant's Exhibit 31, which was a letter of March
21 14, to Congressman Preyer, who was the chairman of the House
22 Select Committee on Ethics. I believe it was admitted in
23 evidence, was it not?

24 THE COURT: Yes.

25 MR. LEWIN: Thank you.

1 BY MR. LEWIN:

2 Q. Now, that letter, you said, Mr. Runft, was sent at a
3 time when the Federal Election Commission request was pending,
4 is that right, before it was decided?

5 A. That is correct. The timing of this, we had already
6 submitted the request for an opinion to the Federal Election
7 Commission, and before the opinion came down, we sent this
8 letter to the Select Committee on Ethics of the House of
9 Representatives, for the reasons I described, that there are
10 two entities who had jurisdiction over these matters, the House
11 of Representatives on one hand and the Federal Election
12 Commission on the other, under the Federal Election Campaign
13 Act of 1971.

14 Q. Now, I place before you Defendant's Exhibit 34 for
15 identification and ask you whether that was a letter that was
16 sent after the Federal Election Commission decision to
17 Congressman Preyer?

18 A. Yes, it was. This letter is dated April 5, 1977,
19 addressed to the chairman of the Select Committee on Ethics,
20 that is to the House of Representatives, and this letter was
21 sent by Congressman Hansen after the Federal Election
22 Commission had ruled or given its opinion.

23 Q. Were you involved as well and consulted with regard
24 to the submission of that letter?

25 A. Yes, I was. I had a number of telephone

1 conversations with Congressman Hansen regarding the letter, and
2 as with these other letters, several drafts, and we finally
3 arrived at a final text.

4 MR. LEWIN: I offer Defendant's Exhibit 34 in
5 evidence.

6 THE COURT: It is in evidence.

7 (Whereupon, Defendant's Exhibit
8 No. 34 was received into evidence).

9 BY MR. LEWIN:

10 Q. So let me just read the March 14th, 1977, letter,
11 which is Exhibit 31. Would you just read the second and third
12 paragraphs of that to the jury?

13 A. "Being one of modest means, and not having any
14 significant outside source of income, in addition to my
15 Congressional salary, which is used to support a large family
16 and maintain my personal situation, both in Washington and
17 Idaho, it is most difficult to find the means to recoup from
18 such extra personal expenses which have been incurred. I
19 therefore have openly intended to find a method which would not
20 interfere with my service to my constituents on a full time
21 basis and not be a conflict of interest for the position I
22 hold."

23 Q. Skipping down to the next to the last paragraph, it
24 starts off, "My attorney has been actively involved in this
25 matter in preparation of the letter and in preliminary

1 discussions with appropriate officials of the FEC," is that
2 reference the reference to you when he speaks of "my attorney"?

3 A. It is.

4 Q. The last paragraph of that letter says, "Thank you
5 for your interest and assistance in this matter. I would
6 appreciate receiving an early reply and welcome your comments
7 and suggestions."

8 Is that a request that the House Ethics Committee
9 reply with regard to that same plan?

10 A. Yes. The entire letter is a request for an opinion
11 regarding this approach we were taking. The entire area of law
12 at this time was in a state of quick evolution and we wanted to
13 proceed very carefully. The Federal Election Campaign Act of
14 1971 had been amended twice. Part of it had been declared
15 unconstitutional, I believe. I believe the Supreme Court case
16 was Buckley versus Vallejo.

17 It has been seven years, but I recall it was a quite
18 complicated and quickly evolving area of the law. We wanted to
19 make sure that both with the House of Representatives and the
20 Federal Election Commission we were doing the correct thing.

21 Q. There was no answer received before the Federal
22 Election Commission issued its ruling, was there?

23 A. There was not.

24 J. Looking at Exhibit 34, which was this letter that was
25 sent after the Federal Election Commission ruling, would you

1 read to the jury the last two paragraphs on the front page?

2 THE COURT: May I have a copy of it, please?

3 MR. LEWIN: I am sorry, Your Honor.

4 THE COURT: Thank you.

5 THE WITNESS: The last two paragraphs?

6 BY MR. LEWIN:

7 Q. Yes.

8 A. "I suggest that the known and accepted structure for
9 soliciting the political funding for elections can also be
10 properly used for raising personal funds as described in my
11 proposal. By this, I mean the personal or mail solicitation
12 would be conducted either personally or, in the alternative, by
13 a committee composed of several persons, not a part of my
14 Congressional office staff or campaign organization. In
15 conjunction with the 11-point plan cleared with the FEC" --

16 Q. That is the plan the FEC approved on March 30, 1977?

17 A. Correct.

18 Q. That was the 11-point plan, the 11 conditions you had
19 described in the letter to the FEC, is that right?

20 A. That is correct.

21 Q. Could you continue reading.

22 A. "In conjunction with this 11-point plan cleared with
23 the FEC, such a committee would operate entirely independent of
24 me in every respect. For example, it would necessarily have to
25 obtain its own seed money and organizational direction and

1 control. The only relationship I would have with the committee
2 would be that I would not accept funds from the committee
3 unless it could clearly demonstrate that all points of the FEC
4 proposal and the under-\$100 limitation were adhered to. No
5 funds would be accepted personally from members of the
6 committee or close relatives of those members."

7 Q. All right. Could you read on the second page, the
8 second, third and fourth paragraph?

9 THE COURT: Mr. Lewin. The letters are in evidence.
10 I would certainly allow you to read some of this. But we are
11 reading almost the entire letter and we have just defeated the
12 purpose in trying to move along expeditiously for this
13 sequestered jury. It is in evidence.

14 MR. LEWIN: I understand.

15 BY MR. LEWIN:

16 Q. Could you read then just the third and fourth
17 paragraphs then? I will cut that down.

18 THE COURT: Let's cut it down sharply in the future.
19 Yes.

20 THE WITNESS: "Any person has a right to basic
21 financial survival. The question is how can it be properly
22 done in a sensitive position. I believe the direct way is
23 preferable because it is the simplest and most accountable.
24 News accounts have been frequent regarding the complications to
25 the circumstances of public office holders when a spouse or

1 other close family member pursues their own course.

2 And yet, that family has a right to financial
3 survival and should not be penalized if one of them is publicly
4 involved. My wife asks me what would become of her and the
5 children if I were to die suddenly with large debts we have
6 incurred from the ugly aspects of politics. What can I tell
7 her? What would you tell your spouse?"

8 Q. That letter also requested the committee to provide a
9 response regarding the proposal that had been submitted to the
10 FEC, to the Federal Election Commission?

11 A. Yes, that request for response is contained in the
12 last paragraph.

13 Q. Did you, following those letters, learn from the
14 congressman or otherwise, what the House Ethics Committee had
15 decided on that question?

16 A. Well, as I recall, and again this has been some time,
17 I recall that there was a news release, I believe, or a news
18 report, in one of the local Idaho papers, to the effect that
19 the House Ethics Committee had or would not be favorably
20 considering this plan.

21 Q. The microphone may be, I noticed at times --

22 THE COURT: Would you tap it, please. It seems on.

23 BY MR. LEWIN:

24 Q. Please speak into it. Sometimes your voice drops off.

25 A. Is this better?

1 Q. Yes. You were saying that there was a news report
2 that the house committee had not approved that proposal for
3 solicitation of private funds?

4 A. Yes, that is my best recollection. Again, it has
5 been seven years, but I recall that a news report, I believe it
6 was an Idaho news report, seemed to indicate some reporter had
7 talked to somebody, a representative of the House Ethics
8 Committee, or something like that, that a decision would be
9 coming down shortly that would be unfavorable.

10 Q. Mr. Runft, you've mentioned news reports, these
11 various matters, the letters to the Federal Election
12 Commission, the letter to Congressman Preyer, these other
13 things. Were they matters of public record?

14 A. Yes.

15 Q. were they reported in the newspapers in Idaho?

16 A. Extensively.

17 Q. I place before you, Mr. Runft, Defendant's Exhibit 35.
18 I ask you whether you can describe what that document is?

19 A. Yes. This document, Exhibit 35, is the advisory
20 opinion that Congressman Hansen had solicited with his two
21 letters, that is, solicited of the House Ethics Committee.
22 This advisory opinion is designated, "Advisory Opinion No. 11,
23 issued by the committee on May 11th, 1977". It is from the
24 Select Committee on Ethics of the U.S. House of Representatives.

25 MR. LEWIN: We offer Defendant's Exhibit 35 into

1 evidence.

2 THE COURT: It is in evidence.

3 (Whereupon, Defendant's Exhibit
4 No. 35 was received into evidence).

5 BY MR. LEWIN:

6 Q. That opinion states, in the end of the second
7 paragraph, does it not, that the Select Committee concluded
8 that neither a member nor his spouse could directly solicit
9 funds for personal use by a fund-raising technique such as a
10 mass mailing?

11 And it said in its summary opinion on page 2, "A
12 member is prohibited from accepting the proceeds from a
13 fund-raising event for his unrestricted personal use." Is that
14 correct?

15 A. That is correct.

16 Q. So that the House Ethics Committee did not permit the
17 use of the procedure which the Federal Election Commission had
18 said was not covered by federal election law?

19 A. That is correct.

20 Q. Mr. Runft, as counsel for Congressman Hansen, were
21 you, during this period of time, considering, as well, other
22 alternatives that might be used if this method was not approved
23 by the House Ethics Committee?

24 A. Yes, I was. The object here was to find a legal and
25 proper way of proceeding forward to assist the Hansens with

1 their debt problems in a fashion that was open and within the
2 bounds of the law. One of the alternative measures that we
3 thought about, which would be a measure, you might call it the
4 final measure, as a means of doing this, was to consider the
5 proposition of a separate property agreement under Idaho law.

6 Now, this particular device, or this particular
7 direction, is somewhat unique to Idaho and approximately eight
8 other states. They are called "community property
9 jurisdictions". Those jurisdictions include California,
10 Louisiana, Idaho, Nevada and states out mostly in the west,
11 where marriage, the incident of marriage, creates community
12 property, that is, joint ownership of property.

13 We were considering if these proposals did not pass
14 both the FEC and the House of Representatives, to consider the
15 possibility of the Hansens separating their economic interests
16 under the community property. Again, we wanted to proceed in
17 an open and public fashion, make sure that everything was above
18 board and with full notice.

19 Q. Let's just maybe reduce that, as best we can, to an
20 understandable format so that people who are not lawyers like
21 us, can understand it.

22 Under Idaho law, what is the effect of the law on the
23 property of people who get married?

24 A. Under Idaho law, when people get married, from the
25 time of the marriage forward, they both have an interest in all

1 property which they earn from that point on. That does not
2 include separate gifts. There are a number of distinctions. I
3 suppose you don't want to go into that.

4 But essentially, one of the incidents of marriage, a
5 part of marriage is, under Idaho law, or community property law,
6 that both spouses jointly own, although jointly is not quite
7 the right word, but they both have an equal equity interest in
8 all property they obtain during their marriage.

9 Q. Anything earned by a husband during marriage belongs,
10 in part, to his wife, whether or not she has in fact worked for
11 it, and anything earned by a wife, during marriage, belongs to
12 the husband?

13 A. Under community property law, all earnings are
14 community property, whether earned by either spouse.

15 Q. Under Idaho law, are there means for undoing that
16 consequence of the laws pertaining to marriage in Idaho?

17 A. There are. Under Chapter 9 of Title 32 of the Idaho
18 code which governs the community property law of Idaho, there
19 are provisions that allow a couple to enter into a property
20 settlement agreement. This is frequently done in the course of
21 second marriages, perhaps, where a widow or widower will marry
22 for a second time and they wish to keep their property separate,
23 this type of thing. It is used for many, many purposes.

24 Under this provision, when you separate the property,
25 this separation has the result as though there were no marriage

1 at all with regard to property, if you enter into such an
2 agreement.

3 Q. Did you consider and discuss with Congressman and
4 Mrs. Hansen the possibility of entering into an agreement which
5 would have the effect of undoing the consequences of Idaho's
6 community property law?

7 A. I did. The Hansens are residents of the State of
8 Idaho, and therefore they are subject to the community property
9 law of Idaho. From the very beginning, when we considered
10 together, Mr. & Mrs. Hansen, these problems and how they could
11 best meet them, one of these alternatives, of course, was to
12 enter into a property settlement agreement.

13 In fact, I recall I had discussed this by telephone
14 with Representative Charles Wiggins, in March of 1977, during
15 the time that these applications were going on, discussed with
16 him the aspects of a possible community property law, property
17 settlement agreement. This was always in the background, and
18 yes, we did discuss it at length.

19 Q. Directing your attention specifically to the month of
20 June, 1977, could you describe for us what you did in that
21 month concerning this matter c. a separate property arrangement?

22 A. Following the Advisory Opinion No. 11, which was
23 issued in May, May 11th, 1977, by the House of Representatives,
24 we -- and by "we" I mean the Hansens and myself -- turned our
25 attention then to the last resort, the idea of the community

1 property separation.

2 At that point, I was requested by both Mr. & Mrs.
3 Hansen to prepare a property settlement agreement for them to
4 review.

5 Q. Let me place before you what has been marked as
6 Defendant's Exhibit 74 for identification. Let me ask you
7 whether you can identify that document?

8 A. I certainly can. This is a copy of my billing
9 statement to the Hansens for my legal services.

10 Q. It is headed "Itemization of Account". Is it the
11 second page of a bill for that year, for that month?

12 A. Yes. At that time all of our billings were, as they
13 again are now, detailed to the tenth of an hour for the
14 services rendered, dated, the initial of the attorney providing
15 those services and the description of those services set forth.

16 Q. At the time in 1977, was it the practice of your law
17 firm to provide itemizations in addition to the total amount of
18 the bill?

19 A. Yes, it was then and it is now and only for a short
20 period of time in between did we not do it as an economy move.

21 Q. Would that reflect the summary of the things that you
22 did on behalf of Congressman Hansen during that period of time
23 shown on the statement?

24 A. Yes, it would.

25 Q. Just to clarify, you did, did you not, keep your

1 accounts for Congressman Hansen separate with regard to matters
2 that were personal, those that were campaign matters and other
3 matters, you provided separate bills, did you not, for each of
4 those?

5 A. We did, yes.

6 Q. This is a page relating to his personal matters, is
7 that right?

8 A. I believe it is, yes.

9 MR. LEWIN: We offer Exhibit 74 in evidence.

10 MR. WEINGARTEN: No objection.

11 THE COURT: It is in evidence.

12 (Whereupon, Defendant's Exhibit
13 No. 74 was received into evidence).

14 THE COURT: Do I take it that the number before the
15 dot represents one hour and if there would be any number after
16 the dot that would be a tenth of an hour or more?

17 THE WITNESS: That is correct, Your Honor.

18 THE COURT: Thank you.

19 BY MR. LEWIN:

20 Q. Now, would you, off the top of your head, be able to
21 recall details of this kind without looking at a document?

22 A. It would be a little difficult, as it is, as I have
23 said several times, it has been seven years and this is a very
24 detailed account of precisely the services rendered.

25 Q. Looking under June 2, 1977, there is an entry the

1 that says, "June 2, 1977, JLR." Who is JLR?

2 A. John Leroy Runft.

3 Q. That is you?

4 A. Yes.

5 Q. The initials of the attorney appear on that after the
6 date?

7 A. It does.

8 Q. Can you tell us what that shows you did with regard
9 to Congressman Hansen on the matter of the property settlement
10 agreement?

11 A. These descriptions, although detailed in the sense of
12 billing, of course, are a relatively short summary of the
13 services provided. But looking at this, I recall that at about
14 that time we discussed, or I discussed with the Hansens, the
15 elements of a property settlement agreement, the requirements
16 for a property settlement agreement and all the related matter
17 including the needed accounting, things of this nature.

18 Q. Had there been a decision by then that you would go
19 ahead with the property settlement agreement?

20 A. Yes, following the advisory opinion from the Selec
21 Committee on Ethics.

22 Q. I place before you what I have marked as Defendant
23 Exhibit 36 for identification.

24 A. Yes, I recognize Exhibit 36 as a letter dated Jun
25 3rd, 1977, signed by Mrs. George Hansen, Connie Hansen,

1 directed to the chairman of the Select Committee on Ethics of
2 the House of Representatives. This letter was sent and dated
3 on the 3rd of June, and I believe I had occasion to discuss
4 with both Mr. & Mrs. Hansen the contents of this letter on June
5 2nd, as indicated in my notes here.

6 I will say one more thing, that my notes on my
7 billing, my summary here, reflect a telephone conference with
8 George Hansen. When I spoke of these matters, I frequently
9 spoke with both Mr. & Mrs. Hansen.

10 Q. So that you don't recall today whether that
11 conversation had Mrs. Hansen as well on the extension or not,
12 but it may have?

13 A. It may have. I have a present recollection that that
14 I spoke to both George and Mrs. Hansen from time to time
15 regarding the prospects of a property settlement agreement, the
16 nature of it, the consequences of it, what they would have to
17 do to get one done, and all related matters. I spoke to them
18 sometimes together on the phone. Frequently, I spoke with
19 George alone on the phone. But when I came to Washington on
20 several trips, I inevitably spoke to both of them about this,
21 during this time period.

22 Q. Was a decision reached by June 2 of 1977, that the
23 chairman of the House Committee on Ethics would be advised by
24 Mrs. Hansen, as well as by the congressman, that they would be
25 proceeding with a separate property agreement at this time?

1 A. Yes. As I have previously testified, I had analyzed
2 the Rules of Ethics of the House of Representatives and the
3 various Ethics' opinions that had been issued up to that time.
4 As I say, this was a fast moving area of the law and Congress
5 was changing quite a few of their opinions at this time
6 regarding what the congressmen had to do.

7 I felt that the only proper way to proceed would be
8 if both Mr. & Mrs. Hansen wrote letters to the chairman of the
9 Ethics Committee, advising him of their plan to enter into a
10 property settlement agreement whereby Mrs. Hansen's economic
11 life would be fundamentally separated as to her control of it
12 from Mr. Hansen.

13 MR. LEWIN: Your Honor, might we approach the bench
14 for a moment?

15 THE COURT: Yes. Would you step down, please.

16 (Bench conference)

17 MR. LEWIN: Your Honor, in view of the discussions
18 that we previously had at the bench, we have not had an
19 opportunity to take steps with regard to the particular copies
20 that we are using. But we would propose, I certainly would not
21 read them, we would propose that we will redact the first four
22 paragraphs of page 2 of this letter in terms of submissions to
23 the jury, before I offer it into evidence. We will only
24 introduce the first page, excluding those paragraphs. I would
25 also redact, if there is any question, I am not interested in

1 raising any question about this, I would redact the last
2 paragraph of the first page as well.

3 THE COURT: The last paragraph of the first page?

4 MR. LEWIN: Yes.

5 THE COURT: About concentrated political smear
6 campaign?

7 MR. LEWIN: Right. We will redact that and the first
8 four paragraphs of page 2.

9 THE COURT: I take it counsel have copies of this?

10 MR. WEINGARTEN: Yes.

11 THE COURT: They have been among the papers that you
12 received earlier on.

13 MR. WEINGARTEN: Yes, we have copies.

14 THE COURT: We have, of course, the words "politically
15 incurred".

16 MR. LEWIN: Again, I submit that that is truthful,
17 that there have been a substantial portion of those debts that
18 have been politically incurred. The debts were politically
19 incurred. I am cutting out anything --

20 THE COURT: I guess technically speaking, that is
21 true.

22 MR. WEINGARTEN: We don't to object to this document
23 The Court has made these specified rules concerning the
24 application of this document, and if we think we can do
25 anything with it later and we think it is questionable, we wi

1 take it to the bench.

2 THE COURT: All right. But you will have to keep
3 these documents in such a manner, because my clerk cannot just
4 make a cross there.

5 MR. LEWIN: We will put that in with Your Honor in an
6 amended copy first thing in the morning, but I won't distribute
7 it and publish it to the jury.

8 THE COURT: A retyped copy?

9 MR. LEWIN: No, we will have a Xeroxed copy and white
10 that out.

11 THE COURT: The first four paragraphs on page 2 and
12 the last paragraph on page 1, that will be redacted?

13 MR. LEWIN: Yes.

14 (End of bench conference)

15 BY MR. LEWIN: With the qualifications stated at the
16 bench, Your Honor, we offer Defendant's Exhibit 36 in evidence.

17 THE COURT: It is in evidence.

18 (Whereupon, Defendant's Exhibit

19 No. 36 was received into evidence)

20 BY MR. LEWIN:

21 Q. That letter, Mr. Runft, does state Mrs. Hansen's
22 intention, let me just read towards the bottom of page 36, "I am
23 a citizen of Idaho, which is a community property state, and
24 therefore I stand liable for half of this politically caused
25 indebtedness. Furthermore, if my husband should die, it is all

1 my responsibility."

2 Then on the second page, Mrs. Hansen goes on to say,
3 "Faced with this burdensome personal indebtedness, I have, as a
4 matter of love for my husband and children, and financial
5 preservation of our family, insisted upon a financial
6 settlement between my husband and myself legally and properly
7 dividing our property. In part, the property settlement
8 provides that my husband assume such debts as those of the
9 family, the home, the cars, charge cards and such, and that I
10 assume a substantial portion of those debts politically
11 incurred."

12 Was that the substance essentially of the arrangement
13 that you had proposed to the Hansens that they undertake with
14 regard to this property?

15 A. Yes, that is it, and substantially it was an
16 equitable arrangement between debt and assets.

17 Q. Now, returning again to Exhibit 74, which you have
18 before you, could you tell us what else you did in June of 1977
19 with regard to the matter of this property settlement agreement?

20 I am sorry, before you get to that, let me place
21 before you Defendant's Exhibit 37 for identification. Could
22 you tell us what Defendant's Exhibit 37 for identification is?

23 A. Yes. This is a copy of a letter from Richardson
24 Preyer, who is the chairman of the House Select Committee on
25 Ethics, dated June 8th, 1977, addressed to Connie Hansen, Mrs.

1 George Hansen, in response to her letter of June 3rd, 1977.

2 Q. So that was a response to the letter we just
3 previously had been discussing, that had been reviewed by you
4 prior to the time it was sent?

5 A. Yes.

6 MR. LEWIN: We offer Defendant's Exhibit 37 in
7 evidence.

8 THE COURT: No objection? It is in evidence.

9 (Whereupon, Defendant's Exhibit

10 No. 37 was received into evidence).

11 BY MR. LEWIN:

12 Q. That is a letter addressed to Mrs. George Hansen at
13 her home address in Arlington, Virginia, "Dear Mrs. Hansen --

14 THE COURT: Are you going to read the whole letter?

15 MR. LEWIN: Just the first two paragraphs.

16 BY MR. LEWIN:

17 Q. "Thank you for your letter of June 3, advising me of
18 your intention to proceed with a personal fund-raising effort
19 to retire certain debts you have assumed. I hope you will
20 understand that the content of the advisory opinions addressing
21 issues referred to us by your husband were in no way meant to
22 infringe on your civil rights, nor on your equality as a woman.
23 Neither were those opinions aimed in any personal way against
24 your husband or your family."

25 A. That is what the letter states.

1 Q. Then the next two paragraphs relate to the matter of
2 public criticism of some members' actions, which were included
3 in the letter of June 3, is that right? There were statements
4 made in the letter of June 3 that there were other members who
5 have used --

6 A. It is a statement about other members of the House of
7 Representatives who had apparently inappropriately used
8 campaign contributions and it doesn't apply to this matter at
9 all.

10 Q. Was there any other response, to your knowledge, from
11 Congressman Preyer, chairman of the House Committee on Ethics,
12 to Mrs. Hansen's letter of June 3?

13 A. By the committee you say?

14 Q. By the committee, or by Congressman Preyer?

15 A. I am not aware of any immediately during this
16 timeframe. I cannot recall any momentarily. I do know that
17 you say a response, I engaged in a dialog, a telephone call.

18 Q. I am not referring to any telephone calls. I am just
19 asking you whether there was any letter, to your knowledge?

20 A. No, I don't believe there was. This letter, which
21 was addressed to Mrs. Hansen, was, as I recall it, the only
22 response to her letter. And based on that response, partially
23 based on that response, we went forward then with our plans to
24 fully execute the property settlement agreement as she had
25 outlined in her letter. It hadn't been done at this time yet.

1 Q. Fine. Now returning to Exhibit 74, could you tell us
2 what other things you did in June of 1977 relating to the
3 property settlement agreement?

4 A. There were a number of further telephone
5 conversations with the Hansens regarding the property
6 settlement agreement.

7 Also, I was in contact with Mr. Steve Swanson, who
8 was the Hansen's accountant at that time, in order to work with
9 him in providing the proposed separation of assets for the
10 property settlement agreement.

11 Q. Did you have further conversations with Congressman
12 Hansen and Mrs. Hansen with regard to this?

13 A. Yes, and finally as the last entry here shows on
14 Exhibit 74, on June 24, we prepared and sent to the Hansens a
15 rough draft of the property settlement agreement and reviewed
16 it with the Hansens. I believe, it doesn't say here for sure,
17 but I believe I was in Washington, D.C. at that time. I was
18 sitting down with them, with the rough draft and the property
19 settlement agreement, and going over the proposed agreement in
20 detail with them.

21 I recall advising them both to read it carefully, to
22 each seek further legal advice as to its consequences, because
23 they both would be involved in it, and basically discussing
24 with them the purpose of the agreement, and essentially, my
25 advice to them was that the campaign laws were not meant to be

1 a trap. What you do is based on reason and common sense. If
2 you go forward with the plan, you let the committee and the
3 people know what you are dealing with, what you are doing.

4 I had reviewed the law in effect at the time, and it
5 was my opinion that a property settlement agreement would allow
6 Mrs. Hansen to go forward on her own to retire this
7 indebtedness, on her own separately, even though they would
8 still be married but they would have separated their property.

9 The other side of that coin of my advice was to, as
10 she had done, to let the Ethics Committee know, so there would
11 be notice fully of what the Hansens were doing.

12 Q. To let them know there was a property settlement
13 agreement?

14 A. Certainly. And if the Ethics Committee desired to
15 comment on it or ask any questions, or to issue another opinion,
16 it would be advised and could do so.

17 Q. Now, you say you told them that they should consider
18 possibly seeking other legal advice as to what are the lasting
19 consequences of a property settlement agreement? Why is it
20 material in any way if you enter into a property settlement
21 agreement? What does it do?

22 A. I had mentioned earlier in my testimony this was a
23 matter of last resort because the consequences of property
24 settlement agreement under Idaho law are meaningful and
25 extensive.

1 As a result of separating your property, two members
2 of a marriage no longer have the benefits of marriage as far as
3 their property is concerned. They no longer can inherit
4 automatically as a husband can from a wife or a wife from a
5 husband. The matters like pensions and things like that
6 probably would not be inherited by the other spouse. The
7 separation is such as though they weren't even married from an
8 economic sense. In other words, they are married. They live
9 together as man and wife but there are no economic
10 relationships as would normally follow the consequences of
11 marriage.

12 Q. When you say no economic relationships, you mean
13 there is no automatic economic relationship that grows out of
14 the fact of the marriage?

15 A. That is correct. There is nothing incident to the
16 marriage. They can have joint accounts. They can do what any
17 two people living together can do as far as having joint
18 accounts or things of that nature.

19 Q. Does the property settlement agreement prevent them
20 from having joint accounts in any way?

21 A. No.

22 Q. Does it prevent the wife from using the husband's
23 property or the husband from using the wife's property?

24 A. No more so than it would two unmarried people living
25 together. But what it does do, it terminates the aspects of

1 property derived from marriage, such as the right to inherit,
2 the community property rights, the automatic one half equity
3 interest in all income of the other spouse, things of this
4 nature, which, of course, are very, very important in
5 substantive matters.

6 Q. If one party of the marriage decided that he or she
7 wished to do so, they could prevent the other party to the
8 marriage from having access to his or her own property, is that
9 right?

10 A. Absolutely. It is like any other unmarried person.

11 Q. But if one party to the marriage decided that it was
12 all right with him or her that the other party should use
13 whatever property the first party obtains, that is also
14 permissible, is it not?

15 A. That is. By doing so, after you have renounced
16 community property as applying to your marriage, you do not
17 thereby create subsequent community property. You are done
18 with that.

19 THE COURT: I am sorry. I didn't understand that
20 last part. Would you tell us again, after you renounce it, you
21 mean you have a right to renounce it?

22 THE WITNESS: Yes. When you enter into a property
23 settlement agreement and separate your property, subsequent
24 joint accounts or accounts of this nature do not recreate
25 community property.

1 BY MR. LEWIN:

2 Q. In other words, a joint account is simply a joint
3 account as if it was between two unmarried people?

4 A. That is correct.

5 Q. If you and I had a joint account, we could have a
6 joint account, even though we are not married?

7 A. That is right.

8 Q. And anything that would be put into that joint
9 account would not become subject to a community property law,
10 even if this were a community property state?

11 A. That is correct.

12 Q. So that with respect to Congressman Hansen and Mrs.
13 Hansen, if they signed this agreement, that would be the effect
14 of the agreement?

15 A. That is right. Those types of agreements are
16 provided under the Idaho code, I believe they are technically
17 called marital settlement agreements.

18 Q. I place before you, Mr. Runft, what has been marked
19 as Defendant's Exhibit 40 for identification. I ask you
20 whether you can describe for the Court and jury what
21 Defendant's Exhibit 40 is?

22 A. Defendant's Exhibit 40 is entitled, "Memorandum of
23 Property Settlement Agreement." Exhibit 40 is a copy of the
24 property settlement agreement, consisting of nine pages, and it
25 was executed on September 30, 1977.

1 Q. With regard to such a memorandum, does it include an
2 enumeration of the property that is being divided?

3 A. Yes, it does.

4 Q. Did you in fact, in preparing this property
5 settlement agreement, divide the property that the Hansens had
6 owned as of the middle of 1977?

7 A. Yes. We had to select an accounting date at which
8 time all the property had been reviewed and assessed. I don't
9 mean that legally assessed, but I mean a time at which it had
10 been reviewed. That time was June 21. As of that date, that
11 is a reference date in the agreement, even though it was
12 executed actually on September 30, 1977.

13 Q. So you enumerated in that document the property that
14 the Hansens owned and the liabilities they owed, the properties
15 they possessed and the liabilities they owed, is that correct?

16 A. That is correct.

17 Q. There was a specific dollar amount with regard to
18 each of those items in the agreement, is that correct?

19 A. That is correct.

20 Q. When one drafts up an agreement of this kind, there
21 is a lot of private information then that goes into it, is
22 there not?

23 A. That is so.

24 Q. In fact, was that a concern at the time that the
25 agreement was being drafted, that it would contain a lot of

1 private information concerning the Hansens' finances, their own
2 financial possessions?

3 A. That is correct. The extensive indebtedness of the
4 Hansens was a private matter, the nature of that indebtedness
5 was a private matter, and they preferred to retain that privacy,
6 to the extent they could, and I did what I could to assist them
7 in that regard.

8 The agreement does set forth, at some considerable
9 length, the assets of the Hansens, and provides for the
10 division between them of these assets, and then it also sets
11 forth, in certain categories, the indebtedness of the Hansens'
12 and a number of particular items of indebtedness are very
13 specific.

14 Q. It includes things such as items in specific amounts,
15 amounts of money in specific checking and savings accounts, for
16 example?

17 A. It does, yes.

18 Q. It includes details as to the value of the
19 automobiles they own?

20 A. It does.

21 Q. It includes details as to the life insurance policies
22 that were held?

23 A. It does.

24 Q. It includes the values and addresses of real property
25 that they possessed?

1 A. That is correct.

2 Q. It includes an enumeration, with dollars and cents,
3 down to specific cents, of loans that were owing to particular
4 financial institutions, does it not?

5 A. That is correct.

6 Q. It also includes a total for personal loans, does it
7 not?

8 A. Yes, it does.

9 Q. A total figure. And that was as of June 21, 1977?

10 A. Correct.

11 Q. With regard to the private information that appears
12 in that agreement, what has been your consistent practice or
13 rule since the time this agreement was drafted and signed?

14 A. The Hensens requested that this information be kept
15 private and placed in my possession, the original of this
16 document, with the instruction that I keep it private. I
17 considered it to be a matter of the attorney-client privilege.

18 Q. You have not disclosed it to anybody except in
19 preparation for this case, is that correct?

20 A. That is correct.

21 Q. Except to the Hensens, I suppose?

22 A. And their accountant.

23 Q. And their accountant?

24 A. Yes.

25 Q. Did you bring to court today, because Mr. Weingarten

1 had asked me that you have it in court, the original of that
2 property settlement agreement?

3 A. At your request, and at Mr. Hansen's and Mrs. Hansen's
4 permission, I brought here the original, which is the same as
5 the copy.

6 Q. It is there in that envelope?

7 A. It is in this envelope.

8 Q. Thank you.

9 Now, Exhibit 40 is a memorandum executed on the 30th
10 day of September. I think you were telling us before, with
11 reference to Exhibit 74, that at the end of June there was a
12 rough draft of a property settlement agreement that had been
13 sent to the Hansens?

14 A. That is correct.

15 Q. Could you just tell us what happened between the end
16 of June and the 30th day of September?

17 A. Well, essentially, the rough draft was left with the
18 Hansens to consider and to discuss between themselves and to
19 perhaps discuss with other counsel.

20 Q. Did you ever find out whether they did discuss it
21 with other counsel?

22 A. I am not sure. I know that at times they have talked
23 to an attorney named Archie Service, for matters that I have
24 referred him to. He is another Idaho lawyer. I don't know
25 that. I wanted them to feel perfectly at ease and totally

1 private to do this, because I was in the position of advising
2 both of them, and I made sure to ask them to, each of them
3 separately, to seek their own separate advice as to the
4 consequences of entering into such an agreement, particularly
5 the consequences on their marriage and their community property.

6 Q. Then what happened in September?

7 A. Well, in September, there were phone calls back and
8 forth between the Hansens and myself from June until September,
9 and there was some more work done, as I best recall, on the
10 accounting, that is, the figures that were developed as of June
11 21st had to be reviewed and the debt and asset allocation
12 properly arranged. That was the province mostly of their
13 accountant and them, and that was finally done.

14 Then I arrived in Washington at the end of September.
15 I arrived, by the way, with the final draft of the memorandum
16 of property settlement agreement. It was then finally reviewed,
17 in light of the accounting, and was executed, in my presence,
18 and I acknowledged the signatures on September 30, 1977.

19 Q. Now, the document is on the legal paper of Runft &
20 Longeteig?

21 A. Yes.

22 Q. Was that the firm you were then the senior partner of?

23 A. Yes. That firm is now Runft and Leroy, et cetera.
24 It was then Runft and Longeteig.

25 Q. The last page shows that a notary public, yourself, a

1 notary public for the State of Idaho, attested to the
2 signatures of Mr. & Mrs. Hansen, is that correct?

3 A. Yes. At that time, on September 30, 1977, they
4 executed the property settlement agreement and the real
5 property deeds that are referred to herein.

6 Q. The signatures that appear on page 8, the signatures
7 of Congressman Hansen and Mrs. Hansen, were done in your
8 presence?

9 A. That is correct.

10 MR. LEWIN: We offer Defendant's Exhibit 40 in
11 evidence.

12 MR. WEINGARTEN: No objection.

13 THE COURT: It is in evidence, without objection.

14 (Whereupon, Defendant's Exhibit
15 No. 40 was received into evidence).

16 BY MR. LEWIN:

17 Q. Were there other documents that were prepared
18 contemporaneously to carry out some legal requirements with
19 respect to that property settlement agreement?

20 A. Yes, there were several real property deeds.

21 Q. I put before you Defendant's Exhibit 75, Exhibit 76
22 and Exhibit 77 and ask you what those are?

23 A. These three documents, Exhibits 75, 76 and 77, are
24 quit-claim deeds whereby George Hansen quit-claimed to his wife
25 Connie Hansen his interest in the real property represented in

1 each one of these three deeds, pursuant to the terms of the
2 property settlement agreement.

3 Q. A quit-claim means he signed over all rights and
4 interests?

5 A. Quit-claim is a deed where you quit-claim any right,
6 title, interest to that property, to the person you are deeding
7 to. So he deeded his ownership in these three pieces of real
8 property to his wife.

9 Q. That was signed on September 30th, 1977?

10 A. At the same time they executed the property
11 settlement agreement, they executed these deeds, yes.

12 MR. LEWIN: We offer Defendant's Exhibits 75, 76 and
13 77 in evidence.

14 MR. WEINGARTEN: No objection.

15 THE COURT: May I see a copy of them, or the
16 originals, whatever is being offered?

17 MR. LEWIN: Yes.

18 (Whereupon, Defendant's Exhibit
19 Nos. 75-77 were received into evidence).

20 THE COURT: Does Idaho require a straw, another
21 person, to convey this type of property between husband and
22 wife?

23 THE WITNESS: No. Real property in Idaho does not
24 require a straw person. It regards only the same requirements
25 for any issuance or any transfer of real property which is a

1 notarized instrument.

2 BY MR. LEWIN:

3 Q. Were those deeds recorded, Mr. Runft?

4 A. I don't believe they were.

5 Q. Where were they? Where have they been kept?

6 A. Part of the time they were kept in my office with the
7 original property settlement agreement and part of the time in
8 Congressman Hansen's office.

9 Q. But in terms of Idaho law, do those quit-claim deeds
10 effect the transfer of property as between the two parties?

11 A. Yes, they do. The law of Idaho requires that deeds
12 be acknowledged and that to be perfected as against third party
13 interests, that is, against other people, they must be recorded.
14 But as to the parties themselves, as between the two parties
15 executing the deed, they are effective without recordation. In
16 1982, there was an Idaho Supreme Court case directly on point
17 confirming that proposition.

18 Q. That decision confirmed the fact that that deed would
19 be effective between Congressman and Mrs. Hansen?

20 A. Yes.

21 Q. Now, following both the drafting, the agreement and
22 the signing of the final property settlement agreement, were
23 there, to your knowledge, solicitations made by Mrs. Hansen
24 pursuant to the original proposal?

25 A. Not necessarily pursuant to the original proposal,

1 which, of course, you recall was the proposal whereby
2 Congressman Hansen would make that solicitation, but in
3 accordance with her letter to Congressman Preyer earlier that
4 year. She did go forth and solicit funds to reduce the
5 personal debt which had been assumed by her.

6 Q. That was done by mailings to the public?

7 A. Yes.

8 Q. Direct mailings, mass mailings?

9 A. It is my understanding it was limited to that only.

10 Q. That was done outside of the state of Idaho?

11 A. It is my understanding that is correct.

12 Q. And it solicited contributions from individuals to
13 defray this personal obligation that Mrs. Hansen had?

14 A. That Mrs. Hansen had assumed as a result of the
15 property settlement agreement.

16 Q. Now, directing your attention specifically to
17 Defendant's Exhibit 40, and page 6 of that Defendant's Exhibit
18 40, paragraph 5, that agreement stated, in paragraph 5, "From
19 the community debts, the wife shall assume as her sole and
20 separate debts from which the husband shall be free of any
21 liability or obligation the following items: Subparagraph A,
22 loan from the First National Bank, Dallas, Texas, in the sum of
23 \$50,000; and subparagraph E, personal loans in the sum of
24 \$372,750," is that right?

25 A. That is what it states, yes.

1 Q. Was it your understanding that the solicitation that
2 was subsequently made by Mrs. Hansen was to defray or to enable
3 her to pay those personal loans, which, pursuant to this
4 property settlement agreement, were being assumed by her?

5 A. That is correct.

6 Q. By the way, was there anything in terms of the
7 property settlement agreement that prevented Mr. & Mrs. Hansen
8 from filing joint tax returns?

9 A. Not at all. In fact, I believe it refers to that
10 possibility. Again, as husband and wife, they can do that.

11 Q. And the property settlement agreement specifically
12 referred to that?

13 A. Item 10, I believe, refers to the filing of joint
14 income tax filings.

15 Q. Tax refunds from any joint income tax filings by
16 these parties?

17 A. That is correct.

18 Q. "Shall be divided between these parties as separate
19 proceeds in proportion to each party's prospective reported
20 gross income," again, that is the rights they would have as
21 between each other, is that right, between themselves?

22 A. That is correct. The tax law refers to people,
23 regardless of the marital laws. The tax law applies to people
24 in community property states. It applies to people in
25 non-community states and is independent that type of

1 jurisdiction.

2 Q. Paragraph 14 of the agreement states, "It is further
3 agreed that any and all property acquired from and after the
4 effective date of this agreement shall be the sole and separate
5 property of the one so acquiring the same, and each of the
6 parties hereto does hereby waive any all right in or to such
7 future acquisitions and does hereby grant to the other all such
8 further grant of the property as the sole and separate property
9 as the one so acquiring the same," that is a long legalese
10 sentence.

11 Can you explain to us what that means?

12 A. The paragraph embodies the rejection of the community
13 property right and simply says that each party is now separate
14 economically.

15 Q. But does it require each party to keep only his or
16 her own property?

17 A. No, no more than it would require any person to do so.

18 Q. In other words, I could give you something if I
19 wanted?

20 A. That is correct.

21 Q. You could give me something if you wanted?

22 A. That is correct.

23 Q. Now, Mr. Runft, did you have occasion, following the
24 separation of property agreement, to consider the effect of
25 that agreement on the existing provisions of the House Ethics

1 Committee concerning the reporting and financial disclosure
2 requirements under the House rules?

3 A. Yes, I did, and this would be, I believe, in the
4 spring, late spring, early summer, of 1978.

5 Q. Let me show you what I have marked as Defendant's
6 Exhibit 73 for identification. Would you please tell us what
7 Defendant's Exhibit 73 for identification is?

8 A. Exhibit 73 is a copy of my law firm's billing to the
9 Hansens dated June 1, 1978, for services rendered in May of
10 1978, again the same format as described before.

11 Q. It specifies the particular services that you
12 performed in during the month of May of 1978, in summary form?

13 A. Yes. It describes my telephone conferences with
14 George Hansen and with Jim McKenna, who, although at that time
15 not on George Hansen's staff, as a staff lawyer, was assisting
16 George here in Washington, and the discussions centered around

17 Q. Before you tell us that, with regard to the document,
18 it says up in the upper right hand corner under the date it
19 says, "Re: Personal," was that the bill for personal services
20 at that time?

21 A. Yes, it was.

22 MR. LEWIN: We offer Exhibit 73 into evidence.

23 MR. WEINGARTEN: May we approach the bench?

24 THE COURT: Yes.

25 (Bench conference)

1 MR. WEINGARTEN: Are you suggesting he doesn't
2 remember this?

3 MR. LEWIN: I am suggesting that this enables him --
4 no, I am suggesting -- I think this is a contemporaneous office
5 record which is admissible in evidence. It is not an aid to
6 recollection. It is admissible to reflect his bill at the time.
7 It is like any invoice or statement. Of course it is
8 admissible. If you want me to ask him the business record
9 questions, I will ask him those.

10 MR. WEINGARTEN: I can't read some of this. Wait a
11 second. All right. We have no objection.

12 THE COURT: Without objection? It is in evidence
13 without objection.

14 (End of bench conference)

15 (Whereupon, Defendant's Exhibit
16 No. 73 was received into evidence).

17 BY MR. LEWIN:

18 Q. The first entry on there for that month, I think it
19 is May 2, 1978, says, after your initial telephone conference
20 with George, re financial report to house, and re disclosures.
21 And then May 8, 1978, says telephone conference with George and
22 Jim McKenna, re complaint about no report of Connie's debt in
23 report by Congressman to ethics Committee; telephone conference
24 with George and Jim, re above; telephone conference with George,
25 re response to Ethics Committee and further strategy."

1 Could you tell us what that refers to?

2 A. Yes. Pursuant to the plan, the property settlement
3 agreement plan and the plan detailed earlier, Congressman
4 Hansen had filed his 1973 report, I believe at that time the
5 reporting date was May 1 that year. His reporting date seemed
6 to shift each year because the law every year was different.
7 When he reported his debts and finances, he did not include
8 Connie Hansen's debt, again, pursuant to the plan which the
9 Committee had been advised of.

10 As I understand it and as I recall, there were some
11 complaints or notice of this was made in the press and, again,
12 the press contacted the Ethics Committee about this. Basically,
13 my advice to Congressman Hansen was to get in contact with the
14 Ethics Committee again and make sure that everything is known
15 and above board.

16 Q. When you say everything is known, what do you mean
17 about that?

18 A. Of course, they knew about that. But again, to
19 continue that communication with the Committee, and again
20 advise them what the plan was, what the Hansens were doing and
21 why, and so that the Committee would be fully advised.

22 Q. What was your opinion, Mr. Runft, concerning whether
23 the debts that had been assigned to Mrs. Hansen under the
24 property settlement agreement had to be reported to the House
25 Ethics Committee on its form as debts of Congressman Hansen?

1 A. At this particular time, as I recall, the prevailing
2 or the important House Ethics Rule was Rule No. 44 and we were
3 dealing with House Ethics Opinion No. 12, as I recall. This
4 was before the Ethics in Government Act of 1978.

