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IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION

Case No. 5:06-cr-22-Oc-10GRJ

January 18, 2008
Ocala, Florida

UNITED STATES OF AMERICA,

Plaintiff,

vs.

WESLEY TRENT SNIPES,
EDDIE RAY KAHN and
DOUGLAS P. ROSILE,

Defendants.

_____ /

TRANSCRIPT OF TRIAL PROCEEDINGS
BEFORE THE HONORABLE WM. TERRELL HODGES,
SENIOR UNITED STATES DISTRICT JUDGE, and a Jury

Appearances of Counsel:

For the Government:

Mr. Robert E. O'Neill
Mr. M. Scotland Morris
Mr. Jeffrey A. McLellan

For Defendant Snipes:

Mr. Robert G. Bernhoft
Mr. Robert E. Barnes
Ms. Linda G. Moreno
Mr. Daniel R. Meachum
Ms. Kanan B. Henry

1 Appearances of Counsel (continued):

2 For Defendant Kahn:

3 Mr. Michael William Nielsen, standby counsel

4 For Defendant Rosile:

5 Mr. David Anthony Wilson

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Reported by: Dennis Miracle, Official Reporter, and
 Kelly Owen McCall, Freelance Reporter

P R O C E E D I N G S

(Jury absent.)

THE COURT: Thank you. Be seated, members of the jury, and good morning to you. Once again, I appreciate your promptness and I hope we're ready to proceed.

Mr. Morris --

MR. MORRIS: We are, Your Honor.

THE COURT: -- call your next witness, please.

MR. MORRIS: Your Honor, at this time the United States calls Carmen Baker.

THE DEPUTY CLERK: Ms. Baker, you need to stand, raise your right hand.

*** CARMEN C. BAKER was sworn

by the Deputy Clerk ***

THE DEPUTY CLERK: Please have a seat. Please state your name, and spell your last name for the record.

THE WITNESS: Carmen C. Baker, B-a-k-e-r.

CARMEN C. BAKER,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. MORRIS:

Q Good morning, Ms. Baker.

A Good morning.

Q Ms. Baker, what city and state do you live in?

A Concord, North Carolina.

1 Q And would you try to speak up and speak into the
2 microphone.

3 A Concord, North Carolina.

4 Q Thank you. What kind of work do you do right now?

5 A Merchandise control.

6 Q How long have you done that sort of work?

7 A Fourteen months.

8 Q Prior to that, what sort of work did you do?

9 A Accounts payables.

10 Q How long were you in accounts payable?

11 A Over ten years.

12 Q And prior to that, what sort of occupation did you have?

13 A I was in the military.

14 Q What branch of the service and for how long?

15 A I was in the United States Navy for four years and then I
16 was in the United States Army for three years.

17 Q In the past, did you work for Starr & Company in New York?

18 A Yes.

19 Q For about what period of time did you work in New York for
20 Starr & Company?

21 A From 1997 to 1999.

22 Q Okay. And what kind of work did you do at Starr &
23 Company?

24 A I worked in the accounts payables department.

25 Q So what would be some of your duties as an accounts

1 payable clerk?

2 A We -- at Starr & Company, we handled the accounts payable
3 and bookkeeping for various entertainers. I specifically
4 handled the accounting of Barbara Walters, Ahmad Rashad and
5 Wesley Snipes.

6 Q Do you see Mr. Snipes in the courtroom today?

7 A Yes, I do.

8 Q When did you leave Starr & Company?

9 A I left Starr & Company in 1999.

10 Q Why did you leave Starr & Company?

11 A I was offered another position at another company.

12 Q What company was that?

13 A Amen Ra Films.

14 Q Who owned Amen Ra Films?

15 A Wesley Snipes.

16 Q Where was Amen Ra Films located?

17 A This office was located in New York City.

18 Q Is that where you worked, in the New York City office?

19 A Yes.

20 Q Was there another office for Amen Ra Films, as well?

21 A They had another location in California.

22 Q Was there a difference between the work that was done in
23 the California office and the New York offices of Amen Ra
24 Films?