5 THE COURT: Sir, the question was what was your
6 opinion.

7 THE WITNESS: I am trying to place myself in
8 perspective, Your Honor. There was quite a bit of shifting.

9 My opinion was that under those particular conditions,
10 that the fact that Mrs. Hansen pursued her own separate life
11 and paid her own separate debts was not an item that needed to
12 be reported by Congressman Hansen on his report required under
13 the Ethics Rules.

14 Furthermore, and always along with this advice to Mr.
15 Hansen, my opinion, secondly, was the Committee had the
16 authority and the duty to review these reports, with knowledge,
17 and advise Congressman Hansen if he was wrong in any way. Mr.
18 Hansen, in my opinion, had a right to rely on this.

19 BY MR. LEWIN:

20 Q. To your knowledge, did the Committee know there was a
21 property settlement agreement in effect?

22 A. Yes. As a matter of fact, I believe following this,
23 in the next month, in June, June of 1978, I believe it was, I
24 called a Mr. Terry.

25 Q. Just in terms of --

1 A. The answer is yes.

2 Q. Let me place before you what has been marked as
3 Defendant's Exhibit No. 39 for identification. I ask you, Mr.
4 Runft, whether you recognize that document?

5 A. I do.

6 Q. What is that document?

7 A. This document is a letter dated May 11th, 1978,
8 addressed to Richardson Preyer, the chairman of the Select
9 Committee on Ethics, from Mrs. Connie Hansen, a letter which I
10 personally oversaw the drafting of.

11 Q. Was that following or as a result of the
12 conversations that are shown here on May 2 and May 8th, 1978?

13 A. This was part of the further strategy referred to
14 here, yes. There was a letter, again, to the Committee to be
15 sent, not only by Mr. Hansen but by Mrs. Hansen, to advise the
16 Committee of the property settlement agreement and to advise
17 the Committee precisely what they were doing.

18 Q. That letter was written with your advice and you
19 reviewed the content of it?

20 A. It was. The purpose of this letter was not only to
21 advise but to provide a statement by Mrs. Hansen regarding
22 certain of the substantive provisions, certain of the main
23 provisions of the rules that applied. She stated, for example,
24 in the letter, that she was not --

25 Q. Before you read from the letter, we will offer

1 Exhibit 39 into evidence.

2 MR. WEINGARTEN: Under the same conditions, Your
3 Honor.

4 THE COURT: Same conditions, it is in evidence.

5 (Whereupon, Defendant's Exhibit
6 No. 39 was received into evidence).

7 BY MR. LEWIN:

8 Q. Now, you were going to tell us what the letter said.

9 THE COURT: You are not going to read the whole
10 letter. You can tell us why in your own words.

11 THE WITNESS: I am going to summarize.

12 Essentially, not only did we want the Committee to be
13 provided with a statement from Mrs. Hansen herself, as well as
14 the Congressman, but to have her state that she was not under
15 "constructive control", and I put that in quotes because that
16 is one of the criteria that was important in the Ethics Opinion
17 No. 12 that was at issue at that time.

18 So she made that statement and reaffirmed that they,
19 the Hansens, had entered into a property settlement agreement
20 separating their economic affairs.

21 MR. LEWIN: Your Honor, we would like to publish this
22 letter to the jury. There have been so many things that have
23 been published and read to the jury. I think the easiest way
24 is to give the jury a minute to read it. It is a very short
25 letter. May I hand it out so the jury can take a minute and

1 read it?

2 THE COURT: All right. It will take more than a
3 minute obviously.

4 MR. LEWIN: Two minutes, whatever it takes.

5 THE COURT: We can't do it with all the exhibits.
6 Occasionally, yes.

7 Ladies and gentlemen, again I ask that you quickly
8 scan what is on this page. I would tell you the document is in
9 evidence and you will have time to read it at your leisure when
10 the case is delivered to you for your deliberation.

11 As soon as you have completed your reading, ladies
12 and gentlemen, if you would hand your copies down through the
13 row to the marshal.

14 Ladies and gentlemen, we can now go on with our
15 testimony.

16 BY MR. LEWIN:

17 Q. Now, following that event in May of 1978, later that
18 year you have mentioned the Ethics in Government Act of 1978
19 was enacted. Do you recall that?

20 A. Yes, I do.

21 Q. Do you recall that after the enactment of the Ethics
22 in Government Act of 1978, you were asked by Congressman Hansen
23 what his obligations would be with regard to liabilities or
24 assets of Mrs. Hansen under the new law?

25 A. That is correct.

1 Q. You were asked to give your legal opinion on that
2 subject?

3 A. That is correct.

4 Q. Were you asked for that prior to the submission of
5 the first Ethics in Government Act form that was required to be
6 submitted under the new law?

7 A. Yes. The new form, under the 1976 Ethics in
8 Government Act, was required to be filed on May 15th, 1978. So
9 the date had changed.

10 Q. 1978?

11 A. I am sorry, 1978, May 15th, 1978.

12 Q. I am asking you, it was enacted in 1976.

13 A. The first report was 1979, that is right. The Act is
14 1978 Ethics in Government Act. The first report was to be
15 filed on May 15th, 1979. There we go.

16 Q. What specifically were you asked?

17 A. Congressman Hansen asked me, actually both Mr. and
18 Mrs. Hansen asked me, under the new Act, was there a reasonable
19 interpretation available under that Act that would allow
20 Congressman Hansen to continue not to report Mrs. Hansen's
21 income under that Act.

22 I reviewed the Act. I reviewed some of the
23 legislative history, statements by Chairman Preyer as to the
24 purpose of the act, the intent of the Act. I reviewed the
25 provisions of the Act.

1 Q. Before you get to that, Mr. Runft, let me ask you, do
2 you keep a diary on or near your desk in which you note
3 appointments and other things?

4 A. Yes, I do, the typical lawyer's monthly appointment
5 book, each book is for each year.

6 Q. What I hold in my hand and what I will mark as
7 Defendant's Exhibit 78, is that the form of diary for the year
8 1979?

9 A. For 1979, yes.

10 Q. You brought that with you on your trip here to
11 Washington this time?

12 A. Correct.

13 Q. I direct your attention specifically to the month of
14 May of 1979. Do you see any entry in there regarding this
15 matter of the request made to you by Congressman Hansen?

16 A. Yes. Frequently, throughout the book, in addition to
17 appointments and notes to myself, I will jot down things I have
18 to do. I have listed on Saturday, May 5th, work on several
19 matters. One of the matters listed is to research the 1978
20 Ethics in Government Act and to advise the Hansens.

21 Q. Sir, I place before you Defendant's Exhibit 41 for
22 identification. Is that a photocopy of those pages?

23 A. That is a photocopy of the foldout month of May, 1979,
24 on which the notation I have testified to occurs, yes.

25 Q. What did you say, yes, it was a photocopy of those

1 pages and you said yes, and you went on to say something? I
2 was speaking to Mr. Weingarten, you have my apologies.

3 A. I said it was a photocopy of the entire month of May,
4 it is a photocopy of that, yes.

5 Q. Did you in fact, as you recall, on that weekend,
6 around May 5, 1979, research the Ethics in Government Act?

7 A. Yes, I did. I recall going to the library, the law
8 library in Boise, and spending considerable time researching on
9 that point, reading the Act, looking at the legislative history
10 and considering it.

11 Q. Did you come to any conclusion regarding whether or
12 not Congressman Hansen was required, by the Ethics in
13 Government Act, to report debts of his wife, of Connie Hansen's,
14 on his Ethics in Government Act form after he had signed the
15 separation of property agreement?

16 A. Yes, I did.

17 Q. What conclusion did you arrive at?

18 A. My conclusion, or my opinion, consists of two parts.
19 First, I believed or I concluded that in light of the property
20 settlement agreement, which separated the property interests of
21 the parties, that a reasonable interpretation of the Act,
22 particularly Section 702(d)(2) would allow the Congressman not
23 to file information concerning his wife's income.

24 The second part of my opinion was that this was a new
25 Act, just passed. It had not been interpreted yet, and that

1 the provisions of Section 705 of the Act required that the
2 designated committee, which was the Select Committee on
3 Official Conduct of the House of Representatives, was required
4 to review these reports and to set up a procedure whereby the
5 Committee would determine whether the reports were correct,
6 whether they were complete and whether they were in proper form
7 and advise the Congressman if they were not.

8 So on that basis, if my decision or my interpretation,
9 as a possible remedy, was wrong, if the Committee were advised
10 of what was being done, the Committee then had a duty to advise
11 Congressman Hansen that this is not the right way to go.

12 So on that two-part advice, one, I think it can be
13 done as a reasonable interpretation of that Act, in light of
14 what the Congressman and his wife have done with their property,
15 and secondly, based on the duties of the Committee on notice,
16 and, of course, the Committee was on notice that the
17 congressman and his wife had filed the property settlement
18 agreement and what it was all about, that the Committee then
19 had the obligation, under the statute, to advise the
20 Congressman if there was any problem, and he had, as a
21 congressman, under that statute, a right to rely on that.

22 Q. Did you give that advice and that conclusion to
23 Congressman Hansen at or about the time that you did that
24 research in May of 1979?

25 A. I did.

1 Q. That was prior to May 15th, 1979?

2 A. That is correct.

3 Q. To your knowledge, did Congressman Hansen accept that
4 advice?

5 A. Yes, he did.

6 Q. To your knowledge, was that same advice followed in
7 succeeding years?

8 A. To my knowledge, it was, yes.

9 Q. Were there discussions on the general subject of the
10 Ethics in Government Act between yourself and Congressman
11 Hansen, and to mention someone else who was mentioned, Mr.
12 McKenna?

13 A. Yes, there were. Mr. McKenna had, in the interim,
14 come on the George Hansen staff. Mr. McKenna is also a lawyer.
15 He had become a member of George's staff, and in succeeding
16 months, and actually, in different years, we have discussed
17 these matters from time to time; again, based on the Committee's
18 knowing what the Congressman's situation was and his right to
19 rely on the Committee's duty to report any conclusions it would
20 reach different than the Congressman's.

21 Q. Now, in terms of the separation of property
22 agreements, is it customary to update them from time to time?

23 A. Yes. Really, it doesn't change the nature of the
24 agreement, but frequently, it is customary, as parties who are
25 still married but who have separated their property interests,

1 it is customary from time to time to re-establish what is his
2 and what is hers, because sometimes it comes along so every
3 once in awhile you come together and do that. That is quite
4 customary.

5 Q. Was it your anticipation that at some point, some
6 years after the signing of the separation of property agreement,
7 you would draft an update?

8 A. Yes. We discussed it on a number of occasions and
9 were actually planning to do so in the early part of 1981, I
10 think, we talked about it.

11 Q. What an update of that kind would do is it would
12 again list the property values at that time?

13 A. Correct, and what had been acquired by the
14 Congressman and his wife, and more or less identify the
15 property.

16 Q. And again divide assets and liabilities so that there
17 would be an approximately equal distribution, is that it?

18 A. They may or may not be equal, counsel, because one
19 party or the other may acquire more income than the other. But
20 the purpose is merely to identify the property interests at
21 that time. It does not serve to effectually change the nature
22 of the agreement.

23 Q. Was that done? Was an update actually done?

24 A. No. We talked about it, and things were put off for
25 awhile. We were, as I recall, thinking about doing it in early

1 1981, seriously, because I was pressing my clients saying, "This
2 has to be done," and then some other events transpired which
3 put that off.

4 Q. Directing your attention to early 1981, and
5 specifically to April of 1981 are the events you are referring
6 to the events of the blackmail letter?

7 A. Yes, those events are the ones I am talking about.

8 Q. Could you tell us, tell the Court and jury, what the
9 first was that you heard about this blackmail letter?

10 A. Yes. On Friday, April 3rd, 1981, I got a call from
11 George Hansen and Jim McKenna, stating that they had been
12 advised by counsel for Mr. Bunker Hunt that Mr. Hunt had
13 received what appeared to be a blackmail letter that involved
14 allegations regarding Mr. Hansen and seemed to imply that there
15 were certain plans for foreign expeditions or something. It
16 was quite unclear at that time. The conversation basically
17 went to the point of what should be done.

18 The Congressman's expressed intention was to
19 immediately take it to the Justice Department, if there was
20 anything to it. One worry, of course, is that the whole thing
21 could be a strange hoax or something just plain silly. These
22 things happen in public life quite a bit, but if it was real,
23 the Congressman's expressed intention to me, and in my opinion,
24 was to take it to the Justice Department.

25 Q. By the time he called you, an appointment had already

1 been made with the Justice Department, had it not?

2 A. I believe so. I am not really clear on that. Yes,
3 it had, because we talked about going there and when could I
4 get into town.

5 Q. Did you in fact go to Washington that weekend?

6 A. Yes, I left Sunday, arrived there Sunday evening and
7 met with the Congressman and Jim McKenna Sunday evening, and we
8 talked about it. We were anticipating a Mr. Ivan Irwin, who
9 was Mr. Hunt's lawyer, to be coming into town the next day.

10 THE COURT: That was the gentlemen you saw outside
11 who testified today earlier?

12 A. That is him.

13 Q. That was the first time you met him?

14 A. That is correct.

15 Q. Had you seen him since that date until today?

16 A. I did not know the man and that is the first time I
17 have seen him since that day.

18 Q. Did you in fact go to the Justice Department that day
19 on April 6th?

20 A. Yes, on, I believe it was Monday April 6th, 1981, the
21 Congressman, Jim McKenna, Mr. Irwin and I, went to the Justice
22 Department in the morning and met with Rudolph Giuliani, who I
23 believe at the time was the head of the criminal division of
24 the Justice Department, and with Mr. Giuliani at our meeting
25 was a Mr. Caruso, and Mr. Hansen and all of us related the

1 events and showed the letter to the Justice Department.

2 Q. Did Congressman Hansen discuss the matter of this
3 silver commodities transaction?

4 A. Yes.

5 Q. Had that been discussed with you prior to that date?

6 A. Only briefly, very, very briefly. I knew very little
7 about it.

8 Q. Were you involved in all of Congressman Hansen's
9 financial or Mrs. Hansen's financial affairs, or not?

10 A. No, no.

11 Q. So they would call on you when they needed legal
12 assistance or advice on matters pertaining to the law?

13 A. I was aware of the indebtedness regarding Mr. Hunt's
14 loan, because it appeared in the property settlement agreement.
15 The silver transaction, as I have learned subsequent to that
16 time, of course, was a separate transaction. I am not sure it
17 was reflected anywhere in the property settlement agreement.

18 Q. It was after the property settlement agreement?

19 A. Yes, it was after the agreement but I say I don't
20 think it was reflected in there.

21 Q. Under the terms of the property settlement agreement,
22 that silver commodities transaction, the proceeds of that were
23 proceeds which Mrs. Hansen, if she chose, could say, "I will
24 have, for myself, a loan," is that correct?

25 A. Absolutely.

1 Q. Prior to the signing of the property settlement
2 agreement, Mrs. Hansen could not do so, is that correct?

3 A. That is correct, sir.

4 Q. In other words, without the property settlement
5 agreement, Congressman Hansen would have a right to have half
6 of that proceed, whether she wanted it or not?

7 A. He would have an equal equity interest in it, yes.

8 Q. And once that agreement was signed, she could say,
9 "Take your hands off of that, that is all mine," if she so
10 chose?

11 A. As I understand the nature of that transaction, yes.

12 Q. But if she chose not to do so, she could permit him
13 to use it, in whole or in part?

14 A. That is correct.

15 Q. Now, first let me ask you, did Congressman Hansen
16 answer all the questions that were put to him during the course
17 of that meeting, about the silver transaction?

18 A. Yes.

19 Q. When you returned to the office, what happened then?

20 A. When we returned, we returned with the anticipation
21 that the FBI would be right over to the Congressman's office to
22 carry this matter further. The Congressman was particularly
23 concerned with regard to the implication in the letter that
24 there might be some foreign involvement. It sounded like
25 foreign expedition or something. And he wanted to make sure he

1 had done his part in getting this matter in the right hands.

2 Quite a bit of time passed that afternoon and there
3 was finally a phone call that came -- I was not on the line but
4 I heard the Congressman's end of the conversation -- and I
5 believe it was from the FBI. I believe it was an agent of the
6 FBI, the indication was that the FBI would be getting in
7 contact soon. The Congressman was quite agitated by this,
8 feeling it was a delay, and he felt the matter needed immediate
9 attention and strongly urged that they get somebody over there
10 right away.

11 So right at the end of the afternoon, a little before
12 5:00, two FBI agents did come over, a Mr. Hoy, a Tom Hoy, and a
13 Mr. Tim Trellor, two FBI agents, and spoke with us all, and in
14 particular spoke with Mr. Ivan Irwin, who was departing, I
15 believe, later on that day.

16 Q. Did they return the next day and do some more
17 interviews?

18 A. The next day, on the 7th of April, they returned and
19 interviewed Mrs. Hansen and Mr. Hansen.

20 Q. And yourself?

21 A. I was there and we spoke. I guess you would call it
22 an interview.

23 Q. But you didn't have any information?

24 A. I had no information. I mean, we spoke and I did sit
25 in on Mrs. Hansen's interview, and I believe I sat in on Mr.

1 Hansen's interview, as I recall. I might not have. I was
2 there part-time.

3 Q. With regard to the call that Congressman Hansen made
4 to the FBI, when they did not arrive, did he appear angry about
5 the fact that they were not taking this seriously?

6 A. Not really angry, but he was upset that the matter
7 which could be involving some sort of foreign expedition, the
8 way that letter was written, and it could be, off our noses or
9 something, he wanted to make sure that the message got to the
10 right people quickly. He was upset.

11 Q. Did he tell them to get the agents over there right
12 away that afternoon?

13 A. He made quite a point of that, yes.

14 Q. He wanted the FBI agents there to interview and find
15 out what the facts were?

16 A. Yes, and to get on with the matter, yes.

17 MR. LEWIN: One moment, please.

18 BY MR. LEWIN:

19 Q. Let me ask you one more question on the separate
20 property agreement, Mr. Runft. Is there any obligation under
21 Idaho law that that agreement be recorded, made a matter of
22 public record, in any way?

23 A. Under Chapter 9 of Title 32, the requirements for a
24 marriage settlement agreement are that it be in writing, that
25 it be signed and that the signatures be acknowledged, as you do

1 with real property.

2 There is a provision, 32-917, I believe, that states
3 that an agreement of this nature must be recorded in order to have
4 the effect of real property. The next section, 32-918 provides,
5 however, that if it is not recorded that it would be the same
6 as not recording real property, because obviously not all property
7 settlement agreements necessarily contain real property.

8 Q. So if it is not recorded, it is still under the
9 decision that you discussed before, effective as between the
10 parties?

11 A. Absolutely, yes.

12 MR. LEWIN: Thank you.

13 THE COURT: Does that complete the direct examination?

14 MR. LEWIN: Yes, Your Honor.

15 THE COURT: We are going to take a recess at this
16 time. It will be approximately a ten minute recess, ladies and
17 gentlemen of the jury. Probably it will be our last recess
18 before we recess finally at about 7:00 tonight. So please make
19 the most of it. This will give us a chance to make the
20 reporters change shifts, as I see they want to do.

21 Mr. Runft, again the admonition, you are in the midst
22 of your testimony and we will continue that there will be no
23 discussion between you and anyone else during this time.
24 Refresh yourself, of course.

25 (Recess at 5:20)

1 AFTER RECESS:

2 (WHEREUPON, AT 5:20 P. M., THE JURY ENTERS.)

3 WHEREUPON,

4 JOHN RUNFT

5 RESUMED THE STAND AND TESTIFIED AS FOLLOWS:

6 THE COURT: ALL RIGHT. LADIES AND GENTLEMEN, WE ARE
7 READY TO RESUME THE PROCEEDINGS. YOU MAY ALL HAVE A SEAT
8 EXCEPT, OF COURSE, FOR MR. WEINGARTEN, WHO IS AT THE LECTURN.
9 BY ALL MEANS, WHENEVER YOU ARE READY.

10 CROSS-EXAMINATION

11 BY MR. WEINGARTEN:

12 Q. GOOD AFTERNOON, MY NAME IS REED WEINGARTEN, AND WE
13 HAVE NOT MET, HAVE WE, SIR?

14 A. NO.

15 Q. DO YOU RECALL THOUGH THAT I TELEPHONED YOU A FEW WEEKS
16 AGO, SIR, AND REQUESTED AN OPPORTUNITY TO CHAT WITH YOU ABOUT
17 THIS PROPERTY SEPARATION AGREEMENT?

18 A. NO, I RECALL THAT THERE WAS A PHONE CALL DURING THE
19 NOON HOUR AT OUR LAW FIRM FROM YOU, AND THE SECRETARY REMARKED
20 THAT YOU WOULD CALL BACK AND THERE NEVER WAS A CALL BACK.

21 Q. I SEE. THEP WAS NOT A MESSAGE THAT I REQUESTED AN
22 OPPORTUNITY TO TALK TO YOU?

23 A. THE MESSAGE WAS-- FIRST OF ALL, THE CALL CAME DURING
24 OUR NOON HOUR AND WE HAVE A SECRETARY ON DUTY. I WAS NOT THERE,
25 AND THE MESSAGE WAS THAT THERE WOULD BE A CALL BACK, AND THERE

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1 NEVER WAS ANY OTHER CALL OR ATTEMPT TO CALL BACK ON YOUR PART
2 THAT I KNOW OF.

3 Q. MR. RUNFT, YOU SAY THE PROPERTY SEPARATION AGREEMENT
4 WAS EFFECTIVE IN JUNE 1977, IS THAT CORRECT?

5 A. NO, I DON'T THINK I SAID THAT. I BELIEVE THAT THE
6 HANSENS VERBALLY AGREED OR MADE THEIR AGREEMENT IN JUNE AS TO
7 WHAT THE PROPERTY DIVISION WOULD BE, THOSE FIGURES THEY WERE
8 GOING TO USE. BUT THE EFFECTIVE DATE OF THE AGREEMENT IS --
9 PARDON ME, SEPTEMBER 30, 1977, AS IT STATES IN THE AGREEMENT.

10 Q. WELL, GEORGE HANSEN HAD REPRESENTED TO SOMEONE, IN
11 PARTICULAR, NELSON BUNKER HUNT, IN APRIL 1977, THAT THERE HAD
12 BEEN A PROPERTY SEPARATION AGREEMENT. DO YOU KNOW WHAT HE
13 COULD HAVE BEEN TALKING ABOUT, SIR?

14 A. I COULD ONLY ASSUME. I COULD ONLY PRESUME.

15 Q. WELL, WOULD IT HAVE BEEN THE PROPERTY SEPARATION
16 AGREEMENT THAT YOU HAD EXECUTED FOR THE PARTIES?

17 A. I WOULD PRESUME THAT HE WOULD BE SPEAKING OF THE
18 INTENT OF THE PARTIES, AND THE WORK THEY WERE DOING IN GOING
19 FORWARD WITH THE SEPARATION AGREEMENT.

20 Q. WELL, IF HE HAD REPRESENTED TO NELSON BUNKER HUNT THAT
21 IN FACT THEY HAD SEPARATED THE R ACCOUNTS AS OF APRIL 1977,
22 WOULD THAT HAVE BEEN AN ACCURATE STATEMENT, SIR?

23 A. THEY WERE IN THE PROCESS OF DOING SO.

24 Q. WHAT IS THE ANSWER TO MY QUESTION, SIR? HAD THEY IN
25 FACT SEPARATED THEIR ACCOUNTS BY THEN, APRIL 1977?

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1 A. THE AGREEMENT WAS EFFECTIVE ON SEPTEMBER 30, 1977. SO
2 IT WOULD NOT HAVE BEEN IN EFFECT, NO.

3 Q WOULD YOU TURN TO PARAGRAPH 8 OF THE SEPARATION
4 AGREEMENT. WHAT DOES IT READ, SIR?

5 A. PARAGRAPH 8. "THE PARTIES ACKNOWLEDGE THAT FUNDS
6 RECEIVED BY THE WIFE AS A RESULT OF A PERSONAL SOLICITATION
7 COMMENCING IN MAY AND JUNE, 1977, ARE GIFTS TO THE WIFE, AND
8 ARE THEREFORE SEPARATE PROPERTY. "

9 Q WAS MRS. HANSEN SOLICITING PROPERTY PRIOR TO THE DATE
10 OF THE SEPARATION AGREEMENT SIR?

11 A. I DO NOT BELIEVE SO, I DON'T KNOW.

12 Q. WHY DID YOU PUT MAY, 1977, IN THE AGREEMENT?

13 A. IF, INDEED, THERE WAS ANYTHING BEING SOLICITED DURING
14 THAT PERIOD OR ANY GIFTS RECEIVED THAT WAS TO COVER THAT
15 PARTICULAR SITUATION. SUBSEQUENTLY, TO ANSWER YOUR QUESTION,
16 COUNSEL, SUBSEQUENTLY, I WAS ADVISED THERE WAS NONE.

17 Q WELL, IF CONNIE HANSEN AND GEORGE HANSEN WERE
18 SOLICITING MONIES FROM NELSON BUNKER HUNT IN APRIL, 1977, WOULD
19 YOU HAVE KNOWN ABOUT THAT, SIR?

20 A. I DON'T KNOW THAT THEY DID.

21 THE COURT NO, THE QUESTION WAS: WOULD YOU HAVE
22 KNOWN ABOUT IT?

23 THE WITNESS: I DON'T KNOW. I DOUBT IT

24 BY MR. WEINGARTEN:

25 Q. WELL, HOW CAN YOU REPRESENT, SIR, THAT YOU KNOW NO

1 GIFTS WERE SOLICITED AS OF MAY AND JUNE OF 1977?

2 A. I SAY THAT IT IS MY IMPRESSION, COUNSEL.

3 Q. AND YOUR IMPRESSION MAY BE WRONG. IS THAT RIGHT OR
4 WRONG?

5 A. POSSIBLY.

6 Q. AND IF THE JURY HAS HEARD EVIDENCE THAT IN FACT NELSON
7 BUNKER HUNT WAS SOLICITED --

8 MR. LEWIN: YOUR HONOR, THE JURY HAS NOT HEARD SUCH
9 EVIDENCE.

10 THE COURT: ALL RIGHT, MR. LEWIN, UP TO THE BENCH. UP
11 TO THE BENCH, COME TO THE BENCH. MR. LEWIN.

12 AT THE BENCH:

13 MR. LEWIN: YOUR HONOR, WELL, I WAS GOING TO BE QUIET.
14 BUT HE HAS SAID IN THERE SIX TIMES THAT MR. HUNT SAID, VERY
15 CLEARLY IN RESPONSE TO MY QUESTIONS AND CROSS-EXAMINATION, THAT
16 HE DIDN'T KNOW EXACTLY WHEN CONGRESSMAN HANSEN TALKED TO HIM
17 ABOUT THE PROPERTY SETTLEMENT. IT MAY HAVE BEEN SUBSTANTIALLY
18 AFTER THAT ORIGINAL DISCUSSION IT WAS UNCLEAR ABOUT WHEN THAT
19 WAS. ONE MINUTE I CAN REFER YOUR HONOR TO THE TRANSCRIPT.

20 THE COURT: ALL RIGHT. WILL YOU?

21 MR. LEWIN: YES, I WILL.

22 PAGE 122 OF THE TRANSCRIPT, YOUR HONOR.

23 THE COURT: 122. WELL, YOU PROBABLY HAVE IT BEFORE I
24 FIND MINE. WHICH LINE ARE YOU POINTING TO? WE CAN ALL READ IT.

25 MR. LEWIN: I AM POINTING TO WHERE I ASKED MR. HUNT

1 ABOUT THE SEQUENCE. I SAID. LINE 12. "FOR EXAMPLE, THE
2 CONVERSATION THAT YOU READ TO THE JURY FROM THIS TRANSCRIPT
3 ABOUT CONGRESSMAN HANSEN SAYING THAT HIS WIFE AND HE HAD
4 DIVIDED THEIR ESTATE, MAYBE HAD SEPARATE ACCOUNTS AND THINGS OF
5 THAT KIND, COULD THAT HAVE BEEN SAID AT SEPARATE TIMES AFTER
6 THE INITIAL CONVERSATIONS REGARDING HIS FINANCIAL DIFFICULTIES?

7 " IT COULD VERY WELL. I JUST DON'T HAVE ANY SPECIFIC
8 RECOLLECTION OF WHEN I WAS TOLD THAT. "

9 I ASK THAT THE JURY BE TOLD.

10 THE COURT. COULD HE NOT -- COULD HE NOT HAVE SAID
11 THAT AT ANOTHER TIME?

12 MR. LEWIN: HE SAID IT IN A QUESTION-ANSWER SESSION
13 THAT WAS ENTIRELY EX PARTE WITH MR. COLE AND MR. WEINGARTEN
14 THAT HE DID NOT TESTIFY ON DIRECT EXAMINATION. MR. WEINGARTEN
15 HAD HIM READ FROM THAT TRANSCRIPT, AND MR. WEINGARTEN SAID DID
16 YOU SAY THAT, HE SAID YES I SAID IT. SO I ASKED HIM ON CROSS
17 COULD THIS HAVE BEEN SAID LATER. SO HE SAID YES IT COULD HAVE.

18 THE COURT: SO, HE REALLY HAS ANSWERED A COUPLE WAYS?

19 MR. LEWIN. NO. HE ANSWERED THAT HE COULD NOT RECALL
20 WHEN THAT HAPPENED. AND I THINK THAT THE JURY SHOULD BE
21 INSTRUCTED THAT WHAT MR. WEINGARTEN SAID WAS FALSE.

22 THE COURT: IF I HAVE THIS READ TO THE JURY, I ALSO
23 WILL HAVE TO HAVE THE STATEMENT THAT HE IS REFERRING TO READ TO
24 THE JURY WHERE HE IN EFFECT SAID I SAID THAT.

25 MR. WEINGARTEN: HE SAID MORE THAN THAT, HE SAID

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1 REPRESENTATIONS ABOUT THE PROPERTY SETTLEMENT AGREEMENT WERE
2 MADE BEFORE THE SOYBEAN TRANSACTION. APRIL, 1977, WAS THE
3 SOYBEAN TRANSACTION. THAT IS WHAT TRIGGERED EVERYTHING.

4 THE COURT MR. WEINGARTEN, I THINK THE WHOLE THING
5 WILL BE ALLEVIATED IF YOU REPHRASE YOUR QUESTION. IF MR. LEWIN
6 WANTS TO COME BACK ON REDIRECT AND WANTS TO READ THIS, YOU, OF
7 COURSE, YOU CAN BRING YOUR PART OUT BY THE F B I.

8 MR. LEWIN: I ASK THAT MR. WEINGARTEN'S STATEMENT BE
9 TOLD TO THE JURY THAT IT IS FALSE.

10 THE COURT: NO, WE WILL NOT DO THAT.

11 I HAVE SAID THAT YOU CAN TAKE THIS ATTITUDE, AND MR.
12 WEINGARTEN CAN TAKE THE OTHER ONE.

13 IN OPEN COURT:

14 THE COURT: NOW, DO WE HAVE A QUESTION?

15 BY MR. WEINGARTEN:

16 Q. YES, JUST TO WRAP UP THIS PIECE OF INFORMATION. TO
17 YOUR KNOWLEDGE, WERE THE HANSENS, OR WAS MRS. HANSEN SOLICITING
18 FUNDS IN MAY 1977?

19 A. TO MY KNOWLEDGE, NO.

20 NOW, I WANT TO ADD, I WASN'T AWARE, WHEN I DRAFTED THE
21 PROPERTY SETTLEMENT AGREEMENT, THAT THERE HAD BEEN A LOAN, THAT
22 IS IN THE AGREEMENT ELSEWHERE, AND SHOULD THAT BE CONSTRUED TO
23 BE A SOLICITATION. FINE, BUT OTHER THAN THAT, NO.

24 Q. ALL RIGHT. SO, YOU PUT IN MAY AND JUNE 1977, MONTHS
25 PRIOR TO THE EFFECTIVE DATE OF THIS AGREEMENT, FOR SAFETY

1 REASONS, OR CAUTIONARY REASONS?

2 A. YES.

3 Q. NOW, IS IT FAIR TO SAY, SIR, THAT IN 1977, THE ETHICS
4 COMMITTEE OF UNITED STATES HOUSE OF THE REPRESENTATIVES,
5 CLEARLY SAID NO TO CONGRESSMAN HANSEN'S REQUEST TO SOLICIT
6 FUNDS TO PAY FOR HIS DEBTS? IS THAT A FAIR STATEMENT?

7 A. THAT IS CORRECT.

8 Q. NOW, HOW MANY OPINIONS DID THE ETHICS COMMITTEE ISSUE
9 THAT BEAR UPON THIS SUBJECT THAT YOU KNOW ABOUT?

10 A. WELL, THERE WERE A NUMBER OF OPINIONS, DEALING WITH
11 CAMPAIGN CONTRIBUTIONS. I NEVER, I HAVE NOT COUNTED THEM
12 RECENTLY. I COULDN'T GIVE YOU A TOTAL.

13 Q. HOW MANY REQUESTS DID CONGRESSMAN HANSEN MAKE?

14 A. TO THE COMMITTEE?

15 Q. WAS THERE MORE THAN ONE?

16 A. HE MADE ONE REQUEST TO MY KNOWLEDGE.

17 MR. WEINGARTEN: COULD I HAVE DEFENSE EXHIBIT NUMBER
18 ONE, WHICH IS THE ETHICS MANUAL PLEASE.

19 THE WITNESS ON THAT PARTICULAR SUBJECT.

20 MR. WEINGARTEN: YOUR HONOR, THIS IS THE ETHICS MANUAL
21 THAT IS IN EVIDENCE.

22 BY MR. WEINGARTEN:

23 Q. I ASK YOU TO TURN TO ADVISORY OPINION NUMBER 4, PAGE
24 159, SIR.

25 MR. LEWIN: DOES GOVERNMENT COUNSEL HAVE ANOTHER COPY

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1 OF THAT BOOK? I AM AFRAID WE PUT OUR ONLY ONE IN EVIDENCE.

2 MR. WEINGARTEN: I AM SORRY. THAT IS THE ONLY ONE HERE.

3 BY MR. WEINGARTEN:

4 Q. HAVE YOU FOUND IT, MR. RUNFT?

5 A. I HAVE.

6 Q. WHAT IS THE SUBJECT UNDER " ADVISORY OPINION NUMBER
7 FOUR, " WHAT IS THE QUESTION?

8 A. " ADVISORY OPINION NUMBER FOUR" UNDER THE HOUSE
9 RULES -- "SUBJECT. UNDER HOUSE RULES, MAY A MEMBER OF THE
10 HOUSE OR THE SPOUSE OF A MEMBER SOLICIT CASH GIFTS OF LESS THAN
11 \$100 FOR PERSONAL USE THROUGH A DIRECT MASS MAILING?"

12 Q. WAS THAT CONGRESSMAN HANSEN'S QUESTION, SIR?

13 A. I DON'T RECOGNIZE IT IS A BEING " ADVISORY OPINION
14 NUMBER FOUR. " I DON'T RECALL THAT NOMENCLATURE AT ALL.

15 Q. " REASON FOR ISSUANCE," WHAT IS THAT?

16 A. " A MEMBER OF THE HOUSE HAS REQUESTED AN ADVISORY
17 OPINION AS TO WHETHER HIS PROPOSAL TO SOLICIT GIFTS OF LESS
18 THAN \$100 WOULD BE IN VIOLATION OF RULE 53. "

19 Q. ALL RIGHT. IN YOUR CONSULTATIONS AND IN YOUR
20 REPRESENTATION OF CONGRESSMAN HANSEN, DID YOU COME ACROSS THIS
21 ADVISORY OPINION, SIR?

22 A. I DON'T RECALL. AS I SAID BEFORE, COUNSEL ,IT HAS BEEN
23 A NUMBER OF YEARS. I DON'T RECALL, FRANKLY, WHICH PARTICULAR
24 OPINIONS I REVIEWED, WHEN I REVIEWED THEM. I DON'T EVEN KNOW
25 WHEN THIS PARTICULAR ETHICS OPINION WAS ISSUED.

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1 I DO RECALL AT THE TIME, 7 YEARS AGO, THAT I SPENT A
2 LOT OF TIME GOING OVER ALL OF THIS ADVISING MY CLIENT.

3 Q. PERHAPS IF YOU READ THE LAST TWO PARAGRAPHS ALOUD, SIR,
4 IT MIGHT RING A BELL OR TWO?

5 A. WILL YOU REFER ME TO PAGE 161 NOW?

6 Q. YES, THE LAST TWO PARAGRAPHS OF THE BACKGROUND SECTION?

7 A. IS THAT ON PAGE 160 AT THE BOTTOM?

8 Q. MY BOOK IS A LITTLE DIFFERENT, SO MAYBE I'LL SHOW YOU?

9 MR. LEWIN: BY THE WAY, YOUR HONOR, DO I UNDERSTAND
10 THAT MR. WEINGARTEN IS MOVING TO PUT THE WHOLE BOOK INTO
11 EVIDENCE?

12 MR. WEINGARTEN: THE WHOLE BOOK IS IN EVIDENCE.

13 MR. LEWIN: NO, THAT WAS ONLY THE FINANCIAL DISCLOSURE
14 SECTION. BUT HE OBJECTED TO THE REST OF THE BOOK AND,
15 CONSEQUENTLY, I ADVISED THE COURT WE WERE ONLY PUTTING THE
16 FINANCIAL DISCLOSURE SECTION.

17 THE COURT I THOUGHT THE BOOK WAS IN EVIDENCE BECAUSE
18 WE HAD A DISCUSSION THAT THERE SHOULD BE A COPY OF THE
19 FINANCIAL DISCLOSURE SECTION. I BELIEVE THE BOOK IS IN
20 EVIDENCE IN ENTIRETY.

21 MR. LEWIN: WE HAVE NO OBJECTION TO THE ENTIRE BOOK.

22 THE COURT: JOE, THE ENTIRE BOOK IS IN EVIDENCE?

23 IT SAYS, " FINANCIAL DISCLOSURE SECTION. "

24 YOU ARE RIGHT MR. LEWIN. THAT IS APPARENTLY WHAT CAME
25 IN AT THAT TIME. MY CLERK HAS, " ONE RED PAPERBACK BOOK,

1110

1 ENTITLED, ETHICS MANUAL, FINANCIAL DISCLOSURE SECTION. "

2 MR. LEWIN: SO, IS MR. WEINGARTEN IS MOVING TO PUT THE
3 WHOLE BOOK IN EVIDENCE?

4 MR. WEINGARTEN: WE ARE SO MOVING.

5 THE COURT: ALL RIGHT. YOU ARE SO MOVING AND THERE IS
6 NO OBJECTION. AND IT IS IN.

7 (WHEREUPON, DEFENDANT'S EXHIBIT NO. 1 WAS
8 RECEIVED INTO EVIDENCE IN ITS ENTIRETY, UPON
9 MOTION OF THE GOVERNMENT.)

10 BY MR. WEINGARTEN:

11 Q. MR. RUNFT, WILL YOU READ THOSE LAST TWO PARAGRAPHS,
12 SIR?

13 A. DO YOU WISH ME TO READ THEM INTO THE RECORD?

14 Q. YES?

15 A. "A MAJOR THRUST OF THE PROVISIONS CONTAINED IN THE NEW
16 HOUSE RULE-- "

17 Q. EXCUSE ME. THE LAST TWO PARAGRAPHS. START WITH THE
18 PARAGRAPH FOLLOWING THAT. " THE FINAL QUESTION."

19 A. "THE FINAL QUESTION CONCERNS THE PROPRIETY OF A SPOUSE
20 RAISING FUNDS THROUGH MASS MAIL SOLICITATION FOR THE BENEFIT OF
21 THE MEMBER. WHILE THE SELECT COMMITTEE RECOGNIZES THE BASIC
22 INDEPENDENCE OF THE SPOUSE, THE SPOUSE UNDER THESE
23 CIRCUMSTANCES WOULD BE ACTING ESSENTIALLY ON BEHALF OF THE
24 MEMBER. THUS, THE MEMBER WOULD BE CONDUCTING INDIRECTLY THE
25 VERY ACTIVITIES HE WOULD BE PROHIBITED FROM ENGAGING IN

1111

1 DIRECTLY.

2 "CONSEQUENTLY, THE MASS MAIL SOLICITATION OF FUNDS BY
3 A SPOUSE FOR A MEMBER'S USE ALSO APPEARS TO VIOLATE THE 'SPIRIT'
4 OF HOUSE RULES."

5 Q. THANK YOU, SIR.

6 SO, IT IS FAIR TO SAY THAT THERE ARE AT LEAST TWO
7 ETHICS COMMITTEE RULES DIRECTLY ON POINT THAT SAYS TO
8 CONGRESSMAN HANSEN: NO, YOU CAN'T SOLICIT FUNDS. AND EVEN
9 CONNIE HANSEN: NO, YOU CAN'T SOLICIT FUNDS ON BEHALF THE
10 CONGRESSMAN HANSEN. IS THAT A FAIR STATEMENT?

11 A. I DON'T KNOW WHEN THIS OPINION WAS ISSUED, COUNSEL.

12 Q. YOU HAVE NO AWARENESS OF THAT OPINION, SIR?

13 A. I MIGHT HAVE 7 YEARS AGO. I DON'T HAVE A PRESENT
14 RECOLLECTION NOW.

15 Q. IS THAT ON POINT AS YOU READ IT NOW, SIR? CAN YOU
16 RELATE IT BACK THEN?

17 A. WELL, I HAVEN'T READ THE WHOLE OPINION. IF YOU WISH
18 ME TO, I WILL.

19 Q TAKE YOUR TIME, THEN, SIR.

20 A. O. K. HAVING REFRESHED MY MEMORY, COUNSEL, I BELIEVE I
21 WAS / 'ARE OF THIS ADVISORY OPINION NUMBER FOUR, AND THE REASON
22 I BELIEVE I WAS AWARE OF IT IS THAT I DIRECT YOUR ATTENTION TO
23 EXHIBIT 35, WHICH IS ADVISORY OPINION NUMBER ELEVEN WHICH WE
24 REFERRED TO EARLIER, AND THAT DOES REFER TO ADVISORY OPINION
25 NUMBER FOUR. AND ADVISORY OPINION NUMBER 11 STATES THAT WITH

1112

1 REGARD TO MR. HANSEN'S REQUEST, THAT AN ADDITIONAL QUESTION HAD
2 BEEN ASKED WHICH CONCERNS THE ACCEPTANCE OF FUNDS FOR A
3 MEMBER'S UNRESTRICTED PERSONAL USE THAT ARE RAISED BY A GROUP
4 INDEPENDENT OF THE MEMBER, HIS SPOUSE, STAFF, OR CAMPAIGN
5 COMMITTEE.

6 AND I WOULD SUBMIT THAT THE QUESTION MR. HANSEN POSED
7 TO THE COMMITTEE AND WHICH WAS ANSWERED IN ADVISORY OPINION
8 NUMBER 11 WAS DIFFERENT SIGNIFICANTLY SO THAN THAT COVERED BY
9 ADVISORY OPINION NUMBER FOUR.

10 Q. WELL FOUR, OF COURSE, SAYS NEITHER A WIFE NOR A
11 HUSBAND CAN GO OUT AND SOLICIT FUNDS FOR THE BENEFIT OF A
12 HUSBAND IF THE HUSBAND JUST HAPPENS TO BE A CONGRESSMAN, ISN'T
13 THAT TRUE?

14 A. WELL, IT SAYS THAT WITHOUT THE ADDITIONAL QUESTION
15 THAT IS POSED IN NUMBER 11, YES.

16 Q. AND THE ADDITIONAL QUESTION IN NUMBER 11 IS THAT AN
17 ORGANIZATION COULD BE USED? WHAT IS THE BOTTOM LINE DIFFERENCE
18 BETWEEN 11 AND FOUR? WHAT WAS CONGRESSMAN HANSEN ADDING BY
19 ADVISORY OPINION NUMBER 11?

20 A. I BELIEVE THAT THE PRINCIPAL DISTINCTION IS SET FORTH
21 IN EXHIBIT NUMBER 34 WHICH IS THE LETTER OF APRIL FIVE, BY
22 CONGRESSMAN HANSEN TO THE CHAIRMAN WHICH STATES IN THE
23 PARAGRAPH AT THE BOTTOM OF THE PAGE, AS FOLLOWS,

24 "IN CONJUNCTION WITH THE 11 POINT PLAN CLEARED WITH
25 THE FEC-- " THAT IS THE ONE THE FEC APPROVED OR SAID THERE WAS

1113

1 NO JURISDICTION FOR IT. "SAID COMMITTEE WOULD OPERATE ENTIRELY
2 INDEPENDENT OF ME IN EVERY RESPECT. " AND THERE WOULD APPEAR
3 TO BE WHAT THE ETHICS COMMITTEE IS TALKING ABOUT HERE, IN
4 ADVISORY OPINION NUMBER 11, WHEN IT SAYS, " AN ADDITIONAL
5 QUESTION HAS BEEN ASKED WHICH CONCERNS THE ACCEPTANCE OF FUNDS
6 FOR MEMBERS' UNRESTRICTED PERSONAL USE THAT ARE RAISED BY
7 ANYONE INDEPENDENT OF THE MEMBER, HIS SPOUSE, STAFF OR CAMPAIGN
8 COMMITTEE."

9 Q. AND THE ANSWER THERE IS NO?

10 A. YES, THAT IS CORRECT.

11 Q. AND JUST CLEARING UP FEC-- FEDERAL ELECTIONS
12 COMMISSION'S DECISION -- THE FEC NEVER AUTHORIZED ANY PLAN BY
13 CONGRESSMAN HANSEN, DID IT?

14 A. THAT IS CORRECT.

15 Q. IT SIMPLY SAID YOU ARE REPRESENTING TO US ELECTIONS
16 AREN'T INVOLVED; WE HAVE NO JURISDICTION OVER HERE BUT YOU
17 BETTER CHECK WITH THE HOUSE OF REPRESENTATIVES. THAT IS IN
18 ESSENCE WHAT THE FEC SAID, IS IT NOT?

19 A. THAT IS ITS DECISION, YES.

20 Q. IS IT FAIR TO SAY, SIR, THAT THE WHOLE PURPOSE OF THE
21 PROPERTY SEPARATION AGREEMENT WAS TO GET AROUND THE TWO RULINGS
22 OF THE HOUSE ETHICS COMMITTEE?

23 A. NO, THE PURPOSE WAS TO ASSIST THE HANSENS IN OVERCOMING
24 A SEVERE PROBLEM, A PERSONAL PROBLEM, AND TO DO IT IN A MANNER
25 WITHIN THE LAW, THAT WOULD BE KNOWN TO THE ETHICS COMMITTEE,

1114

1 WHICH IT IS, AND NOT OBJECTIONABLE TO THEM.

2 Q. MR. RUNFT, THE 95TH CONGRESS CAME DOWN WITH TWO
3 OPINIONS SAYING NO TO CONGRESSMAN HANSEN IN HIS EFFORTS TO
4 SOLICIT FUNDS IN A VARIETY OF WAYS. IS IT NOT TRUE, SIR, THAT
5 THOSE --

6 MR. LEWIN: YOUR HONOR, I OBJECT TO THOSE ASSERTIONS.
7 AGAIN, MR. WEINGARTEN IS MAKING ASSERTIONS THAT ARE CONTRARY TO
8 FACT.

9 THE COURT: COUNSEL, DO YOU WANT TO COME TO THE BENCH?

10 MR. LEWIN: NO, YOUR HONOR.

11 MR. WEINGARTEN: I DON'T LIKE COUNSEL MAKING STATEMENTS
12 IN THE WELL.

13 THE COURT: COUNSEL, LET'S ASK IT AS A MATTER OF
14 QUESTION. ALL RIGHT? MR. WEINGARTEN, WILL YOU ASK A QUESTION
15 OF THE WITNESS?

16 BY MR. WEINGARTEN:

17 Q. AS A MATTER OF FACT, SIR, THE PROPERTY SETTLEMENT
18 AGREEMENT WAS NEVER CONTEMPLATED UNTIL THE HOUSE OF
19 REPRESENTATIVES SAID NO, YOU CAN'T SOLICIT FUNDS, CONGRESSMAN
20 HANSEN AND NO, YOUR WIFE CAN'T DO IT ON YOUR BEHALF?

21 A. AS I TESTIFIED, IN MARCH, IT WAS, MARCH OF 1977, I
22 ACTUALLY DISCUSSED THE POSSIBILITY OF A PROPERTY SETTLEMENT
23 AGREEMENT AS A LEGITIMATE MEANS OF ASSISTING THE HANSENS WITH
24 CHARLES WIGGINS, WHO AT THAT TIME WAS THE RANKING MINORITY
25 MEMBER ON THE ETHICS COMMITTEE --.

1 Q. WAS THAT --

2 A. IF I MAY FINISH? THAT PARTICULAR DISCUSSION, WITH
3 REPRESENTATIVE WIGGINS, WAS PRIOR TO THE ADVISORY OPINION
4 NUMBER 11, WHICH WAS THE ONLY OPINION I KNOW OF DIRECTLY ANSWERING
5 MR. HANSEN'S REQUEST.

6 Q. ARE YOU SAYING FOUR DOESN'T DIRECTLY ANSWER WHAT
7 CONGRESSMAN HANSEN WANTED TO DO, SIR?

8 A. I AM SAYING WHAT CONGRESSMAN HANSEN SPOKE TO WAS A
9 PLAN WHICH WAS SET FORTH IN THE APPLICATION WHICH WAS ANSWERED
10 BY OPINION NUMBER 11.

11 Q YOU ARE NOT SUGGESTING TO THE JURY, SIR, THAT ADVISORY
12 OPINION NUMBER FOUR HAS NO RELEVANCE TO WHAT CONGRESSMAN HANSEN
13 WAS TRYING TO DO, ARE YOU, SIR?

14 A. I'M SAYING THAT CONGRESSMAN HANSEN WAS AWARE THROUGH
15 ME OF ADVISORY OPINION NUMBER FOUR AND OF THE PLAN PRESENTED TO
16 WHICH ADVISORY OPINION NUMBER 11 ANSWERS, CONSIDERS NUMBER FOUR
17 AND POINTS OUT THAT THIS IS AN ADDITIONAL DISTINCTION,
18 ADDITIONAL QUESTION, WHICH HAD BEEN PUT BEFORE THE COMMITTEE.

19 Q. ARE YOU SUGGESTING, SIR, THAT YOU CONSIDER THE
20 PROPERTY SEPARATION AGREEMENT INDEPENDENT OF THE HOUSE SAYING
21 NO TO CONGRESSMAN HANSEN?

22 A. I DON'T KNOW WHAT YOU MEAN.

23 Q. IS IT NOT A FACT, SIR, THAT THE WHOLE PURPOSE OF THE
24 PROPERTY SEPARATION AGREEMENT WAS TO GET AROUND THESE RULINGS?

25 A. THE WHOLE PURPOSE OF THE PROPERTY SETTLEMENT AGREEMENT

1116

1 WAS TO DEVISE A LEGAL AND PROPER WAY WHICH COULD BE PRESENTED
2 TO THE COMMITTEE BY WHICH THE HANSENS COULD RELIEVE THEMSELVES
3 OF THIS PARTICULAR PROBLEM.

4 Q. WAS THIS PROPERTY SETTLEMENT AGREEMENT PRESENTED TO
5 THE COMMITTEE, SIR?

6 A. HOW DO YOU MEAN, PRESENTED TO THEM IN FACT? NO, I
7 TESTIFIED THAT I HELD IT AS A MATTER OF PRIVATE PROPERTY, BUT
8 THE COMMITTEE IS AWARE OF IT.

9 Q. LET'S TALK ABOUT THE EFFECT OF THE AGREEMENT. AND, OF
10 COURSE, IT HAS NEVER BEEN FILED IN A PUBLIC COURTHOUSE, HAS IT?

11 A. NO.

12 Q. AND OF COURSE, YOU ARE AN EXPERT IN IDAHO LAW, AND I
13 AM NOT. AND I AM NOT GOING TO QUARREL WITH YOU ON THAT SUBJECT,
14 BUT THERE IS A STATUTE THAT SAYS PROPERTY SETTLEMENT AGREEMENTS
15 MUST BE RECORDED, IS THERE NOT?

16 A. THAT IS NOT THE WHOLE STATUTE. IF YOU WISH TO DISCUSS
17 THE STATUTE, I WOULD LIKE TO HAVE A COPY OF IT.

18 MR. WEINGARTEN: MARK THIS AS THE NEXT GOVERNMENT
19 EXHIBIT.

20 THE COURT: ALL RIGHT.

21 THE DEPUTY CLERK: GOVERNMENT EXHIBIT 64 MARKED FOR
22 IDENTIFICATION.

23 (WHEREUPON, THE DOCUMENT REFERRED TO ABOVE
24 WAS MARKED GOVERNMENT'S EXHIBIT 64 FOR
25 IDENTIFICATION.)

1117

1 BY MR. WEINGARTEN.

2 Q. MR. RUNFT, I HAND YOU WHAT HAS BEEN MARKED GOVERNMENT
3 EXHIBIT 64 AND ASK YOU, SIR, IF YOU CAN IDENTIFY IT?

4 A. THIS APPEARS TO BE SECTIONS OF THE IDAHO CODE, STATUTE,
5 OR TITLE 32, CHAPTER 9.

6 Q. ALL RIGHT. AND YOU TESTIFIED IN YOUR DIRECT
7 EXAMINATION THAT THERE WAS A PROVISION, I THINK YOU SAID 917
8 THAT RELATES TO THE FORMALITIES REQUIRED OF MARRIAGE
9 SETTLEMENTS, IS THAT NOT TRUE, SIR?

10 A. I SEEM TO BE ONE NUMBER OFF, HERE. I AM NOT AWARE
11 THAT THIS IS AN UPDATED COPY OF THE STATUTE, BUT I RECOGNIZE
12 WHAT APPEARS TO BE THE LANGUAGE OF THESE SECTIONS.

13 Q. HAS THE CODE BEEN ALTERED IN THE LAST YEAR OR SO?

14 A. THERE WAS A, I BELIEVE THERE WAS AN AMENDMENT OF
15 SECTION 32-916. I AM NOT SURE.

16 BUT, IN ANY EVENT, WHETHER OR NOT I WAS OFF A SECTION,
17 THE POINT HERE IS THAT 32-917 SETS FORTH THE FORMALITIES
18 REQUIRED OF VARIOUS SETTLEMENTS, AND AS I TESTIFIED, ALL
19 CONTRACTS FOR MARRIAGE SETTLEMENTS MUST BE IN WRITING, EXECUTED,
20 ACKNOWLEDGED OR PROVED IN LIKE MANNER AS CONVEYANCES OF LAND
21 ARE REQUIRED TO BE EXECUTED AND ACKNOWLEDGED OR PROVEN.

22 SECTION 33-918. MARRIAGE SETTLEMENTS RECORD. PROVIDES
23 THAT WHEN SUCH CONTRACT IS ACKNOWLEDGED OR PROVED, IT MUST BE
24 RECORDED IN THE OFFICE OF THE RECORDER OF EVERY COUNTY IN WHICH
25 THE REAL ESTATE MUST BE SITUATED, AS GRANTED OR EFFECTED BY SUCH

1 CONTRACT.

2 AND IT IS THEN SECTION 32-919 THAT PROVIDES EFFECTIVE
3 RECORD. THE RECORDING OR NONRECORDING OF SUCH A CONTRACT HAS A
4 LIKE EFFECT AS THE RECORDING OR NONRECORDING OF A CONVEYANCE OF
5 REAL PROPERTY.

6 MR. WEINGARTEN: MAY WE MOVE INTO EVIDENCE GOVERNMENT
7 EXHIBIT 64?

8 THE COURT: ANY OBJECTION?

9 MR. LEWIN: NO OBJECTION.

10 THE COURT: IT IS NOW IN EVIDENCE.

11 (WHEREUPON, GOVERNMENT'S EXHIBIT 64 WAS
12 RECEIVED INTO EVIDENCE.)

13 BY MR. WEINGARTEN:

14 Q. YOU TESTIFIED IN YOUR DIRECT EXAMINATION, I THINK,
15 THAT IF YOU DO NOT FILE A REAL ESTATE DEED, IT IS INEFFECTIVE
16 AS TO THIRD PARTIES, IS THAT CORRECT?

17 A. SOMETIMES. IT DEPENDS. IT STANDS AS A NONPERFECTED
18 TRANSFER OF REAL PROPERTY.

19 Q. AND A BONA FIDE PURCHASER OR A PARTY OUT THERE WITH A
20 GOOD CLAIM TO PROPERTY HAS A BETTER RIGHT THAN THE PERSON WHO
21 HASN'T FILED IT, IS THAT RIGHT?

22 A. THAT IS CORRECT.

23 Q. AND, OF COURSE, THE PROPERTY SEPARATION AGREEMENT NOT
24 BEING FILED, YOU WOULD BE IN PRECISELY THE SAME SITUATION?

25 A. THE PROPERTY SETTLEMENT AGREEMENT THAT IS NOT FILED

1119

1 WOULD BE A PROPERTY SETTLEMENT AGREEMENT -- THERE ARE
2 PROPERTY SETTLEMENT AGREEMENTS WHICH HAVE NO REAL PROPERTY, AND
3 THERE ARE PROPERTY SETTLEMENT AGREEMENTS THAT HAVE REAL
4 PROPERTY. THE QUESTION IS WHETHER OR NOT YOU WANT TO RECORD IT.
5 YOU COULD CHOOSE TO DO THAT OR NOT CHOOSE TO DO IT.

6 Q. WELL, IF YOU WANT TO HAVE IT EFFECTIVE FOR THE REST OF
7 THE WORLD, YOU WOULD RECORD IT?

8 A. NOT NECESSARILY. IF YOU HAD A PROPERTY SETTLEMENT
9 AGREEMENT WITHOUT REAL PROPERTY, THERE IS NO REQUIREMENT.

10 Q. WAS THERE REAL PROPERTY IN THIS PROPERTY SETTLEMENT
11 AGREEMENT?

12 A. THERE IS REAL PROPERTY REFERRED TO AND ALSO A DEED TO
13 BE EXECUTED IN THIS CASE.

14 Q. WHAT ELSE WERE YOU GOING TO SAY?

15 A. THAT IS IT.

16 Q. THIS PROPERTY SETTLEMENT AGREEMENT ALLEGES TO TRANSFER
17 CERTAIN LOANS FROM CONGRESSMAN HANSEN TO MRS. HANSEN, IS THAT
18 CORRECT, SIR?

19 A. REPEAT THAT AGAIN PLEASE.

20 Q. ARE LOANS TRANSFERRED OR ALLEGED TO BE TRANSFERRED BY
21 THIS PROPERTY SEPARATION AGREEMENT FROM CONNIE HANSEN TO GEORGE
22 HANSEN AND OTHER LOANS FROM GEORGE HANSEN TO CONNIE HANSEN?

23 A. THERE ARE DEBTS TRANSFERRED, YES.

24 Q. AND IF CONGRESSMAN HANSEN HAD A DEBT WITH SOMEONE, AND
25 IN YOUR OFFICE TRANSFERRED THAT DEBT TO HIS WIFE, WHERE WOULD

1120

1 THE LENDER BE, SIR. LEGALLY? WOULD HE LOSE HIS RIGHT TO
2 COLLECT THAT DEBT FROM GEORGE HANSEN?

3 A. NC. THE LENDER IN ANY PROPERTY SETTLEMENT OR ANYTHING
4 LIKE THIS, A PREVIOUS LENDER WHETHER IT IS RECORDED OR
5 UNRECORDED ALWAYS HAS THE RIGHT TO PROCEED AGAINST THE TWO
6 PARTIES INVOLVED. THAT IS NOT THE PURPOSE OF THE SEPARATE
7 PROPERTY AGREEMENT, OF COURSE, IN ANY WAY, SHAPE OR FORM TO
8 PREVENT A PREVIOUS LENDER FROM COLLECTING ON THE DEBT.

9 Q. IF CONGRESSMAN HANSEN TOOK MORTGAGES, PURSUANT TO THIS
10 AGREEMENT THAT ORIGINALLY HAD CONNIE HANSEN'S NAME ON IT,
11 WOULD CONNIE HANSEN BE RELEASED FROM THAT DEBT?

12 A. I STATED TO YOU, NO DEBT -- THE EFFECT OF A PROPERTY
13 SETTLEMENT AGREEMENT AS TO NO DEBT RELIEVES THE OBLIGATION TO
14 THE CREDITORS? NO, SIR. THAT IS NOT THE PURPOSE OF IT. NEVER
15 HAS BEEN.

16 Q. AS TO CREDITORS, THIS PROPERTY SEPARATION AGREEMENT
17 AFFECTS NOTHING?

18 A. AS TO CREDITORS, THE CREDITORS STILL HAVE A RIGHT TO
19 COLLECT THE DEBT FROM BOTH PARTIES. THAT HAS BEEN THE LAW AND
20 IT IS THE LAW.

21 Q. HOW ABOUT MY QUESTION. AS TO CREDITORS, THIS PROPERTY
22 SEPARATION AGREEMENT MEANS NOTHING?

23 A. WELL, I DON'T KNOW THAT YOU CAN SAY IT MEANS NOTHING.
24 THEY CAN PROCEED AGAINST BOTH PARTIES, YES.

25 Q. THEY CAN PROCEED AGAINST THE PARTY THAT ORIGINALLY--

1 A. GO AHEAD.

2 Q. THEY CAN PROCEED AGAINST THE PARTY WHO ORIGINALLY HAD
3 THE DEBT?

4 A. I THINK IT MEANS IN THIS CASE QUITE A BIT.

5 THE COURT: SIR, WOULD YOU ANSWER THE QUESTION, PLEASE?
6 CAN THEY PROCEED AGAINST THE PARTY WHO ORIGINALLY HAD THE DEBT?

7 THE WITNESS: YES, I SAID THAT, YOUR HONOR, SEVERAL
8 TIMES. THE PURPOSE OF A PROPERTY SETTLEMENT AGREEMENT IS NOT
9 TO STOP CREDITORS. AND NEVER HAS BEEN. THEY CAN PROCEED
10 AGAINST THE PARTIES. BECAUSE THE PROPERTY SETTLEMENT AGREEMENT
11 IS EXECUTED AFTER THE DEBTS HAVE BEEN ACQUIRED. THAT IS CLEAR.

12 MR. LEWIN: MR. WEINGARTEN INTERRUPTED THE WITNESS
13 BEFORE HE COULD EXPLAIN HOW IT AFFECTED CREDITORS.

14 THE COURT: GO AHEAD.

15 THE WITNESS: I WAS JUST GOING TO SAY THAT BY AND
16 LARGE, I THINK MOST OF THESE CREDITORS WERE APPRECIATIVE AND
17 UNDERSTOOD THIS ASSIGNMENT AND RESPECTED THIS ASSIGNMENT OF THE
18 DEBT TO ONE PARTY OR THE OTHER.

19 BY MR. WEINGARTEN:

20 Q. HOW DO YOU KNOW THAT?

21 A. I BELIEVE THAT TO BE THE CASE.

22 Q. DO YOU KNOW RICHARD GARVIN, A BANKER IN IDAHO?

23 A. I HAVE HEARD OF HIM.

24 Q. DO YOU KNOW WHETHER OR NOT HE RESPECTED THIS PROPERTY
25 SEPARATION AGREEMENT, SIR?

1 A. I HAVE NO IDEA.

2 Q. BUT YOU ARE WILLING TO TESTIFY THAT YOU THINK THAT
3 CREDITORS, CREDITORS PURSUANT TO THIS DOCUMENT RESPECTED THE
4 PROPERTY SEPARATION AGREEMENT? WE HAD SUCH A CREDITOR IN COURT,
5 MR. RUNFT.

6 A. I BELIEVE MOST OF THESE PEOPLE WHO WERE CREDITORS OF
7 THE HANSENS. LIKED THE HANSENS, AND WOULD RESPECT THEIR WISHES,
8 AND I BELIEVE THEM TO BE FRIENDS, AND WOULD BE REASONABLY
9 FRIENDLY ABOUT IT, AND WOULD RESPECT THEIR WISHES. THAT IS ALL
10 I AM SAYING.

11 Q. JUST SO WE ARE PERFECTLY CRYSTAL CLEAR ON THIS ITEM.
12 THIS DOCUMENT PURPORTS TO GIVE MORTGAGES OF A PARTICULAR PIECE
13 OF REAL ESTATE TO CONGRESSMAN HANSEN, AND THE REAL ESTATE TO
14 MRS. HANSEN?

15 A. THAT IS CORRECT.

16 Q. MR. HANSEN WOULD TAKE THE MORTGAGES, MRS. HANSEN WOULD
17 TAKE THE REAL ESTATE?

18 A. THAT IS PART OF THE SETTLEMENT, YES. PART OF THE
19 TRANSFER.

20 Q. AND IF MR. HANSEN FORFEITED ON HIS MORTGAGE, COULD THE
21 BANK THEN COME IN AND TAKE THE HOUSE, EVEN THOUGH IT WAS IN
22 CONNIE HANSEN'S NAME PURSUANT TO THIS DOCUMENT?

23 A. COUNSEL, I HAVE STATED AND I'LL STATE IT AGAIN, YES,
24 THAT GOES TO ALL DEBTS UNDER THE AGREEMENT. THE AGREEMENT IS
25 NOT FOR THE PURPOSE OF AVOIDING ANY PREEXISTING DEBTS.

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1 Q. LET'S LIMIT OUR QUESTION TO THE WORLD OUTSIDE THE
2 HANSENS. IS IT NOT A FAIR STATEMENT, SIR, THAT THIS DOCUMENT
3 IS MEANINGLESS AS TO THE THIRD WORLD? NOT THE THIRD WORLD, BUT
4 AS TO THE WORLD OUTSIDE THE HANSENS?

5 A. YOU MEAN PREEXISTING CREDITORS?

6 Q. ANYBODY AFFECTED BY THIS DOCUMENT? WHO COULD BE
7 AFFECTED BY THIS DOCUMENT OUTSIDE THE HANSENS' FAMILY WHO COULD
8 BE AFFECTED IN ANY WAY AT ALL?

9 A. THE PEOPLE DEALING WITH THE HANSENS AFTER THE
10 AGREEMENT, SHOULD THE HANSENS ADVISE THEM OF THE AGREEMENT,
11 COULD BE AFFECTED BY IT.

12 Q. AND IF THE HANSENS DIDN'T ADVISE A BANKER OF THE
13 EXISTENCE OF THIS DOCUMENT, WOULD THAT BANKER BE IN ANY WAY
14 AFFECTED BY THE EXISTENCE OF THIS AGREEMENT?

15 A. I BELIEVE A BANKER OR A CREDITOR WOULD HAVE TO BE
16 ADVISED, YES.

17 Q. IF MRS. HANSEN WENT DOWN TO DALLAS AND DEALT WITH A
18 DALLAS BANKER AND NEVER REPRESENTED TO THAT BANKER THAT THERE
19 WAS A PROPERTY SEPARATION AGREEMENT, WOULD THAT BANKER BE
20 OBLIGED OR WOULD HE BE AFFECTED IN ANY WAY BY THIS AGREEMENT?

21 A. IF THAT HAPPENED, NO.

22 Q AND PARTICULARLY SINCE SHE HADN'T FILED THAT AGREEMENT?
23 WOULD IT BE ANY DIFFERENT IF SHE HAD FILED IT?

24 A. NOT NECESSARILY.

25 Q. AS BETWEEN THE HANSENS YOU SAY THERE IS --

1 A. LET ME ANSWER THAT QUESTION YOU JUST POSED. THE
2 FILING UNDER IDAHO LAW OF A MARRIAGE SETTLEMENT AGREEMENT, I
3 DON'T BELIEVE HAS THE EFFECT OF RECORD SUCH AS --

4 Q. SUCH AS REAL ESTATE?

5 A. SUCH AS REAL ESTATE, IN ALL CASES. IT MIGHT. THERE
6 IS SOME DOUBT ON THAT.

7 Q. NOW, YOU TESTIFIED IN DIRECT EXAMINATION THAT AS
8 BETWEEN THEM THERE IS SOME EFFECT THAT THIS AGREEMENT CAUSES?

9 A. NOT SOME EFFECT. IT IS EFFECTIVE.

10 Q. AND IT HAS TO DO WITH THE INHERITANCE OF PROPERTY?

11 A. WELL, NOT JUST THE INHERITANCE OF THE PROPERTY. AS
12 BETWEEN THEM, IT IS A COMPLETE SEPARATION AND IT AFFECTS ALL
13 ASPECTS OF PROPERTY AS BETWEEN THEM.

14 Q. YOU ARE REPRESENTING THAT THIS IS A SOLEMN AGREEMENT
15 TO SEPARATE PROPERTY BETWEEN THE HANSENS?

16 A. I AM.

17 Q. DO YOU KNOW, DID THE HANSENS FILE A WILL FOLLOWING
18 THIS PROPERTY SEPARATION AGREEMENT?

19 A. DID THEY FILE A WILL? NO. THEY DID NOT FILE A WILL
20 NOR DID THEY EXECUTE A WILL.

21 Q. ARE YOU THEIR LAWYER AS FAR AS THEIR WILL IS CONCERNED?

22 A. YES, WE TALKED ABOUT THAT.

23 Q. AND DO THEY INHERIT PROPERTY FROM EACH OTHER SHOULD
24 ONE PREDECEASE THE OTHER?

25 A. NO, IN THE PROPERTY SETTLEMENT AGREEMENT, THAT

1 PARTICULAR RIGHT IS EXPRESSLY GIVEN UP. I REFER YOU TO
2 PARAGRAPH 15. " EACH PARTY HERETO DOES HEREBY WAIVE ANY AND
3 ALL RIGHT TO INHERIT THE ESTATE OF THE OTHER, " AND SO ON.

4 Q. UNLESS UNDER A WILL EXECUTED SUBSEQUENT TO THE
5 EFFECTIVE DATE HEREOF?

6 A. YES, THAT'S CORRECT.

7 Q. TO YOUR KNOWLEDGE IS THERE A SUBSEQUENT WILL?

8 A. THERE IS NO WILL.

9 Q. THAT YOU KNOW OF?

10 A. I AM SURE THERE IS NO WILL.

11 Q. NOW, IN SOLEMN SEPARATION OF PROPERTY. LET'S MOVE, AND
12 SEE WHAT THE EFFECT OF THIS AGREEMENT HAS BEEN.

13 FIRST OF ALL, OF COURSE, YOU HAVE BEEN ASKED ABOUT
14 TAXES. DO YOU KNOW SIR, WHETHER OR NOT THE CONGRESSMAN AND HIS
15 WIFE FILED JOINTLY?

16 A. I BELIEVE THEY HAVE.

17 Q. AND, OF COURSE, THEY FILED JOINTLY, BECAUSE IT IS TO
18 THEIR ECONOMIC ADVANTAGE TO DO SO LIKE EVERYBODY ELSE? IS THAT
19 A FAIR STATEMENT, DO YOU KNOW THAT?

20 A. I SUSPECT IT IS TRUE.

21 Q. DO YOU KNOW ANYTHING ABOUT THE HANSENS' ACCOUNTS?

22 A. VERY LITTLE.

23 Q. TO YOUR KNOWLEDGE, HOW MANY BANK ACCOUNTS HAVE THE
24 HANSENS HAD SINCE 1977.

25 A. I HAVE NO IDEA.

1 Q. DO YOU KNOW OF ANY?

2 A. I DON'T KNOW THEM BY NUMBER. I KNOW SOME BANKS WHERE
3 THEY HAVE HAD ACCOUNTS. FIRST SECURITY BANK OF IDAHO, FOR
4 EXAMPLE. I BELIEVE IDAHO BANK AND TRUST. I AM NOT SURE.
5 THESE ARE BANKS IN IDAHO.

6 Q. ARE THESE JOINT ACCOUNTS, SIR?

7 A. I DON'T KNOW.

8 Q YOU DON'T KNOW THAT?

9 A. I DON'T KNOW THAT. ARE YOU SAYING NOW? WELL, I DON'T
10 REALLY KNOW. NO.

11 Q. HOW ABOUT, HAVE ANY BANK ACCOUNTS CHANGED FROM JOINT
12 TO SEPARATE, AS A RESULT OF THIS AGREEMENT?

13 A. I DON'T KNOW THE ANSWER TO THAT.

14 Q. WOULD YOU BE SURPRISED IF THE ANSWER WERE NO?

15 A. I DON'T KNOW WHETHER I WOULD BE SURPRISED OR NOT. I
16 HAVE TESTIFIED THAT I DON'T KNOW THE FINANCIAL AFFAIRS OF THE
17 HANSENS.

18 Q. YOU TESTIFIED WHAT?

19 A. THAT I DON'T FOLLOW THE IMMEDIATE FINANCIAL AFFAIRS OF
20 THE HANSENS.

21 Q. WELL, CERTAINLY, YOU KNOW A GREAT DEAL ABOUT THE
22 FINANCIAL AFFAIRS OF THE HANSENS?

23 A. NO, NOT AS TO WHICH BANK ACCOUNTS THEY HAVE
24 SPECIFICALLY AND WHAT THE NUMBERS ARE, AND WHICH BANKS THEY
25 ARE, NO. THROUGH THE YEARS, NO.

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1 Q. THEY HAVE SEVERAL ACCOUNTS, DON'T THEY, SIR?

2 A. YES, I UNDERSTAND THEY DO.

3 Q. AND YOU KNOW THEY ARE ALL JOINT?

4 A. I DON'T KNOW THAT.

5 Q. AND THE ACCOUNTS DID NOT CHANGE THAT AS A RESULT OF
6 THAT?

7 A. YOU ARE TELLING ME THAT; I DON'T KNOW.

8 Q. YOU DO NOT KNOW THAT?

9 A. NO.

10 Q. DO YOU KNOW WHETHER OR NOT THE HANSENS PURCHASED HOMES
11 SUBSEQUENT TO THE EFFECTIVE DATE OF THIS AGREEMENT?

12 A. I BELIEVE THAT THEY SOLD THEIR OLD HOME IN NORTH
13 VIRGINIA, AND I THINK THEY WERE IN A CONDOMINIUM FOR A SHORT
14 TIME AND NOW THEY ARE IN THAT PRESENT HOME. I AM NOT SURE
15 ABOUT THAT BUT I BELIEVE THAT TO BE THE CASE.

16 Q. ALL RIGHT. THE CONDOMINIUM, DID YOU HAVE ANYTHING TO
17 DO WITH IT AS A LAWYER?

18 A. NO.

19 Q. DO YOU KNOW WHOSE NAME THAT CONDOMINIUM WAS BOUGHT IN?

20 A. NO, THAT WAS BACK HERE, COUNSEL, AND I BELIEVE THEIR
21 AFFAIRS BACK HERE WERE HANDLE BY OTHER COUN EL.

22 Q. THEY BOUGHJT ANOTHER HOME IN ARLINGTON, DID THEY NOT,
23 THE HOME THEY LIVE IN NOW?

24 A. WELL, THEY BOUGHT IT. YES.

25 Q. AND THEY BOUGHT IT AFTER THIS SEPARATION AGREEMENT?

1 A. YES.

2 Q. AND IN WHOSE NAME IS TITLE IN THAT ONE, SIR?

3 A. I DON'T KNOW THE ANSWER.

4 Q. YOU HAD NOTHING TO DO WITH THAT?

5 A. I DID NOT HANDLE THAT TRANSACTION, NO.

6 Q. AND DO THEY HAVE A HOME IN IDAHO?

7 A. I BELIEVE THEY DO, IN POCA TELLO, I AM NOT SURE ABOUT
8 THAT.

9 Q. DID YOU HAVE ANYTHING TO DO WITH ANY TRANSACTION RELATING
10 THAT HOME, SIR?

11 A. NO.

12 Q. AND I SUPPOSE BY YOUR ANSWER YOU DON'T KNOW WHOSE NAME
13 THAT HOUSE IS IN?

14 A. YOU ARE CORRECT.

15 Q. NOW, PARAGRAPH 14 OF THE SEPARATION AGREEMENT SAYS IT
16 IS FURTHER AGREED THAT ANY AND ALL PROPERTY ACQUIRED FROM AND
17 AFTER THE EFFECTIVE DATE OF THIS AGREEMENT, SHALL BE THE SOLE
18 AND SEPARATE PROPERTY OF THE ONE SO ACQUIRING THE SAME. SIR,
19 IF I REPRESENT TO YOU THAT THOSE 3 HOMES THAT WE HAVE TALKED
20 ABOUT WERE PURCHASED AFTER THE PROPERTY SEPARATION AGREEMENT,
21 IN BOTH NAMES, WOULD THAT VIOLATE NUMBER 14 IN YOUR AGREEMENT?

22 A. NO, IT WOULD NOT.

23 Q. AND IT WOULD BE CONSISTENT WITH THIS SOLEMN SEPARATION
24 OF PROPERTY THAT IS REPRESENTED BY YOUR DOCUMENT?

25 A. THE SOLEMN SEPARATION OF THE PROPERTY IS TO DISPENSE

1 WITH THE MARITAL RIGHTS, AND WHAT FOLLOWS. TWO PEOPLE WHETHER
2 THEY ARE MARRIED OR NOT, CAN JOINTLY PURCHASE A HOUSE.

3 THEY CAN JOINT VENTURE ANY PARTICULAR FINANCIAL
4 PROJECT THEY WISH. WHAT IS THE SOLEMNITY OF TJOS AGREEMENT IS
5 INTACT, BECAUSE IT WAS A VERY SERIOUS STEP THAT THE HANSENS
6 TOOK. YOU KEEP SAYING SOLEMN; IT WAS SOLEMN.

7 Q. WELL, SIR, IF, IN FACT, EVERY TRANSACTION THAT
8 FOLLOWED THIS SEPARATION AGREEMENT WAS A JOINT TRANSACTION,
9 WOULD IT NOT LEND WEIGHT TO THE CONCLUSION THAT THIS DOCUMENT
10 REPRESENTS ONLY AN EFFORT TO GET AROUND THE HOUSE RULES?

11 A. NOT AT ALL.

12 Q. HOW ABOUT CARS, SIR, DO YOU KNOW ANYTHING ABOUT THE
13 HANSENS' CARS?

14 A. AT THE PRESENT TIME?

15 Q. AT ANY TIME?

16 A. WELL, I RECALL REVIEWING WHICH CARS THEY HAD AT THE
17 TIME THE PROPERTY SETTLEMENT AGREEMENT WAS SIGNED. YOU WILL
18 FIND THAT ON PAGE FOUR OF THE AGREEMENT. THERE ARE FOUR CARS
19 LISTED THERE.

20 Q. AND WHO GETS THE CARS, SIR?

21 A. AND I BELIEVE THOSE ARE AWARDED TO MRS. HANSEN.

22 Q. AND TO YOUR KNOWLEDGE, WAS TITLE TRANSFERRED TO MRS.
23 HANSEN, SIR?

24 A. I DON'T KNOW.

25 Q. YOU DON'T KNOW?

1 A. NO.

2 Q. YOU WERE NEVER INTERESTED IN FOLLOWING THROUGH TO FIND
3 OUT WHETHER OR NOT TITLE WAS TRANSFERRED TO MRS. HANSEN?

4 A. I AM NOT SURE THAT THE TITLE, IF YOU MEAN THE TITLE
5 DOCUMENTS WERE CHANGED?

6 Q. YES, OWNERSHIP, SIR. OWNERSHIP TRANSFERRED, FROM
7 JOINT OWNERSHIP TO MRS. HANSEN, PURSUANT TO THIS AGREEMENT?

8 A. THE OWNERSHIP WAS NOT IN JOINT OWNERSHIP TO BEGIN WITH,
9 IT WAS IN COMMUNITY PROPERTY OWNERSHIP, AND IT COULD BE. LET
10 ME FINISH. IT COULD BE THAT THE TITLES ALREADY PERHAPS WERE IN
11 MR. OR MRS. HANSENS' NAME. I DON'T KNOW, AND IF THAT WAS THE
12 CASE, THE TITLES THEN WERE ALL RIGHT.

13 Q. ALL RIGHT. IF MR. HANSEN USED THE CARS THAT HAD BEEN
14 TRANSFERRED TO HIS WIFE AS COLLATERAL FOR PERSONAL LOANS TO HIM,
15 WOULD THAT BE CONSISTENT WITH THIS AGREEMENT, SIR?

16 A. AGAIN, THE PARTIES HAVE SEPARATED THEIR RIGHTS DERIVED
17 FROM THEIR MARITAL STATUS. WHAT THEY DO WITH THEIR ASSETS
18 BEYOND THAT IS THE SAME AS ANY TWO PEOPLE WHO ARE NOT MARRIED.
19 THEY CAN DO WHAT THEY WANT TO DO. BUT THEY HAVE -- GO AHEAD.

20 Q MR. RUNFT, NUMBER 17 HAS TO DO WITH LIABILITIES, DOES
21 IT NOT? DOES PARAGRAPH 17 NOT INCLUDE THE REPRESENTATION THAT--
22 EXCUSE ME -- SECOND LINE FROM THE BOTTOM, ". . . EACH AGREES
23 THAT HE OR SHE WILL NOT INCUR ANY LIABILITY ON BEHALF OF THE
24 OTHER.. ." DOES IT SO STATE, SIR?

25 A. THAT IS PART OF THE SENTENCE. ". . . RECOGNIZING THAT

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1 THE PROPERTY HEREIN AWARDED TO THE OTHER IS THE SOLE AND
2 SEPARATE PROPERTY OF THE PARTY TO WHOM SO AWARDED." I BELIEVE
3 IT DOES STATE THAT.

4 THE PURPOSE THERE IS THAT EACH, THAT EACH SPOUSE HAS
5 NO MORE RIGHT TO GO OUT UNILATERALLY WITHOUT THE CONSENT OF THE
6 OTHER SPOUSE AND INCUR LIABILITY ON BEHALF OF THE OTHER ANY
7 MORE THAN I WOULD ON BEHALF OF YOU WITHOUT YOUR CONSENT.

8 Q. MR. RUNFT, ARE YOU AWARE OF ANY LIABILITY THAT HAVE
9 BEEN INCURRED BY THE HANSENS SUBSEQUENT TO THE EFFECTIVE DATE
10 OF THIS AGREEMENT?

11 A. YOU MEAN BY BOTH OF THE HANSENS?

12 Q. YES.

13 A. AGAIN, I HAVE NOT SEEN THE DOCUMENTS. I BELIEVE THEY
14 HAD INCURRED, HAVE ACQUIRED SOME PROPERTY.

15 Q. AND THEY HAVE INCURRED SOME LOANS AND LIABILITIES?

16 A. I BELIEVE THAT TO BE THE CASE.

17 Q. AND WHAT ROLE HAVE YOU PLAYED IN THAT, SIR?

18 A. I PLAYED NO ROLE IN THAT.

19 Q. HAVE YOU EVER PREPARED A FINANCIAL STATEMENT FOR THEM?

20 A. I WAS INVOLVED WITH THEIR ACCOUNTANT IN PREPARING THE
21 FINANCIAL STATEMENT BASED ON THE FINANCIAL INFORMATION IN JUNE,
22 JUNE 21, I BELIEVE, OF 1977.

23 Q. WOULD IT BE THIS FINANCIAL STATEMENT, I MEAN THE
24 NUMBERS REPRESENTED IN HERE, OR WOULD IT BE A PRIVATE FINANCIAL
25 STATEMENT THAT CONGRESSMAN HANSEN MIGHT TAKE TO A BANK?

1 A. IT WOULD BE THE FINANCIAL STATEMENT UNDERLYING THE
2 DOCUMENT YOU HAVE THERE.

3 Q. HAVE YOU EVER SEEN A PERSONAL FINANCIAL STATEMENT OF
4 THE CONGRESSMAN?

5 A. I BELIEVE I HAVE.

6 Q. AND IN WHAT REGARD, WHAT CONTEXT?

7 A. THROUGH THE YEARS, IN REPRESENTING HIM, I AM SURE I
8 HAVE FROM TIME TO TIME.

9 MR. WEINGARTEN: GOVERNMENT'S 65.

10 THE DEPUTY CLERK: GOVERNMENT EXHIBIT 65 MARKED FOR
11 IDENTIFICATION.

12 (WHEREUPON, THE DOCUMENT REFERRED TO ABOVE
13 WAS MARKED FOR IDENTIFICATION GOVERNMENT'S
14 EXHIBIT NO.65.)

15 BY MR. WEINGARTEN:

16 Q. MR. RUNFT, I HAND YOU GOVERNMENT'S EXHIBIT 65, IS THIS
17 MR. HANSEN'S FINANCIAL STATEMENT, SIR?

18 A. WELL, OFFHAND, I DON'T RECALL THIS AT ALL. THE
19 WRITING ON IT IS RATHER BOLD, AND I DON'T RECALL. IT IS NOT
20 TYPEWRITTEN, AND I DON'T HAVE A PRESENT RECOLLECTION OF EVER
21 SEEING IT.

22 Q. WELL, WHAT WAS THE FORM OF THE FINANCIAL STATEMENTS
23 THAT YOU HAVE SEEN?

24 A. I STATED GENERALLY THAT I PROBABLY HAVE SEEN SOME
25 FINANCIAL STATEMENTS, COUNSEL. I DON'T REALLY HAVE A PRESENT

1 RECOLLECTION OF SEEING ONE.

2 Q. WELL, IN THOSE FINANCIAL STATEMENTS?

3 A. A SPECIFIC ONE.

4 Q. IN THOSE FINANCIAL STATEMENTS, ARE THEY GEORGE HANSEN
5 OR GEORGE AND CONNIE HANSEN, THE ONES YOU HAVE SEEN?

6 A. WELL, THE ONES I GUESS I RECALL, WERE FOR MOST PART
7 RELATED TO THE PROPERTY SETTLEMENT AGREEMENT, AND PRIOR TO THAT
8 TIME, AND THOSE WERE JOINT FINANCIAL STATEMENTS, AND I RIGHT
9 NOW IN MY MIND, I FRANKLY CAN'T SEPARATE THAT OUT. IT HAS BEEN
10 NUMBER OF YEARS. YOU WILL HAVE TO ASK MR. HANSEN THAT QUESTION.

11 Q. O. K.. THANK YOU.

12 NOW, SIR, WE ARE TALKING ABOUT LIABILITIES. ARE YOU
13 AWARE OF ANY LIABILITIES THAT HAVE BEEN INCURRED BY BOTH CONNIE
14 AND GEORGE HANSEN JOINTLY SINCE THIS PROPERTY SEPARATION
15 AGREEMENT?

16 A. ALTHOUGH I DID NOT HANDLE THE TRANSACTION, I BELIEVE,
17 AND I COULD BE WRONG ON THIS -- YOU SAY AM I AWARE, AND
18 AWARENESS MEANS WHETHER I KNOW IT SPECIFICALLY OR NOT -- AND
19 POSSIBLY THE PRESENT HOUSE THEY HAVE HERE IN NORTHERN VIRGINIA,
20 MIGHT BE JOINTLY OWNED BY THEM, POSSIBLY. I HAVE NOT SEEN THE
21 DOCUMENTS ON THAT.

22 Q. ISN'T IT TRUE THAT THEY ARE JOINTLY OWNED AND THERE
23 ARE SOME MORTGAGES ATTACHED TO THAT PURCHASE?

24 A. IT COULD BE, YOU HAVE TO ASK MR. HANSEN THAT.

25 Q. AND ARE THOSE MORTGAGES JOINT?

1 A. I HAVEN'T THEM SEEN THEM.

2 Q. AND YOU DON'T KNOW ANYTHING ABOUT MORTGAGE LOANS,
3 LIABILITIES, THAT HAVE BEEN INCURRED BY THE HANSENS SUBSEQUENT
4 TO THIS DOCUMENT?

5 A. NOT IN DETAIL. I AM AWARE OF THINGS OF A GENERAL
6 NATURE AS I HAVE TESTIFIED TO BUT I HAVE NOT HANDLED THOSE
7 MATTER BACK HERE IN VIRGINIA.

8 Q. GENERALLY SPEAKING, IS IT NOT TRUE, SIR, THAT THERE
9 HAVE BEEN MANY LIABILITIES INCURRED SINCE THIS DOCUMENT WAS
10 EFFECTIVE, AND THOSE LIABILITIES ARE JOINT?

11 A. THERE HAVE BEEN SOME JOINT LIABILITIES. I BELIEVE
12 THERE HAVE BEEN SOME JOINT LIABILITIES ACQUIRED. AGAIN, I DID
13 NOT SUPERVISE THE LIAIBILITIES, OR THE DOCUMENTS RELATED TO
14 THEM.

15 Q. ALL RIGHT. THE QUITCLAIM DEED. DO YOU HAVE THOSE,
16 SIR?

17 A. I HAVE 3 QUITCLAIM DEEDS.

18 Q. WOULD YOU EXPLAIN THE PROPERTY ON THREE QUITCLAIM
19 DEEDS?.

20 MR. LEWIN: THE CLERK ADVISED ME AT THE RECESS THE
21 RECORD DIDN'T SHOW THAT THESE ARE IN EVIDENCE. I HAD OFFERED
22 THEM.

23 THE COURT: I AM QUITE SURE YOU OFFERED THEM AND THERE
24 IS NO OBJECTION.

25 MR. LEWIN: BUT THE CLERK ADVISED ME.

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1 THE COURT: WE WILL CERTAINLY RECTIFY THAT. THANK YOU,
2 MR. LEWIN.

3 (WHEREUPON, DEFENDANT'S EXHIBITS 75, 76,
4 AND 77 WERE RECEIVED INTO EVIDENCE.)

5 THE WITNESS: I HAVE BEFORE ME 75, 76, AND 77.

6 BY MR. WEINGARTEN:

7 Q. WHAT PROPERTY WAS DESCRIBED THEREON?

8 A. IN EXHIBIT 75, A PROPERTY LOCATED IN ARLINGTON,
9 VIRGINIA, IS DESCRIBED. ON EXHIBIT 76 --

10 Q. DO YOU KNOW, SIR, IS THAT THE HOUSE THAT THE HANSENS
11 USED TO LIVE IN THAT WAS SOLD IN '79. IS THAT WHAT YOU HAVE IN
12 YOUR HAND THERE?