25 A Yes. The California office basically dealt with film

1 production, and then they had to do with the entertainment
2 scope of things. The office in New York basically dealt with
3 accounting and just business issues.

4 Q And who hired you at Amen Ra?

5 A Wesley Snipes.

6 Q And who was your immediate supervisor?

7 A Sandra Farrior.

8 Q What was her title?

9 A She was office manager.

10 Q What sort of work did you do at Amen Ra Films?

11 A I worked in the accounts payable, so I just handled all
12 the bills that would come into the office and just pay the
13 bills.

14 Q How long did you work for Amen Ra Films?

15 A About four years, three to four years.

16 Q So you began working in 1999, you said?

17 A Yes.

18 Q And when did you end your employment at Amen Ra Films?

19 A Around 2002 or '03.

20 Q Was the accounting at Amen Ra different than the
21 accounting that you did at Starr & Company in any way?

22 A Yes, it was.

23 Q What was the difference?

24 A At Starr & Company, we basically would pay the bills and
25 the accounts were separated into two categories. We would pay

1 anything from the business account that would pertain to any
2 business ventures, any business-related payments. And then we
3 would have personal accounts, which would deal with personal
4 issues; traveling, meals, clothing, things in that nature.

5 Q So at Starr & Company, there was a separation between
6 personal expenses and business expenses?

7 A Yes.

8 Q Was that the case at Amen Ra Films for Mr. Snipes?

9 A No.

10 Q So there was no separation of business and personal
11 expenses that flowed through Amen Ra's accounts?

12 A No. Basically, when the bills would come in, we would
13 just pay them from one account.

14 Q At some point, was there a parting of the ways between
15 Wesley Snipes and Starr & Company?

16 A Yes.

17 Q Approximately when did that occur?

18 A Around '99, shortly after I was hired.

19 Q Were you aware of any contact between Starr & Company and
20 Amen Ra Films after this parting of the ways?

21 A In one instance, we received correspondence from Michael
22 Canter, who at Starr & Company was Wesley's accountant. And
23 he had sent some correspondence over, which they wanted his
24 signature on.

25 Q Okay. And what are sort of correspondence was that?

1 A It was taxes, his tax forms that Michael had completed,
2 and they needed to be filed, and they were requiring Wesley's
3 signature on it.

4 Q Do you know if Mr. Snipes signed that tax return?

5 A Not -- no.

6 Q Do you know why he didn't sign the tax return?

7 A The taxes was that he had to pay in excess of two million
8 dollars, so he wasn't happy with the way that the returns were
9 filed.

10 Q Did Mr. Snipes after that hire someone to prepare tax
11 returns for him?

12 A Yes.

13 Q Who was that?

14 A I don't recall.

15 Q You don't recall the person's name?

16 A No, I don't.

17 Q Do you know the relationship, if any, he had with
18 Mr. Snipes?

19 A He was referred to him from a friend that knew Mr. Snipes
20 and knew the person, so it was like a word of mouth that this
21 person was brought in.

22 Q And what happened when this accountant came in to prepare
23 the tax returns for Mr. Snipes?

24 A Basically, he was told that he needed to prepare the forms
25 whereas --

1 MR. BERNHOFT: Objection; hearsay, Your Honor. Lack
2 of foundation, as well.

3 THE COURT: Establish a predicate or ask another
4 question. Go ahead, Mr. Morris.

5 BY MR. MORRIS:

6 Q Are you aware of what the instructions were that were
7 given to the accountant?

8 A The instructions were that the --

9 THE COURT: Excuse me. The question is whether you
10 were aware of them; not what they were. One little step at a
11 time, Ms. Baker.

12 THE WITNESS: Yes.

13 THE COURT: You were?

14 THE WITNESS: Yes.

15 BY MR. MORRIS:

16 Q What were the instructions that were given to the
17 accountant?

18 A The instructions were that the net on the taxes should net
19 out to zero, meaning that he shouldn't have to pay any taxes
20 back.