13 A. THIS IS THE HOUSE THEY LIVED IN AT THE TIME THE
14 PROPERTY SETTLEMENT AGREEMENT WAS EXECUTED. I DID NOT KNOW IT
15 WAS SOLD IN '79 OR ANYTHING ELSE ABOUT IT. I BELIEVE IT WAS
16 SOLD, BUT I DON'T KNOW WHAT YEAR.

17 Q. O. K.. EXHIBIT 76?

18 A. EXHIBIT 76 IS A REAL PROPERTY LOCATED -- I AM SORRY.
19 I HAVE MISSTATEED MYSELF. EXHIBIT 75. WHAT I DID WAS READ
20 MRS. HANSEN'S ADDRESS ON IT. EXHIBIT 75 REFERS TO REAL
21 PROPERTY LOCATED IN BANNOCK COUNTY, IDAHO, LOCATED ON MAIN
22 STREET IN POCA TELLO, IDAHO, AND THAT IS WHAT WE REFERRED TO AS
23 THE KOPY KAT PROPERTY. IT IS A BUSINESS PROPERTY THAT THE
24 HANSENS OWN. THAT IS EXHIBIT 75.

25 Q. THAT IS A COPYING BUSINESS THEY HAVE IN POCA TELLO?

1 A. IT IS A COPYING AND RETAIL OUTLET, A SMALL BUSINESS
2 THEY HAVE THERE. AND THAT PARTICULAR PROPERTY I DO KNOW ABOUT
3 THE TRANSACTION ON THAT MATTER.

4 Q. WELL, JUST SO WE GET ALL 3. IS IT FAIR TO SAY ONE IS
5 A PIECE OF PROPERTY IN ARKANSAS AND ONE IS THEIR OLD HOME IN
6 ARLINGTON?

7 A. EXHIBIT 75 IS THE PROPERTY IN POCATELLO, IDAHO, AND
8 EXHIBIT 76 IS THE ARKANSAS PROPERTY, AND EXHIBIT 77 IS THE
9 ARLINGTON, VIRGINIA, PROPERTY WHICH WAS THEIR RESIDENCE AT THE
10 TIME THE AGREEMENT WAS SIGNED.

11 Q. AND TELL THE JURY, AGAIN, WHAT QUITCLAIM MEANS?

12 A. WELL, A QUITCLAIM DEED IS A DEED TRANSFERRING, AND
13 QUITCLAIMING. THAT MEANS RELEASING ALL CLAIMS. TRANSFERRING
14 ALL RIGHT, TITLE AND INTEREST OVER TO ANOTHER PARTY.

15 Q. AND IF CONGRESSMAN HANSEN WAS PUTTING THAT PROPERTY ON
16 A FINANCIAL DISCLOSURE STATEMENT AS REPRESENTED AS HIS PROPERTY
17 TO GET LOANS, WOULD THAT BE CONSISTENT WITH A QUITCLAIM DEED IF
18 HE WAS DOING IT AFTER SEPTEMBER 1977?

19 A. IT WOULD IF MRS. HANSEN ALLOWED HIM TO DO IT.

20 Q. IF THE ARLINGTON HOUSE WAS SOLD, IN 1979, AND HE USED
21 THE PROCEEDS TO PAY OFF A PERSONAL LOAN OF HIS, WOULD THAT BE
22 CONSISTENT WITH THE QUITCLAIM DEED, SIR?

23 A. I GUESS, AGAIN, IT DEPENDS ON WHAT THE PARTIES WANTED
24 TO DO, SIR.

25 Q. SO THE QUITCLAIM DEED CAN BE TOTALLY IGNORED?

1 A. NO. WHAT YOU DO WITH THE PROCEEDS OF A SALE IS
2 DIFFERENT THAN WHAT YOU DO WITH THE TRANSFER OF THE ASSET.
3 THAT IS CLEAR.

4 Q. DO YOU KNOW WHETHER OR NOT TITLE WAS EVER TRANSFERRED,
5 SIR, ON THOSE PROPERTIES? TITLE FOR THE WORLD TO SEE?

6 A. TITLE WAS TRANSFERRED. I DON'T BELIEVE THAT THE DEEDS
7 WERE RECORDED BUT UNDER THE LAW, TITLE IS TRANSFERRED UPON
8 EXECUTION OF AND DELIVERY OF THE DEED.

9 Q. IF WE SAW THE TITLE OF THAT ARLINGTON PROPERTY,
10 FOLLOWING YOUR QUITCLAIM DEED -- AND GEORGE HANSEN'S NAME WAS
11 ON THAT TITLE, WOULD YOU BE SURPRISED, SIR?

12 Q. IF WE SAW A TITLE? YOU MEAN TITLE REPORT?

13 Q. YES.

14 A. IF THE QUITCLAIM DEED WERE NOT RECORDED AT RECORD, I
15 ASSUME THAT TITLE REPORT WOULD SHOW THE OWNER, WHOEVER IT WAS
16 PRIOR TO THE EXECUTION OF THE QUITCLAIM DEED, YES.

17 Q. YOU KNOW, SIR, THAT THAT ARLINGTON HOUSE WAS
18 EVENTUALLY SOLD AND THE HANSENS MOVED INTO ANOTHER HOUSE, DID
19 THEY NOT?

20 A. I BELIEVE THAT TO BE TRUE, YES.

21 Q. WERE YOU INVOLVED 'N THAT SALE, SIR?

22 A. I HAVE STATED BEFORE AND I'LL STATE AGAIN I WAS NOT
23 INVOLVED IN THAT SALE.

24 Q. SO, YOU HAVE NEVER SEEN THE DOCUMENTS?

25 A. NO.

1 Q. NOW, THIS PROPERTY SETTLEMENT AGREEMENT PURPORTS TO
2 GIVE CERTAIN LOANS TO GEORGE HANSEN, AND CERTAIN LOANS TO MRS.
3 HANSEN, IS THAT CORRECT?

4 A. IT TRANSFERS CERTAIN DEBTS. YES.

5 Q. AND IT SEEMS THAT CONGRESSMAN HANSEN GETS ALL THE
6 MORTGAGES, ALL THE LOANS FROM BANKS, ALL THE LOANS FROM CARS.
7 ALL CHARGES FROM CREDIT CARDS, THE LAWYERS' FEES.

8 ARE THOSE FEES TO YOU, SIR?

9 A. I DON'T KNOW.

10 Q. I SHOW YOU --

11 A. I DON'T KNOW WHAT YOU ARE REFERRING TO.

12 Q. I SHOW YOU DEFENDANT'S EXHIBIT 73, IS THIS FIRM, RUNFT
13 & LONGETEIG, YOUR FIRM?

14 A. YES.

15 Q. AND WHAT ARE THE ATTORNEYS' FEES INDICATED ON THERE?

16 A. \$4,197.41.

17 Q. WAS THAT PAID TO YOUR LAW FIRM?

18 A. I BELIEVE THAT WAS TO OUR LAW FIRM, YES.

19 Q. ARE THERE ANY OTHER LAWYERS' FEES IN THIS ENTIRE
20 DOCUMENT?

21 A. I SAID I BELIEVE THE LAWYER'S FEES WERE TO OUR FIRM.
22 IT IS POSSIBLE THAT SOME MAY BE OWED TO ANOTHER FIRM. I WOULD
23 HAVE TO GO OVER THE DOCUMENTS.

24 THE COURT: HOLD IT A MOMENT, WHILE WE CHANGE
25 REPORTERS.

1 THE COURT: ALL RIGHT.

2 BY MR. WEINGARTEN:

3 Q NOW, MR. RUNFT, IN THIS ENTIRE DOCUMENT, ARE THERE
4 ANY OTHER LAWYER'S FEES REPRESENTED OTHER THAN THE \$4,999
5 THAT WE SEE ON PAGE 5?

6 A I'M NOT SURE. THE REASON I'M NOT SURE IS THAT
7 I WOULD HAVE TO GO BACK AND LOOK AT THE UNDERLYING ACCOUNTING
8 AS TO WHETHER SOME OF THE DEBTS OWED WERE ATTORNEY'S FEES,
9 AND I DON'T HAVE THOSE MATERIALS HERE. I DON'T RECALL THEM
10 OUT OF HAND.

11 Q ALL RIGHT. LET'S GET RIGHT TO THAT POINT. IS IT
12 FAIR TO SAY THAT IF YOU ADDED UP ALL THE LIABILITIES THAT
13 ARE REPRESENTED TO BE OWED BY CONGRESSMAN HANSEN -- HOW MUCH
14 WOULD IT BE? DO YOU KNOW, SIR?

15 A NOT OFFHAND, NO.

16 Q WOULD IT BE ABOUT THE SAME AS THAT FIGURE REPRESENTED
17 IN 5-B, \$372,750, THAT IS REPRESENTED TO BE THE
18 PERSONAL LOANS TO CONNIE HANSEN?

19 A YOUR QUESTION AGAIN WAS IF WHAT?

20 Q ARE THE NUMBERS THE SAME? ARE THEY APPROXIMATELY
21 THE SAME?

22 A THE SETTLEMENT WAS -- IN ORDER TO BE EQUITABLE,
23 THE SETTLEMENT WAS TO GIVE A LIKE EQUITY POSITION TO EACH
24 PARTY SO THAT EACH PARTY WOULD COME OUT WITH, BASED ON THE
25 ACCOUNTING, THE SAME ASSET AND DEBT RATIO. NOW, THE NUMBERS

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1 MAY NOT BE EXACTLY THE SAME, BECAUSE ONE PARTY -- I BELIEVE
2 ONE PARTY RECEIVED MORE ASSETS AND MORE DEBTS AND THE OTHER
3 PARTY RECEIVED LESS ASSETS AND LESS DEBTS. THE MAIN THING
4 WAS THAT THE EQUITY RATIO WAS THE SAME.

5 Q WHAT IS THE ANSWER TO THIS: ALL THE DEBTS OWED
6 BY CONGRESSMAN HANSEN ARE LISTED WITH PRECISION IN THIS
7 DOCUMENT. ONLY TWO DEBTS ARE LISTED FOR CONNIE HANSEN: ONE,
8 \$50,000 TO THE FIRST NATIONAL BANK OF DALLAS, AND TWO, PERSONAL
9 LOANS IN THE SUM OF \$372,750.

10 WHAT WAS YOUR PURPOSE THERE, SIR?

11 A I DON'T HAVE THE FIGURES FROM THE ACCOUNTING BEFORE
12 ME. BUT AT THE TIME, THE OBJECT WAS TO ARRIVE AT AN EQUITABLE
13 SETTLEMENT BETWEEN BOTH PARTIES, WHEREBY EACH PARTY WOULD
14 COME OUT THE SAME.

15 Q WHY DIDN'T YOU LIST THE DEBTS OF CONNIE HANSEN IN
16 PARAGRAPH NO. 5 THE WAY YOU LISTED THE DEBTS OF GEORGE HANSEN
17 IN PARAGRAPH NO. 4?

18 A THEY WERE LISTED IN THE ACCOUNTING, AND THIS WAS
19 A TOTAL REACHED.

20 Q WELL, HOW COME THEY ARE NOT LISTED IN THIS DOCUMENT,
21 SIR?

22 A IT WAS MUCH SIMPLER TO PUT A SINGLE FIGURE IN.

23 Q WELL, WHY WASN'T IT MUCH SIMPLER TO PUT IN A SINGLE
24 FIGURE FOR GEORGE HANSEN?

25 A THE DEBTS WERE -- GEORGE, SOME OF THEM CONCERNED

1 MORTGAGES AND REQUIRED SPECIFIC REFERENCE.

2 Q MAYBE I CAN SIMPLIFY THIS, MR. RUNFT. WHAT MAKES
3 UP, WHAT CONSTITUTES, WHAT ARE THE DEBTS THAT AMOUNT TO
4 \$372,750?

5 A PERSONAL LOANS.

6 Q TO WHOM?

7 A COUNSEL, I WOULD HAVE TO GO BACK AND LOOK AT THE
8 UNDERLYING DOCUMENTS. I DON'T HAVE THEM HERE.

9 Q DID YOU BRING THOSE DOCUMENTS, SIR?

10 A I DID NOT.

11 Q WERE THOSE DOCUMENTS PROVIDED TO DEFENSE COUNSEL?

12 A NO, THEY WERE NOT.

13 Q WELL, NAME ONE PERSON, SIR. AND I PRESUME THAT
14 MRS. HANSEN MUST PAY INTEREST ON THESE DEBTS, AND THAT
15 INTEREST WOULD BE FOUND ON HER TAX RETURN. NAME ONE PERSON,
16 MR. RUNFT.

17 A I WOULD HAVE TO GO BACK AND LOOK AT THE LIST,
18 COUNSEL.

19 Q YOU CAN'T REMEMBER, RIGHT?

20 A COUNSEL, IT HAS BEEN SEVEN YEARS AGO. THEY WERE
21 FRIENDS OF THE HANSENS, THEY WERE PEOPLE --

22 Q DID YOU EVER SEE A PIECE OF PAPER THAT REFLECTED
23 SUCH A DEBT, MR. RUNFT?

24 A I SAW THE LIST. COUNSEL, I SAID I SAW THE ACCOUNT-
25 ING, I SAW IT SEVEN YEARS AGO WHEN I PREPARED THIS DOCUMENT.

1 I DO NOT HAVE A PRESENT RECOLLECTION OF THE AMOUNTS, THE PEOPLE
2 INVOLVED.

3 Q AND ISN'T IT INTERESTING THAT THE ONLY LOAN LISTED
4 UNDER CONNIE HANSEN IS THE \$50,000 DEBT TO DALLAS NATIONAL
5 BANK? THAT ONE'S LISTED. THAT ONE'S LISTED WITH SPECIFICITY,
6 IS IT NOT, MR. RUNFT?

7 A IT IS.

8 Q BUT NOTHING ELSE IS. AND WE ARE TO RELY ON YOUR
9 WORD THAT THOSE DEBTS EXIST.

10 MR. RUNFT, YOU TESTIFIED THAT YOU PROVIDED SOME
11 LEGAL OPINIONS AS TO THE EFFECT OF THE ETHICS IN GOVERNMENT
12 ACT; IS THAT CORRECT?

13 A THAT'S CORRECT.

14 Q AND OF COURSE, THE ACT PASSED IN 1978, IS THAT
15 CORRECT?

16 A THAT'S CORRECT.

17 Q AND PRIOR TO THAT, DISCLOSURE WAS REQUIRED OF
18 CONGRESSMEN, BUT NOT BY LEGISLATIVE ACT, BUT BY RULE. IS
19 THAT CORRECT?

20 A THAT'S CORRECT.

21 Q AND THE FINANCIAL DISCLOSURE REQUIREMENTS CHANGED
22 SUBSTANTIALLY WHEN THIS ACT WAS PASSED; IS THAT CORRECT?

23 A THEY CHANGED, YES.

24 Q AND THE ACT WAS ACCOMPANIED BY A BUNCH OF FANFARE,
25 A BUNCH OF PUBLICITY, A BUNCH OF DISCUSSION. IT WAS AN

1 IMPORTANT THING FOR CONGRESS, WAS IT NOT, SIR?

2 A I BELIEVE IT'S IMPORTANT, LIKE ALL ACTS ARE, YES.

3 Q AND THIS ACT WAS CALLED THE ETHICS IN GOVERNMENT
4 ACT, WAS IT NOT?

5 A THAT'S CORRECT.

6 Q AND IT WAS A RESULT OF THE FUROR AROUSED DURING
7 THE WATERGATE EPISODE; IS THAT NOT CORRECT?

8 A I BELIEVE THAT TO BE THE CAUSE OF IT, YES.

9 Q AND THE PURPOSE OF THE ACT WAS TO PRESERVE AND
10 PROMOTE PUBLIC CONFIDENCE IN THE INTEGRITY OF FEDERAL OFFI-
11 CIALS THROUGH FINANCIAL DISCLOSURE. IS THAT NOT ONE OF THE
12 PURPOSES OF THE ACT, SIR?

13 A THAT IS ONE OF THE PURPOSES.

14 Q NOW, OF COURSE, THERE WAS FINANCIAL DISCLOSURE
15 REQUIRED UNDER THE OLD LAW, WAS THERE NOT?

16 A THAT'S CORRECT, TOO.

17 Q AND YOU HAVE REFERRED TO AN OPINION, AN ETHICS
18 OPINION IN THE OLD RULE, OR AN ADVISORY OPINION THAT REFLECTED
19 THE REQUIREMENTS UNDER THE OLD RULE, DID YOU NOT?

20 A YES.

21 Q 44, IN THAT DEFENSE EXHIBIT?

22 A NO, THAT'S RULE 44, ADVISORY OPINION 12, I BELIEVE.

23 Q O.K. SORRY.

24 DO YOU HAVE THE ETHICS -- DO YOU HAVE THE BOOK?

25 A THE RED BOOK?

1 Q YES, SIR. WHY DON'T WE FIND ADVISORY OPINION
2 NO. 12. HAVE YOU FOUND IT, SIR?

3 A DO YOU HAVE A PAGE NUMBER?

4 Q MY BOOK'S DIFFERENT.

5 A WELL, I'M GETTING THERE. JUST A MINUTE.

6 O.K. ADVISORY OPINION NO. 12. YES, I HAVE IT.

7 Q ALL RIGHT. AND TOWARDS THE END OF THAT OPINION,
8 THERE ARE SPECIFIC PROVISIONS FOR SPOUSE DISCLOSURE, ARE THERE
9 NOT?

10 A YES.

11 Q WHY DON'T YOU READ THEM TO THE JURY?

12 A "SPOUSE DISCLOSURE. RULE 44 REQUIRES DISCLOSURE
13 OF SPOUSE INTERESTS IF THEY ARE UNDER THE CONSTRUCTIVE CONTROL
14 OF THE REPORTING INDIVIDUAL. THIS REQUIREMENT HAS EXISTED
15 UNDER HOUSE RULE 44 SINCE ITS ORIGINAL ADOPTION IN 1968. AS
16 DEFINED BY THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
17 THE FINANCIAL INTERESTS OF A SPOUSE ARE REGARDED AS CONSTRUC-
18 TIVELY CONTROLLED IF ENHANCEMENT OF THOSE INTERESTS WOULD
19 SUBSTANTIALLY BENEFIT THE PERSON REPORTING. NORMALLY, IN
20 THE ABSENCE OF SPECIFIC PROPERTY DIVISION AGREEMENTS, TRUSTS
21 AND SO ON, THE INTEREST OF SPOUSES WOULD BE CONSTRUCTIVELY
22 CONTROLLED."

23 Q ALL RIGHT. JUST STOP RIGHT THERE, SIR.

24 "IF ENHANCEMENT OF THOSE INTERESTS WOULD SUBSTAN-
25 Tially BENEFIT THE PERSON REPORTING." YOU JUST READ THOSE

1 WORDS, DID YOU NOT?

2 A YES.

3 Q SO EVEN BEFORE THE ETHICS IN GOVERNMENT ACT, EVEN
4 BEFORE THE CHANGE IN 1978, IF PROPERTY IN A SPOUSE'S NAME
5 SUBSTANTIALLY BENEFITED THE CONGRESSMAN, HE HAD TO REPORT
6 IT. IS THAT NOT TRUE?

7 A EXCEPT, IT SAYS, IN THE ABSENCE OF A SPECIFIC
8 PROPERTY DIVISION AGREEMENT, TRUSTS AND SO ON.

9 Q ALL RIGHT. THE OPINION GOES ON AND SAYS -- AND
10 THIS, OF COURSE, IS BEFORE THE ETHICS IN GOVERNMENT ACT -- AND
11 CONTINUES AND GIVES MORE COUNSEL TO A CONGRESSMAN AS TO WHAT
12 HE HAS TO REQUIRE.

13 WHY DON'T YOU CONTINUE READING, SIR?

14 A WHERE?

15 Q WHERE YOU STOPPED.

16 A "IN VIEW OF THE MORE DETAILED INFORMATION NOW
17 REQUIRED TO BE DISCLOSED, THE SELECT COMMITTEE BELIEVES THAT
18 CLARIFICATION OF SPOUSE DISCLOSURE REQUIREMENTS IS NECESSARY.
19 ACCORDINGLY, THE FINANCIAL INTERESTS OF A SPOUSE SHOULD BE
20 REPORTED AS FOLLOWS: (1) SOURCE, BUT NOT AMOUNT, OF SPOUSE
21 INCOME EXCEEDING \$1,000; (2) GIFTS OR REIMBURSEMENTS TO THE
22 SPOUSE UNLESS RECEIVED INDEPENDENT OF THE RELATIONSHIP TO
23 THE REPORTING INDIVIDUAL; AND (3) ASSETS AND LIABILITIES OF
24 THE SPOUSE UNLESS THE REPORTING INDIVIDUAL INDICATES THAT:
25 (A) HE OR SHE NEITHER DERIVES NOR EXPECTS TO DERIVE ANY

1 ECONOMIC BENEFIT FROM SUCH INTERESTS, AND (B) SUCH INTERESTS
2 WERE NOT OBTAINED IN ANY WAY FROM THE ASSETS OR ACTIVITIES
3 OF THE REPORTING INDIVIDUAL. THE ASSETS AND LIABILITIES OF
4 THE SPOUSE" --

5 Q THAT'S -- O.K., FINISH, FINISH. SORRY. EXCUSE
6 ME. FINISH, PLEASE.

7 A "THE ASSETS AND LIABILITIES OF A SPOUSE MUST BE
8 REPORTED IN THE SAME MANNER AS THOSE OF THE REPORTING
9 INDIVIDUAL. HOWEVER, THE PERSON REPORTING NEED NOT IDENTIFY
10 SUCH ITEMS AS THOSE OF THE SPOUSE. THE FINANCIAL INTERESTS
11 OF A SPOUSE LIVING SEPARATE AND APART FROM THE REPORTING
12 INDIVIDUAL NEED NOT BE DISCLOSED."

13 Q DOES THAT CLARIFICATION NOT MAKE IT CRYSTAL CLEAR
14 THAT EVEN BEFORE THE ETHICS IN GOVERNMENT ACT, A CONGRESSMAN
15 WAS REQUIRED TO DISCLOSE ASSETS IN HIS WIFE'S NAME IF:
16 (A) HE BENEFITED BY THEM, OR (B) HE PARTICIPATED IN THEIR
17 ACQUISITION?

18 A NO, IT DOES NOT.

19 Q AND WHY DO YOU SAY THAT, SIR?

20 A I SAY THAT BECAUSE, AS IT STATES ABOVE, THE
21 EXPRESS EXCEPTION MADE HERE IS IN THE PRESENCE OF A PROPERTY
22 DIVISION AGREEMENT, WHICH WOULD REFER, I THINK, TO A PROPERTY
23 SETTLEMENT AGREEMENT. AND YOU MUST REALIZE --

24 Q A PROPERTY SEPARATION AGREEMENT IN WHICH NOTHING
25 IS SEPARATED.

1 A COUNSEL, YOU'VE INTERRUPTED ME.

2 THE COURT: PLEASE FINISH YOUR STATEMENT.

3 THE WITNESS: THE APPROACH THAT THE HANSENS MADE
4 TO THE COMMITTEE REGARDING THIS PARTICULAR OPINION, AS I
5 SAID IN MY TESTIMONY, WAS TWO-FOLD. AND BOTH PARTS OF THAT
6 ARE VERY IMPORTANT. ONE IS THAT THEY TOOK THE POSITION THAT
7 THEY ARE GOING TO ENTER INTO -- THEY WERE PLANNING TO ENTER
8 INTO A PROPERTY SETTLEMENT AGREEMENT, AND THAT IS SPECIFICALLY
9 REFERRED TO HERE, (A). AND (B), AND EQUALLY IMPORTANT, BOTH
10 NOW -- BOTH UNDER THESE PARTICULAR PROVISIONS HERE AND UNDER
11 THE ACT, IS THE FACT THAT THE HANSENS TOLD THE COMMITTEE WHAT
12 THEY WERE DOING. AND THE COMMITTEE, BEING SO ADVISED, HAS THE
13 DUTY THEN TO COME BACK AND REFER TO THE HANSENS.

14 BY MR. WEINGARTEN:

15 Q ARE YOU SUGGESTING THAT CONGRESSMAN HANSEN HAS BEEN
16 TOTALLY STRAIGHTFORWARD AND ABOVE-BOARD WITH THE ETHICS
17 COMMITTEE?

18 A I DO.

19 Q WE'LL GET TO THAT, SIR.

20 A IN WRITING.

21 Q WE'LL GET TO THAT.

22 GOVERNMENT EXHIBIT 3. WHY DON'T I PUT IT HERE.

23 MR. RUNFT, I ASK YOU TO TAKE A LOOK --

24 THE COURT: I DON'T KNOW IF THE JURY CAN SEE THAT.
25 FROM WHERE YOU ARE LOCATED, LADIES AND GENTLEMEN, YOU HAVE

1 A LITTLE PROBLEM SEEING IT? RIGHT.

2 CAN YOU ALL SEE IT BETTER NOW? CAN THE WITNESS
3 SEE IT? WITH CRANING THE NECK A LITTLE, YES.

4 THE WITNESS: I CAN, YOUR HONOR, YES.

5 THE COURT: ALL RIGHT. CAN COUNSEL SEE IT?

6 MR. LEWIN: YES.

7 THE COURT: FINE.

8 BY MR. WEINGARTEN:

9 Q NOW, OF COURSE, YOU HAVE ACKNOWLEDGED, SIR, THAT
10 AN ACT CALLED THE ETHICS IN GOVERNMENT ACT WAS PASSED IN
11 1978; IS THAT CORRECT?

12 A YES.

13 Q AND YOU TESTIFIED THAT YOU STUDIED THAT ACT
14 METICULOUSLY SO THAT YOU COULD APPROPRIATELY COUNSEL
15 CONGRESSMAN AND MRS. HANSEN ON THEIR REPORTING REQUIREMENTS.

16 A YES, I DID.

17 Q AND OF COURSE, YOU UNDERSTAND FROM THE ACT THAT
18 LOANS MORE THAN \$10,000 THAT ARE NOT HOUSE MORTGAGES MUST
19 BE REPORTED, GENERALLY SPEAKING.

20 A YOU'VE MADE A STATEMENT.

21 Q YOU UNDERSTAND THAT TO BE THE CASE.

22 A YES.

23 Q AND YOU UNDERSTAND THE COMMODITIES TRANSACTIONS
24 MUST BE REPORTED, GENERALLY SPEAKING. IS THAT CORRECT?

25 A YES.

1 Q AND OF COURSE, THERE'S A SPECIFIC RULE FOR THE
2 PROPERTY AND ASSETS IN THE NAME OF A SPOUSE. IS THAT NOT
3 CORRECT?

4 A COUNSEL, IF WE ARE GOING TO DISCUSS THE ACT, I SUG-
5 GEST YOU GET A COPY TO ME SO I CAN FOLLOW ALONG.

6 Q DON'T YOU HAVE ONE UP THERE?

7 A WHAT PROVISIONS ARE YOU --

8 MR. LEWIN: I DON'T KNOW IF THE ACT IS IN THAT
9 BOOK. WE DID PUT A COPY OF THE ACT IN EVIDENCE.

10 MR. WEINGARTEN: MAYBE IT'S OUR EXHIBIT, RIGHT IN
11 THE BEGINNING.

12 MR. LEWIN: WE HAVE A COPY HERE. CAN WE GIVE THIS
13 ONE?

14 MR. WEINGARTEN: SURE.

15 THE WITNESS: THANK YOU.

16 NOW, COUNSEL, YOU HAVE REFERRED TO SPECIFIC
17 PROVISIONS?

18 BY MR. WEINGARTEN:

19 Q YES. WHAT IS THE RULE FOR SPOUSES?

20 A WHICH RULE?

21 Q THE RULE FOR WHAT SPOUSES --

22 A PERHAPS YOU COULD POINT OUT WHAT YOU ARE REFERRING
23 TO IN THE ACT.

24 Q WHY DON'T YOU TURN -- WELL, I DON'T KNOW IF YOUR
25 PAGES ARE RIGHT.

1 A I CAN REFER TO SECTIONS, IF YOU WISH. U.S.C.
2 SECTIONS.

3 Q HOW ABOUT 102 --

4 A 102?

5 Q (D) --

6 MR. LEWIN: I THINK THE COPY THE WITNESS HAS IS
7 OF 2 U.S.C., SO --

8 THE WITNESS: I'M REFERRING TO THE U. S. CODE.

9 BY MR. WEINGARTEN:

10 Q ALL RIGHT. THAT PART, (D).

11 MR. RUNFT, WHY DON'T YOU TAKE A LOOK FIRST AT WHAT
12 YOU ARE READING AND THEN COMPARE IT WITH THE STANDARDS FOR
13 EXEMPTION THAT ARE ON GOVERNMENT EXHIBIT 3 THAT HAS ALREADY
14 BEEN MOVED INTO EVIDENCE.

15 A WHAT DO YOU WANT ME TO READ, COUNSEL?

16 Q THE REQUIREMENTS FOR EXEMPTION FOR SPOUSES. WHEN
17 CAN A CONGRESSMAN NOT REPORT HIS SPOUSE'S PROPERTY?

18 A SECTION 702(D)(2) --

19 Q AND WHY DON'T YOU CHECK IT AGAINST THE STANDARD
20 FOR EXEMPTION ON THE BOARD.

21 WHY DON'T WE ASK IT THIS WAY, MR. RUNFT --

22 A THESE ARE TOTALLY DIFFERENT SECTIONS. SECTION
23 702(D)(2) SAYS, "NO REPORT SHALL BE REQUIRED WITH RESPECT
24 TO A SPOUSE LIVING SEPARATE AND PART FROM THE REPORTING
25 INDIVIDUAL," AND SO ON.

1 Q MR. RUNFT, YOU TESTIFIED IN YOUR DIRECT EXAMINATION
2 THAT YOU KNOW THIS ACT, IS THAT NOT TRUE?

3 A I HAVE STUDIED THIS ACT. I GENERALLY --

4 Q IS IT NOT THE CASE THAT IF A CONGRESSMAN IS GOING
5 TO EXEMPT PROPERTY, NOT REPORT PROPERTY IN HIS WIFE'S NAME,
6 HE HAS TO MEET THREE TESTS?

7 A UNLESS THE REPORT, SECTION -- I BELIEVE AN EXCEPTION
8 TO WHAT YOU ARE SAYING IS TO BE FOUND IN U. S. C. SECTION
9 702(D)(2).

10 Q AND WHAT DOES THAT SAY?

11 A THAT SAYS, "NO REPORT SHALL BE REQUIRED WITH
12 RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE REPORT-
13 ING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE MARRIAGE
14 OR PROVIDING FOR PERMANENT SEPARATION OR WITH RESPECT TO ANY
15 INCOME OR OBLIGATIONS OF AN INDIVIDUAL ARISING FROM THE
16 DISSOLUTION OF HIS MARRIAGE OR THE PERMANENT SEPARATION FROM
17 HIS SPOUSE."

18 Q DOES THAT APPLY TO CONGRESSMAN HANSEN?

19 A I BELIEVE IT DOES, BECAUSE I BELIEVE THE PURPOSE
20 OF THIS LEGISLATION IS TO PROVIDE FOR WHATEVER WILL BE AN
21 ECONOMIC SEPARATION. AND THE --

22 Q LET'S JUST GO THROUGH (2), WHAT YOU ARE REQUIRING
23 ON.

24 A AND THAT STANDS AS A SELF-SUFFICIENT PROVISION.

25 Q LET'S GO THROUGH THIS. "NO REPORT SHALL BE REQUIRED

1 WITH RESPECT TO A SPOUSE LIVING SEPARATE AND APART FROM THE
2 REPORTING INDIVIDUAL WITH THE INTENTION OF TERMINATING THE
3 MARRIAGE OR PROVIDING FOR PERMANENT SEPARATION."

4 WAS CONGRESSMAN HANSEN LIVING SEPARATE AND APART
5 FROM HIS WIFE?

6 A NOT LIVING, NO. BUT THEY --

7 Q DID HE HAVE THE INTENTION OF TERMINATING THE MARRIAGE
8 OR PROVIDING FOR PERMANENT SEPARATION?

9 A UNDER IDAHO LAW, THEY WERE MAKING A PERMANENT
10 SEPARATION OF THEIR PROPERTY INTERESTS, WHICH I BELIEVE IS
11 THE INTENT OF THIS STATUTE.

12 Q THE INTENT OF THIS STATUTE WAS TO CONFORM WITH IDAHO
13 LAW?

14 A NO, NO, COUNSEL. THE INTENT OF THIS STATUTE IS
15 TO PREVENT THE MIXING OF THE ECONOMIC LIVES. HERE, THE
16 PERMANENT SEPARATION OF THE ECONOMIC LIFE OF THE HANSENS,
17 THAT IS, THEIR RIGHT TO INHERIT, THE RIGHTS THAT ARE AFFORDED
18 UNDER THE COMMUNITY PROPERTY LAW, HAVE BEEN SEPARATED. AND
19 THERE ARE OTHER PROVISIONS IN THIS ACT -- JUST ABOVE, FOR
20 EXAMPLE -- WHICH DO TALK TO SITUATIONS WHERE A WIFE'S INCOME,
21 EVEN THOUGH SHE IS MARRIED AND NOT UNDER IDAHO TYPE LAW,
22 THAT IS, COMMUNITY PROPERTY LAW -- WHEREBY HER INCOME AND
23 THE NATURE OF HER PROFESSION IS SOMEWHAT SEPARATE, SHE GETS
24 A CERTAIN BENEFIT, OR A CERTAIN DIFFERENT REPORTING REQUIREMENT
25 IS REQUIRED.

1 FOR EXAMPLE, IN SECTION 702(D)(1)(A), WITH RESPECT
2 TO EARNED INCOME, IF A SPOUSE IS SELF-EMPLOYED OR IN BUSINESS
3 OR A PROFESSION, ONLY THE NATURE OF SUCH BUSINESS OR PROFES-
4 SION NEED BE REPORTED. NOT THE INCOME. AND I DERIVE FROM
5 THAT THE DIRECTION THAT IT IS NOT THE FACT THEY ARE MARRIED
6 THAT COUNTS HERE. IT IS THE ECONOMIC RELATIONSHIP THAT COUNTS.

7 Q IT'S THE ECONOMIC RELATIONSHIP THAT COUNTS. IS
8 THAT CORRECT?

9 A AND THE PARTIES HERE HAVE SEPARATED THEIR ECONOMIC
10 RELATIONSHIP.

11 Q AND ALL THEIR HOUSES ARE IN JOINT NAMES, ALL THEIR
12 LOANS ARE IN JOINT NAMES, ALL THEIR CARS ARE IN JOINT NAMES,
13 AND ALL THEIR LOANS ARE IN JOINT NAMES, AND THEY HAVE
14 SEPARATED THEIR PROPERTY? IS THAT YOUR TESTIMONY, MR. RUNFT?

15 A YOU'RE TESTIFYING, COUNSEL; I'M NOT.

16 Q MR. RUNFT, LET ME ASK YOU A QUESTION. IF IN FACT --
17 LET'S ASSUME YOU ARE PROVIDING CONGRESSMAN HANSEN WITH LEGAL
18 ADVICE. IF, IN FACT, THE SILVER TRANSACTION TRIGGERED BY
19 NELSON BUNKER HUNT -- IF CONGRESSMAN HANSEN KNEW ABOUT IT,
20 PARTICIPATED IN IT, AND BENEFITED IN IT, AND HE IS LIVING
21 WITH HIS WIFE WITH NO INTENTION OF SEPARATING, ARE YOU SAYING
22 TO THIS JURY THAT HE DIDN'T HAVE TO REPORT IT ON HIS FINANCIAL
23 DISCLOSURE STATEMENT?

24 A I DON'T KNOW IF THOSE ARE THE FACTS. YOU ARE GIVING
25 ME A HYPOTHETICAL RIGHT NOW?

1 Q I'M GIVING YOU A HYPOTHETICAL.

2 A A HYPOTHETICAL THAT MAY OR MAY NOT BE TRUE? O.K.
3 WELL, I -- PUT IT THIS WAY, COUNSEL: THE DIRECTION YOU ARE
4 HEADING LEADS UP TO THE ABSURD RESULT THAT PEOPLE LIVING
5 TOGETHER, EVEN THOUGH THEY HAVE JOINT HOUSES, JOINT CARS --
6 THAT IS, LIVING TOGETHER WITHOUT THE BENEFIT OF MARRIAGE,
7 HAVING JOINT CARS, JOINT HOUSES, AND SO ON, WOULD BE EXEMPT
8 FROM THIS ACT, WHEREAS PEOPLE WHO HAVE LEGALLY SEPARATED THEIR
9 ECONOMIC INTERESTS BUT REMAIN MARRIED STILL WOULD BE SUBJECT
10 TO THIS ACT. THAT JUST IS -- I CAN'T BUY THAT. THAT'S
11 TOTALLY ABSURD.

12 Q MR. RUNFT, WHY DON'T YOU ANSWER MY QUESTION. LET'S
13 ASSUME, FOR THE SAKE OF ARGUMENT, THAT YOU ARE PROVIDING LEGAL
14 ADVICE TO CONGRESSMAN HANSEN. AND LET'S TALK ABOUT A SILVER
15 TRANSACTION. LET'S ASSUME A SILVER COMMODITIES TRANSACTION
16 THAT NETTED AN \$87,000 PROFIT. LET'S ASSUME THAT CONGRESSMAN
17 HANSEN KNEW ABOUT IT; LET'S SAY HE PARTICIPATED IN IT, AND
18 LET'S SAY HE SPENT THE MONEY. LET'S SAY THAT TRANSACTION
19 WAS IN HIS WIFE'S NAME, AND THEY WERE LIVING TOGETHER. UNDER
20 THE ETHICS IN GOVERNMENT ACT OF 1978, SIR, WOULD HE HAVE HAD
21 TO REPORT THAT?

22 A WAS THERE A PROPERTY SETTLEMENT AGREEMENT INVOLVED
23 IN YOUR HYPOTHETICAL?

24 THE COURT: SIR, WOULD YOU ANSWER?

25 THE WITNESS: I DON'T KNOW.

1 THE COURT: YOU DON'T KNOW.

2 MR. WEINGARTEN: I HAVE NO FURTHER QUESTIONS.

3 THE COURT: REDIRECT.

4 REDIRECT EXAMINATION

5 BY MR. LEWIN:

6 Q IF THERE WAS A PROPERTY SETTLEMENT AGREEMENT IN
7 THAT CASE, MR. RUNFT, AND IN FACT THE SILVER TRANSACTIONS
8 HAD BEEN PURCHASED BY MRS. HANSEN, ISN'T IT A FACT THAT UNDER
9 THE PROPERTY SETTLEMENT AGREEMENT THOSE WOULD NOT BE REPORT-
10 ABLE?

11 A THAT IS MY INTERPRETATION. I BELIEVE IT TO BE COR-
12 RECT, FOR THE POLICY REASONS I'VE STATED.

13 Q AND THAT IS THE VIEW THAT YOU EXPRESSED TO THE
14 CONGRESSMAN.

15 A YES, IT IS.

16 Q AND YOU WERE ASKED BY MR. WEINGARTEN ABOUT THE PARA-
17 GRAPH THAT RELATES TO LIABILITIES, PARAGRAPH 17. ISN'T THAT
18 IN FACT --

19 A YOU ARE REFERRING TO THE PROPERTY SETTLEMENT AGREE-
20 MENT, COUNSEL?

21 Q YES, I'M SORRY. THE PROPERTY SETTLEMENT AGREEMENT.
22 ISN'T THAT IN FACT A PARAGRAPH THAT SAYS -- STRIKE THAT.

23 ISN'T IT A FACT THAT IN A COMMUNITY PROPERTY STATE,
24 IF ONE PARTY UNDERTAKES A LIABILITY, THEN THAT LIABILITY IS
25 INCURRED ON BEHALF OF THE OTHER AUTOMATICALLY BY REASON OF

1 COMMUNITY PROPERTY?

2 A BY REASON OF THE MARRIAGE AND THE EFFECT ON
3 COMMUNITY PROPERTY, YES.

4 Q SO DOESN'T REALLY PARAGRAPH 17 SAY THAT "I", EACH
5 ONE OF THOSE PARTIES, "WILL NOT INCUR A LIABILITY FOR THE
6 OTHER"? IN OTHER WORDS, THAT'S NOT SAYING THAT I'M NOT GOING
7 TO INCUR ANY LIABILITY. IT MEANS THAT I WON'T -- THE
8 LIABILITIES I INCUR WILL NOT AUTOMATICALLY BECOME THE
9 LIABILITIES OF THE OTHER PARTY AS PROVIDED UNDER COMMUNITY
10 PROPERTY.

11 A WELL, I BELIEVE IT GOES FURTHER THAN THAT. I
12 BELIEVE THEY ARE SIMPLY AGREEING HERE THAT EACH WILL NOT
13 INCUR LIABILITY ON BEHALF OF THE OTHER, I PRESUME WITHOUT
14 THE CONSENT OF THE OTHER.

15 Q BUT IF THE OTHER CONSENTED, THEN THERE COULD BE
16 A JOINT LIABILITY.

17 A COUNSEL, I HAVE EXPLAINED THIS, AND THE ANSWER IS
18 "YES" TO THAT. THE POINT IS, HERE, THESE PEOPLE HAVE ENTERED
19 INTO A PROPERTY SETTLEMENT AGREEMENT, AND IT HAS THE VERY
20 REAL AND SERIOUS IMPLICATION THAT I HAVE TESTIFIED TO. AND
21 THEY ARE PLACED ECONOMICALLY -- ECONOMICALLY SPEAKING, IN
22 THE SAME POSITION AS TWO PEOPLE SIMPLY LIVING TOGETHER WITH-
23 OUT THE BENEFIT OF MARRIAGE. AND I DON'T BELIEVE THAT THIS
24 ACT, THE 1978 ETHICS IN GOVERNMENT ACT, WOULD REQUIRE TWO
25 UNMARRIED PEOPLE LIVING TOGETHER -- WOULD REQUIRE THE

1 CONGRESSPERSON TO REPORT HIS LIVE-IN -- HIS OR HER LIVE-IN'S
2 INCOME, EVEN THOUGH THOSE PEOPLE MIGHT OWN A CAR TOGETHER,
3 HAVE A JOINT OWNERSHIP IN AN INVESTMENT OR WHATEVER. YOU CAN
4 CARRY THESE EXAMPLES TO SOME REAL EXTREMES, LIKE TWO MEN
5 LIVING TOGETHER OR TWO WOMEN LIVING TOGETHER, OR TWO PARTNERS
6 OR A MOTHER AND A SON.

7 THE POINT IS, ECONOMIC LIFE OF THESE PEOPLE HAS
8 BEEN SEPARATED, AND THEY ARE LIKE UNMARRIED PEOPLE AS FAR
9 AS THEIR ECONOMIC LIFE IS CONCERNED. AND THAT IS REFLECTED --
10 THAT ECONOMIC CONCERN -- THROUGHOUT THIS STATUTE, IN GREAT
11 DETAIL.

12 Q MR. WEINGARTEN ASKED YOU ABOUT THE PROVISION
13 RELATING TO WILLS AND THE WAIVER OF RIGHTS IF THERE IS NOT
14 A WILL THAT SUBSEQUENTLY ENTERED INTO TO REESTABLISH IN SOME
15 WAY THE RIGHTS THAT WOULD BE HAD UNDER COMMUNITY PROPERTY
16 LAW; IS THAT RIGHT?

17 A YES.

18 Q THAT'S PARAGRAPH 15.

19 A YES.

20 Q DID YOU AT THE TIME OF DRAFTING THIS PROPERTY
21 SETTLEMENT AGREEMENT ALSO DRAFT WILLS WHICH YOU WERE PROPOS-
22 ING THAT CONGRESSMAN AND MRS. HANSEN COULD SIGN IF THEY
23 WISHED TO OVERRIDE THE EFFECTS OF THE PROPERTY SETTLEMENT
24 AGREEMENT WITH REGARD TO THEIR ESTATES?

25 A I DID.

1 MR. LEWIN: AND I WILL MARK FOR IDENTIFICATION AS
2 DEFENDANT'S EXHIBITS 79 AND 80 THE FOLLOWING DOCUMENTS, WHICH
3 I WILL PLACE BEFORE YOU.

4 (DEFENDANT'S EXHIBITS 79 AND 80
5 MARKED FOR IDENTIFICATION)

6 BY MR. LEWIN:

7 Q ARE THOSE THE WILLS THAT YOU DRAFTED FOR THEM IN
8 THAT REGARD?

9 A YES. I RECOGNIZE THEM.

10 Q AND DID YOU GIVE IT TO THEM? DID YOU GIVE THOSE
11 DOCUMENTS TO THEM?

12 A YES. I BELIEVE THESE WERE POSSIBLE -- THEY WERE
13 NEVER EXECUTED, COUNSEL, AND I FRANKLY DO NOT RECALL WHETHER
14 THEY WERE EVER REALLY FINAL DRAFTS AGREED TO BY THEM OR NOT,
15 EXHIBIT 79 BEING A PROPOSED LAST WILL AND TESTAMENT OF
16 GEORGE HANSEN AND EXHIBIT 80 BEING A PROPOSED LAST WILL AND
17 TESTAMENT OF CONNIE HANSEN.

18 Q IN FACT, THEY DID NOT CHOOSE TO EXERCISE THAT OPTION;
19 IS THAT CORRECT?

20 A THAT'S CORRECT. THEY DID NOT EXECUTE THESE WILLS.
21 NOR ANY WILLS, TO MY KNOWLEDGE.

22 Q SINCE THAT TIME.

23 A THAT'S CORRECT.

24 Q SO THAT THE EFFECT OF THIS SEPARATION AGREEMENT
25 REALLY IS TO DENY EACH OF THEM THE RIGHTS THAT THEY WOULD

1 OTHERWISE HAVE UNDER COMMUNITY PROPERTY LAW IF EITHER OF THEM
2 SHOULD DIE.

3 A THAT'S CORRECT.

4 Q AND THAT WOULD BE THE CONSEQUENCE AS A RESULT OF
5 THE SIGNING OF THE SEPARATION OF PROPERTY AGREEMENT.

6 A THEY ARE NOT ABLE TO INHERIT FROM EACH OTHER OR
7 RECEIVE ANY AUTOMATIC BENEFIT AS A RESULT OF MARRIAGE. THEY
8 ARE ECONOMICALLY AS TWO UNMARRIED PEOPLE.

9 THE COURT: COUNSEL, CAN I HAVE YOU UP HERE AT THE
10 BENCH FOR A MOMENT?

11 (AT THE BENCH)

12 THE COURT: TIME ESTIMATE. IF IT IS GOING TO BE
13 ANYTHING BEYOND ANOTHER FIVE MINUTES OR SO, I AM GOING TO
14 BREAK.

15 MR. LEWIN: I'LL BE LESS THAN FIVE MINUTES.

16 THE COURT: AND, OF COURSE, THERE MAY BE SOME ON
17 THE OTHER SIDE, SO I WANT TO KNOW ABOUT HOW LONG. IT'S
18 7:00 O'CLOCK.

19 MR. LEWIN: ONE OR TWO MINUTES, THAT'S ALL.

20 THE COURT: ALL RIGHT. YOU WILL BE BRIEF AS FAR
21 AS YOU KNOW AT THIS MOMENT? AS OF THIS MINUTE. ALL RIGHT.

22 (END OF BENCH CONFERENCE)

23 BY MR. LEWIN:

24 Q MR. RUNFT, MR. WEINGARTEN ASKED YOU ABOUT THE
25 FIGURE THAT APPEARS UNDER PERSONAL LOANS IN THE SUM OF

1 \$372,750 IN PARAGRAPH 5(B) OF THE SEPARATION AGREEMENT.

2 A HE ENDED WITH A STATEMENT, NOT A QUESTION, THAT
3 WE WOULD HAVE TO RELY ON MY FIGURE.

4 Q THAT FIGURE WAS A FIGURE THAT YOU CAME TO FROM
5 ACCOUNTING RECORDS AND OTHERS THAT WERE PRESENTED TO YOU?

6 A THIS FIGURE WAS VERY CAREFULLY BROUGHT TOGETHER
7 AFTER REFERRING -- CONFERRING WITH THE HANSENS' ACCOUNTANT
8 ON A NUMBER OF OCCASIONS, REVIEWING THE ACTUAL DEBT INSTRU-
9 MENTS. THIS WAS SEVEN YEARS AGO. I RECALL A LOT OF WORK
10 WENT INTO THAT, AND IT IS AN ACCURATE AND PROPER FIGURE.

11 Q IT IS NOT JUST SOMETHING THAT YOU MADE UP OUT OF
12 YOUR HEAD TO BALANCE NUMBERS.

13 A ABSOLUTELY NOT.

14 Q ALL RIGHT. AND FINALLY, I WOULD ASK YOU, MR.
15 RUNFT, BOTTOM LINE: APART FROM ALL THE LEGAL ARGUMENTS --
16 DISCUSSIONS YOU HAVE BEEN HAVING WITH MR. WEINGARTEN IN TERMS
17 OF YOUR ADVICE TO THE CONGRESSMAN AS TO WHETHER HE WAS OBLIGED
18 TO PUT ON AN ETHICS IN GOVERNMENT ACT FORM, AFTER THE SIGNING
19 OF THIS PROPERTY SETTLEMENT AGREEMENT, ANY LIABILITIES THAT
20 MRS. HANSEN HAD INCURRED OR ANY PROCEEDS OR PROFITS OR INCOME
21 THAT MRS. HANSEN HAD HERSELF OBTAINED, WHAT WAS YOUR ADVICE
22 IN THAT REGARD? WAS HE OBLIGED TO REPORT IT ON AN ETHICS
23 IN GOVERNMENT ACT FORM?

24 A NO, HE WAS NOT.

25 MR. LEWIN: THANK YOU.

1 RECROSS EXAMINATION

2 BY MR. WEINGARTEN:

3 Q HOW MANY YEARS DID YOU ADVISE CONGRESSMAN HANSEN?
4 JUST THE ONE? OR HAVE YOU ADVISED HIM EACH AND EVERY YEAR
5 UP UNTIL RIGHT NOW?

6 A OH, I'VE BEEN A CONSTANT ADVISER OF THE CONGRESSMAN
7 ON MANY MATTERS.

8 Q HOW MANY TIMES HAVE YOU TOLD HIM HE DIDN'T HAVE
9 TO REPORT A PARTICULAR TRANSACTION ON HIS FINANCIAL DISCLOSURE
10 STATEMENT?

11 A I DON'T KNOW. HE HAS INQUIRED OR HAS ASKED ME ABOUT
12 THE SPOUSAL DISCLOSURE.

13 Q DID YOU GIVE HIM ANY ADVICE AS TO THE \$50,000
14 DALLAS LOAN?

15 A WITH REGARD TO PUTTING IT ON A DISCLOSURE FORM?

16 Q YES.

17 A I DON'T RECALL.

18 Q WHAT ABOUT THE --

19 A YOU ARE REFERRING NOW TO THE LOAN THAT IS IN THE
20 PROPERTY -- THAT IS REFERRED TO IN THE PROPERTY SETTLEMENT
21 AGREEMENT?

22 Q YES.

23 A O.K. I DON'T RECALL.

24 Q WHAT ABOUT THE \$87,000 SILVER PROFIT?

25 A I BELIEVE THAT THAT PARTICULAR MATTER WAS A DEBT OF

1 MRS. HANSEN'S, AND --

2 Q PROFIT.

3 A PARDON ME, A PROFIT OF MRS. HANSEN'S, AND THAT WOULD
4 HAVE BEEN, I PRESUME, INCLUDED IN MY ADVICE TO HIM THAT IN
5 LIGHT OF THE PROPERTY SETTLEMENT AGREEMENT AND THE ADVICE
6 TO THE HOUSE ETHICS COMMITTEE AND THE HOUSE STANDARDS
7 COMMITTEE, THAT HE WOULD NOT HAVE TO, SO LONG AS THE COMMITTEE
8 WAS ADVISED.

9 Q DID HE TELL YOU THAT HE SPENT THAT MONEY?

10 A NO.

11 Q AND DO YOU HAVE A SINGLE PIECE OF PAPER FROM THE
12 HOUSE ETHICS COMMITTEE THAT REPRESENTS, AFTER THE ETHICS IN
13 GOVERNMENT ACT, THAT CONGRESSMAN HANSEN WAS NOT OBLIGED TO
14 REPORT CERTAIN TRANSACTIONS?

15 A I DO NOT HAVE A SINGLE PIECE OF PAPER, BUT THERE
16 IS OTHER ADVICE.

17 Q DID YOU GET AN ADVISORY OPINION FROM THE HOUSE
18 ETHICS COMMITTEE PURSUANT TO RULE 702 CONCERNING CONGRESSMAN
19 HANSEN?

20 A I DO NOT HAVE THAT OPINION YET, NO.

21 Q IF A HUSBAND DIES INTESTATE IN IDAHO, WHERE DOES
22 HIS PROPERTY GO?

23 THE COURT: YOU MIGHT EXPLAIN WHAT INTESTATE IS
24 FOR THE JURY.

25 MR. WEINGARTEN: I'M SORRY.

1 BY MR. WEINGARTEN:

2 Q I MEAN IF, HEAVEN FORBID, SOMETHING HAPPENED TO
3 EITHER MR. OR MRS. HANSEN OR TO ANY HUSBAND AND WIFE WHEN
4 THERE IS A PROPERTY SEPARATION AGREEMENT AND THERE IS NO
5 WILL, WHO GETS THEIR PROPERTY?

6 A THE PROPERTY WOULD GO OUT OR DEVOLVE ACCORDING
7 TO THE INTESTATE SUCCESSION LAW.

8 Q AND WHAT IS THAT?

9 A THAT IS THE LAW WHICH DESCRIBES HOW AND WHERE
10 PROPERTY GOES WHEN SOMEBODY DIES WITHOUT A WILL.

11 Q AND IF A HUSBAND DIES AND A WIFE IS ALIVE, WHERE
12 DOES THE PROPERTY GO?

13 A THE PROPERTY, IF IT IS A COMMUNITY PROPERTY STATE,
14 THERE IS A COMMUNITY PROPERTY PORTION THAT AUTOMATICALLY GOES
15 TO THE WIFE. APPROXIMATELY ONE-HALF OF THE ASSETS GO TO THE
16 WIFE AS A RESULT OF HER COMMUNITY PROPERTY PORTION. AND THE
17 BALANCE, THEN, IS DIVIDED AMONG THE HEIRS.

18 Q AND THIS IS EVEN WITH THE PROPERTY SEPARATION
19 AGREEMENT?

20 A NO.

21 Q WHAT HAPPENS IF THERE IS A PROPERTY SEPARATION
22 AGREEMENT AND A WIFE DIES WITHOUT A WILL AND A HUSBAND REMAINS
23 ALIVE?

24 A O.K. IN THAT CASE, I BELIEVE THAT THE WIFE IS NOT
25 ENTITLED TO HER COMMUNITY SHARE OF HIS ESTATE. AND THE LAWS

1 OF INTESTATE SUCCESSION WOULD APPLY, AND SHE WOULD SHARE ALSO
2 HER COMMUNITY HALF WITH THE CHILDREN OR OTHERS.

3 Q SO IF THERE IS A SEPARATION OF PROPERTY AGREEMENT
4 AND ONE SPOUSE DIES AND THERE IS NO WILL, THE PROPERTY THAT'S
5 LEFT IS SHARED BETWEEN THE REMAINING SPOUSE AND THE CHILDREN?

6 A EXCEPT THERE'S A DIFFERENCE, THOUGH, AND A VERY
7 SUBSTANTIAL DIFFERENCE, AND THAT IS THAT IF THERE IS NOT A
8 SEPARATION AGREEMENT, THAT THE SURVIVING SPOUSE LITERALLY
9 GETS HALF THE PROPERTY TO BEGIN WITH, AND THEN THE BALANCE
10 IS DISTRIBUTED ACCORDING TO THE INTESTATE SUCCESSION LAWS.

11 Q AND THE INTESTATE SUCCESSION LAWS GIVES WHAT TO
12 WHOM?

13 A THERE IS A FORMULA COUNSEL, AND I --

14 Q NO, IT'S TOO LATE, TOO LATE. FORGET IT. I WITHDRAW
15 THE QUESTION.

16 MR. WEINGARTEN: NO FURTHER QUESTIONS.

17 THE WITNESS: O.K.

18 THE COURT: ANYTHING FURTHER?

19 MR. LEWIN: NO FURTHER QUESTIONS.

20 THE COURT: ALL RIGHT.

21 YOU ARE EXCUSED. I JUST ASK THAT YOU NOT DISCUSS
22 YOUR TESTIMONY WITH ANY OTHER POSSIBLE WITNESS IN THIS CASE
23 UNTIL THE MATTER IS CONCLUDED. GOOD DAY.

24 THE WITNESS: YOU BET, YOUR HONOR.

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

1 ARE GOING TO START TOMORROW MORNING, AND COUNSEL -- ALL
2 COUNSEL -- TOMORROW MORNING WE START AT 9:30. 9:30. AND
3 COUNSEL HAVE BEEN ADVISED EARLIER, AND I BELIEVE I TOLD THE
4 LADIES AND GENTLEMEN OF THE JURY, BUT THIS I'M NOT CERTAIN
5 ABOUT, SOME TIME AGO, THAT THERE WAS GOING TO BE A LENGTHY
6 LUNCHEON TOMORROW AND AN INTERRUPTION BETWEEN OUR SESSION
7 TOMORROW. BUT THE MARSHALS HAVE ALSO ADVISED ME THAT THEY
8 HAVE SOMETHING SPECIAL PLANNED FOR YOU. AND I SEE THAT YOU
9 HAVE BEEN APPRISED OF THAT; YOU ARE NODDING AT ME. AND HOPE-
10 FULLY, YOU WILL ENJOY THAT RESPITE. BUT DON'T COUNT ON THERE
11 BEING ANY OTHER LONG HIATUSES WHILE WE ARE STILL TOGETHER
12 IN THE CASE. SO ENJOY WHAT YOU HAVE TOMORROW.

13 BUT, THE FIRST THING FIRST, LADIES AND GENTLEMEN
14 OF THE JURY. WE SEE EACH OTHER AT 9:30 IN THE MORNING FOR
15 AS LONG AS WE CAN GO IN THE MORNING. WE WILL THEN BREAK. WE
16 WILL COME BACK IN THE AFTERNOON, AND ONCE AGAIN, TOMORROW
17 WE PLAN TO SIT UNTIL 7:00 O'CLOCK IN THE EVENING. SO, AGAIN,
18 WHATEVER IT TAKES TO FORTIFY YOURSELVES IN THAT KIND OF
19 RESOLVE AND THAT SITTING ATMOSPHERE, PLEASE DO SO. HAVE A
20 VERY GOOD EVENING. ENJOY YOUR MEAL; ENJOY WHAT COMES AFTER
21 IT, AND ENJOY YOUR SLEEP. WE WILL SEE YOU TOMORROW MORNING.

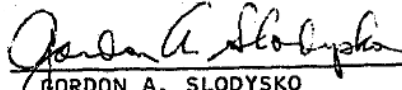
22 REMEMBER THE ADMONITION NOT TO DISCUSS THE CASE.

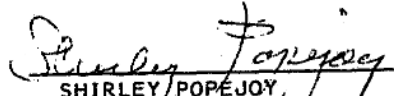
23 ALL RIGHT. HAVE A GOOD EVENING, SIMILARLY FOR ALL.

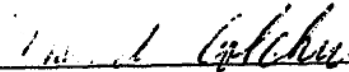
24 (WHEREUPON, AT 7:06 P.M., THE TRIAL WAS ADJOURNED,
25 TO RECONVENE AT 9:30 A.M., WEDNESDAY, MARCH 28, 1984)

CERTIFICATE OF REPORTER

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


GORDON A. SLODYSKO
OFFICIAL COURT REPORTER


SHIRLEY POPEJOY
OFFICIAL COURT REPORTER


MINDI COLCHICO
OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

VS.

GEORGE VERNON HANSEN,

DEFENDANT

CRIMINAL ACTION
NO. 83-75

VOLUME NO. 8

WASHINGTON, D. C.

WEDNESDAY, MARCH 28, 1984

THE ABOVE-ENTITLED MATTER CONVENED FOR FURTHER
TRIAL BY JURY, BEFORE THE HONORABLE JOYCE HENS GREEN, UNITED
STATES DISTRICT JUDGE, AT APPROXIMATELY 9:30 A.M.

APPEARANCES:

FOR THE GOVERNMENT:

REID WEINGARTEN, ESQ.
JAMES COLE, ESQ.

FOR THE DEFENDANT:

NATHAN LEWIN, ESQ.
FRANK A. S. CAMPBELL, ESQ.
STEPHEN BRAGA, ESQ.

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

I N D E XWITNESSDIRECTCROSSREDIRECTRECROSS

CONSTANCE S. HANSEN

1170

1219

1316

1324

JAMES T. MCKENNA

1334

EXHIBITFOR IDENTIFICATIONIN EVIDENCE

GOVERNMENT'S

66

1238

1240

67

1242

1243

68

1245

1246

69-A THROUGH E

1249

1255

70

1260

1261

71

1262

72

1282

74-A THROUGH D

1299

1302

73

1302

75-A THROUGH J

1305

1310

76

1315

DEFENDANT'S

85

1184

1185

48 AND 49

1372

81

1384

P R O C E E D I N G S

(JURY NOT PRESENT)

THE COURT: GOOD MORNING. ARE WE READY FOR THE JURY?

MR. LEWIN: YES, YOUR HONOR. JUST TWO SMALL MINISTERIAL ITEMS. ONE IS WE WOULD LIKE TO SUBSTITUTE DEFENDANT'S EXHIBIT 36 AS REDACTED, WITHOUT PARAGRAPHS --

THE COURT: MINUS FOUR PARAGRAPHS?

MR. LEWIN: MINUS FOUR PARAGRAPHS.

THE COURT: ALL RIGHT.

MR. LEWIN: IF I MIGHT TAKE A MINUTE OUTSIDE, YOUR HONOR, I'LL BE RIGHT BACK.

THE COURT: ALL RIGHT.

ARE WE READY?

MR. LEWIN: THE OTHER SUBSTITUTION I WANTED TO MAKE, YOUR HONOR, WAS A CLEAN COPY OF THE WHITE BOOK.

THE COURT: WITHOUT THE UNDERLINING.

MR. LEWIN: WITHOUT THE UNDERLINING, YES.

THE COURT: AND THAT WAS EXHIBIT NUMBER -- WELL, ONE OF THE BOOKS ON THE IRS. ALL RIGHT. FINE.

MR. LEWIN: EXHIBIT 21.

MR. COLE: YOUR HONOR, AS TO THE SUBSTITUTIONS, WITH OUR CONTINUING OBJECTION AS TO RELEVANCY.

THE COURT: BUT NO OBJECTION TO THE SUBSTITUTION, ITSELF, PER SE.

1 MR. COLE: NO.

2 THE COURT: YOUR OBJECTION IS PRESERVED.

3 ALL RIGHT. SHALL WE BRING THE JURY IN.

4 COUNSEL ARE AWARE THAT WE ARE GOING TO THE NEIGHBOR-
5 HOOD OF ABOUT 11:00 TODAY, MAYBE A LITTLE BIT AFTER, AND THEN
6 BREAK AND BE BACK. IT'S HARD TO JUDGE WHEN I WILL BE BACK,
7 PARTICULARLY WITH THIS WEATHER, BUT IT WILL BE CLOSER TO 3:00.

8 MR. LEWIN: 3:00. THANK YOU.

9 (THE JURY RETURNED TO THE COURTROOM)

10 THE COURT: GOOD MORNING, LADIES AND GENTLEMEN.

11 THE JURY (EN MASSE); GOOD MORNING.

12 THE COURT: DON'T WE ALL GET THE FEELING THAT WE'RE
13 ACTUALLY LIVING HERE IN THIS COURTROOM?

14 THE JURY (EN MASSE): YES.

15 THE COURT: YES. ALL RIGHT.

16 SHALL WE CONTINUE WITH THE TESTIMONY. MR. LEWIN,
17 WOULD YOU CALL YOUR NEXT WITNESS, PLEASE?

18 MR. LEWIN: THE DEFENSE CALLS CONNIE HANSEN.

19 CONSTANCE S. HANSEN

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

22 THE COURT: GOOD MORNING, MRS. HANSEN.

23 THE WITNESS: GOOD MORNING.

24

25

1 DIRECT EXAMINATION

2 BY MR. LEWIN:

3 Q MRS. HANSEN, WILL YOU PLEASE ADJUST THE MICROPHONE
4 JUST SO IT IS COMFORTABLE FOR YOU, BECAUSE YOU ARE GOING TO
5 HAVE TO SPEAK INTO IT SO THAT EVERYBODY CAN HEAR YOU. SOME-
6 TIMES, IF YOU FACE THE OTHER WAY, YOU CAN'T BE HEARD THROUGH
7 THE MICROPHONE. SO JUST ADJUST IT SO THAT IT'S COMFORTABLE
8 FOR YOU.

9 A IS THIS O.K.?

10 Q SOUNDS FINE TO ME.

11 A CAN YOU HEAR ME?

12 Q YES.

13 COULD YOU PLEASE STATE YOUR FULL NAME?

14 A CONSTANCE SUE CAMP HANSEN.

15 Q AND ARE YOU THE WIFE OF CONGRESSMAN GEORGE HANSEN?

16 A YES, I AM.

17 Q MRS. HANSEN, COULD YOU PLEASE TELL THE COURT AND
18 JURY WHERE YOU WERE BORN AND RAISED.

19 A I WAS BORN IN BROOKLAND, ARKANSAS.

20 Q AND WERE YOU RAISED THERE?

21 A I LIVED THERE. I WAS BORN THERE ON A FARM IN 1934.
22 I LIVED THERE UNTIL THE EARLY FORTIES, WHEN MY FATHER LEFT
23 FARMING AND WENT TO WORK FOR THE RAILROAD, AND WE MOVED TO
24 MISSOURI.

25 Q YOU SAY YOUR FATHER WAS A FARMER?

1 A HE WAS A SHARECROPPER.

2 Q AND HOW LARGE A FAMILY DID YOU HAVE?

3 A I WAS THE NINTH OF TEN CHILDREN.

4 Q AND COULD YOU JUST VERY BRIEFLY DESCRIBE YOUR
5 CHILDHOOD AND EDUCATION.

6 A WELL, I WENT TO A ONE-ROOM COUNTRY SCHOOL IN ARKANSAS
7 UNTIL WE MOVED TO THE SMALL TOWN IN SOUTHEASTERN MISSOURI,
8 WHERE I FINISHED MY ELEMENTARY EDUCATION. WE MOVED TO ANOTHER
9 SMALL TOWN IN MISSOURI, WHERE I ATTENDED HIGH SCHOOL FOR A
10 COUPLE OF YEARS. WE LATER MOVED BACK TO MALDEN, MISSOURI,
11 WHERE I GRADUATED FROM HIGH SCHOOL.

12 Q DID ANY OF YOUR BROTHERS OR SISTERS GRADUATE FROM
13 HIGH SCHOOL?

14 A NO. I WAS THE ONLY ONE.

15 Q DID YOU GO ANY FURTHER, EDUCATION-WISE, THAN HIGH
16 SCHOOL?

17 A I GRADUATED FROM HIGH SCHOOL. BUT I --

18 Q DID YOU GO BEYOND HIGH SCHOOL?

19 A NO, I DIDN'T.

20 Q NOW, COULD YOU TELL THE COURT AND JURY WHEN AND
21 WHERE YOU GOT MARRIED.

22 A I MARRIED MY HUSBAND IN MALDEN, MISSOURI, DECEMBER
23 19TH, 1952, AFTER A BRIEF COURTSHIP. HE WAS STATIONED THERE
24 IN THE MILITARY, IN THE U. S. AIR FORCE.

25 Q AND AFTER YOU GOT MARRIED, WHERE DID YOU LIVE?

1 A WE MOVED FROM -- HE WAS TRANSFERRED FROM MALDEN
2 AIR BASE IN MISSOURI TO SAMSON AIR FORCE BASE IN NEW YORK,
3 AND WE WENT THERE ABOUT THE FIRST OF JANUARY, 1953, AND LIVED
4 THERE UNTIL HE COMPLETED HIS TENURE OF SERVICE.

5 Q AND DURING THE PERIOD OF TIME THAT HE WAS IN NEW
6 YORK WITH THE MILITARY, WHAT DID YOU DO?

7 A I WORKED AND HAD OUR FIRST CHILD.

8 Q HOW MANY CHILDREN DO YOU HAVE?

9 A FIVE.

10 Q AND WHAT ARE THEIR AGES TODAY?

11 A 24, 25, 28, 29, AND 30. AND TWO GRANDCHILDREN.

12 Q AND HOW DO THEY DISTRIBUTE IN TERMS OF SEX?

13 A I HAVE TWO DAUGHTERS AND THREE SONS.

14 Q NOW, FROM NEW YORK, MRS. HANSEN, WHERE DID YOU AND
15 YOUR FAMILY MOVE?

16 A WE WENT BACK TO IDAHO, FIRST TO THE LITTLE TOWN
17 OF SODA SPRINGS, WHERE MY HUSBAND MANAGED A GRAIN ELEVATOR.
18 THIS WAS THE BUSINESS HE HAD BEEN IN WITH HIS FATHER BEFORE
19 HE WENT INTO THE SERVICE AND BEFORE HIS FATHER DIED. AND WE
20 COULD SEE THAT THERE WASN'T A LOT OF FUTURE IN IT, AND HE
21 DECIDED TO GO BACK TO COLLEGE AND COMPLETE HIS EDUCATION.
22 AND HE HAD HAD A YEAR-AND-A-HALF'S COLLEGE BEFORE HE WENT
23 INTO THE MILITARY, AND SO WE HAD A FEW YEARS OF SCHOOL LEFT,
24 AND HE WORKED FULL-TIME AND FINISHED HIS EDUCATION.

25 Q AND WHAT WERE YOU DOING DURING THAT PERIOD OF TIME?

1 A I WAS STAYING HOME AND TAKING CARE OF THE CHILDREN.

2 Q AFTER HE COMPLETED HIS EDUCATION, WHAT DID YOU DO
3 NEXT? WHAT DID YOU AND HE DO NEXT?

4 A WELL, HE FINISHED HIS EDUCATION IN REXBURG, WHICH
5 IS A SMALL TOWN IN IDAHO. HE GRADUATED FROM RICKS COLLEGE,
6 WHICH IS A SISTER SCHOOL OF BRIGHAM YOUNG UNIVERSITY. AT
7 THAT TIME, IT WAS A FOUR-YEAR SCHOOL. AND HE HAD A TEACHING
8 POSITION IN POCATELLO. AND WE MOVED TO POCATELLO THAT SUMMER,
9 AWAITING THE ARRIVAL OF FALL, AND HE WAS GOING TO DO FURTHER
10 WORK AT IDAHO STATE COLLEGE.

11 Q DID HE THEREAFTER TEACH SCHOOL?

12 A HE DID. HE TAUGHT FOR TWO YEARS.

13 Q AND WAS HE SUPPLEMENTING HIS INCOME WITH OTHER JOBS
14 AT THE SAME TIME?

15 A YES, HE WAS.

16 Q AND THEREAFTER -- WHAT YEAR ARE WE UP TO BY NOW,
17 MRS. HANSEN?

18 A WELL, LET'S SEE. I USUALLY JUDGE THE YEAR BY WHO
19 WAS BORN THAT YEAR.

20 I THINK '56 WAS THE YEAR HE FINISHED COLLEGE, SO
21 HE TAUGHT SCHOOL '56 AND '57. HE WAS OUT PART OF THAT YEAR
22 WITH RHEUMATIC FEVER. HE DIDN'T TEACH THE LATTER PART OF
23 THE FIRST YEAR. AND HE TAUGHT THE NEXT YEAR. AND THEN HE
24 WENT WITH NEW YORK LIFE INSURANCE COMPANY.

25 Q SO THEN HE STARTED WITH A LIFE INSURANCE COMPANY.

1 A RIGHT.

2 Q UNTIL THEN, IN TERMS OF FINANCIAL WHEREWITHAL, WERE
3 YO MAKING A LOT OF MONEY -- WAS HE MAKING A LOT OF MONEY IN
4 THESE VARIOUS JOBS?

5 A NO.

6 Q WAS LIFE DIFFICULT IN TERMS OF SUSTENANCE OR MAKING
7 A LIVING AT THAT POINT?

8 A WELL, YOU KNOW, WHEN YOU'RE YOUNG AND MARRIED AND
9 HAVE YOUR GROWING FAMILY AND SO FORTH, I DON'T THINK YOU EXACTLY
10 LOOK UPON THOSE THINGS AS DIFFICULTIES. YOU SORT OF LOOK
11 AT THEM AS CHALLENGES.

12 Q THANK YOU.

13 THEN YOU SAY MR. HANSEN BEGAN AS A LIFE INSURANCE
14 SALESMAN?

15 A YES.

16 Q AND DID YOU CONTINUE AS A HOUSEWIFE AND HOMEMAKER?

17 A YES, I DID. AND AS THE CHILDREN STARTED TO GROW
18 AND I BECAME ABLE TO GET INVOLVED IN THEIR ACTIVITIES, I WAS
19 ACTIVE IN OUR CHURCH AND CIVIC ORGANIZATIONS TO THE EXTENT
20 THAT I FOUND IT POSSIBLE.

21 Q DID THERE COME A TIME WHEN YOUR HUSBAND WENT INTO
22 POLITICAL LIFE?

23 A YES.

24 Q COULD YOU TELL US WHAT YEAR THAT WAS?

25 A I THINK IT WAS 1961.

1 Q AND IN WHAT CAPACITY DID HE GO INTO POLITICAL LIFE?

2 A WELL, WE MOVED INTO A LITTLE COMMUNITY WHICH WAS
3 SORT OF THE BEDROOM CITY OF POCA TELLO. IT WAS A SUBURB OF
4 POCA TELLO, WITH ONLY A STREET DIVIDING THE TWO CITIES.
5 POCA TELLO WAS WHERE WE HAD LIVED WHEN WE FIRST MOVED THERE,
6 AND WE MOVED OUT INTO THE LITTLE CITY OF ALAMEDA, WHICH WAS
7 MAYBE NINE, TEN THOUSAND PEOPLE. AND THAT'S WHERE WE OWNED
8 OUR FIRST HOME. AND HE WAS ASKED BY NEIGHBORS AND PEOPLE
9 IN THE COMMUNITY TO RUN FOR THE MAYOR OF THE LITTLE CITY.

10 Q AND DID HE RUN?

11 A YES, HE DID.

12 Q WAS HE ELECTED?

13 A YES, HE WAS. WE HAD A SORT OF A FAMILY DOOR-TO-
14 DOOR CAMPAIGN, AND HE WAS ELECTED. AND HE WAS THE YOUNGEST
15 MAYOR IN THE STATE. AND SOME PEOPLE EVEN CALLED HIM A
16 "MIRACLE MAYOR."

17 Q THEREAFTER, DID HE CONTINUE IN POLITICAL LIFE IN
18 ANY OTHER MUNICIPALITY?

19 A YES. HE SERVED AS MAYOR OF ALAMEDA. AND THERE
20 WAS AN EFFORT GOING TO COMBINE THE TWO CITIES. POCA TELLO
21 WAS SECOND OR THIRD LARGEST CITY IN THE STATE AT THAT TIME
22 AND ALAMEDA WAS NINTH. AND THERE HAD BEEN AN EFFORT MAYBE
23 A YEAR BEFORE TO CONSOLIDATE THE TWO CITIES, AND IT HAD BEEN
24 UNSUCCESSFUL. AND WITH MY HUSBAND'S EFFORTS, ALONG WITH A
25 LOT OF OTHER PEOPLE, THERE WAS ANOTHER EFFORT PUT FORTH, AND

1 THE TWO CITIES DID MERGE THAT YEAR, I THINK ABOUT -- WITHIN
2 THE YEAR. AND WHEN THE TWO CITIES MERGED, THE LAW WAS THAT
3 YOU WOULD TAKE ON THE FORM OF GOVERNMENT OF THE LARGER OF
4 THE TWO CITIES. AND SO, THE CITY OF POCA TELLO HAD NO MAYOR;
5 IT WAS A CITY MANAGER FORM OF GOVERNMENT, AND MY HUSBAND RAN
6 FOR OFFICE AGAIN --

7 Q IN POCA TELLO?

8 A IN POCA TELLO, AND WAS ELECTED TO THE CITY COUNCIL.

9 Q NOW, THOSE JOBS AS MAYOR AND THE CITY COUNCIL, DO
10 THEY PAY A LOT OF MONEY?

11 A OH, NO. IT WAS TOKEN SALARY, LIKE 100 OR 150 A
12 MONTH. I DON'T EVEN REMEMBER.

13 Q BUT IT HAD REG'ULAR MEETINGS, YOU HAD REGULAR DUTIES
14 TO ATTEND TO IN TERMS OF CITY MANAGEMENT; IS THAT RIGHT?

15 A OH, YEAH. WELL, HE WASN'T CITY MANAGER. HE WAS
16 CITY COUNCIL.

17 Q A MEMBER OF THE CITY COUNCIL. BUT HE HAD TO
18 ATTEND REGULAR CITY COUNCIL MEETINGS.

19 A YES.

20 Q AND WAS THERE A TIME THEREAFTER WHEN YOUR HUSBAND
21 RAN FOR A NATIONAL OFFICE?

22 A YES.

23 Q AND WHEN WAS THAT?

24 A WELL, HE MADE A BID FOR THE SENATE IN '62 IN A PRIMARY,
25 AND HE WAS UNSUCCESSFUL. AND THEN HE RAN IN '64 FOR CONGRESS,

1 AND HE WAS SUCCESSFUL.

2 Q HE WAS ELECTED TO CONGRESS IN 1964.

3 A YES.

4 Q AND THAT'S FROM THE SECOND CONGRESSIONAL DISTRICT
5 IN IDAHO?

6 A THAT'S RIGHT.

7 Q THERE ARE JUST TWO CONGRESSMEN FROM IDAHO; IS THAT
8 RIGHT?

9 A YES.

10 Q TWO CONGRESSIONAL DISTRICTS. SO THERE'S TWO
11 SENATORS AND TWO CONGRESSMEN.

12 A YES.

13 Q SO YOU MOVED TO THE DISTRICT OF COLUMBIA IN 1965,
14 IS THAT RIGHT?

15 A WE MOVED TO ARLINGTON, VIRGINIA.

16 Q I'M SORRY. THE AREA OF THE DISTRICT OF COLUMBIA.

17 A YES.

18 Q AND YOUR HUSBAND REMAINED IN CONGRESS AT THAT POINT
19 FOR HOW LONG? FROM 1965 UNTIL WHEN?

20 A HE WAS REELECTED IN '66. HE RAN FOR THE SENATE
21 AGAIN IN '68 AND WAS UNSUCCESSFUL.

22 Q SO HE HAD FOUR YEARS IN THE CONGRESS AT THAT POINT.

23 A THAT'S RIGHT.

24 Q AND DURING THOSE FOUR YEARS, WHILE HE SERVED IN
25 THE CONGRESS, WHAT WAS YOUR OCCUPATION?

1 A I WAS A HOUSEWIFE AND A MOTHER.

2 Q AND FOLLOWING HIS UNSUCCESSFUL RACE FOR THE SENATE
3 IN 1968, DID YOU GO BACK TO IDAHO?

4 A NO. OUR CHILDREN WERE ALL ENROLLED IN SCHOOL HERE,
5 AND AS IN ALL POLITICAL SITUATIONS, YOU OFTEN HAVE A DIFFICULT
6 TIME DECIDING WHAT TO DO. BUT HE DID TAKE A JOB WITH THE
7 DEPARTMENT OF AGRICULTURE, AND WE STAYED HERE.

8 Q SO YOU STAYED HERE FROM 1969 UNTIL WHEN?

9 A UNTIL ABOUT THE TIME SCHOOL STARTED IN '71.

10 Q AND DURING THAT PERIOD OF TIME, WHILE MR. HANSEN
11 WAS -- DO YOU REMEMBER HIS TITLE AT THE DEPARTMENT OF
12 AGRICULTURE?

13 A WELL, FIRST, HE WORKED IN -- HE WAS A DEPUTY
14 UNDERSECRETARY FOR CONGRESSIONAL RELATIONS, AND THEN HE LATER
15 TRANSFERRED OVER TO ANOTHER AREA CALLED AGRICULTURAL STABILIZA-
16 TION AND CONSERVATION SERVICE, AND I BELIEVE HE WAS -- THE
17 TITLE WAS DEPUTY DIRECTOR OF THAT.

18 Q DURING THAT PERIOD OF TIME, WHAT WAS YOUR OCCUPATION?

19 A WELL, OUR CHILDREN WERE GETTING OLDER, AND I TOOK
20 A JOB PART-TIME WITH A CONGRESSMAN FROM UTAH. I FOUND THAT
21 IT WAS A CHALLENGE TO GET BACK INTO THE WORKING WORLD. AND
22 I WORKED THERE FROM THE WINTER OF '69 UNTIL THAT SUMMER, AND
23 THEN I TOOK OFF FOR THE SUMMER.

24 Q NOW, YOU SAY IN 1971 YOU RETURNED TO IDAHO?

25 A YES.

1 Q AND WHERE DID YOU TAKE UP RESIDENCE IN IDAHO?

2 A BACK IN POCATELLO.

3 Q AND WHAT DID YOUR HUSBAND DO AT THAT TIME?

4 A HE REESTABLISHED HIS BUSINESS WITH NEW YORK LIFE
5 INSURANCE COMPANY.

6 Q AND HE SOLD INSURANCE IN IDAHO -- IN POCATELLO.

7 A YES.

8 Q AND AT THAT TIME, WHAT DID YOU DO?

9 A WELL, GOT THE CHILDREN SITUATED; HAD TWO CHILDREN
10 IN JUNIOR HIGH SCHOOL, A DAUGHTER WHO WAS A JUNIOR AND A SON
11 WHO WAS A SENIOR. AND WE ESTABLISHED A BUSINESS.

12 Q YOU ESTABLISHED A BUSINESS.

13 A YES.

14 Q WHAT WAS THE BUSINESS?

15 A CALLED THE POCATELLO COPYCAT. IT WAS A SMALL
16 PRINTING BUSINESS.

17 Q POCATELLO COPYCAT, CO-P-Y-C-A-T.

18 A RIGHT.

19 Q AND THAT'S SORT OF DUPLICATION, PHOTOCOPY OF
20 DOCUMENTS?

21 A YES. AT THAT TIME THERE WERE NO OTHER QUICK PRINT-
22 ING BUSINESSES IN THE CITY, AND THAT SEEMED TO BE A PRETTY
23 GOOD BUSINESS TO START.

24 -Q AND WHERE WAS THAT LOCATED?

25 A 420 NORTH MAIN.

1 Q AND WHERE WAS THAT LOCATED IN RELATION TO YOUR HUS-
2 BAND'S OFFICE -- INSURANCE OFFICE?

3 A WELL, HE PUT HIS OFFICE UPSTAIRS. THE BUILDING
4 WAS AN A-FRAME BUILDING, SORT OF A GLASS BUILDING, AND WE
5 ARRANGED IT SO THAT HE COULD HAVE HIS OFFICE UPSTAIRS AND
6 I WOULD BE WORKING DOWNSTAIRS.

7 Q SO YOU ESSENTIALLY WORKED IN THE SAME BUILDING;
8 HE WAS UPSTAIRS WITH THE INSURANCE BUSINESS, AND YOU WERE
9 DOWNSTAIRS WITH THE COPYCAT BUSINESS.

10 A THAT'S CORRECT.

11 Q AND WHAT DID YOU DO WITH REGARD TO THAT COPYCAT
12 BUSINESS?

13 A WELL, I RAN IT. I RAN THE OPERATION.

14 Q DID YOU HIRE ANYBODY?

15 A YES, I DID. I HIRED AND TRAINED AND DID THE
16 PURCHASING OF THE PRODUCTS WE NEEDED TO OPERATE IT. BOUGHT
17 THE PAPER, LOOKED FOR IDEAS AND WAYS OF IMPROVING THE BUSINESS.

18 Q DID THERE COME A TIME WHILE YOU WERE BACK IN
19 POCATELLO THAT YOU, YOURSELF, GOT INVOLVED IN POLITICAL LIFE?

20 A YES. I WAS ACTIVE IN CIVIC ORGANIZATIONS, AND I
21 WAS ACTIVE IN MY CHURCH AS A RELIEF SOCIETY PRESIDENT. AND
22 I WAS ELECTED TO THE POCATELLO CITY COUNCIL IN 1973.

23 Q YOU, YOURSELF, WERE ELECTED TO THE POCATELLO CITY
24 COUNCIL.

25 A YES, I WAS.

1 Q IMMEDIATELY PRECEDING THAT, HAD THERE BEEN A WOMAN
2 ON THE POCA TELLO CITY COUNCIL, ON THE IMMEDIATELY PRECEDING
3 CITY COUNCIL?

4 A THERE HAD BEEN TWO LADIES WHO HAD SERVED, OH, TEN
5 OR FIFTEEN YEARS BEFORE, BUT THERE WERE NO WOMEN SERVING ON
6 THE BOARD AT THAT TIME.

7 Q AND IN TERMS OF THE ELECTION FOR THE POCA TELLO
8 CITY COUNCIL, COULD YOU TELL US WHERE YOU PLACED IN THE VOTE
9 FOR ELECTION TO THE POCA TELLO CITY COUNCIL?

10 A I CAME IN NUMBER ONE OUT OF A FIELD OF EIGHT OR
11 NINE. I WAS NUMBER ONE. AND THAT WAS RECEIVING A LOT OF
12 RECOGNITION FROM THE MEDIA AND SO FORTH, BUT I DID NOT RUN
13 ON THE BASIS OF BEING A WOMAN.

14 Q AND FOR HOW LONG A TERM WERE YOU ELECTED?

15 A I WAS ELECTED TO SERVE A FOUR-YEAR TERM.

16 Q DID YOU IN FACT SERVE THAT FULL FOUR-YEAR TERM?

17 A NO, I DID NOT.

18 Q WHY NOT?

19 A WELL, I FELT THAT THE MOST IMPORTANT THING THAT I
20 COULD DO WOULD BE TO COME TO WASHINGTON WITH MY HUSBAND.

21 Q AND WHAT HAPPENED IN THE FALL OF '74?

22 A IN THE FALL OF '74, AFTER MUCH DELIBERATION AS TO
23 WHAT WOULD EXACTLY BE THE RIGHT THING TO DO -- WE WANTED TO
24 PUT OUR FAMILY CONSIDERATIONS FIRST, AND WE DECIDED THAT THE
25 BEST THING TO DO WOULD BE FOR ME TO RESIGN THAT POSITION AND

1 BRING THE CHILDREN AND COME BACK HERE WITH MY HUSBAND.

2 Q O.K. I GUESS THE UNSPOKEN THING WE HAVEN'T SAID:
3 YOUR HUSBAND RAN FOR CONGRESS IN '74.

4 A THAT'S RIGHT.

5 Q O.K.

6 A AND HE WAS SUCCESSFUL.

7 Q AND HE WAS ELECTED TO CONGRESS. SO THAT'S THE REASON
8 THAT YOU RESIGNED FROM THE POCATELLO CITY COUNCIL.

9 A YES.

10 Q TO COME BACK TO WASHINGTON WITH YOUR HUSBAND, WHO
11 WAS THEN REELECTED TO CONGRESS AT THAT POINT.

12 A YES.

13 Q O.K. SO YOUR HUSBAND WAS ELECTED TO CONGRESS TO
14 BEGIN SERVING IN JANUARY OF 1975; IS THAT RIGHT?

15 A THAT'S RIGHT.

16 Q AND YOU THEN RETURNED TO THE AREA OF THE DISTRICT
17 OF COLUMBIA.

18 A YES.

19 Q AND WHERE DID YOU RESIDE?

20 A WE MOVED BACK TO ARLINGTON.

21 Q NOW, AT THAT POINT, WHEN YOU RETURNED TO THE
22 WASHINGTON AREA IN 1975, MRS. HANSEN, I WILL ASK YOU WHAT
23 OCCUPATION YOU THEN HAD AS OF 1975.

24 A I WAS NOT GAINFULLY EMPLOYED.

25 Q WHAT DID YOU DO?

1 A AFTER WE GOT MOVED IN AND GOT THE CHILDREN SETTLED
2 INTO SCHOOL, I STARTED VOLUNTEERING IN MY HUSBAND'S OFFICE.

3 Q YOU STARTED COMING IN TO WORK IN YOUR HUSBAND'S
4 OFFICE?

5 A YES. AFTER A COUPLE OF MONTHS.

6 Q AND HOW MUCH TIME DID YOU DEVOTE TO THAT?

7 A AS MUCH AS I COULD. USUALLY, OH, SIX, SEVEN, EIGHT
8 HOURS A DAY AT THAT TIME, BECAUSE THE CHILDREN WERE -- I
9 STILL HAD TWO CHILDREN AT HOME IN SCHOOL.