21 Q Did the accountant prepare such a tax return?

22 A No.

23 Q What happened?

24 A He said that he couldn't prepare those forms because he
25 needed to --

1 MR. WILSON: Objection; hearsay.

2 THE COURT: Sustained.

3 Lay a predicate if you wish to pursue it,

4 Mr. Morris.

5 BY MR. MORRIS:

6 Q Was that CPA retained by Wesley Snipes?

7 A Yes.

8 MR. BERNHOFT: Basis of knowledge, Your Honor.

9 THE COURT: Who said that?

10 MR. BERNHOFT: I did, sir.

11 THE COURT: You have to rise when you address the

12 Court, Mr. Bernhoft, so I can tell who is speaking, among

13 other things.

14 MR. BERNHOFT: Yes, sir. Yeah, lack of foundation,
15 basis of knowledge.

16 THE COURT: Sustained.

17 BY MR. MORRIS:

18 Q Ms. Baker, are you aware of whether that CPA's employment
19 or retention by Wesley Snipes was terminated?

20 A Yes.

21 Q Was it because of the matter you just spoke about?

22 A Yes.

23 Q Now, in June of 2000, were you asked by your employer to
24 attend a seminar out in California?

25 A Yes.

1 Q Tell us about that.

2 A I was approached at work by Sandra Farrior and I was told
3 that I needed to fly out to California because there was going
4 to be a meeting to be held at Wesley's house and I needed to
5 go out.

6 The travel arrangements were made for me. I left to
7 California. I was picked up, taken to the Marina Del Rey
8 hotel. At that point, once I checked in, I was told that a
9 car would pick me up the next day and take me to Wesley's home
10 and --

11 Q And is that what happened?

12 A Yes.

13 Q Tell us what happened when you arrived at the house.

14 A We were greeted. It was myself, Trudy Snipes, the chef,
15 Wesley's bodyguard, and there were two other people in
16 attendance.

17 Q Who is Trudy Snipes?

18 A She worked for the Amen Ra Films location in California.

19 Q What's her relationship to Mr. Snipes, if any?

20 A His sister.

21 Q And you said there were two individuals who were there, as
22 well?

23 A Yes.

24 Q Do you know who those people were?

25 A One person was introduced to me as Eddie Kahn, and he was

1 with a young lady, but she was not introduced.

2 Q After the introductions, what happened?

3 A We were taken upstairs to the next level of the home and
4 we were told that we were going to have a presentation.

5 Q What kind of room or setting were you in for this
6 presentation?

7 A It was called like -- it's like the media room with
8 seating and chairs and a lot of entertainment equipment in
9 there, so it is basically like a media room.

10 At that point, I was given a notepad and a pencil and told
11 to take notes during the presentation. Some pamphlet was also
12 given at that time.

13 Q Please continue. What happened after that?

14 A Then Eddie spoke to us and said that he was going to show
15 us a presentation, and, basically, it was going to show how a
16 few people, a couple of people were against the IRS, and how
17 they fought not having to pay taxes.

18 Q And was such a presentation shown?

19 A Yes, it was.

20 Q In what form was it shown?

21 A It was on a projection and it was narrated by Eddie, so it
22 had different court cases with clients against the IRS.

23 Q What happened after the video was shown?

24 A After the video was shown, we took a small break, and then
25 we came back and we was asked if anyone had any questions. At

1 that point, I said that I had a question.

2 And I proceeded to say that I didn't understand how you
3 could tell me that, if you work in the United States, you are
4 not supposed to pay taxes, because we have been taught all
5 along if you are United States citizens, you are supposed to
6 pay taxes in the United States.

7 Q What was the response to your question?

8 A Not good. At that point, I was told by Mr. Snipes was I
9 not paying attention, did I not get anything out of what I was
10 just shown. And then I says: Well, no, because I don't
11 understand it, and I don't see how this could be true.

12 At that point, Eddie and Wesley went to another room and
13 they had a discussion. I don't know what they spoke about.
14 Upon returning, I was asked to leave. And I couldn't take my
15 notes and I had to give back all the pamphlets that I was
16 given.