10 Q DID THAT VOLUNTEERING OF SOME TIME DURING THE DAY
11 ULTIMATELY DEVELOP INTO MORE WORK AT YOUR HUSBAND'S OFFICE?

12 A IT CERTAINLY DID.

13 Q AND WHAT ULTIMATELY HAPPENED?

14 A WELL, A COUPLE OF YEARS LATER, I TOOK OVER THE
15 RESPONSIBILITIES OF RUNNING THE OFFICE.

16 Q AND WHAT ARE YOU DOING NOW?

17 A I AM SERVING IN AN UNPAID CAPACITY AS MY HUSBAND'S
18 ADMINISTRATIVE ASSISTANT.

19 Q YOU ARE THE ADMINISTRATIVE ASSISTANT IN THE OFFICE
20 OF CONGRESSMAN GEORGE HANSEN; IS THAT RIGHT?

21 A THAT'S CORRECT.

22 Q AND YOU RUN THE OFFICE. YOU ARE THE PERSON WHO
23 RUNS THAT OFFICE, IS THAT RIGHT?

24 A WELL, THEY ALL LET ME BELIEVE I DO.

25 Q ALL RIGHT. AND YOU SAY YOU DO THAT FOR NO PAY AT

1 ALL? DO YOU GET ANY SALARY?

2 A NONE WHATSOEVER.

3 Q AND ARE YOU, IN FACT, LISTED AS THE ADMINISTRATIVE
4 ASSISTANT FOR THAT OFFICE?

5 A I THINK PERHAPS I AM.

6 Q WELL, LET ME SHOW YOU WHAT I WILL MARK AS DEFENDANT'S
7 EXHIBIT --

8 THE COURT: JUST THE PAGE, I TAKE IT.

9 MR. LEWIN: YES. I HAVE COPIES OF THE PAGE, YOUR
10 HONOR, AND I WILL PROVIDE THAT.

11 THE DEPUTY CLERK: DEFENDANT'S EXHIBIT 85 MARKED
12 FOR IDENTIFICATION.

13 (DEFENDANT'S EXHIBIT NO. 85 WAS
14 MARKED FOR IDENTIFICATION)

15 BY MR. LEWIN:

16 Q I PLACE BEFORE YOU, MRS. HANSEN, WHAT HAS BEEN MARKED
17 FOR IDENTIFICATION AS DEFENDANT'S EXHIBIT 85 FOR IDENTIFICA-
18 TION. IT IS THE CONGRESSIONAL STAFF DIRECTORY FOR THE YEAR
19 1983. AND I SPECIFICALLY DIRECT YOUR ATTENTION TO PAGE 318.
20 THE SECOND INDIVIDUAL ON THE LEFT, SECOND CONGRESSMAN ON THE
21 LEFT ON THAT CONGRESSIONAL STAFF DIRECTORY IS REPRESENTATIVE
22 GEORGE V. HANSEN; IS THAT CORRECT?

23 A THAT'S CORRECT.

24 Q 1125 "LHOB", WHICH STANDS FOR --

25 A LONGWORTH HOUSE OFFICE BUILDING.

1 Q LONGWORTH HOUSE OFFICE BUILDING. AND TELEPHONE
2 NUMBER (202) 225-5531; IS THAT CORRECT?

3 A THAT'S CORRECT.

4 MR. LEWIN: WE OFFER THE PAGE, YOUR HONOR, IN EVIDENCE.

5 MR. WEINGARTEN: NO OBJECTION.

6 THE COURT: IT IS IN EVIDENCE.

7 (DEFENDANT'S EXHIBIT NO. 85

8 WAS RECEIVED IN EVIDENCE)

9 MR. LEWIN: MAY WE JUST HAVE THAT PUBLISHED TO THE
10 JURY, YOUR HONOR, TO TAKE A QUICK LOOK AT IT?

11 THE COURT: I WOULD SUGGEST, MR. LEWIN, TO SAVE
12 TIME -- IT IS A PAGE; IT DOES HAVE THAT INFORMATION ON IT.
13 THEY CERTAINLY WILL SEE IT BACK IN THE JURY ROOM. I WOULD
14 HOPE WE CAN MOVE ON, ALL RIGHT?

15 BY MR. LEWIN:

16 Q THE FIRST NAME UNDER THAT, MRS. HANSEN, ON THE LEFT-
17 HAND SIDE OF THE PAGE UNDER REPRESENTATIVE GEORGE V. HANSEN,
18 SAYS "HANSEN, CONNIE, ADMINISTRATIVE ASSISTANT." THAT'S YOU.

19 A THAT IS ME.

20 Q AND THAT'S THE ONLY ADMINISTRATIVE ASSISTANT IN
21 THAT OFFICE?

22 A YES.

23 Q AND IT'S THE TOP-RANKING JOB IN THAT OFFICE.

24 A YES.

25 Q AND HAVE YOU INQUIRED, PURSUANT TO MY REQUEST, TO

1 FIND OUT WHAT THAT JOB WOULD PAY IF IT WERE AN OUTSIDER WHO
2 OCCUPIED THAT JOB?

3 MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE
4 BENCH?

5 THE COURT: COUNSEL.

6 (AT THE BENCH)

7 MR. WEINGARTEN: MY UNDERSTANDING IS THAT A
8 CONGRESSMAN HAS ABSOLUTE DISCRETION TO PAY THE STAFF ANYTHING
9 HE WANTS TO, SO I DON'T THINK THE QUESTION IS A FAIR ONE,
10 AND IT WOULD BE IRRELEVANT.

11 MR. LEWIN: IT SHOWS THAT -- IN TERMS OF WHAT MRS.
12 HANSEN DOES, HER JOB, AS I UNDERSTAND IT, WOULD PAY FIFTY
13 TO FIFTY-EIGHT THOUSAND DOLLARS IF HE GAVE IT TO AN OUTSIDER.
14 SHE DOES IT FOR NOTHING. IN TERMS OF INTENT, TRYING IN ANY
15 WAY TO TRY TO CHEAT THE GOVERNMENT OR ANYTHING, IT SEEMS TO
16 ME IT IS VERY RELEVANT.

17 THE COURT: OF COURSE, IT OPENS UP THE EXAMINATION,
18 IF I ALLOW YOU TO DO IT, MR. LEWIN. IT DOES OPEN UP THE EXAMI-
19 NATION FOR THE GOVERNMENT AS TO THE FACT THAT HE WOULD HAVE
20 AN ABILITY TO PLACE AND PAY HIS STAFF, IF HE WISHES.

21 MR. LEWIN: ABSOLUTELY.

22 THE COURT: AND HE COULD HAVE MORE SECRETARIES AND
23 DO WHAT HE WANTS.

24 MR. WEINGARTEN: IT'S ILLEGAL TO PAY YOUR WIFE.

25 MR. LEWIN: HE CAN'T PAY HIS WIFE, I KNOW; OF COURSE.

1 THE COURT: YOU CAN BRING THAT OUT.

2 MR. LEWIN: ABSOLUTELY.

3 THE COURT: MR. LEWIN, WE HAVE HAD ALMOST A HALF-
4 HOUR OF HER BACKGROUND. IT IS VERY INTERESTING. I MUST SAY
5 THAT I AM INTERESTED IN IT, MR. LEWIN, BUT I WOULD LIKE US
6 TO GET TO THE POINT. I THINK WE ARE GETTING CLOSER TO IT
7 NOW. I HOPE SO.

8 MR. LEWIN: I THINK, YOUR HONOR, SINCE --

9 THE COURT: I HAVE ALLOWED YOU HALF AN HOUR OF
10 EXPLORING HER BACKGROUND, YOU KNOW?

11 MR. LEWIN: ALL RIGHT.

12 (END OF BENCH CONFERENCE)

13 BY MR. LEWIN:

14 Q HAVE YOU INQUIRED TO FIND OUT WHAT THAT JOB WOULD
15 PAY IF AN OUTSIDER WERE TO OCCUPY IT -- COULD PAY?

16 A I HAVE BEEN TOLD THAT IT PAYS -- IT'S UP TO THE
17 CONGRESSMAN TO PAY HIS ADMINISTRATIVE ASSISTANT, WITHIN A
18 REALM OF UP TO \$50,000 A YEAR.

19 Q \$50,000 A YEAR. AND YOU DO THAT FOR NOTHING.

20 A THAT'S CORRECT.

21 MR. LEWIN: I GUESS THE ONE THAT'S IN EVIDENCE,
22 YOUR HONOR, THEN, IS THIS WOULD BE DEFENDANT'S EXHIBIT 85.

23 BY MR. LEWIN:

24 Q IN 1976 YOUR HUSBAND WAS REELECTED TO THE CONGRESS?

25 A THAT'S CORRECT.

1 Q NOW, HAVING REACHED THAT STAGE, COULD YOU DESCRIBE
2 FOR THE COURT AND JURY, MRS. HANSEN, AS OF THE BEGINNING --
3 AS OF 1976, IN THE BEGINNING OF THE CONGRESSIONAL TERM OF
4 1977, WHAT THE FINANCIAL CIRCUMSTANCES OF THE HANSEN FAMILY
5 WERE AS OF THAT TIME.

6 A IT WAS SERIOUS, VERY SERIOUS.

7 Q SERIOUS IN THE SENSE THAT YOU OWED MONEY?

8 A THAT'S CORRECT. CONSIDERABLE DEBTS HAD BEEN PILING
9 UP.

10 Q OVER THE PERIOD -- THE PRECEDING PERIOD? IS THAT
11 RIGHT?

12 A YES. SINCE '74.

13 Q AND WERE YOU WORRIED ABOUT THAT CONSIDERABLE DEBT?

14 A YES, I WAS.

15 Q COULD YOU TELL US, WAS THIS DEBT IN THE FORM OF
16 REAL ESTATE MORTGAGES? YOU KNOW, HOW WOULD YOU DESCRIBE WHO
17 THE MONEY WAS OWED TO, THE KINDS OF PEOPLE OR THE KINDS OF
18 INSTITUTIONS?

19 A WELL, IT WAS PRIMARILY FRIENDS WHO HAD BEEN WILLING
20 TO ASSIST MY HUSBAND AND MYSELF, AND JUST HONEST, COMMON,
21 EVERYDAY PEOPLE.

22 Q AND YOU HAD PAID OBLIGATIONS TO OTHER PEOPLE IN
23 THE PAST WHICH HAD RESULTED IN THESE DEBTS?

24 A YES.

25 Q AS OF THAT PERIOD OF TIME, DID YOU CONSIDER ANY

1 EFFORTS UNDER WHICH -- STRIKE THAT. BEFORE I GET TO THAT:

2 WERE THERE ANY OBVIOUS WAYS IN WHICH A CONGRESSMAN
3 OR A CONGRESSMAN'S WIFE COULD MAKE SUBSTANTIAL AMOUNTS OF
4 MONEY TO PAY SUCH DEBTS?

5 A NOT REALLY.

6 Q WERE THERE RESTRICTIONS?

7 A YES. THERE WERE LAWS THAT PROHIBITED A CONGRESSMAN
8 FROM HAVING OUTSIDE INCOME, AND THERE WERE RULINGS THAT WERE
9 OCCURRING THAT PROHIBITED A MEMBER OF CONGRESS FROM GOING
10 OUT AND EARNING CERTAIN SUMS OF MONEY.

11 Q WERE YOU AWARE OF DISCUSSIONS OR PLANS OF EFFORTS
12 TO ATTEMPT TO SOLICIT FUNDS TO PAY THESE DEBTS?

13 A YES.

14 Q WERE YOU AWARE IN 1977 OF AN APPLICATION THAT YOUR
15 HUSBAND HAD MADE TO THE FEDERAL ELECTION COMMISSION FOR A
16 PROPOSAL UNDER WHICH CONTRIBUTIONS COULD BE SOLICITED TO PAY
17 PERSONAL EXPENSES?

18 A YES. MY HUSBAND WAS ANXIOUS TO COMPLY WITH THE
19 LAW, AND HE WROTE THE FEDERAL ELECTION COMMISSION A LETTER,
20 ASKING IF HE COULD SOLICIT FUNDS TO PAY THESE DEBTS WHICH
21 HAD BEEN INCURRED BY POLITICAL PROBLEMS.

22 Q AND WAS THAT LETTER, TO YOUR KNOWLEDGE, WRITTEN
23 AS A RESULT OF CONSULTATIONS WITH ANY ATTORNEY?

24 A OH, YES.

25 Q SPECIFICALLY, DO YOU KNOW AN ATTORNEY BY THE NAME

1 OF JOHN RUNFT?

2 A YES, I DO. MR. RUNFT WAS MY HUSBAND'S ATTORNEY,
3 AND HE CONFERRED WITH HIM.

4 Q HAD HE ALSO CONFERRED WITH YOU?

5 A YES. WE HAD DISCUSSED THIS.

6 Q WITH REGARD TO THAT APPLICATION MADE TO THE FEDERAL
7 ELECTION COMMISSION, DID YOU BECOME AWARE OF WHAT THE RESULT
8 WAS?

9 A I DON'T RECALL EXACTLY THE CONTENTS OF THE LETTER,
10 BUT THE BOTTOM LINE WAS THAT IT'S O.K. AS LONG AS CERTAIN
11 REQUIREMENTS ARE MET, AND AS LONG AS YOU COMPLY WITH THE LAW.

12 Q WAS THERE ALSO A REQUIREMENT THAT THE HOUSE ETHICS
13 COMMITTEE APPROVE OF ANY SUCH SOLICITATION?

14 A THE HOUSE ETHICS COMMITTEE WERE CONSIDERING VARIOUS
15 THINGS AT THAT TIME, AND THEY CAME DOWN WITH A RULING AND
16 WROTE MY HUSBAND A LETTER TELLING HIM THAT HE COULD NOT SOLICIT
17 FUNDS TO PAY THESE DEBTS, THAT A COMMITTEE COULD NOT RAISE
18 FUNDS FOR HIM TO PAY THESE DEBTS, AND THAT HIS SPOUSE COULD
19 NOT RAISE FUNDS TO PAY THESE DEBTS.

20 Q AND HOW DID YOU REACT TO THAT?

21 A WELL, MY HUSBAND ALLOWED ME TO READ THE LETTER,
22 AND I THOUGHT, "WELL, THIS IS VERY STRANGE, THAT THE HOUSE
23 ETHICS COMMITTEE WOULD TELL HIM THAT I CAN'T RAISE ANY FUNDS
24 ON MY OWN. I'M NOT A MEMBER OF CONGRESS. WHY SHOULD THEY
25 BE TELLING ME WHAT I CAN AND CAN'T DO FOR MY FAMILY?"

1 Q YOU FELT IT WAS A FAMILY PROBLEM?

2 A INDEED, I DID.

3 Q WHY DID YOU FEEL IT WAS A FAMILY PROBLEM?

4 A WELL, ANY DEBTS THAT MY HUSBAND OWED CERTAINLY WERE
5 MY DEBTS, TOO. AND IF HE SHOULD HAVE DROPPED DEAD, THEY WOULD
6 HAVE BEEN MY OBLIGATION.

7 Q DID YOU AROUND THAT PERIOD OF TIME HAVE ANY DISCUS-
8 SIONS WITH YOUR HUSBAND AND WITH MR. RUNFT ABOUT ANY
9 PROCEDURE WHICH COULD BE UTILIZED UNDER IDAHO LAW TO MAKE
10 YOU AN INDEPENDENT PERSON UNDER IDAHO LAW?

11 A YES, I DID.

12 Q AND COULD YOU JUST TELL US WHAT RESULTED FROM THOSE
13 DISCUSSIONS.

14 A WELL, IT JUST APPEARED, AFTER TALKING TO MR. RUNFT,
15 THAT THE BEST WAY TO HANDLE THIS AND PERHAPS THE ONLY WAY
16 TO HANDLE IT WOULD BE FOR ME TO BECOME AN INDEPENDENT PERSON,
17 TO HAVE A LEGAL SEPARATION OF PROPERTY, LIABILITIES, ASSETS
18 AND SO FORTH.

19 Q HE EXPLAINED TO YOU THAT IF YOU DIDN'T HAVE THAT,
20 THAT UNDER IDAHO LAW, YOU AND YOUR HUSBAND WERE SORT OF JOINTLY
21 RESPONSIBLE AND ENTITLED TO ANY PROPERTY DURING YOUR MARRIAGE?

22 A YES.

23 Q AND HE EXPLAINED TO YOU THAT IF YOU HAD SUCH A
24 SEPARATION AGREEMENT, THEN AT LEAST FOR LEGAL PURPOSES YOU
25 WERE SEPARATE AND YOUR HUSBAND WAS CONSIDERED SEPARATE?

1 THE COURT: MR. LEWIN, MAY I SEE YOU UP HERE, PLEASE,
2 AND OTHER COUNSEL.

3 (AT THE BENCH)

4 THE COURT: I NOTICED THERE WAS NO OBJECTION, AND
5 I KIND OF LET IT GO ON, BUT YOU ARE ASKING VERY LEADING
6 QUESTIONS, MR. LEWIN.

7 MR. LEWIN: ALL RIGHT.

8 THE COURT: THIS IS A FAIRLY CRITICAL WITNESS, I
9 WOULD SUGGEST, AND IT MIGHT BE MORE APPROPRIATE IF SHE COULD
10 TELL US IN HER OWN WORDS -- AND SHE WAS PARTICIPATING IN THESE
11 ACTIVITIES, ACCORDING TO OTHER TESTIMONY THAT WE HAVE HEARD
12 -- JUST WHAT HER POSITION OR UNDERSTANDING WAS.

13 MR. LEWIN: I'LL ASK HER THAT, YOUR HONOR. O.K.

14 THE COURT: FINE.

15 (END OF BENCH CONFERENCE)

16 BY MR. LEWIN:

17 Q COULD YOU JUST TELL US, MRS. HANSEN, WHAT YOUR
18 UNDERSTANDING WAS OF THE EFFECT OF THIS SEPARATION OF PROPERTY
19 AGREEMENT THAT MR. RUNFT HAD SUGGESTED TO YOU?

20 A I UNDERSTOOD THAT IT WOULD GIVE ME THE PREROGATIVE
21 TO EARN, SOLICIT, TO BRING IN AN INCOME TO ASSIST IN TAKING
22 CARE OF THE DEBTS.

23 Q AND IT WOULD DO SO FOR WHAT REASON? I MEAN WHAT
24 WOULD LEGALLY BE HAPPENING AS A RESULT OF THIS AGREEMENT?

25 A WELL, THERE WOULD BE SOME HANDICAPS AS WELL AS ASSETS.

1 Q HANDICAPS AS A RESULT OF THE AGREEMENT?

2 A YES.

3 Q LIKE WHAT HANDICAPS WERE EXPLAINED TO YOU?

4 A OH, SUCH AS INHERITANCE, PAYMENTS HAVING TO DO WITH
5 DEATH BENEFITS, AND SO FORTH.

6 Q IN OTHER WORDS, THAT YOU WOULD NOT BE ELIGIBLE FOR
7 THOSE?

8 A RIGHT.

9 Q I SEE. BUT YOU SAY THAT THE BENEFIT WOULD BE THAT,
10 WHAT? THAT YOU WOULD BE ABLE TO SOLICIT SEPARATELY?

11 A YES.

12 Q O.K. NOW, DID THAT SEPARATION OF PROPERTY AGREEMENT
13 REQUIRE THAT THERE BE AN ALLOCATION OF PROPERTY THAT YOU AND
14 YOUR HUSBAND HAD PREVIOUSLY OWNED TOGETHER?

15 A YES. MR. RUNFT WAS, I THINK, VERY CAREFUL AND VERY
16 CAUTIOUS IN DRAWING UP THESE PAPERS. AND I HAD ULTIMATE
17 CONFIDENCE IN HIM THAT HE WOULD DO IT IN A PROPER MANNER.

18 Q AND DID YOU RELY ON HIM AS THE AUTHORITY UNDER
19 IDAHO LAW TO TELL YOU WHAT THE CONSEQUENCES WOULD BE OF THAT
20 AGREEMENT?

21 A YES.

22 Q LET ME SHOW YOU WHAT IS IN EVIDENCE AS EXHIBIT 40,
23 WHICH IS HEADED, "MEMORANDUM OF PROPERTY SETTLEMENT AGREEMENT",
24 AND SPECIFICALLY DIRECT YOUR ATTENTION TO PAGE 8. AND I ASK
25 YOU WHETHER THAT'S YOUR SIGNATURE ON PAGE 8?

1 A YES, IT IS.

2 Q AND DO YOU RECALL SIGNING THAT PROPERTY SETTLEMENT
3 AGREEMENT?

4 A YES.

5 Q THE PROPERTY SETTLEMENT AGREEMENT IS DATED THE
6 30TH DAY OF SEPTEMBER, 1977. IS THAT APPROXIMATELY -- I'M
7 NOT ASKING YOU TO RECALL THE EXACT DATE. IS THAT APPROXIMATELY,
8 TO YOUR UNDERSTANDING, THE TIME WHEN YOU SIGNED IT?

9 A YES.

10 Q AND WAS MR. RUNFT THERE?

11 A I BELIEVE SO.

12 Q AND YOUR HUSBAND SIGNED IT, TOO?

13 A YES.

14 Q NOW, DID YOU AS A CONSEQUENCE OF HAVING AGREED THAT
15 YOU WOULD SEPARATE THE PROPERTY CONDUCT A SOLICITATION
16 CAMPAIGN?

17 A YES, I DID.

18 Q TO SOLICIT PRIVATE CONTRIBUTIONS?

19 A YES.

20 Q AND HOW WAS THAT DONE? I MEAN HOW DID YOU SOLICIT
21 THESE CONTRIBUTIONS?

22 A IT WAS DONE THROUGH THE MAIL.

23 Q JUST BY WHAT'S CALLED A DIRECT MAIL --

24 A A DIRECT MAIL SOLICITATION PROGRAM.

25 Q AND CAN YOU TELL US THE COMPANY THAT DID THIS,

1 ACTUALLY IMPLEMENTED THIS DIRECT MAIL SOLICITATION?

2 A YES. IT WAS MARTIN ADVERTISING.

3 Q AND THERE WAS A LETTER THAT WENT OUT, WAS IT SIGNED
4 BY YOU?

5 A YES.

6 Q AND IT ASKED PEOPLE TO SEND IN FUNDS FOR THIS
7 PURPOSE?

8 A YES.

9 Q WAS THAT DIRECT MAIL SOLICITATION SUCCESSFUL IN
10 RAISING SOME FUNDS?

11 A YES, IT WAS.

12 Q DO YOU KNOW APPROXIMATELY HOW MUCH?

13 A OH, SOMEWHERE IN THE NEIGHBORHOOD OF \$100,000.

14 Q AND THAT WAS -- THE DIRECT MAIL SOLICITATION WAS
15 LIMITED TO CONTRIBUTIONS UNDER \$100. IS THAT CORRECT?

16 A YES.

17 Q AND THE CONTRIBUTORS SPECIFICALLY SIGNED THAT THEY
18 WERE GIVING IT FOR PERSONAL PURPOSES, THEY UNDERSTOOD THAT
19 THEY WERE DOING?

20 A YES. THE LETTER PRETTY WELL DEFINED THAT.

21 Q O.K. AND THE SOLICITATION OF THESE FUNDS CONTINUED
22 PAST INTO 1978, DIDN'T IT? I MEAN PAST 1977 AND INTO '78,
23 THE MAILING AND RECEIPT OF THESE CONTRIBUTIONS?

24 A YES. IT CAME TRICKLING IN FOR A LITTLE WHILE.

25 Q NOW, LET ME GO FROM THE MATTER OF THIS PROPERTY

1 SETTLEMENT AGREEMENT REALLY TO SOMETHING THAT HAPPENED PRIOR
2 TO THE PROPERTY SETTLEMENT AGREEMENT. AND I'M SPECIFICALLY
3 REFERRING TO SOMETHING WHICH YOU KNOW YOU'VE BEEN ASKED ABOUT
4 BEFORE, AND THAT IS -- LET ME CALL IT THE SOYBEAN TRANSACTION,
5 JUST FOR SHORT. DO YOU RECALL AT SOME POINT HAVING MET AN
6 INDIVIDUAL NAMED NELSON BUNKER HUNT?

7 A YES, I DO.

8 Q AND CAN YOU TELL US, MRS. HANSEN, WHAT YOUR PRESENT
9 RECOLLECTION IS AS TO WHEN YOU MET MR. HUNT.

10 A OH, '76 OR SO. IT HAS BEEN A LONG TIME.

11 Q AND UNDER WHAT CIRCUMSTANCES DID YOU MEET HIM?

12 A AT A SOCIAL POLITICAL GATHERING.

13 Q AND DID YOU TALK TO HIM AT THAT TIME?

14 A YES. HE WAS AWARE OF THE POLITICAL SITUATION WITH
15 MY HUSBAND, WITH THE WAYNE HAYS TO-DO THAT HAD HAPPENED
16 EARLIER.

17 Q RIGHT. O.K. WAYNE HAYS WAS A CONGRESSMAN WHO HAD
18 ATTACKED CONGRESSMAN HANSEN. IS THAT RIGHT?

19 A YES. MR. HAYS WAS CHAIRMAN OF THE DEMOCRATIC
20 CAMPAIGN COMMITTEE IN 1974, AND HE WAS ALSO CHAIRMAN OF THE
21 HOUSE ADMINISTRATION COMMITTEE.

22 Q AND MR. HUNT AND YOU TALKED, TO THE BEST OF YOUR
23 RECOLLECTION, ABOUT MR. HAYS OR THAT KIND OF THING AT THE
24 TIME?

25 A YES. WE TALKED ABOUT VARIOUS POLITICAL ISSUES.

1 I DON'T RECALL EVERYTHING WE DISCUSSED.

2 Q NOW, DID THERE COME A TIME IN 1977, MRS. HANSEN,
3 WHEN, TO THE BEST OF YOUR RECOLLECTION, YOU HEARD ON THE
4 TELEPHONE FROM MR. HUNT?

5 A I BELIEVE -- YES.

6 Q ARE YOU ABSOLUTELY SURE? I MEAN JUST GIVE US YOUR
7 BEST RECOLLECTION. IF YOU'RE NOT REALLY SURE, TELL US YOU'RE
8 NOT SURE.

9 A I REMEMBER HAVING A TELEPHONE CALL FROM HIM, AND
10 HE WAS AWARE THAT I WAS TRYING TO FIND WAYS TO TAKE CARE OF
11 THESE FAMILY DEBTS. AND HE HAD BEEN APPROACHED. I SUPPOSE
12 HE GOT APPROACHED BY A LOT OF POLITICAL PEOPLE. BUT, ANYWAY,
13 HE HAD GIVEN IT SOME THOUGHT AND WAS WILLING TO HELP.

14 Q AND HOW DID HE HELP? TO THE BEST OF YOUR RECOLLEC-
15 TION, YOU SAY YOU THINK HE CALLED YOU, AND WHAT HAPPENED?

16 A HE TOLD ME PERHAPS THAT -- WELL, SOMETHING TO THE
17 EFFECT THAT IF YOU GIVE A PERSON A FISH AND HE'LL EAT FOR
18 A DAY, BUT YOU TEACH HIM TO FISH AND HE'LL EAT FOR HIS LIFE --
19 FOR THE REST OF HIS LIFE. AND I THINK HE WAS TRYING TO HELP
20 ME TO GET INTO THE MARKET.

21 Q AND IN WHAT WAY? DID HE INTRODUCE YOU OR TELL YOU
22 TO CALL ANYBODY OR BE CALLED BY ANYBODY? AGAIN, GIVE US
23 YOUR BEST RECOLLECTION.

24 A HE TOLD ME -- I CAN'T REMEMBER IF HE TOLD ME THAT
25 HE WOULD HAVE SOMEONE CONTACT ME OR IF HE TOLD ME TO CONTACT

1 A PERSON.

2 Q AND WHO WAS THAT PERSON?

3 A IT WAS A MAN BY THE NAME OF MR. NICHOLS IN CHICAGO.

4 Q AND, IN FACT, NOW, AS YOU SIT HERE TODAY ON THE
5 WITNESS STAND, YOUR BEST RECOLLECTION, DO YOU RECALL SPEAKING
6 TO MR. NICHOLS ON THE TELEPHONE?

7 A YES, I DO.

8 Q DO YOU RECALL HOW MANY TIMES YOU SPOKE TO MR. NICHOLS
9 ON THE TELEPHONE?

10 A SEVERAL.

11 Q SEVERAL TIMES. YOU'RE SURE IT'S MORE THAN ONCE?

12 A YES.

13 Q AND COULD YOU TELL US, TO THE BEST OF YOUR RECOL-
14 LECTION, WHAT THE NATURE WAS OF THE CONVERSATIONS YOU HAD
15 WITH MR. NICHOLS?

16 A WELL, I WAS INVESTING IN THE SOYBEAN MARKET, AND
17 MR. NICHOLS WAS AN EXPERT IN THIS FIELD. AND THE TELEPHONE
18 DISCUSSIONS WERE ABOUT WHAT WAS HAPPENING IN THE MARKET.

19 Q NOW, YOU SAY YOU WERE INVESTING IN SOYBEANS. YOU
20 WERE INVESTING IN SOYBEANS BECAUSE MR. NICHOLS WAS SUGGESTING
21 TO YOU TO INVEST IN SOYBEANS; IS THAT RIGHT?

22 A RIGHT.

23 Q AND THAT WAS AT THE SUGGESTION OF MR. HUNT.

24 A THAT'S CORRECT.

25 Q DID YOU KNOW ANYTHING ABOUT THE SOYBEAN MARKET PRIOR

1 TO THAT TIME?

2 A NO.

3 Q DID YOU KNOW ANYTHING ABOUT THE FUTURE COMMODITIES
4 MARKET PRIOR TO THAT TIME?

5 A NO.

6 Q O.K. BUT YOU RECALL HAVING HAD SEVERAL CONVERSATIONS
7 WITH MR. NICHOLS ABOUT THESE SOYBEAN TRANSACTIONS.

8 A YES.

9 Q AND DO YOU RECALL, WAS HE TELLING YOU WHAT WAS
10 HAPPENING WITH REGARD TO THESE VARIOUS TRANSACTIONS?

11 A YES.

12 Q AND DID YOU AGREE THAT HE SHOULD GO AHEAD, OR DID
13 YOU DISAGREE, OR WHAT DID YOU DO?

14 A WELL, NOT BEING KNOWLEDGEABLE, I WAS TRUSTING HIM
15 TO DO WHAT WAS BEST FOR ME.

16 Q O.K. AND COULD YOU TELL US WHAT THE RESULT WAS
17 OF THESE VARIOUS TELEPHONE CONVERSATIONS THAT YOU HAD WITH
18 MR. NICHOLS.

19 A WELL, THE RESULTS WERE THAT I TOOK A CONSIDERABLE
20 LOSS.

21 Q DO YOU REMEMBER OFFHAND HOW MUCH?

22 A NO. I DON'T REMEMBER THE EXACT FIGURE.

23 Q O.K. BUT AS A CONSEQUENCE OF ALL THIS, YOU WERE
24 TOLD THAT YOU OWED A SUBSTANTIAL AMOUNT OF MONEY.

25 A THAT IS CORRECT.

1 Q O.K. AND THEN WHAT DID YOU DO NEXT?

2 A WELL, I WONDERED, YOU KNOW, HOW I WOULD MEET THE
3 OBLIGATION AND SO FORTH.

4 Q DID YOU GET A CALL FROM MR. HUNT?

5 A YES.

6 Q AND WHAT DID HE TELL YOU TO DO?

7 A HE SUGGESTED THAT I COME TO DALLAS AND HE WOULD
8 CO-SIGN A NOTE TO HELP TAKE CARE OF THIS.

9 Q ALL RIGHT. AND WHAT DID YOU DO?

10 A I WENT TO DALLAS, WENT TO MR. HUNT'S OFFICE, AND
11 HE PUT ME IN TOUCH WITH MR. HENRY. AND I SIGNED A NOTE,
12 AND WENT FROM THERE TO CHICAGO AND WENT TO THE BROKERAGE
13 HOUSE AND --

14 Q WELL, IT'S AN IMPORTANT THING. YOU SAY YOU SIGNED
15 A NOTE. DID YOU GET SOMETHING WHEN YOU SIGNED THE NOTE?

16 A OH, YES. I GOT A CHECK.

17 Q DO YOU REMEMBER HOW MUCH THE CHECK WAS FOR?

18 A I BELIEVE IT WAS \$50,000.

19 Q ALL RIGHT. NOW, WHAT DID YOU DO NEXT? YOU WENT
20 FROM THERE -- FROM DALLAS, WHERE DID YOU GO?

21 A I WENT TO CHICAGO.

22 Q ALL RIGHT. WHY TO CHICAGO?

23 A WELL, THAT WAS WHERE THE BROKERAGE HOUSE WAS.

24 Q AND THAT'S WHERE YOU OWED THE MONEY, WHATEVER AMOUNT
25 OF MONEY IT WAS.

1 A YES.

2 Q AND WHAT DID YOU DO IN CHICAGO?

3 A WELL, I WAS HOPING THAT I WOULD SEE MR. NICHOLS,
4 BUT I DIDN'T SEE HIM. I GOT THERE LATE IN THE AFTERNOON,
5 AND, TO THE BEST OF MY MEMORY, THE BROKERAGE HOUSE WAS MERGING
6 WITH ANOTHER HOUSE THAT DAY. AND CHICAGO WAS A VERY BIG
7 PLACE FOR ME TO BE, AND I WAS A LITTLE OVERWHELMED BY IT ALL.
8 AND SOMEONE ELSE BESIDES MR. NICHOLS MET WITH ME.

9 Q AND WHAT DID YOU DO IN CHICAGO?

10 A I LEFT THEM A CHECK.

11 Q AND FROM THERE, WHERE DID YOU GO?

12 A CAME ON TO WASHINGTON.

13 Q O.K. WITH THE \$50,000 CHECK.

14 A RIGHT.

15 Q AND WHAT DID YOU DO WITH THE \$50,000 CHECK?

16 A THE CHECK WAS DEPOSITED.

17 Q DID YOU GIVE IT TO YOUR HUSBAND?

18 A I DON'T REMEMBER WHETHER I DID OR NOT. I SUPPOSE
19 I MIGHT HAVE.

20 Q O.K. NOW, DID YOU UNDERSTAND AS A RESULT OF THAT
21 TRANSACTION THAT YOU OWED \$50,000 TO THE DALLAS NATIONAL BANK?

22 A YES.

23 Q AND, AS A MATTER OF FACT--YOU HAVE THAT DOCUMENT
24 BEFORE YOU WHICH IS THE PROPERTY SETTLEMENT AGREEMENT. PAGE
25 6-A REFERS TO A LOAN FROM THE FIRST -- THESE ARE THE PROPERTIES

1 THAT GO TO YOU, OR THE OBLIGATIONS. A LOAN FROM THE FIRST
2 NATIONAL BANK OF DALLAS, TEXAS, IN THE SUM OF \$50,000. THAT
3 WAS THAT OBLIGATION, WASN'T IT, AS A RESULT OF THAT NOTE?

4 A THAT'S CORRECT.

5 Q AND AS A RESULT OF THE PROPERTY SETTLEMENT AGREEMENT,
6 YOU ASSUMED EXCLUSIVE --

7 MR. WEINGARTEN: EXCUSE ME. I'M GOING TO OBJECT
8 TO THE FORM OF THESE QUESTIONS BASED ON THE COURT'S PRIOR
9 RULING.

10 MR. LEWIN: O.K.

11 THE COURT: NONLEADING, MR. LEWIN, PLEASE.

12 MR. LEWIN: ALL RIGHT.

13 BY MR. LEWIN:

14 Q THAT WAS THAT OBLIGATION.

15 A THAT'S RIGHT.

16 Q O.K. AND WHAT DID YOU UNDERSTAND AS A RESULT OF
17 THAT OBLIGATION BEING IN THERE UNDER THE LIST OF YOUR LIABILI-
18 TIES?

19 A THAT IT WAS MY RESPONSIBILITY TO PAY IT.

20 Q AND YOU HAD SIGNED THE NOTE, ANYWAY.

21 A YES.

22 Q DID YOU RECEIVE NOTICES FROM THE BANK ASKING FOR
23 INTEREST PAYMENTS?

24 A YES.

25 Q TO THE BEST OF YOUR RECOLLECTION, DID YOU MAKE ANY

1 INTEREST PAYMENTS?

2 A YES.

3 Q WERE THERE NOTES THAT ARRIVED AT A TIME WHEN YOU
4 WERE UNABLE FINANCIALLY TO MAKE INTEREST PAYMENTS?

5 A YES.

6 Q DO YOU KNOW AT SOME POINT WHETHER A CALL WAS MADE
7 BACK TO THE BANK REGARDING SOME OF THOSE REQUESTS FOR PAYMENT?

8 A YES. I'M CERTAIN THAT THAT HAPPENED.

9 Q AND DO YOU KNOW WHO MADE THE CALL BACK TO THE BANK
10 TO RESPOND ON YOUR BEHALF?

11 A I BELIEVE MY HUSBAND DID.

12 Q DID YOU ASK HIM TO DO THAT?

13 A I THINK I DID.

14 Q NOW, JUST GOING BACK TO THE AGREEMENT ITSELF, AT
15 ABOUT THE TIME OF THE AGREEMENT, IN JUNE OF 1977, WHEN YOU
16 WERE TALKING ABOUT THE AGREEMENT, THERE WAS A LETTER THAT'S
17 IN EVIDENCE -- WHAT NUMBER IS IT, PLEASE? 36. EXHIBIT 36
18 IN EVIDENCE IS A COPY OF A LETTER FROM WHICH ARE OMITTED
19 CERTAIN THINGS THAT ARE IRRELEVANT TO THIS CASE. BUT IF YOU
20 WILL JUST LOOK AT THE EXHIBIT 36, DO YOU RECOGNIZE THAT
21 LETTER, 36 IN EVIDENCE?

22 A YES. I RECOGNIZE IT.

23 Q AND IS THAT YOUR SIGNATURE AT THE END OF THAT
24 LETTER?

25 A YES, IT IS.

1 Q AND COULD YOU TELL US WHY THAT LETTER WAS WRITTEN
2 AND WHAT IT IS?

3 A WELL, IT WAS THE LETTER THAT I WROTE TO THE CHAIRMAN
4 OF THE HOUSE ETHICS COMMITTEE ADVISING HIM OF MY PLANS TO
5 SOLICIT FUNDS AND RAISE MONEY TO HELP ERASE OUR FAMILY DEBTS.

6 Q AND IN WRITING THAT LETTER, DID YOU GET THE
7 ASSISTANCE OF MR. RUNFT ON THE TELEPHONE?

8 A YES, I DID.

9 Q BUT THAT LETTER EXPRESSED YOUR OPINIONS AND YOUR
10 VIEWS?

11 A EXACTLY.

12 Q AND THE FOLLOWING YEAR -- I WILL SHOW YOU WHAT HAS
13 BEEN MARKED AS DEFENDANT'S EXHIBIT 39 IN EVIDENCE. THE
14 FOLLOWING YEAR, IN MAY OF 1978, THERE WAS ANOTHER LETTER
15 SIGNED BY YOU TO CONGRESSMAN PREYER. THAT'S MAY OF 1978.
16 COULD YOU TELL THE COURT AND JURY WHAT THAT LETTER WAS ABOUT?

17 A IT WAS TO ADVISE THE CHAIRMAN THAT THE PROPERTY
18 SETTLEMENT THAT I HAD WRITTEN TO HIM ABOUT EARLIER WAS DULY
19 EXECUTED IN ACCORDANCE WITH IDAHO LAW.

20 Q AND DO YOU REMEMBER ANY ISSUE BEING RAISED IN MAY
21 OF 1978 ABOUT WHETHER YOUR LOANS -- STRIKE THAT. LET ME
22 GO BACK FOR A MOMENT.

23 THE FACT THAT YOU WERE RAISING FUNDS AND THAT YOU
24 HAD SENT THESE LETTERS WAS ALL A MATTER OF SUBSTANTIAL PUBLIC
25 ATTENTION BACK IN IDAHO, WASN'T IT?

1 A YES. WE GOT A LOT OF, I WOULD SAY ADVERSE PRESS
2 AS A RESULT OF THIS.

3 Q DOES THE NAME "TIN CUP CONNIE" MEAN ANYTHING TO
4 YOU?

5 A YES. THERE WAS AN ARTICLE BY COLUMNIST JACK ANDERSON,
6 AND THOSE WERE THE HEADLINES. AND EVERYONE KNEW THAT GEORGE
7 AND I WERE A HAPPILY MARRIED COUPLE, AND THERE WERE HEADLINES
8 STATING THAT GEORGE AND CONNIE SPLIT, AND INDICATING THAT
9 WE WERE DOING SOMETHING OTHER THAN JUST HAVING A FINANCIAL
10 SETTLEMENT, A PROPERTY SETTLEMENT.

11 Q WHAT DOES "TIN CUP CONNIE" MEAN?

12 A WELL, AFTER YOU'VE BEEN IN POLITICS FOR A WHILE,
13 YOU LEARN TO SORT OF TAKE A LOT OF THIS. BUT IT WAS INDICAT-
14 ING THAT I WAS LOOKING FOR A HANDOUT.

15 Q WITH A TIN CUP.

16 A RIGHT.

17 Q AND THAT'S THE WAY IT WAS REPORTED IN THE PRESS.

18 A THAT'S CORRECT.

19 Q AND THEN DO YOU RECALL IN MAY OF 1978 THAT THERE
20 WAS A FUSS IN THE PRESS OVER THE FACT THAT YOUR OBLIGATIONS
21 AND ANY INCOME THAT YOU HAD WAS NOT REPORTED BY THE CONGRESSMAN
22 ON A HOUSE ETHICS FORM THAT THEN HAD TO BE SUBMITTED TO THE
23 HOUSE COMMITTEE?

24 A YES.

25 Q AND WAS THIS LETTER IN RELATION TO THAT FUSS IN THE

1 PRESS?

2 A I BELIEVE SO.

3 Q O.K. LET'S GO FROM THERE, MRS. HANSEN, TO JANUARY
4 OF 1979. THE CONGRESSMAN WAS REELECTED AGAIN IN 1978?

5 A YES.

6 Q AND CAME BACK TO SERVE AGAIN IN -- YOU WERE HERE
7 AND YOU LIVED HERE, AND THE TERM WAS BEGINNING IN 1979. IN
8 JANUARY OF 1979, WAS THERE ANOTHER TIME WHEN YOU HEARD FROM
9 MR. HUNT IN SOME WAY?

10 A YES, I DID.

11 Q NOW, AGAIN, GIVE US YOUR BEST RECOLLECTION AS YOU
12 ARE SITTING THERE, JUST WHAT YOU REMEMBER. WHAT DO YOU RECALL
13 ABOUT THE EVENTS OF JANUARY 1979?

14 A WELL, HE WAS AWARE THAT THE DEBT STILL HAD NOT BEEN
15 ERASED.

16 Q YOU STILL OWED THE MONEY UNDER THE ORIGINAL NOTE?

17 A YES.

18 Q O.K.

19 A AND HE WAS KIND ENOUGH TO CALL ME AND SUGGEST THAT
20 I GET IN TOUCH WITH A MR. MING --

21 Q MING?

22 A MING, UH-HUH, M-I-N-G. AND THAT PERHAPS MR. MING
23 COULD HELP ME IN ANOTHER MARKET TRANSACTION.

24 Q ALL RIGHT. NOW, TO THE BEST OF YOUR RECOLLECTION,
25 DID YOU CALL MR. MING, OR DID MR. MING CALL YOU?

1 A I DON'T REMEMBER.

2 Q O.K. DO YOU REMEMBER HAVING CONVERSATIONS WITH
3 MR. MING?

4 A YES, I DO.

5 Q O.K. COULD YOU TELL US WHAT YOU REMEMBER ABOUT
6 THE CONVERSATIONS WITH MR. MING.

7 A WELL, MR. MING WAS VERY HELPFUL, AND I TOOK IT THAT
8 HE WAS A VERY KNOWLEDGEABLE PERSON. HE KEPT ME ADVISED AS
9 TO WHAT WAS HAPPENING IN THE MARKET. AND --

10 Q WHAT COMMODITY WERE YOU DEALING IN AT THIS TIME?

11 A IN THE SILVER MARKET.

12 Q O.K. AND YOU SAY HE KEPT YOU ADVISED?

13 A YES, HE DID.

14 Q DO YOU DISTINCTLY REMEMBER THAT HE WOULD CALL YOU
15 REGULARLY ABOUT THAT?

16 A YES.

17 Q AND DID YOU IN THE CONVERSATIONS AGREE OR CONFIRM
18 WHAT IT IS HE WAS DOING ON YOUR BEHALF?

19 A WELL, I KEPT TELLING HIM, "YOU'RE THE DOCTOR, YOU'RE
20 THE EXPERT, AND I'M TRUSTING YOU TO DO WHAT'S BEST FOR ME."

21 Q O.K. AND DID YOU AUTHORIZE HIM TO SELL WHATEVER
22 CONTRACTS HE HAD BOUGHT?

23 A YES.

24 Q AND, TO YOUR KNOWLEDGE, DID HE SELL WHATEVER SILVER
25 CONTRACTS HE HAD BOUGHT?

1 A YES. TO THE BEST OF MY RECOLLECTION, I TOLD HIM
2 TO DO WHAT WOULD BRING THE MOST INCOME IN TO ME.

3 Q O.K. AND AT THAT OCCASION, DID THAT REALIZE A PROFIT
4 OR A LOSS?

5 A A PROFIT.

6 Q DO YOU RECALL APPROXIMATELY HOW MUCH THE PROFIT WAS?

7 A IT WAS SOMEWHERE IN THE NEIGHBORHOOD OF \$87,000.

8 Q O.K. AND DO YOU RECALL THAT THERE WAS SOME NEED,
9 IN ORDER TO RECOVER THAT PROFIT, FOR AN ARRANGEMENT TO BE
10 MADE UNDER WHICH SOME MONEY WOULD GO TO MR. MING'S OFFICE --
11 OR NOT TO MR. MING'S OFFICE; TO THE CLEARING HOUSE OFFICE,
12 I'M SORRY, BEFORE THE MONEY WOULD BE RELEASED?

13 A YES.

14 Q YOU RECALL THAT THAT WAS NECESSARY? HE EXPLAINED
15 THAT TO YOU?

16 A YES.

17 Q DO YOU RECALL HOW THAT WAS ARRANGED?

18 A WELL, IT WAS ARRANGED THROUGH OUR ACCOUNTANT AND
19 A BANK IN POCA TELLO.

20 Q DID YOU PERSONALLY MAKE THOSE ARRANGEMENTS?

21 A NO, I DIDN'T. MY HUSBAND DID THAT.

22 Q DID YOU ASK HIM TO MAKE THOSE ARRANGEMENTS?

23 A YES. IT WAS SOMETHING THAT HAD TO BE DONE.

24 Q IN THE COURSE OF THE CONVERSATIONS YOU HAD WITH
25 MR. MING, TO THE BEST OF YOUR RECOLLECTION, WAS THERE ANY TIME

1 THAT YOUR HUSBAND SPOKE WITH MR. MING?

2 A I'M SURE THERE PROBABLY WERE TIMES WHEN THEY TALKED.

3 Q IN WHAT WAY? AND WHAT WOULD BE THE CIRCUMSTANCES
4 UNDER WHICH HE MIGHT HAVE SPOKEN TO MR. MING?

5 A WELL, LOTS OF TIMES THERE WILL BE OCCASIONS WHEN
6 I'M NOT FREE TO TALK ON THE PHONE OR MAYBE MY HUSBAND IS NOT
7 FREE TO TALK; MAYBE ALL THE LINES WILL BE RINGING. AND I
8 DID WANT MY HUSBAND TO TALK TO THIS MAN.

9 Q BECAUSE?

10 A HE WAS DEALING IN SOMETHING THAT AFFECTED ME, AND
11 I --

12 Q SO YOU JUST WANTED TO INTRODUCE THEM?

13 A I WANTED THEM TO BE AWARE OF THAT THE OTHER ONE
14 EXISTED.

15 Q DID MR. MING SEEM LIKE A HELPFUL, KIND INDIVIDUAL
16 TO YOU?

17 A HE DID, INDEED.

18 Q AND YOU SAY IN TERMS OF THE PHONES RINGING. I GUESS
19 I HAVEN'T ASKED YOU SPECIFICALLY: WHAT DO YOU DO AS ADMINIS-
20 TRATIVE ASSISTANT IN THAT OFFICE?

21 A JUST ABOUT EVERYTHING. ANSWER THE TELEPHONES, MAKE
22 CERTAIN THAT THE MAIL IS ANSWERED, HELP PEOPLE WITH THEIR
23 SOCIAL SECURITY PROBLEMS, VETERANS CASES.

24 Q SET UP APPOINTMENTS?

25 A YES.

1 Q THERE HAS BEEN SOME CONVERSATION -- TESTIMONY IN
2 THIS COURTROOM ABOUT THE SECRETARY OF THE ARMY, FOR EXAMPLE.
3 DOES THE SECRETARY OF THE ARMY CALL THE OFFICE?

4 A WELL, THE SECRETARY OF THE ARMY HAS CALLED THE OFFICE,
5 AS HAVE MANY OTHER OFFICIALS. BUT THE SECRETARY OF THE ARMY
6 HAS -- I GUESS IT'S SORT OF A PROCEDURE THAT THEY INVITE MEM-
7 BERS OF CONGRESS TO COME AND HAVE BREAKFAST OVER AT THE
8 PENTAGON WEEKLY, AND THERE'S NO WAY A CONGRESSMAN COULD POSSIBLY
9 ACCEPT ALL THESE INVITATIONS. AND MR. HANSEN HAS RECEIVED
10 NUMEROUS INVITATIONS FROM THE SECRETARY OF THE ARMY TO HAVE
11 BREAKFAST.

12 Q AND HE DOESN'T GO TO ALL THOSE BREAKFASTS.

13 A NO. HE DOESN'T EAT BREAKFAST.

14 Q O.K. IN TERMS OF MAKING APPOINTMENTS WITH PEOPLE
15 SUCH AS AT THE LEVEL OF THE SECRETARY OF THE ARMY, IS THAT
16 ROUTINE? I MEAN IS THAT DONE FOR CONSTITUENTS ALL THE TIME?

17 A VERY. MR. -- I MIGHT ADD THAT MR. HANSEN RECEIVES
18 FILES, OR DRAWERS FULL OF INVITATIONS EVERY YEAR THAT ARE
19 NOT ACCEPTED. THERE'S NO WAY YOU COULD EVER ACCEPT THEM ALL.

20 Q NOW, WITH REGARD TO THAT PROFIT ON THE SILVER TRANS-
21 ACTION OF \$87,000, YOU UNDERSTOOD THAT WHATEVER ARRANGEMENT
22 WAS MADE WAS MADE AND THE FUNDS WERE DELIVERED; THE \$87,000
23 WERE RELEASED. IS THAT CORRECT?

24 A THAT'S CORRECT.

25 Q AND WHAT DID YOU DO WITH THE \$87,000 PROFIT YOU HAD

1 MADE?

2 A IT WAS DEPOSITED IN A BANK IN POCA TELLO.

3 Q AND DO YOU KNOW WHO SPENT IT?

4 A IT WAS IN A JOINT ACCOUNT, AND MY HUSBAND PAID
5 DEBTS WITH IT.

6 Q DID YOU AUTHORIZE HIM TO DO THAT?

7 A YES.

8 Q DID YOU UNDERSTAND THAT AS A RESULT OF THE PROPERTY
9 SETTLEMENT ARRANGEMENT, YOU WERE FREE TO AUTHORIZE HIM TO
10 USE ANY PROPERTY THAT YOU HAD GOTTEN?

11 A YES. WE DIDN'T GET A DIVORCE, SO THE MONIES WERE
12 OURS:

13 Q AND WERE YOU TOLD BY MR. RUNFT WHAT RIGHTS YOU HAD
14 TO THE MONEY THAT LEGALLY WAS ONLY YOURS?

15 A YES.

16 Q WERE YOU TOLD THAT YOU COULD GIVE IT TO YOUR HUSBAND
17 IF YOU WANTED TO?

18 A YES.

19 MR. WEINGARTEN: EXCUSE ME. THE SAME --

20 THE COURT: MR. LEWIN, I HAVE ASKED YOU NOT TO
21 ASK LEADING QUESTIONS OF THE WITNESS. PLEASE LET HER TELL
22 US WHAT SHE KNOWS.

23 MR. LEWIN: O.K. BUT I'M JUST TRYING TO FOCUS ON
24 PARTICULAR THINGS, YOUR HONOR.

25 THE COURT: YES. IT IS IMPORTANT THAT YOU ASK

1 NONLEADING QUESTIONS.

2 BY MR. LEWIN:

3 Q BY THE WAY, WITH REGARD TO THE PROPERTY SETTLEMENT,
4 YOU'VE FILED JOINT TAX RETURNS SINCE THE PROPERTY SETTLEMENT
5 AGREEMENT, HAVE YOU NOT?

6 A YES.

7 Q DID MR. RUNFT TELL YOU YOU COULD DO THAT?

8 A YES. MR. RUNFT KEPT US ADVISED.

9 Q WITH REGARD TO THAT \$87,000 PROFIT, WAS THAT REPORTED
10 ON YOUR TAX RETURN FOR THAT YEAR?

11 A YES.

12 Q NOW, LET ME TAKE YOU A LITTLE BIT FURTHER IN TIME,
13 MRS. HANSEN, TO APRIL OF 1981, SPECIFICALLY TO THE RECEIPT
14 OF WHAT HAS COME TO BE KNOWN AS THE BLACKMAIL LETTER. DO
15 YOU REMEMBER THAT?

16 A I CERTAINLY DO.

17 Q WHY DO YOU REMEMBER THAT?

18 A IT WAS JUST INCONCEIVABLE THAT SUCH A THING COULD
19 HAPPEN.

20 Q WERE YOU FRIGHTENED AS A RESULT OF IT IN ANY WAY?

21 A I CERTAINLY WAS.

22 Q WHY?

23 A WELL, IN THE FIRST PLACE, THE EXTORTION OR BLACKMAIL
24 LETTER INDICATED THAT THERE WOULD BE VIOLENCE. AND WE HAVE
25 BEEN OVER THE YEARS SUBJECTED TO A LOT OF THREATS. WE'VE BEEN

1 BURGLARIZED AND HARASSED IN A LOT OF DIFFERENT WAYS. AND I
2 THOUGHT, "WHAT IS THIS?" I WAS SCARED.

3 Q DID YOU KNOW -- WERE YOU PRESENT WHEN THERE WAS
4 A DISCUSSION ABOUT WHAT SHOULD BE DONE ABOUT THE BLACKMAIL
5 LETTER?

6 A WELL, THERE WAS NO DOUBT IN MY MIND ABOUT WHAT SHOULD
7 BE DONE ABOUT IT.

8 THE COURT: THE QUESTION WAS: WERE YOU PRESENT
9 WHEN THERE WAS A DISCUSSION ABOUT THAT?

10 THE WITNESS: OH. I'M SORRY.

11 BY MR. LEWIN:

12 Q WERE YOU PRESENT WHEN THERE WAS ANY DISCUSSION ABOUT
13 IT?

14 A YES, I WAS PRESENT.

15 Q DID YOU DISCUSS IT WITH YOUR HUSBAND?

16 A YES.

17 Q AND WHAT WAS HIS IMMEDIATE REACTION TO IT?

18 A THAT WE MUST IMMEDIATELY GET THIS OVER TO THE FBI.

19 Q DID HE GO TO THE ATTORNEY GENERAL ABOUT THAT?

20 A YES, HE DID.

21 Q DID HE CALL THE ATTORNEY GENERAL, TO YOUR KNOWLEDGE?

22 A YES.

23 Q JUST WITH REGARD TO YOUR RECOLLECTION OF THAT DAY,
24 DO YOU REMEMBER THE VARIOUS ATTORNEYS COMING FROM OUT OF TOWN
25 AND MEETING IN THE OFFICE AND THEN GOING TO THE ATTORNEY GENERAL?

1 A YES. IT WAS KIND OF A BUSY TIME.

2 Q DO YOU REMEMBER WHAT HAPPENED ON THAT DAY? I MEAN
3 YOU DIDN'T GO TO THE ATTORNEY GENERAL YOURSELF.

4 A NO, I DIDN'T.

5 Q TELL US WHAT HAPPENED WHEN THE ATTORNEYS CAME BACK.

6 Q FROM --

7 Q THE ATTORNEY GENERAL.

8 A I DON'T RECALL EVERYTHING THAT TOOK PLACE, BUT I
9 DO KNOW THEY CAME BACK AND THEY TOLD ME THAT THEY HAD, YOU
10 KNOW, TURNED THE LETTER OVER TO THE ATTORNEY GENERAL AND THAT
11 THEY WOULD, I SUPPOSE, TAKE ACTION.

12 Q DID THE FBI COME OVER TO THE OFFICE THAT AFTERNOON?

13 A YES.

14 Q DID THEY COME TO THE OFFICE AGAIN THE NEXT DAY?

15 A I BELIEVE SO.

16 Q WHAT ABOUT YOURSELF? WERE YOU QUESTIONED ON THAT
17 DAY, OR THE NEXT DAY?

18 A I WAS.

19 Q WHAT HAPPENED? JUST DESCRIBE WHAT --

20 A WELL, AS I READ THE LETTER, I THOUGHT, "THIS IS
21 INCREDIBLE, THAT SOMEONE WOULD BE INTO OUR BUSINESS AND WOULD
22 BE THREATENING SOMEONE." AND THE FIRST THING THAT OCCURRED
23 TO ME WAS: IS ANYONE LOOKING AFTER MY SAFETY AND WELFARE.

24 AND WHEN I WAS INTERVIEWED BY THE FBI, YOU KNOW,
25 I THOUGHT, WELL, HERE ARE THESE -- I HAD THE GREATEST RESPECT

1 FOR THE FBI.

2 MR. WEINGARTEN: EXCUSE ME. MAY WE APPROACH THE
3 BENCH?

4 THE COURT: ALL RIGHT.

5 (AT THE BENCH)

6 MR. WEINGARTEN: THIS IS WHOLLY IRRELEVANT. I OBJECT
7 TO THIS EVIDENCE, UNLESS WE HAVE A PROFFER FROM MR. LEWIN.

8 MR. LEWIN: YOU KNOW, IF I ASK A QUESTION THAT'S
9 DIRECTED TO SOMETHING SPECIFIC, I'M TOLD I'M LEADING; IF I
10 ASK THE WITNESS TO PLEASE DESCRIBE WHAT HAPPENED, MR.
11 WEINGARTEN SAYS HE DOESN'T LIKE THE ANSWER.

12 I AM ASKING HER WHAT HAPPENED THAT AFTERNOON, SO
13 THE WITNESS IS TELLING US HER MENTAL REACTIONS IN TERMS OF
14 THE FBI, I SUPPOSE IN TERMS OF LEADING INTO WHAT HAPPENED.

15 MR. WEINGARTEN: HOW IS THAT RELEVANT?

16 MR. LEWIN: BECAUSE I THINK THE REACTIONS TO THE
17 BLACKMAIL AND WHAT HAPPENED THAT AFTERNOON HAVE BEEN RULED
18 BY HER HONOR TO BE RELEVANT.

19 THE COURT: AS TO HIS INTENT.

20 MR. LEWIN: YES.

21 THE COURT: NOT, OF COURSE, AS TO MRS. HANSEN'S
22 INTENT.

23 MR. WEINGARTEN: THE FBI INTERVIEW IS TOTALLY
24 IRRELEVANT.

25 MR. LEWIN: ALL RIGHT. IF IT'S IRRELEVANT, I WILL
ACCEPT THAT, AND THEN MR. WEINGARTEN OUGHT NOT TO BE ABLE

1 TO INQUIRE WITH HER WITH REGARD TO ANY FBI INTERVIEWS CON-
2 DUCTED ON THAT DAY. I WILL AGREE. LET'S ACCEPT THAT.

3 MR. WEINGARTEN: EXCEPT TO IMPEACH HER.

4 MR. LEWIN: OH, IF YOU ARE GOING TO INQUIRE OF HER
5 ABOUT FBI INTERVIEWS --

6 THE COURT: KEEP YOUR VOICE DOWN. YOU HAVE A GOOD
7 COURTROOM VOICE, BUT IT DOES PROJECT.

8 MR. LEWIN: SHE WAS ASKED ABOUT THESE EVENTS BY
9 THE FBI. MR. WEINGARTEN SURELY KNOWS, AS HE IS STANDING
10 THERE AND HAS A LITTLE SMILE ON HIS FACE, THAT HE WAS GOING
11 TO INQUIRE TO HER AS TO THE STATEMENTS SHE MADE TO THE FBI
12 ON THAT DAY. AND I AM ENTITLED, I THINK, TO ASK HER ABOUT
13 THE CIRCUMSTANCES OF THAT INTERVIEW.

14 THE COURT: IF YOU ARE GOING TO INQUIRE AS TO THE
15 INTERVIEW.

16 MR. WEINGARTEN: I HAVE NO SUCH INTENTION, SO MR.
17 LEWIN WAS SEEING A LITTLE SMILE THAT WAS NONEXISTENT.

18 THE COURT: MR. LEWIN, IF HE DOES INQUIRE,
19 OBVIOUSLY YOU WILL HAVE A CHANCE TO COME BACK, SINCE HE SAYS
20 HE HAS NO SUCH INTENTIONS.

21 MR. LEWIN: ALL RIGHT. FINE.

22 THE COURT: ALL RIGHT, GENTLEMEN. BUT, MR. LEWIN,
23 YOU KNOW, WE'VE GOT 20 MORE MINUTES, 25 MORE MINUTES THIS
24 MORNING TO SIT ON THIS, BUT I DO ASK -- I DON'T WANT TO KEEP
25 INTERRUPTING. IT IS OBVIOUSLY A MANNER OF MOVING ALONG A

1 CASE, WHEN FOCUSING, AS YOU PUT IT, BUT SOMETIMES IT'S A LITTLE
2 MORE THAN FOCUSING. SHE SAYS "FBI" AND YOU RIGHT AWAY SAY
3 "DID YOU GO TO THE ATTORNEY GENERAL?" IF SHE DOESN'T KNOW,
4 SHE DOESN'T KNOW. BUT I THINK IT'S IMPORTANT THAT WE ALL
5 KNOW HOW MUCH SHE KNOWS INDIVIDUALLY, NOT WHAT HER ATTORNEY
6 IS TELLING HER.

7 SO, I REALLY DON'T WANT TO HAVE TO INTERRUPT YOU.
8 I THINK THAT IS UNSEEMLY, AND I TRY NOT TO. THERE HAVE BEEN
9 MANY TIMES I COULD HAVE. BUT, PLEASE, PLEASE, I CERTAINLY
10 AM ASKING THAT YOU DO IT IN A NONLEADING MANNER. I UNDERSTAND
11 ALSO THAT IS WHAT GOOD GOVERNMENT COUNSEL IS ASKING.

12 SO, I AGREE YOU HAVE TO HAVE A CHANCE TO LET HER
13 TELL US IN HER OWN WORDS SOME OF THESE MATTERS, PROVIDED IT
14 IS RELEVANT.

15 MR. WEINGARTEN: WHEN WERE WE GOING TO BE BACK THIS
16 AFTERNOON? 2:30, DID YOU SAY, OR 3:00?

17 THE COURT: I'M GOING TO TELL THE JURY 3:00. I
18 HOPE I'M BACK AT QUARTER OF OR TWENTY OF. BUT I AM SAYING
19 3:00 TO BE ON THE SAFE SIDE.

20 MR. WEINGARTEN: HOW LONG ARE YOU GOING TO BE?

21 MR. LEWIN: I'LL BE FINISHED IN ABOUT TWO MINUTES.

22 THE COURT: OH, REALLY? ALL RIGHT. THEN YOU ARE
23 GOING TO START FOR A FEW MINUTES. ALL RIGHT. I THOUGHT
24 IT WAS GOING TO BE LONGER.

25 (END OF BENCH CONFERENCE)

1 BY MR. LEWIN:

2 Q IN ANY EVENT, YOU WERE INTERVIEWED BY THE FBI THAT
3 FOLLOWING DAY?

4 A YES.

5 Q DID THE FBI DO ANYTHING OTHER THAN INTERVIEW YOU?

6 A THEY FINGERPRINTED ME.

7 Q ONE OTHER SUBJECT I WOULD LIKE TO ASK YOU ABOUT,
8 MRS. HANSEN. IN NOVEMBER OF 1981, DO YOU RECALL THAT YOU
9 TRAVELED WITH CONGRESSMAN HANSEN TO THE TIP OF VIRGINIA,
10 NORTHERN VIRGINIA, TO SEE A MR. MEADE?

11 A YES.

12 Q AND DO YOU RECALL WHAT DAY OF THE WEEK YOU TRAVELED?

13 A IT WAS A SATURDAY, A BEAUTIFUL FALL AFTERNOON.

14 Q AND HOW MUCH TIME DID YOU SPEND THERE?

15 A WE SPENT THE NIGHT.

16 Q SATURDAY NIGHT?

17 A MM-HM. AND SUNDAY.

18 Q AND YOU MET MR. AND MRS. MEADE?

19 A AND THEIR FAMILY.

20 Q AND DURING THAT MEETING, WAS THERE A TIME WHEN THE
21 CONGRESSMAN AND MR. MEADE SPOKE PRIVATELY?

22 A YES, THEY DID. THEY SPOKE -- MRS. MEADE AND I SAT
23 IN THE LIVING ROOM AND VISITED, AND THEY SAT OFF IN THE DEN
24 AND VISITED.

25 Q AND WHAT, TO YOUR UNDERSTANDING, WAS THE PURPOSE
OF THE TRIP DOWN TO VIRGINIA?

1 A MR. HANSEN WANTED TO DISCUSS WITH MR. MEADE SOME
2 PROJECTS HE WAS WORKING ON.

3 Q WHICH PROJECTS, SPECIFICALLY?

4 A WELL, THE BOOK HE WAS WRITING, AND THE ASSOCIATION
5 OF CONCERNED TAXPAYERS PROJECT.

6 Q THE ASSOCIATION FOR CONCERNED TAXPAYERS PROJECT.

7 A RIGHT.

8 Q AND THAT WAS THE PURPOSE OF YOUR GOING DOWN FOR
9 THAT VISIT DOWN IN VIRGINIA?

10 A YES.

11 MR. LEWIN: THANK YOU. I HAVE NO FURTHER QUESTIONS.

12 THE COURT: CROSS-EXAMINATION. LET'S BEGIN, EVEN
13 IF WE MAY OR MAY NOT COMPLETE IT THIS MORNING.

14 CROSS-EXAMINATION

15 BY MR. WEINGARTEN:

16 Q MRS. HANSEN, GOOD MORNING.

17 A HELLO.

18 Q MRS. HANSEN, YOU TESTIFIED THAT IN RESPONSE TO
19 CERTAIN RULINGS OF THE HOUSE ETHICS COMMITTEE, YOU AND YOUR
20 HUSBAND ENTERED INTO A PROPERTY SEPARATION AGREEMENT. IS
21 THAT CORRECT?

22 A YES.

23 Q IS IT A FAIR STATEMENT THAT THE ONLY PURPOSE FOR
24 THE PROPERTY SEPARATION AGREEMENT WAS TO MEET OR GET AROUND
25 THOSE HOUSE RULINGS? IS THAT A FAIR STATEMENT?

1 A NO.

2 Q WELL, WHAT WAS THE PURPOSE IF IT WAS NOT TO ALLOW
3 YOU TO RAISE FUNDS?

4 A WOULD YOU REPEAT YOUR QUESTION?

5 Q IS IT A FAIR STATEMENT THAT THE ONLY REASON
6 DEFENSE EXHIBIT 40 CAME INTO BEING WAS TO ALLOW YOU TO GO
7 OUT AND RAISE MONEY?

8 A WE HAD THE PROPERTY SETTLEMENT SO IT WOULD ALLOW
9 ME TO BE FREE TO SOLICIT FUNDS.

10 Q AND THAT CAME AFTER THE HOUSE TOLD YOU AND TOLD
11 YOUR HUSBAND THAT YOU WERE NOT PERMITTED TO RAISE FUNDS ON
12 HIS BEHALF.

13 A I HADN'T ASKED THE HOUSE ETHICS COMMITTEE IF I COULD
14 RAISE FUNDS.

15 Q WELL, CERTAINLY CONGRESSMAN HANSEN HAD.

16 A THE HOUSE ETHICS COMMITTEE CAME UP WITH A RULING;
17 I'M NOT CERTAIN UNDER WHAT AUSPICES.

18 Q WELL, THE RULING SAID, DID IT NOT, THAT NEITHER
19 A HUSBAND WHO WAS A CONGRESSMAN NOR THE CONGRESSMAN'S WIFE
20 IS ALLOWED TO RAISE MONEY THROUGH A MASS MAILING FOR THE
21 HUSBAND?

22 A I DON'T THINK THEY SAID ANYTHING ABOUT A MASS
23 MAILING.

24 Q ALL RIGHT. WOULD IT HELP IF I SHOWED YOU THE RULING?

25 A POSSIBLY.

1 MR. WEINGARTEN: MAY I HAVE DEFENSE EXHIBIT NO. 1?

2 MR. LEWIN: I THINK IT'S DEFENDANT'S EXHIBIT NO. 35.

3 BY MR. WEINGARTEN:

4 Q ADVISORY OPINION NO. 4 ON PAGE 159, DEFENSE EXHIBIT
5 NO. 1. WILL YOU PLEASE READ TO THE JURY WHAT THE SUBJECT
6 OF THAT --

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

8 THE COURT: ALL RIGHT.

9 (AT THE BENCH)

10 MR. LEWIN: MR. WEINGARTEN WELL KNOWS THAT IT IS
11 NOT ADVISORY OPINION NO. 4 WHICH WAS THE RESPONSE, BUT
12 ADVISORY OPINION NO. 11, WHICH IS THE ADVISORY OPINION --

13 THE COURT: COULD I SEE NO. 4 AND 11, SO THAT I
14 CAN -- I KNOW WE HAVE TALKED ABOUT BOTH. WE HAVE ALSO TALKED
15 ABOUT 12.

16 MR. LEWIN: THAT'S THE ONE THAT WAS INTRODUCED IN
17 EVIDENCE.

18 THE COURT: WE ALSO HAD THIS BOOK.

19 MR. LEWIN: I UNDERSTAND. THIS REFERS TO ADVISORY
20 OPINION NO 4 WHICH HAD BEEN ISSUED PREVIOUSLY, BUT THE ONE
21 THAT REFERS TO THE CONGRESSMAN WAS ADVISORY OPINION NO. 11,
22 AND THAT IS NOT A MASS MAILING. IT IS A MISLEADING QUESTION,
23 AND I OBJECT TO IT.

24 THE COURT: "THE SELECT COMMITTEE STATED IN
25 ADVISORY OPINION NO. 4 THAT MASS MAILING CONSTITUTED A

1 FUND-RAISING EVENT FOR THE PURPOSE," SO AND SO, "AND CONCLUDED
2 NEITHER A MEMBER NOR HIS SPOUSE COULD DIRECTLY SOLICIT FUNDS
3 FOR PERSONAL USE BY A FUND-RAISING TECHNIQUE SUCH AS A MASS
4 MAILING." THAT ADVISORY OPINION NO. 11 SAYS WHAT ADVISORY
5 OPINION NO. 4 SAYS.

6 MR. LEWIN: THAT'S RIGHT.

7 THE COURT: NOW, WHAT IS THE PROBLEM, THEN?

8 MR. LEWIN: THE PROBLEM IS THAT MR. WEINGARTEN
9 ASKED MRS. HANSEN WHETHER IT WAS NOT TRUE THAT THE ANSWER
10 TO CONGRESSMAN HANSEN'S LETTER SAID THAT THERE COULD NOT BE
11 A MASS MAILING. SHE SAID NO, SHE DIDN'T BELIEVE IT WAS. AND
12 HE APPROACHED HER AND SAID, "LOOK, LET ME SHOW YOU ADVISORY
13 OPINION NO. 4," AS IF ADVISORY OPINION NO. 4 WAS THE ONE WHICH
14 WAS THE ANSWER TO THE CONGRESSMAN'S LETTER. ADVISORY OPINION
15 NO. 11, ADVISORY OPINION NO. 11 TALKS ABOUT FUND-RAISING
16 EVENTS SPONSORED BY AN INDEPENDENT GROUP OR COMMITTEE FOR
17 THE UNRESTRICTED PERSONAL USE OF A MEMBER, AND NOT ABOUT A
18 MASS MAILING.

19 THE COURT: BUT DOES, IN ADVISORY OPINION NO. 11,
20 IN THE FIRST PARAGRAPH UNDER "BACKGROUND AND DISCUSSION" SAY
21 WHAT I HAVE JUST READ FROM IT ABOUT ADVISORY OPINION NO. 4.

22 MR. LEWIN: IF MR. WEINGARTEN --

23 THE COURT: ALL RIGHT. I UNDERSTAND THE POINT YOU
24 ARE MAKING. NOW.

25 MR. WEINGARTEN: IF THE COURT WOULD JUST LOOK AT

1 ADVISORY OPINION NO 4, I THINK IT WILL BE PATENTLY CLEAR THAT
2 IS PRECISELY WHAT THE HANSENS WANTED TO DO.

3 THE COURT: NUMBER 4. "SUBJECT: UNDER HOUSE RULES,
4 MAY A MEMBER OF THE HOUSE OR THE SPOUSE OF A MEMBER SOLICIT
5 CASH GIFTS OF LESS THAN \$100 FOR PERSONAL USE THROUGH A DIRECT
6 MASS MAILING?"

7 MR. LEWIN: THAT'S RIGHT.

8 MR. WEINGARTEN: THAT IS EXACTLY --

9 THE COURT: YOUR QUESTION WAS SPECIFICALLY -- AND
10 I THINK THE DIFFICULTY THAT MR. LEWIN IS HAVING IS THAT HE
11 IS AFRAID THERE IS AN IMPLICATION THAT THAT PARTICULAR RULING
12 AT THE TIME THAT IT WAS WRITTEN, NO, 4, WAS IN RESPONSE
13 TO AN INQUIRY BY CONGRESSMAN HANSEN. IS THAT YOUR PROBLEM?

14 MR. LEWIN: THAT'S EXACTLY RIGHT. THAT IS THE
15 QUESTION MR. WEINGARTEN ASKED.

16 MR. WEINGARTEN: I THOUGHT I CLEARED THAT UP VERY
17 NICELY.

18 THE COURT: SINCE THAT IS THE ONLY PROBLEM, AS I
19 UNDERSTAND IT, SINCE THERE IS A 4 AND AN 11 --

20 MR. LEWIN: THERE'S A 4 AND 11, BUT TO SAY TO
21 MRS. HANSEN --

22 THE COURT: WE UNDERSTAND THE PROBLEM. AND I THINK
23 IT CAN BE REPHRASED AND AN ANSWER GOTTEN ONE WAY OR THE OTHER.

24 (END OF BENCH CONFERENCE)

25 THE COURT: MRS. HANSEN, IF YOU WILL COME BACK,

1 I THINK IT CAN READILY BE CLARIFIED. THANK YOU.

2 BY MR. WEINGARTEN:

3 Q MRS. HANSEN, JUST SO WE ARE CLEAR ON THIS, IN AN
4 EFFORT TO AUTHORIZE A FUND-RAISING EFFORT ON YOUR PART AND
5 ON THE CONGRESSMAN'S PART, CERTAIN EFFORTS WERE MADE, WERE
6 THEY NOT?

7 A YES.

8 Q YOU WENT TO THE FEDERAL ELECTION COMMISSION.

9 A MY HUSBAND WENT TO THE FEDERAL ELECTION COMMISSION.

10 Q ALL RIGHT. AND THE FEDERAL ELECTION COMMISSION --
11 AND I JUST WANT TO SUMMARIZE FOR PURPOSES OF SAVING TIME --
12 SAID "THIS IS NOT AN ELECTION MATTER; WE HAVE NO JURISDICTION
13 OVER THIS. SO AS FAR AS WE'RE CONCERNED, IT'S NOT OUR
14 BUSINESS." IS THAT A FAIR STATEMENT?

15 A I DON'T RECALL THE LETTER.

16 Q YOU ALSO WENT TO THE HOUSE ETHICS COMMITTEE. IS
17 THAT CORRECT?

18 A MY HUSBAND DID.

19 Q YOUR HUSBAND WENT TO THE HOUSE ETHICS COMMITTEE.
20 AND HE REQUESTED PERMISSION FROM THE HOUSE ETHICS COMMITTEE
21 TO DO WHAT, MA'AM?

22 A TO FIND A WAY TO ERASE THE DEBT.

23 Q AND WHILE HE HAD MADE THAT REQUEST, A RULING CAME
24 DOWN BY THE HOUSE ETHICS COMMITTEE THAT NEITHER A HUSBAND
25 NOR A WIFE COULD RAISE FUNDS THROUGH A DIRECT MAILING. IS

1 THAT CORRECT?

2 A I'M NOT FAMILIAR WITH THAT.

3 Q DID YOU EVER HAVE AN OCCASION TO REVIEW THE RULINGS
4 OF THE HOUSE ETHICS COMMITTEE?

5 A I HAVE READ VARIOUS THINGS THAT HAVE COME FROM THE
6 HOUSE ETHICS COMMITTEE. THE REASON THAT THEIR RULING CAME
7 ABOUT IN THE FIRST PLACE WAS BECAUSE A CONGRESSMAN HAD TAKEN
8 \$90,000 OF CAMPAIGN DEBTS TO PAY PAST ALIMONY, AND THERE HAD
9 BEEN A LOT OF CONTROVERSY OVER THAT.

10 Q WELL, DID THAT HAVE ANYTHING TO DO WITH THE MASS
11 MAILING THAT WE ARE TALKING ABOUT HERE?

12 A WELL, SEE, WHEN I WROTE THEM THE LETTER TELLING
13 THEM THAT I PLANNED TO GO OUT ON MY OWN AND RAISE MONEY, THAT
14 I FELT THAT IT WAS A VIOLATION OF MY CIVIL RIGHTS AND A
15 VIOLATION OF MY RIGHTS AS A WIFE AND A MOTHER, I RECEIVED
16 A LETTER FROM MR. PREYER TELLING ME TO GO AHEAD; THAT HE DID
17 NOT INTEND TO VIOLATE MY RIGHTS.

18 Q YOU RECEIVED A LETTER FROM MR. PREYER THAT SAID
19 "GO AHEAD", MRS. HANSEN?

20 A . YES.

21 Q WE'LL GET TO THAT IN A SECOND.

22 BEFORE YOU SENT THAT LETTER, THOUGH, THERE WERE
23 TWO RULINGS DIRECTLY ON POINT AS TO WHAT YOU WERE PROPOSING
24 TO DO, OR THE CONGRESSMAN HAS PROPOSING TO DO, WERE THERE
25 NOT?

1 A I'M NOT SURE HOW MANY RULINGS THERE WERE, BUT I
2 WAS NOT SUBJECT 'TO THOSE RULINGS BECAUSE I WAS NOT A MEMBER
3 OF THE HOUSE OF REPRESENTATIVES.

4 Q MRS. HANSEN, WASN'T THERE A RULING, ADVISORY OPINION
5 NO. 4, THAT SAID -- AND PERHAPS I SHOULD READ IT. "THE FINAL
6 QUESTION CONCERNS THE PROPRIETY OF A SPOUSE RAISING FUNDS
7 THROUGH MASS MAIL SOLICITATION FOR THE BENEFIT OF THE MEMBER.
8 WHILE THE SELECT COMMITTEE RECOGNIZES THE BASIC INDEPENDENCE
9 OF THE SPOUSE, THE SPOUSE UNDER THESE CIRCUMSTANCES WOULD
10 BE ACTING ESSENTIALLY ON BEHALF OF THE MEMBER. THUS, THE
11 MEMBER WOULD BE CONDUCTING INDIRECTLY THE VERY ACTIVITIES
12 HE WOULD BE PROHIBITED FROM ENGAGING IN DIRECTLY. CONSE-
13 QUENTLY, THE MASS MAIL SOLICITATION OF FUNDS BY A SPOUSE FOR
14 A MEMBER'S USE ALSO APPEARS TO VIOLATE THE SPIRIT OF HOUSE
15 RULES."

16 NOW, THAT STOOD IN YOUR WAY, DID IT NOT, TO GOING
17 OUT AND RAISING MONEY?

18 A I WAS UNDER CLOSE CONTACT WITH OUR ATTORNEY, MR.
19 RUNFT, AND THOSE DEBTS WERE MY DEBTS, AS WELL.

20 Q WELL, MRS. HANSEN, WE'LL GET TO THAT. I WILL GIVE
21 YOU EVERY OPPORTUNITY TO TALK ABOUT THAT. BUT IS IT NOT TRUE
22 THAT PRIOR TO THE PROPERTY SEPARATION AGREEMENT THAT WAS
23 DRAFTED BY YOUR ATTORNEY, YOU HAD THE PROBLEM OF ADVISORY
24 OPINION NO. 4, WHICH SAID YOU COULDN'T AND NEITHER COULD YOUR
25 HUSBAND GO OUT AND SOLICIT MONEY?

1 A MR. WEINGARTEN, I AM NOT FAMILIAR WITH ALL THESE
2 TECHNICAL LAWS. I AM NOT A LAWYER, AND THAT'S WHY I HAVE
3 HAD LEGAL COUNSEL.

4 Q ALL RIGHT. JUST SO WE CAN MOVE ON: IS IT TRUE
5 OR NOT TRUE THAT THE SOLE PURPOSE OF DEFENSE EXHIBIT NO. 40 --

6 A YOU'RE PUTTING WORDS IN MY MOUTH. THAT'S NOT SO.

7 THE COURT: MA'AM, HE HASN'T FINISHED HIS QUESTION.
8 GIVE HIM A CHANCE TO FINISH HIS QUESTION, AND THEN YOU CAN
9 RESPOND, OF COURSE.

10 BY MR. WEINGARTEN:

11 Q IS IT TRUE OR NOT TRUE THAT THE ONLY PURPOSE FOR
12 THE EXISTENCE OF DEFENSE EXHIBIT NO. 40 WAS TO GET AROUND
13 THE RULINGS CONTAINED IN THIS BOOK?

14 A NO, I WASN'T TRYING TO GET AROUND ANYTHING.

15 Q NOW, THE PROPERTY SEPARATION AGREEMENT, DEFENSE
16 EXHIBIT 40, PURPORTS TO SEPARATE PROPERTY BETWEEN YOU AND
17 YOUR HUSBAND. IS THAT CORRECT?

18 A THAT'S CORRECT.

19 Q YOU GET, I THINK, THE REALTY, HE GETS MORTGAGES. IS
20 THAT SO DESIGNATED?

21 A THERE'S QUITE A COMBINATION OF ITEMS THERE.

22 Q WELL, CAN YOU SUMMARIZE WHAT IS CONTAINED THEREIN?

23 A OH, I SUPPOSE I COULD.

24 Q WOULD YOU PLEASE DO THAT? JUST SUMMARIZE WHAT
25 CATEGORIES OF PROPERTY WERE TO BE PLACED IN YOUR NAME AND

1 WHAT CATEGORIES OF PROPERTY WERE TO BE PLACED IN YOUR HUSBAND'S
2 NAME.

3 A WHERE WOULD YOU LIKE FOR ME TO START?

4 Q WITH THE PROPERTY. LET'S TALK ABOUT THE REAL ESTATE
5 THAT YOU AND YOUR HUSBAND OWNED AT THAT TIME. HOW MUCH REAL
6 ESTATE IS REPRESENTED ON THAT DOCUMENT?

7 A I'M NOT SURE.

8 Q WELL, PERHAPS I CAN DIRECT YOUR ATTENTION TO PAGE
9 NO. 3 AND PAGE NO. 4. OR PERHAPS START AT PAGE 2.

10 DOES PARAGRAPH 3 NOT SAY: "FROM THE COMMUNITY
11 PROPERTY OF THESE PARTIES, THE WIFE SHALL HAVE AS HER SOLE
12 AND SEPARATE PROPERTY, FREE AND CLEAR OF ANY RIGHT, TITLE
13 AND INTEREST OF THE HUSBAND, THE FOLLOWING ITEMS," AND THEN
14 IT LISTS SOME REAL ESTATE. IT LISTS REAL ESTATE IN ARLINGTON,
15 VIRGINIA, VALUED \$155,800; PROPERTY IN ARKANSAS VALUED AT
16 \$27,000, AND PROPERTY IN IDAHO VALUED AT \$125,000?

17 A WHICH PAGE ARE YOU ON?

18 Q I STARTED -- PARAGRAPH 3 OF THE PROPERTY SEPARATION
19 AGREEMENT, ON PAGE 2, EXTENDING OVER TO PAGE 3.

20 A O.K.

21 Q I GUESS THE QUESTION IS THIS, MRS. HANSEN: THAT
22 DOCUMENT PURPORTS, DOES IT NOT, TO GIVE YOU SOLE RIGHT, TITLE
23 AND INTEREST OF THREE PIECES OF PROPERTY: PROPERTY IN
24 ARLINGTON, PROPERTY IN ARKANSAS, AND PROPERTY IN IDAHO.

25 A YES.

1 Q MRS. HANSEN, WAS TITLE TO THAT PROPERTY EVER TRANS-
2 FERRED TO YOUR NAME?

3 A NO. I DON'T THINK SO.

4 Q IT REMAINED IN BOTH NAMES.

5 A RIGHT.

6 Q THE DOCUMENT PURPORTS TO PLACE MORTGAGES IN THE
7 NAME OF GEORGE HANSEN SOLELY, OUTSIDE OF YOU, DOES IT NOT?

8 A I BELIEVE SO.

9 Q WELL, LOOK AT PARAGRAPH 4. DOES IT NOT SAY: "FROM
10 THE COMMUNITY DEBTS, THE HUSBAND SHALL ASSUME AS HIS SOLE
11 AND SEPARATE DEBTS, FROM WHICH THE WIFE SHALL BE FREE OF ANY
12 LIABILITY OR OBLIGATION, THE FOLLOWING ITEMS", AND IT LISTS
13 THE MORTGAGE ON YOUR PROPERTY IN ARLINGTON FOR \$105,000,
14 MORTGAGE IN ARKANSAS FOR OVER \$3,000, MORTGAGE IN IDAHO FOR
15 OVER \$80,000.

16 A MR. RUNFT TOOK CARE OF THIS, AND--

17 Q WELL, SURELY YOU WERE AWARE THAT THIS WAS GOING
18 ON.

19 A WELL, ABSOLUTELY, I WAS AWARE.

20 Q ALL RIGHT. WERE THESE DEBTS, THESE MORTGAGES, EVER
21 TRANSFERRED FROM BOTH YOUR NAMES TO JUST YOUR HUSBAND'S NAME?

22 A WELL, SOME OF THE PROPERTY HAS BEEN SOLD SINCE THAT
23 TIME.

24 Q ALL RIGHT. FOLLOWING THE EXECUTION OF THIS DOCUMENT
25 WERE THE LIABILITIES THAT I JUST READ, THE MORTGAGES -- WERE

1 THEY WERE TRANSFERRED FROM BOTH YOUR NAMES TO JUST YOUR HUS-
2 BAND'S NAME?

3 A NO, I DON'T THINK SO.

4 Q IF HE DEFAULTED ON THOSE MORTGAGES, WHAT EFFECT
5 WOULD THERE BE, BASED ON THIS DOCUMENT?

6 A WELL, IT WOULD HAVE BEEN MY RESPONSIBILITY.

7 Q DESPITE THIS PROPERTY SEPARATION AGREEMENT. IS
8 THAT CORRECT?

9 A I'M NOT LEGALLY AWARE OF THE TECHNICALITIES OF WHAT
10 WOULD HAVE HAPPENED.

11 Q WELL, LET ME ASK YOU: THIS DOCUMENT PURPORTS TO
12 SEPARATE REAL ESTATE. YOU GET TITLE TO A HOUSE, HE GETS THE
13 MORTGAGES. THAT SEPARATION HAS NO LEGAL EFFECT WHATSOEVER;
14 ISN'T THAT CORRECT, MRS. HANSEN?

15 MR. LEWIN: IS MR. WEINGARTEN ASKING THIS OF MRS.
16 HANSEN AS A LEGAL EXPERT?

17 BY MR. WEINGARTEN:

18 Q TO YOUR KNOWLEDGE.

19 THE COURT: TO HER KNOWLEDGE, OBVIOUSLY; NOT AS
20 A LEGAL EXPERT.

21 MR. LEWIN: HE ASKED IT AS TO WHETHER --

22 THE COURT: NOT AS A LEGAL EXPERT. AS A PERSON
23 WHO SIGNED THIS DOCUMENT.

24 THE WITNESS: WOULD YOU REPHRASE YOUR LAST PORTION
25 OF THE QUESTION, PLEASE?

1 MR. WEINGARTEN: SURE.

2 THE COURT: WOULD YOU ASK THE QUESTION AGAIN,
3 PLEASE.

4 BY MR. WEINGARTEN:

5 Q WHEN YOU PURCHASED YOUR ARLINGTON HOUSE THAT IS
6 LISTED IN THIS DOCUMENT, I GUESS IT'S THE HOUSE AT 4700
7 38TH PLACE --

8 A WE NO LONGER OWN THAT HOUSE.

9 Q WELL, LET'S GO BACK TO WHEN YOU PURCHASED IT.
10 I GUESS YOU SAT DOWN WITH THE MORTGAGEE -- OR AT THE
11 MORTGAGOR'S PLACE AND YOU SIGNED A NOTE, YOU AND YOUR HUSBAND;
12 IS THAT CORRECT?

13 A THAT'S CORRECT.

14 Q AND YOU BOTH TOOK TITLE TO THE HOUSE.

15 A MM-HM.

16 Q AND IF THERE HADN'T BEEN A PROPERTY SEPARATION
17 AGREEMENT, IF YOU DIDN'T PAY YOUR MORTGAGE, THE BANK, OBVIOUSLY,
18 COULD COME IN AND TAKE YOUR HOUSE; IS THAT CORRECT?

19 A YES.

20 Q NOW, AFTER THIS PROPERTY SEPARATION AGREEMENT, IT
21 STATES THAT YOU OWN THE HOUSE AND CONGRESSMAN HANSEN ALONE
22 HAS RESPONSIBILITY FOR THE MORTGAGE. NOW, IF CONGRESSMAN
23 HANSEN DIDN'T PAY THE MORTGAGE, WHAT WOULD HAPPEN TO THAT
24 HOUSE, TO YOUR UNDERSTANDING?