17 Q What sort of materials were in the packet that you were
18 given?

19 A It was the actual -- it was a case. I don't recall the
20 names, but it was an actual documentation of a case against
21 the IRS.

22 Q What was your reaction to the presentation that you
23 observed?

24 A I didn't -- honestly, I didn't believe it and I thought it
25 was bogus and it was a scam, because all along we have always

1 been taught that if you are a citizen and you work in the
2 United States, you are supposed to pay your taxes.

3 Q What happened after you were kicked out of the meeting?

4 A I was taken straight to the hotel. And the next day --

5 MR. BERNHOFT: Judge, I object to the question.

6 That was argumentative.

7 THE COURT: Sustain as to form, Mr. Morris.

8 MR. MORRIS: May I re-ask.

9 THE COURT: Sure.

10 BY MR. MORRIS:

11 Q What happened after you were asked to leave the meeting
12 and the materials were taken away from you?

13 A I went back to the hotel, and the next day a car picked me
14 up and I flew back to New York.

15 Q What happened when you arrived back in New York?

16 A It was not a welcome feeling, because I, again, didn't
17 understand what was going on, so obviously was not
18 understanding. And the atmosphere in the office changed for
19 me.

20 Q After the meeting out in California in June of 2000, did
21 things change at Amen Ra Films in any way?

22 A Yes, they did.

23 Q How so?

24 A Before, we used to get paid through a payroll system
25 called ADP. Once we returned back from the meeting, we were

1 told that we no longer were going to be using ADP to process
2 the payroll, that the checks were going to be cut in-house,
3 and that we would be receiving the gross amount of our checks.

4 Q You said the "gross amount." What do you mean by "gross
5 amount"?

6 A Basically, you was hired at a salary. That's the salary
7 you was going to be receiving without any taxes taken out of
8 your checks.

9 Q But previously when you were being paid through I believe
10 you said ADP, were taxes taken out?

11 A Yes.

12 Q But after the meeting, they were not going to be?

13 A Correct.

14 Q Were there any other changes in the form of the payment
15 that you were now going to receive for your wages?

16 A We used to have a direct deposit through ADP. Now we were
17 going to be receiving actual checks from Kymberlyte Production
18 Services.

19 Q Is that the first you had heard of Kymberlyte Production
20 Services?

21 A Yes.

22 Q What was your understanding with regard to what Kymberlyte
23 Production Services was going to do or why you were getting
24 checks from Kymberlyte, instead of Amen Ra?

25 A Basically, it was my understanding that the reason why we

1 were going to be paid through Kymberlyte Production Services
2 is because Kymberlyte was established or it was filed in
3 Nevada, which in the state of Nevada a corporation is not
4 liable to pay taxes.

5 MR. WILSON: Objection; hearsay, lack of foundation.

6 THE COURT: I am inclined to overrule that objection
7 as it relates to the defendant's state of mind -- or rather
8 the witness' state of mind. I'm sorry.

9 BY MR. MORRIS:

10 Q So that was your understanding as to why there was going
11 to be this new company paying you?

12 A Yes.

13 Q Was it your understanding that Kymberlyte was going to
14 take over for Amen Ra?

15 A Yes.

16 Q And did you, in fact, get these new paychecks from
17 Kymberlyte Production Services?

18 MR. BERNHOFT: Leading, Your Honor. Objection.

19 THE COURT: Overrule. That was in the nature of a
20 developing question.

21 BY MR. MORRIS:

22 Q You may answer. Did you get such paychecks from
23 Kymberlyte?

24 A Yes.

25 Q Were there taxes taken out of your paycheck?

1 A No.

2 Q What did you do?

3 A At that point, I asked the office manager why my check,
4 there is no taxes taken out. And, again, I was told that
5 since we are now being employed by Kymberlyte Production
6 Services, that Kymberlyte will not be taking taxes out of any
7 of the employees.