25 A WELL, THE BANK WOULD HAVE HAD IT.

1 Q SO, WHAT EFFECT DOES THIS DOCUMENT HAVE ON THE
2 LIABILITIES AND ASSETS OF THE HANSENS?

3 A LIKE I SAY, I AM NOT A LEGAL EXPERT.

4 Q O.K. MRS. HANSEN, DO YOU HAVE BANK ACCOUNTS WITH
5 YOUR HUSBAND?

6 A I DO, INDEED.

7 Q JOINT BANK ACCOUNTS?

8 A YES.

9 Q DID YOU HAVE JOINT BANK ACCOUNTS BEFORE 1977, BEFORE
10 THIS PROPERTY SEPARATION AGREEMENT?

11 A WE HAVE ALWAYS HAD JOINT BANK ACCOUNTS.

12 Q AND YOU CONTINUE TO HAVE JOINT BANK ACCOUNTS.

13 A THAT'S CORRECT.

14 Q HOW MANY JOINT BANK ACCOUNTS DO YOU HAVE?

15 A I'M NOT SURE.

16 Q ROUGH FIGURE.

17 A OH, TWO OR THREE.

18 Q JUST TWO OR THREE?

19 A THAT'S ALL I WRITE CHECKS ON.

20 Q WELL, HOW ABOUT YOUR HUSBAND?

21 A WE BOTH ARE INDEPENDENT PEOPLE.

22 Q WELL, WHAT ABOUT THE JOINT ACCOUNTS? HOW MANY
23 JOINT CHECKING ACCOUNTS DO YOU HAVE AS YOU SIT HERE ON THIS
24 WITNESS STAND?

25 A I DON'T KNOW.

1 Q MORE THAN FIVE?

2 A I DON'T KNOW.

3 Q MORE THAN TEN?

4 A I DON'T KNOW.

5 Q AND YOU PAY TAXES TOGETHER.

6 A THAT'S RIGHT.

7 Q AND, OBVIOUSLY, YOU PAY TAXES TOGETHER BECAUSE YOU
8 FIGURED OUT THAT IT'S TO YOUR BENEFIT TO PAY TAXES JOINTLY
9 AS OPPOSED TO SEPARATELY.

10 A MOST MARRIED PEOPLE DO.

11 THE COURT: I GUESS THE ANSWER IS "YES", THEN.

12 THE WITNESS: YES.

13 BY MR. WEINGARTEN:

14 Q THAT'S ABSOLUTELY RIGHT.

15 AND THE SILVER TRANSACTION WAS REPORTED ON A JOINT
16 RETURN.

17 A THAT'S CORRECT.

18 Q AND THE SOYBEAN LOSS WAS REPORTED ON A JOINT RETURN.

19 A YES; I SUPPOSE SO.

20 Q AND THE LOSS WAS SUBTRACTED FROM GAIN, SO YOUR
21 TAX BILL WOULD BE A LITTLE LOWER.

22 A MR. WEINGARTEN, LIKE I SAY, I AM NOT -- I AM NOT
23 AN ACCOUNTANT, I AM NOT A LAWYER. AND THAT'S WHY WE HIRE
24 ACCOUNTANTS AND LAWYERS, TO HANDLE THESE THINGS FOR US.

25 Q MRS. HANSEN, HOW MANY CARS DO YOU HAVE?

1 A TOO MANY.

2 THE COURT: NO, I'M SORRY, MA'AM. HOW MANY CARS?

3 THE WITNESS: LET'S SEE.

4 MR. WEINGARTEN: ALL RIGHT, LET ME ASK YOU THIS --

5 THE COURT: WELL, LET HER ANSWER THE QUESTION. YOU
6 ASKED HER A QUESTION; LET HER ANSWER THE QUESTION.

7 MR. WEINGARTEN: O.K. SORRY, SORRY.

8 THE WITNESS: WE HAVE CARS HERE AND WE HAVE CARS
9 IN IDAHO.

10 THE COURT: TOTAL CARS.

11 THE WITNESS: LET'S SEE. WE HAVE THREE HORIZONS
12 AND TWO LE BARONS.

13 BY MR. WEINGARTEN:

14 Q AND WHOSE NAME IS ON THE TITLE OF ALL THOSE CARS,
15 MRS. HANSEN?

16 A MINE AND MY HUSBAND'S, I THINK.

17 Q AND IS IT FAIR TO SAY THAT AFTER 1977, EVERY CAR
18 THAT YOU PURCHASED HAS HAD BOTH NAMES ON THE TITLE?

19 A YES.

20 Q AND THIS DOCUMENT, MEANING THE PROPERTY SEPARATION
21 AGREEMENT, PURPORTS TO GIVE YOU SOLE AND SEPARATE TITLE TO
22 THE CARS; IS THAT CORRECT?

23 A IF THAT'S WHAT THE DOCUMENT SAYS.

24 Q BUT IN FACT, THE CARS ARE IN BOTH NAMES. IS THAT
25 RIGHT?

1 THE COURT: I'M SORRY, MA'AM. YOU'LL HAVE TO SAY
2 IT IN WORDS.

3 THE WITNESS: YES.

4 THE COURT: ALL RIGHT. WE ARE GOING TO COME BACK
5 AFTER LUNCHEON, MR. WEINGARTEN. WE HAVE TO INTERRUPT AT THIS
6 TIME. AND MRS. HANSEN.

7 MRS. HANSEN, YOU ARE, OF COURSE, IN THE MIDST OF
8 YOUR TESTIMONY AND, THEREFORE, YOU CANNOT DISCUSS IT WITH
9 ANYONE DURING THIS INTERRUPTION.

10 WE WILL BE BACK AT 3:00 O'CLOCK THIS AFTERNOON.
11 THE JURY HAS EARLIER BEEN ADVISED, AS HAVE COUNSEL AND MR.
12 HANSEN, THAT WE WOULD BE TAKING THIS LENGTHY INTERRUPTION
13 TODAY. THE JURY I HOPE ENJOYS IT PARTICULARLY TODAY, MORE
14 PERHAPS THAN ON SOME OTHER OCCASIONS FOR YOUR LUNCHEON PERIOD.
15 WE WILL BE BACK AT 3:00 O'CLOCK TODAY. WE WILL BE SITTING
16 TILL 7:00 O'CLOCK TONIGHT. SO, AGAIN, DO WHATEVER IS NECES-
17 SARY TO ACCOMMODATE THOSE HOURS, IF YOU WILL, LADIES AND
18 GENTLEMEN.

19 PLEASE REMEMBER TO NOT DISCUSS THE CASE AMONG
20 YOURSELVES OR WITH ANYONE ELSE. AND EVERYONE ELSE HAVE A
21 GOOD LUNCHEON. WE WILL SEE YOU BACK HERE AT 3:00 O'CLOCK,
22 MRS. HANSEN.

23 (WHEREUPON, AT 11:05 A.M., THE TRIAL WAS RECESSED,
24 TO RECONVENE AT 3:00 P.M., THE SAME DAY.)
25

AFTERNOON SESSION

THE COURT: Good afternoon. We are pleased to have the presence of our visitor from the interesting country of Japan, and we will continue with our testimony.

Mrs. Hansen, if you will resume the stand, please. You remain, of course, under oath.

Everybody ready for the jury?

A. LEVIN: Yes, Your Honor.

MR. WEINGARTEN: Yes, Your Honor.

THE COURT: Bring the jury in.

(Jury present at 3:00 p.m.)

Whereupon,

CONNIE HANSEN

resumed the stand and, having been previously duly sworn by the Deputy Clerk, was examined and testified further as follows:

CROSS-EXAMINATION (resumed)

BY MR. WEINGARTEN:

Q. Good afternoon, Mrs. Hansen.

Mrs. Hansen, at the lunch break, I think we were talking about property that you and your husband may have owned at one point or another. There was some talk about bank accounts. Mrs. Hansen, do you not know how many joint accounts you presently have?

A. No, I don't.

Q. Do you have a joint account presently at the Idaho

1 Bank and Trust, for example?

2 A. There is a possibility that we could have.

3 Q. How about the First Interstate Bank of Idaho?

4 A. Yes.

5 Q. How about the First Security Bank of Idaho?

6 A. I am pretty sure we do. We have a house that we
7 purchased through that bank.

8 Q. How about the Idaho State Bank?

9 A. I am not sure.

10 Q. How about the Bank of Idaho?

11 A. I don't even know if there is a Bank of Idaho.

12 THE COURT: Are some of our jurors straining to hear
13 Mrs. Hansen? I see you leaning over this way.

14 Mrs. Hansen, if you wouldn't mind, please, Ma'am,
15 move a little closer to the microphone.

16 BY MR. WEINGARTEN:

17 Q. The Bank of Commerce?

18 A. I don't know.

19 Q. There was some testimony that at present you and your
20 husband jointly own five automobiles?

21 A. Yes.

22 Q. Do you recall, have there been other automobiles
23 purchased since the property separation agreement?

24 A. Gee, we have, I am sure, bought some automobiles
25 since then.

1 Q. To your knowledge, were they jointly bought?

2 A. Yes.

3 Q. The property settlement agreement reflects some real
4 estate that you had at the time of the property separation
5 agreement, and I think your testimony was, and certainly
6 correct me if I am wrong, that title has remained in both names,
7 even with the property separation agreement, in that property?

8 A. Yes, but I think that our attorney handled that in
9 such a manner that there was no problem.

10 Q. Now, since the property separation agreement, have
11 you purchased homes?

12 A. Yes, we have. We sold one and purchased another.

13 Q. Do you own a home in Idaho?

14 A. Yes, well, we and the bank.

15 Q. Would that be Fairway Estates?

16 A. Yes, Fairway Drive.

17 MR. WEINGARTEN: I ask that this be marked as
18 Government's Exhibit 65.

19 DEPUTY CLERK: Government's Exhibit 65 marked for
20 identification.

21 MR. WEINGARTEN: Excuse me, 56.

22 (Whereupon, Government's Exhibit No.
23 66 was marked for identification).

24 BY MR. WEINGARTEN:

25 Q. I hand you what has been marked as Government's

1 Exhibit 56, and I offer one to the Court as well.

2 I would ask you, ma'am, can you recognize those
3 documents?

4 A. Yes.

5 Q. Is it fair to say that what is represented by
6 Government's 55 is the deed to your home in Idaho, and all the
7 mortgages or all the trusts that have been received on that
8 home?

9 A. There is a lot of paper here, and I haven't read all
10 the fine print.

11 Q. As you sit at the witness stand, do you know how many
12 trusts you have secured with the Idaho home, ma'am?

13 A. No, not really.

14 Q. Perhaps, if you could go through that paper, does it
15 not represent four different mortgages that have been received
16 with the Idaho home used as security?

17 A. Yes.

18 MR. WEINGARTEN: We move into evidence, Government's
19 Exhibit 56, Your Honor.

20 THE COURT: Without objection?

21 MR. LEVIN: Might I just look through it?

22 THE COURT: Of course. Surely.

23 MR. LEVIN: I have not been given an opportunity to
24 see these before.

25 No objection.

1 THE COURT: It is in evidence.

2 (Whereupon, Government's Exhibit
3 No. 55 was received into evidence).

4 BY MR. WEINGARTEN:

5 Q. Mrs. Hansen, the top document, the warranty deed,
6 that represents title to that home, does it not?

7 A. Yes.

8 Q. Who is named as the grantor? Who is receiving that
9 property?

10 A. George V. and Connie S. Hansen, husband and wife.

11 Q. Now, the deeds of trust that follow, and I believe
12 there are four -- let me ask you first, what date is that
13 warranty deed? I believe it is right on the bottom, above the
14 signatures of the people that were selling you the home.

15 A. I see, 24 August, 1977.

16 Q. Where was the property settlement agreement decision,
17 as of August 24th, 1977?

18 A. I am not certain. That has been a long time.

19 Q. If you would, is the first deed of trust dated August
20 25th, 1977? I believe it is the document right after the
21 warranty deed.

22 A. That is what the deed of trust says.

23 Q. It is a mortgage, is it not, for \$53,000?

24 A. Right.

25 Q. That is money you received from the bank to pay for

1 the house, obviously?

2 A. Yes.

3 Q. Whose name is on that as the grantor?

4 A. George V. Hansen and Connie S. Hansen.

5 Q. Husband and wife?

6 A. Husband and wife.

7 Q. Mrs. Hansen, just running through those documents, is
8 there not another deed of trust right behind that first deed of
9 trust dated March 15th, 1978, for a total of \$9,200?

10 A. Which document are you referring to?

11 Q. The next deed of trust that follows, we'll see.

12 A. I don't see that date. Yes, I do.

13 Q. That is a mortgage for \$9,200, and again you are
14 putting up the same house as collateral, and in whose name is
15 that mortgage?

16 A. George V. Hansen, Connie S. Hansen, husband and wife.

17 Q. Now, that mortgage would have been received after the
18 property separation agreement was in effect, would it not?

19 A. That is correct.

20 Q. Is it fair to say that the next two mortgages are \$20,000
21 dated August 10th, 1978, and \$15,000, dated January 3th, 1982,
22 and again in both names, George and Connie Hansen, husband and
23 wife?

24 A. That is correct. We have been husband and wife
25 through all of this.

1 Q. You have received your mortgages as husband and wife?

2 A. That is correct.

3 Q. Mrs. Hansen, did you also purchase a home in
4 Arlington, in October, 1979?

5 A. That is correct.

6 Q. Would that be Bellevue Forest, is that how it is
7 referred?

8 A. Yes.

9 MR. WEINGARTEN: I would like to have this marked as
10 Government's Exhibit 67.

11 DEPUTY CLERK: Government's Exhibit 67 marked for
12 identification.

13 (Whereupon, Government's Exhibit No.

14 67 was marked for identification).

15 BY MR. WEINGARTEN:

16 Q. Mrs. Hansen, I give you Government's Exhibit 67 to
17 look at, please. I would ask you is that not the title you
18 bought of the home in 1979 and mortgages attached thereto?

19 A. Yes, that is so.

20 MR. WEINGARTEN: We move into evidence Government
21 Exhibit 67, Your Honor.

22 MR. LEVIN: No objection on government counsel's
23 representations that those documents are in fact what they
24 represent.

25 THE COURT: It is in evidence without objection.

1 (Whereupon, Government's Exhibit

2 No. 57 was received into evidence).

3 BY MR. WENIGER:

4 Q. Is it fair to say that Government Exhibit 57
5 represents the title to the home you bought on October 1, 1979,
6 and the mortgages? Perhaps you could just look through?

7 A. Yes, I just did.

8 Q. Is that a fair statement?

9 A. Yes.

10 Q. October 1, 1979, in whose name was the house
11 purchased?

12 A. 1979.

13 Q. I am sorry, excuse me. 1979.

14 A. George V. and Connie S. Hansen, husband and wife.

15 Q. Is it fair to say there was a mortgage of \$114,000
16 from the V.V.B. Mortgage Company?

17 A. Yes.

18 Q. Again, the mortgages or I guess the mortgagors is
19 the word, would be whom?

20 A. George V. Hansen and Connie S. Hansen.

21 Q. That mortgage, of course, was written up when you
22 purchased the home?

23 A. That is correct.

24 Q. You have used the house for security for a second
25 mortgage from the same mortgage company, is that correct?

1 Q. That is correct.

2 Q. That would be dated January 12th, 1981, and it would
3 be with the same mortgage company?

4 A. Yes.

5 Q. Again, in whose name would the mortgage be?

6 A. George V. Hansen, Connie S. Hansen, husband and wife.

7 Q. Finally, Mrs. Hansen, did you and your husband buy a
8 townhouse in Arlington in November, 1977?

9 A. Yes, and if I might give you a little background
10 information on that.

11 Q. Sure.

12 A. It sounds like we were dealing in real estate, which
13 we weren't. We were living at 4700 38th Place, N. in Arlington,
14 and the house was too big for us to heat, and it was costing a
15 considerable amount of money to live there. Our children were
16 growing up and leaving home. The fall of 1977, we had four
17 children who were leaving home.

18 We put the house on the market and it didn't sell,
19 and we were burglarized in the process, wired out, and so we
20 took the house off the market. We were one of the people who
21 were victimized by the lock-box burglar. So we decided that we
22 would take the house off the market.

23 In the meantime, we had purchased a townhouse
24 thinking that we would move into it because our family had
25 pretty much left home, and unfortunately we didn't get the

1 house sold and we couldn't move into the townhouse. So we sold
2 the townhouse at a loss.

3 Q. So you are saying you only owned the townhouse for a
4 short period of time?

5 A. A very short period of time.

6 Q. Is it fair to say you purchased it in November of
7 1977?

8 A. I think that is essentially correct.

9 Q. That would have been two months after the effective
10 date of the property settlement agreement, actually less than
11 that, about six weeks?

12 A. I am not certain about the dates.

13 Q. If I represent to you the property separation
14 agreement was signed September 30th, 1977, and you purchased
15 this home November 15th, 1977, that is about six weeks, is it
16 not?

17 A. I would say yes.

18 DEPUTY CLERK: Government's Exhibit 68 marked for
19 identification.

20 (Whereupon, Government's Exhibit No.
21 58 was marked for identification).

22 BY MR. WELINGANTE:

23 Q. Mrs. Hansen, I hand you Government Exhibit 68 and ask
24 you if you can identify that, please?

25 A. This is all very fine print for my eyes.

1 Q. I apologize for that. Can you make out whether or
2 not your name is on any of those documents?

3 A. Yes, it is.

4 Q. Does that not represent the title and the mortgage to
5 the townhouse that you have just mentioned?

6 A. That is right, George V. Hansen and Connie S. Hansen.

7 Q. There is a mortgage there for \$78,000 from the Riggs
8 National Bank?

9 A. That is right.

10 Q. The name on the mortgage is?

11 A. George V. Hansen and Connie S. Hansen.

12 MR. WEINGARTEN: We move the exhibit into evidence.
13 Your Honor.

14 MR. LEVIN: No objection.

15 THE COURT: It is in evidence, without objection.

16 (Whereupon, Government's Exhibit

17 No. 63 was received into evidence).

18 BY MR. WEINGARTEN:

19 Q. Mrs. Hansen, what, in your economic life, changed as
20 a result of the property separation agreement?

21 A. Well, it, in essence, gave me the ability to have an
22 outside income, to assist my family.

23 Q. You certainly could have worked before September 30th,
24 1977? I mean nothing prohibited you from gainful employment
25 before the property separation agreement, that is a fair

1 statement, wasn't it?

2 A. I would suppose it is. However, there are always
3 art-nesting circumstances.

4 Q. Is it a fair statement, Mrs. Hansen, that the only
5 thing that changed as a result of this agreement is that you
6 went out and solicited monies?

7 A. I went out and solicited money to assist my family
8 and to assist my husband.

9 Q. Is that the only thing changed, though, as a result
10 of this?

11 A. No.

12 Q. What else changed?

13 A. Well, it gave me the ability to act as an independent
14 person.

15 Q. Well, prior to September 30th, 1977, you could have
16 gone out and been a lawyer, a doctor or an Indian chief, could
17 you not?

18 A. Oh, no, I couldn't have become a lawyer or an Indian
19 chief. In the first place, I didn't have the education.

20 Q. Did anything in the law, prohibit you from doing
21 anything, prior to September 30th, 1977, except raise money
22 through a direct mail solicitation?

23 A. I think we are getting into an area of, Mr.
24 Weingarten, of you trying to perhaps tell me what I should have
25 done.

1 THE COURT: The question is, ma'am, could you have
2 done it?

3 THE WITNESS: I could have, probably.

4 BY MR. WINGERTEN:

5 2. Maybe this will simplify things. Did anything in
6 your economic life, in terms of paying bills, receiving monies,
7 buying houses, receiving liabilities, did anything in those
8 regards change as a result of the property separation agreement?

9 A. This property settlement gave me the opportunity to
10 assist my husband, to assist my family, to give me the
11 prerogatives to raise funds to help take care of debts.

12 2. Mrs. Hansen, I will try the question once more.

13 MR. LEWIN: Your Honor, I object to this repeated
14 badgering of the witness. He has asked the witness the
15 question. He has gotten the answers. He can ask it all
16 afternoon and he will keep getting the same answers. There
17 should be no reason he should be permitted to keep asking the
18 same questions.

19 THE COURT: I ask Mrs. Hansen and I ask her again
20 just to answer specifically the question, and then, of course,
21 there will be another question. Then your counsel will have an
22 opportunity to ask the questions.

23 THE WITNESS: There is always the freedom of choice
24 as to what a wife would like to do in some areas but a
25 Congressional wife is not always allowed those prerogatives.

1 BY MR. WEINGARTEN:

2 Q. Except for the raising of the money, did your
3 day-to-day economic life change at all as a result of the
4 property separation agreement?

5 A. Mr. Weingarten, I can't recall how my day-to-day life
6 changed seven, eight, or nine years ago.

7 Q. Mrs. Hansen, have you and your husband submitted
8 financial statements to banks?

9 A. My husband and I have.

10 DEPUTY CLERK: Government Exhibits 59A, 59B, 59C,
11 59D, 59E marked for identification.

12 (Whereupon, Government's Exhibit Nos.

13 59A-59E were marked for identification).

14 MR. LEWIN: Would you tell me which is which?

15 BY MR. WEINGARTEN:

16 Q. I hand you, Mrs. Hansen, five pieces of paper that
17 are marked Government Exhibits 59A through E and ask you if you
18 would take a look at them, please. Mrs. Hansen, is it fair to
19 say that these are all financial statements that were submitted
20 either on behalf of your husband or both of you to various
21 banks in Idaho for the purpose of securing loans?

22 A. That is correct.

23 Q. Is that a financial statement that was prepared by
24 either one of you?

25 A. My husband prepared these financial statements, and

1 they are certainly not prestigious financial statements. They
2 are statements that prove that my husband had no wealth.

3 Q. We will get to that in a second, Mrs. Hansen.

4 How many financial statements are you on?

5 A. I don't know if I am on any of them or not.

6 MR. LEWIN: I don't see the witness' signature on any
7 of these statements. May I voir dire as to whether she knows
8 anything at all about these statements?

9 THE COURT: Let's see about it. Will counsel come to
10 the bench, please.

11 (Bench conference)

12 THE COURT: Of course, before you voir dire, Mr.
13 Lewin, we will see whether or not the government is able to
14 find out whether she has any connection with these. I haven't
15 had a chance, until this second, to start looking at them. One
16 does seem to be for both of them, at least lists her name. The
17 others seem to be personal, so they say, "George V. Hansen,
18 personal".

19 MR. LEWIN: There are two that have Mrs. Hansen's
20 name on them but there are none that have Mrs. Hansen's
21 signature and I don't think it is fair to start interrogating
22 her about documents --

23 THE COURT: She apparently recognized them and said
24 that they represent that they don't have as much as people
25 think they have or something like that.

1 MR. LEVIN: I think, Your Honor, she recognized them
2 in the sense that she looked at them, she sees her husband's
3 name on them. But I think the question that should be asked is
4 whether she had seen these documents, she has authorized them.

5 MR. WEINGARTEN: Assets that are represented on the
6 property separation agreement to be Mrs. Hansen's are
7 throughout these financial disclosure statements. I think it
8 is perfectly appropriate for me to quiz Mrs. Hansen about these.

9 THE COURT: We certainly can ask her about it because
10 she has said frequently that whatever is his, in effect, is
11 his, because they agreed between themselves to do thus and so.
12 That is your theory. That is what she has said all along.

13 I don't know how far the government is going to go
14 with this. I don't know whether she is going to contend she
15 has never seen these before. I don't know if she is going to
16 have her memory refreshed as to the five orders, four orders,
17 you know, at a certain period of time, but these don't have to
18 be her statements to ask some questions.

19 I just don't know what the questions of the
20 government at this moment are going to be. Let the government
21 ask the questions. If it is attempted to be moved into
22 evidence as her document, clearly you have a right, if you are
23 not satisfied with whatever the government has done, to then
24 voir dire as to whether indeed it is her document. I agree I
25 don't see her signature.

1 Q. LUMIN: I think it is unfair and improper
2 cross-examination to ask her questions, as if these were her
3 documents, in the presence of the jury.

4 THE COURT: Would you ask her if these are her
5 documents?

6 A. WEINGARTEN: I will be happy to ask that.

7 THE COURT: Mr. Weingarten will ask that question and
8 then we will go on with some examination.

9 (End of bench conference)

10 BY MR. WEINGARTEN:

11 Q. Mrs. Hansen, have you ever seen these financial
12 statements?

13 A. I might have.

14 Q. Have you ever seen financial statements like these?

15 A. Probably. I don't know.

16 Q. Is it fair to say that it is the same form of
17 financial statement, just updated through the years?

18 A. I suppose it is fair to say that.

19 Q. What is what it is, isn't it?

20 A. I suppose so.

21 Q. The first financial statement is dated September 11th,
22 1977?

23 A. That is correct.

24 Q. The second would be November 9th, 1978?

25 A. Yes.

Q. The third November 1, 1930; the fourth, December 1, 1931?

A. True.

THE COURT: Excuse me, I have one dated December 12, 1932?

MR. WEINGARTEN: I am reading the date the financial conditions on, Your Honor.

BY MR. WEINGARTEN:

Q. The last one would be January 1, 1933, is that correct?

A. That is correct.

Q. At least the last two have your name as one of the people submitting the financial statement?

A. The last what?

Q. The last two chronologically.

A. That is correct.

Q. These financial statements purport to represent assets owned, in some instances, by your husband, in some instances by both of you?

A. That is correct.

Q. To your knowledge, these financial statements were submitted to banks in an effort to secure loans, is that correct?

A. I am certain that this was done through the careful supervision of our accountant, and with counsel, Mr. Lunft.

1 Q. Mr. Rufft participated in these, is that what you are
2 saying?

3 A. I don't know, but I would imagine that he could have
4 been consulted.

5 MR. REINGARTEN: We move into evidence at this point
6 Government's Exhibits 69A through E.

7 MR. LEWIN: We object. There is no indication that
8 this witness knows anything, that she identified a single one
9 of these documents. It is totally inappropriate to try and
10 move into evidence a document which he is asking Mrs. Hansen
11 about when the best she has said is she looked at the face of
12 the document --

13 THE COURT: Mr. Lewin, we have always taken all these
14 discussions at the bench. That is the first thing.

15 MR. LEWIN: Well, all right.

16 THE COURT: We will do that again.

17 (bench conference)

18 THE COURT: Even though her signature does not appear
19 on these documents, and even though her name appears on only
20 two of the five documents, coupled together with Mr. Hansen's
21 name, nonetheless she has said that these were the statements
22 that were used for obtaining loans from the banks for those
23 mortgages, which earlier testimony has indicated were in joint
24 names. So under the circumstances, they can be admitted in
25 evidence.

how much authority to give to them, how much weight to give to them, will depend upon the value that the jury puts upon them, both from Mr. Weingarten's examination and from your further examination. But they are in evidence over your objection.

MR. LEVIN: With all due respect, let me just say, Your Honor, she has said that these are the applications from mortgages that are shown. That is simply not true. She has not said that.

MR. WEINGARTEN: I didn't say mortgages. I said loans.

THE COURT: Maybe I said mortgages.

MR. LEVIN: She did not even say they were applications for loans that she knows about. She says on their face they look as though they were submitted to the bank and she is sure they were done with careful supervision but she has not identified a single one of these documents as a document she had any personal familiarity with. I submit to put them into evidence and to ask this witness about them is unfair.

THE COURT: She may well say she doesn't know about them specifically but what she has said in her earlier testimony is sufficient to get them in. They are in over objection.

(End of bench conference)

(Whereupon, Government's Exhibit

1 Nos. 59A-592 were received into evidence)

2 BY MR. WEINGARTEN:

3 Q. Mrs. Hansen, turning your attention to 59A, the
4 September 15th, 1977 financial statement, that would have been
5 15 days before the effective date of the property separation
6 agreement, would it not?

7 A. That is correct.

8 Q. This financial statement is solely in the name of
9 your husband, George V. Hansen, is it not?

10 A. That is right.

11 Q. What does the net worth indicate?

12 A. \$246,000, is that the column you are talking about?

13 Q. Yes, ma'am.

14 A. Okay.

15 Q. Is it \$246,520?

16 A. That is correct.

17 Q. Now is the real estate listed on the second page of
18 that financial statement? The title is in whose name in each
19 instance?

20 A. Self and wife, self and wife, self and wife, self and
21 wife with part in escrow, and self and wife.

22 Q. Mrs. Hansen, the next financial disclosure statement,
23 59B, that is dated November 9th, 1978, is it not?

24 A. That is correct.

25 Q. What is the net worth indicated on that statement?

1 A. \$248,200.

2 Q. Now is the real estate listed? Is it again all
3 listed as self and wife?

4 A. That is correct.

5 Q. So, November 11, 1930, what is the net worth listed
6 there, Mrs. Hansen?

7 A. \$301,000.

8 Q. Again, is all the real estate listed as jointly
9 titled?

10 A. That is correct.

11 Q. And D, ma'am, December 1, 1931, what is the net worth
12 listed there, ma'am?

13 A. \$355,500.

14 Q. Again, is all the real estate jointly titled?

15 A. That is correct.

16 Q. And the last one, ma'am?

17 A. \$245,500.

18 Q. And the real estate?

19 A. Is all listed as self and wife.

20 Q. Now, in each financial statement, it is indicated
21 that political assets and liabilities are not included, is that
22 correct?

23 A. There is a column here for total liabilities, right
24 above the net worth.

25 Q. The total liabilities would be what is subtracted

1 from the total on the left-hand column to get the net worth,
2 would it not?

3 A. Right.

4 Q. So in each instance, the net worth of the financial
5 statements that you have been discussing represent assets minus
6 liabilities?

7 A. Right.

8 Q. On the bottom of each of these statements, there is
9 an indication that political assets and liabilities are not
10 included, is that correct?

11 A. That is correct.

12 Q. What political assets and liabilities are referred to
13 there?

14 A. I beg your pardon?

15 Q. What is that referring to?

16 A. What was your question?

17 Q. I believe in each financial statement that we have
18 been discussing, on the bottom right above the signature, there
19 is an indication that political assets and liabilities are not
20 included.

21 A. That is correct.

22 Q. Do you know what that refers to?

23 A. Well, it would refer to things that aren't listed on
24 these forms.

25 Q. What would those things be?

1 A. It would be the debts and things that were incurred
2 as a result of the political debts.

3 Q. Is that what is referred to in the property
4 settlement agreement?

5 A. I would imagine.

6 Q. Do you know for sure?

7 A. Well, our attorney would attest to that, I am sure.

8 Q. Mrs. Hanson, did you make reference to quit-claim
9 deed? Is that up there?

10 A. I am sorry?

11 Q. Did we talk about, this morning, a quit-claim deed to
12 the property of Foster's Third Addition? Do you know what a
13 quit-claim deed is?

14 A. Not exactly.

15 MR. WEINGARTEN: Could I have that Defendant's
16 Exhibit, please.

17 THE WITNESS: Mr. Weingarten, I think I had mentioned
18 earlier, that I am not knowledgeable in law, real estate,
19 accounting and a lot of these areas and I have left many of
20 these decisions and many of these forms to the judgment of a
21 good accountant and attorney.

22 BY MR. WEINGARTEN:

23 Q. If you would be kind enough to look at Defendant's
24 Exhibits 75, 76 and 77, would they not be documents that were
25 prepared by Mr. Runft, that were prepared as quit-claim deeds

1 that purport to represent a transfer of title of real estate
2 from your husband to you?

3 A. That is right.

4 Q. One of those pieces of property is the home that you
5 used to live in in Arlington, I think at Foster is what they
6 call it, Foster's Third Addition?

7 A. I am not sure what it is called.

8 Q. That is represented there?

9 A. It does have the wrong address, however.

10 Q. About the quit-claim does?

11 A. Yes, it does.

12 Q. Mr. Ranft filled out that document, did he not?

13 A. Well, it was probably a typo.

14 Q. Now, the house in Arlington is where you used to live?

15 A. That is correct.

16 Q. That is a house that you sold to Harry and Katherine

17 Zachary?

18 A. Yes.

19 DEPUTY CLERK: Government's Exhibit 70 marked for
20 identification.

21 (Whereupon, Government's Exhibit No.

22 70 was marked for identification).

23 BY MR. WEINGARTEN:

24 Q. Mrs. Hansen, I ask you if you can identify

25 Government's Exhibit 70. Now, that is the transfer of title

1 from you to the Zachams, is it not?

2 A. Yes.

3 Q. On that property you sold October 1, 1979, is that
4 fair?

5 A. Yes.

6 Q. That is the property that corresponds to that
7 quit-claim deed wherein you received title from your husband in
8 September, 1977?

9 A. Okay.

10 MR. WEINGARTEN: I move into evidence Government's
11 Exhibit 70.

12 MR. LEVIN: No objection.

13 THE COURT: It is in evidence.

14 (Whereupon, Government's Exhibit
15 No. 70 was received into evidence).

16 BY MR. WEINGARTEN:

17 Q. Who sold that house to the Zachams, Mrs. Benson,
18 pursuant to Government's Exhibit 70?

19 A. Well, I was the one who made the decision to sell the
20 house to the Zachams.

21 Q. Now about legally? What does the document reflect,
22 what?

23 A. Well, the document has both my husband's name on it
24 and my name.

25 Q. If the quit-claim deed transferred title to you in

1 1977, why was your husband still on the title in 1979?

2 1. Well, I think I have mentioned before, we never,
3 because we had a property settlement, we never had a divorce.

4 2. Mrs. Hansen, what was the point of the quit-claim
5 deed? I mean, the quit-claim deed purports to transfer --

6 3. Mr. Runft was instrumental in handling this, and it
7 was important, I guess, that we did it. I am not a real estate
8 agent. I don't have all those answers.

9 4. So is it fair to say, you don't have a clue as to
10 what the significance would be?

11 A. Not really.

12 5. Now, in your tax return, in 1979, you had to report
13 the sale of real estate, did you not, because you sold your
14 house?

15 A. I would say that is essentially correct.

16 MR. WEINGARTEN: I would like to have marked
17 Government's Exhibit 71, just for identification purposes only.

18 DEPUTY CLERK: Government's Exhibit 71 marked for
19 identification.

20 (Whereupon, Government's Exhibit No.
21 71 was marked for identification).

22 BY MR. WEINGARTEN:

23 2. Mrs. Hansen, I will hand you what has been marked as
24 Government's Exhibit 71 and ask you, ma'am, if you can identify
25 it? Perhaps I can help you and ask you if it is the tax return

1 filed by you and your husband in 1979?

2 Q. It has both of our signatures, so I would assume that
3 it is ours.

4 Q. Mrs. Hansen, is there a schedule in that tax return
5 for the sale of real estate?

6 A. I am sure there is.

7 Q. Would you find it, please? I think it is towards the
8 back.

9 A. Yes, I have located it.

10 Q. How is that schedule headed?

11 A. "Sale or Exchange of Personal Residence."

12 Q. Yes. Mrs. Hansen, are names indicated on the top of
13 that schedule?

14 A. Yes, George V. and Connie S. Hansen.

15 Q. Is there a date indicated for the sale of property in
16 the next line?

17 A. Yes, 10-1-79.

18 Q. That is the Arlington home that you sold in October,
19 1979, that is referred to in the quit-claim deed, is it not?

20 A. Yes.

21 Q. LE, the fifth question down, would you read it,
22 please?

23 A. I have never been able to understand an IRS form.

24 You will have to ask the question again.

25 Q. LE, it is the fifth question down from your name and

1 your husband's name.

2 A. What is the question you are asking?

3 Q. Does it read, "If married at the time of sale, was
4 the residence owned by," and then it gives you three choices,
5 "you, your spouse or both of you?" Do you see that, Mrs.
6 Hansen?

7 A. No, I do not.

8 Q. Perhaps I can help you with it. Do you see it now?

9 A. Oh, yes, it was owned by both of us. I see what you
10 are referring to.

11 Q. Just so we are clear on this, the question reads,
12 Does it not, "If married at the time of sale, was residence
13 owned by," there are three boxes, it says, "you, your spouse or
14 both of you?"

15 A. It was owned by both of us.

16 Q. What about that quit-claim deed? Which is a true
17 statement, the quit-claim deed or your tax return?

18 A. I would say both are correct. One was prepared by an
19 attorney, Mr. Runft. The other was prepared by Mr. Caldwell
20 and those men are both reputable, accountable people.

21 Q. If the information, Mrs. Hansen, is diametrically
22 opposed, can they both be true?

23 A. I am not an attorney and I can't answer those
24 questions, but I have ultimate confidence that Mr. Caldwell and
25 Mr. Runft, are certainly not going to do anything that would be

1 hazardous to my health.

2 Q. Mrs. Hansen, did you sign the tax return?

3 A. Yes, I did.

4 Q. Did you go through it before it was submitted to the
5 IRS?

6 A. Listen, going through a tax return can boggle
7 anybody's mind.

8 Q. Mrs. Hansen, there was a fundraiser that you
9 spearheaded after the property separation agreement, is that
10 fair?

11 A. That is correct.

12 Q. I think you testified on direct examination that
13 about \$100,000 was raised?

14 A. That is correct.

15 Q. Into what account did the money go?

16 A. It went into a Connie Hansen Fund.

17 Q. Where was that bank?

18 A. In Arlington.

19 Q. About how much of the money that was raised was
20 applied to the debt that we have heard about?

21 A. All of that money was applied to debts. None of that
22 money went for anything for me or any member of my family
23 personally. It all went to pay debts. It didn't put food on
24 the table or clothes on our backs, for no luxuries.

25 Q. Did it cost any money to raise that money?

1 A. Of course it did, because it was done by direct mail.

2 Q. So what was the net, do you have any idea?

3 A. I don't recall the exact number.

4 Q. Roughly?

5 A. It was in the \$100,000 area.

6 Q. Was that the gross receipts or was that the net
7 amount?

8 A. That was the portion that I realized of my own.

9 Q. Did you say you applied the monies that were raised
10 to the \$372,000.

11 A. That went to pay debts.

12 Q. Which debts, personal debts?

13 A. The debts that had been incurred over the years
14 because of the political debts and so forth.

15 Q. Do you have Defendant's Exhibit 40, the property
16 separation agreement before you? I am not sure you do. Is it
17 up there?

18 A. I am not sure.

19 Q. Maybe I can clear some of those exhibits.

20 Referring to the property separation agreement, would
21 you turn to the page where your personal debts are represented?
22 I think it is page 6, do you have it now?

23 A. Yes, I do.

24 Q. So, does it not say, "that from the community debts,
25 the wife shall assume, as her sole and separate debts from

1 which the husband shall be free of any liability or obligation
2 the following items: B, personal loans in the amount or in the
3 sum of \$372,750." Do you see where it says that?

4 A. Yes, I do.

5 Q. Did you apply the \$100,000 that you raised to those
6 personal loans represented to be \$372,000?

7 A. He had other debts besides these, and I can't tell
8 you exactly at this precise minute where that money was applied.

9 Q. Was not the whole point of the fundraiser to raise
10 money for debts that had been separated to you?

11 A. That is right, but there were debts prior to this.

12 Q. In addition to the \$372,000?

13 A. There were debts that were included in this \$372,000
14 that came about before I raised the money.

15 Q. But I guess as of the time of this agreement, the sum
16 total you took over was \$372,000 is what you were responsible
17 for pursuant to this agreement, and that is what you were
18 raising money to defray, is that fair?

19 A. That is fair.

20 Q. Now, was the money that you received pursuant to your
21 fundraiser applied against the \$372,000 debt?

22 A. I would say that that would be essentially correct.

23 Q. So \$272,000 in debts remained?

24 A. I don't have all of this in my head. I don't have it
25 all in a position where I can make a comment on that.

1 Q. Did you pay any interest on any of the personal loans
2 that are represented by 5B?

3 A. I am certain that interest was paid.

4 Q. Would you take a look at the tax return that is
5 before you, Mrs. Hansen, 1979. There is a section in there, is
6 there not, for interest payments that you can deduct from your
7 income so that your tax bill will be smaller. And I direct you
8 specifically to Schedule A and B.

9 A. What page are you on?

10 Q. It would be right after the 1040. It would be
11 Schedule A and B.

12 A. Mr. Weingarten, the whole purpose of having an
13 accountant to prepare these forms, in the first place, was so
14 that I didn't have to be responsible for a tax form in total,
15 because I don't have the ability to do that, and I doubt if
16 there is anyone in this room or very few people in this room
17 who would.

18 Q. I still ask you, if you would, to please look at
19 Schedule A and B, please.

20 A. What page are you on?

21 Q. It is right after your 1040.

22 A. Would you like to come and show me what you are
23 referring to?

24 Q. Do you have the Schedule A and B, ma'am? In a
25 Schedule A and B, there is a place for interest expense, where

1 you can list the amount of interest you pay on loans so you can
2 have a deduction from your income, and your taxes will be lower,
3 is that not true, Mrs. Hansen?

4 A. That is true.

5 Q. Now, what interest is represented in your 1979 tax
6 return?

7 A. The total?

8 Q. No. I would like you to break it down.

9 A. Are you referring to the \$16,752?

10 Q. Yes. Now, pursuant to the property separation
11 agreement, your husband was responsible for the mortgages, was
12 he not?

13 A. Yes.

14 Q. Please continue.

15 A. Okay, credit and charge cards, \$724.

16 Q. Pursuant to the separation agreement, your husband
17 was responsible for that interest, was he not?

18 A. I suppose so.

19 Q. Please continue.

20 A. And various banks and others, \$10,039.

21 Q. For the specific loans from banks, pursuant to the
22 separation agreement, your husband was responsible for that
23 interest, was he not?

24 A. I would imagine.

25 Q. What remains, ma'am?

1 A. Do you want the total expense?

2 Q. Is there anything else? It says "others", does it
3 not?

4 A. There are contributions.

5 Q. Excuse me, ma'am. Under the interest expense, after
6 various banks, it says "others, \$219"?

7 A. Yes.

8 Q. Is that the interest that you paid on your personal
9 loans that had been reduced as a result of the your fundraiser
10 to \$270,000?

11 A. I really don't know what this is. I don't know what
12 that \$219 is. This was several years ago, in the first place.
13 And I don't make it a habit to sit and read an income tax
14 return.

15 Q. Mrs. Hansen, is there indicated anywhere in that tax
16 return interest you may have paid on the debt that is
17 represented to be \$272,000 on the property separation agreement?

18 A. I can't answer that question.

19 Q. Did you pay any interest on that debt?

20 A. I am sure that interest was paid.

21 Q. Why was it not reported on your tax return, ma'am?

22 A. I am sure that it was taken care of properly and that
23 it was paid.

24 Q. You neglected to put it on your tax return when you
25 could have gotten the benefit?

1 A. I didn't fill out this tax return.

2 Q. Mrs. Hansen, you said that the money from the special
3 account was used to do what?

4 A. What special account?

5 Q. What was the special fund, Connie Hansen special fund
6 in Arlington, is that where the money went that you raised?

7 A. That is correct.

8 Q. Was any of the money taken out of that fund and
9 placed in a joint account that you and your husband share?

10 A. That could have happened.

11 Q. How could that have happened, ma'am?

12 A. Well, my husband and I never severed our total
13 relationship. We have been married for 31 years and we still
14 act as agents for each other.

15 Q. Didn't you represent, Mrs. Hansen, to both the House
16 of Representatives and to the people that you were soliciting
17 that the money would be carefully separated between you and
18 your husband?

19 A. And that was done.

20 Q. Mrs. Hansen, weren't there occasions where monies
21 that were deposited into the Connie Hansen special fund were
22 withdrawn by you and placed in joint accounts that you share
23 with your husband?

24 A. Those monies were always handled very carefully.

25 Q. What is the answer to my question, Mrs. Hansen? Were

1 there occasions when you withdrew monies from the special fund
2 and deposited them into joint accounts that you shared with
3 your husband?

4 A. That could be so.

5 Q. Would you like to see some documents?

6 A. I really am not anxious to see any documents.

7 THE COURT: Would it help refresh your memory?

8 THE WITNESS: I probably would.

9 THE COURT: If you don't know the answer, please do
10 say, "I just don't know."

11 THE WITNESS: This has been a long time. This has
12 been six or seven years.

13 THE COURT: I understand that. Whatever is the
14 response that is appropriate response.

15 THE WITNESS: But not every penny of that money was
16 misappropriated or misspent or used for anything other than
17 what it was solicited for.

18 BY MR. WEINGARTEN:

19 Q. But it was shared between you and your husband, was
20 it not, Mrs. Hansen?

21 A. That is correct, and I will tell you the people who
22 contributed, made those contributions, were of a mind that they
23 knew that that would be used to take care of personal and
24 political debts.

25 Q. Mrs. Hansen, didn't you represent to both the House

1 Ethics Committee and to the people you were soliciting, that
2 you would carefully keep the money separate from Congressman
3 Hansen so there wouldn't be a problem with the House Ethics
4 Committee?

5 A. There was never a problem with the House Ethics
6 Committee. The House Ethics Committee never questioned it.

7 MR. LEWIN: May we approach the bench?

8 THE COURT: Yes.

9 (bench conference).

10 MR. LEWIN: Mr. Weingarten has now said in the
11 presence of the jury three times, "Didn't you tell the house
12 Ethics Committee and the people," et cetera, et cetera, that
13 this would be --

14 THE COURT: Are you referring to the letter?

15 MR. WEINGARTEN: I sure am.

16 MR. LEWIN: I would like to have a statement where
17 specifically the thing he is referring to appears, to the House
18 Ethics Committee.

19 MR. WEINGARTEN: All his exhibits make that
20 representation that they are going to carefully separate the
21 property, and that is the whole point?

22 MR. LEWIN: Where? Mr. Weingarten has the habit of
23 making assertions in the presence of the jury contrary to facts,
24 and he makes it part of his question. I have demonstrated
25 several times before that they were false, and he continues to