8 At that point, I contacted my accountant and asked him
9 what was I supposed to do. And he informed me that --

10 MR. BERNHOFT: Objection; hearsay.

11 THE COURT: Sustained. Remember to rise to state
12 your objections, Mr. Bernhoft.

13 MR. BERNHOFT: Yes, sir.

14 BY MR. MORRIS:

15 Q After you contacted your accountant about this situation,
16 what actions did you take with regard to your employment and
17 your taxes?

18 A My accountant told me --

19 Q You can't say what your accountant said.

20 A I started to receive a booklet where I had to pay my own
21 tax.

22 Q Is that what you did?

23 A Yes.

24 Q When you say a booklet, do you mean estimated tax payment
25 coupons?

1 MR. WILSON: Objection; assuming facts not in
2 evidence.

3 THE COURT: I overrule the objection on that ground.

4 BY MR. MORRIS:

5 Q Please answer.

6 A Yes.

7 Q Did you then take care of paying your own taxes?

8 A Yes.

9 Q With the help of an accountant?

10 A Yes.

11 Q Did anything happen as a result of Amen Ra because you
12 were now paying your own taxes?

13 A Yes. I was then called into the office and told that I
14 was being a difficult employee, and that I should not have
15 contacted my accountant to find out or to say that the company
16 that I was being hired was not taking taxes out of my check.

17 Q So had you contacted the IRS about this issue?

18 A Yes, I did.

19 Q Did Mr. Snipes get involved in this matter?

20 A Later on when he came into the office one time, he called
21 me into the back and we had a discussion. And he basically
22 was disappointed, and said did I not learn anything from the
23 meeting that we had with the presentation with Eddie.

24 And he basically was telling me that he doesn't -- he will
25 take care of his people, that he didn't know any other way to

1 make them rich, but to go ahead and play along with the game.

2 Q What was your response?

3 A Again, I told him that I didn't agree with the whole
4 presentation and that I needed to pay taxes on my behalf.

5 Q What was his response?

6 A He said no. And he said, well, you know, if you are not
7 going to play along with the game plan, you need to secure
8 employment elsewhere.

9 Q Did he fire you?

10 A No.

11 Q Did you quit?

12 A No.

13 Q Why not?

14 A I am a single parent and I just couldn't afford to leave
15 my job and not secure employment before I left, so, no, I did
16 not.

17 Q Did Eddie Kahn ever visit the offices of Amen Ra or later
18 Kymberlyte?

19 A Yes.

20 Q In New York?

21 A Yes.

22 Q Approximately how many times?

23 A That I can recall, twice.

24 Q Would you tell us about what you remember about those
25 office visits by Eddie Kahn.

1 A The first meeting that I recall, it was Eddie Kahn,
2 Mr. Snipes and another gentleman, Jonathan Good. Once they
3 were all in the office, at that point I was asked to leave for
4 the day.

5 Q And you said there was another meeting, as well?

6 A Yes.

7 Q Tell us about what you remember about that meeting.

8 A The second meeting was, again, Eddie Kahn, Wesley, Dr.
9 Jonathan Good, and another gentleman, Godfrey Thompson.

10 Q Do you know who Godfrey Thompson is or what his
11 relationship to Mr. Snipes was?

12 A The only thing that I knew about Mr. Thompson was that he
13 was an investor, an investment person, and that he had
14 ventures overseas in Antigua.

15 Q Were you given instructions at some point about something
16 you were supposed to do with regard to Godfrey Thompson?

17 A Yes.

18 Q What was that?

19 A The instructions were that if --

20 MR. BERNHOFT: Lack of foundation, Your Honor.

21 Objection.

22 THE COURT: Sustained. Establish foundation,
23 including the identity of the declarant at least, Mr. Morris,
24 please.

25 BY MR. MORRIS:

1 Q In the course of your duties, did you receive payments on
2 behalf of Mr. Snipes? That is did payments come in for him
3 that you received?

4 A Yes.

5 Q And, in general, what were your instructions to do -- from
6 your employer to do with those payments?

7 MR. BERNHOFT: Same objection, Your Honor; lack of
8 foundation, who is the declarant.

9 THE COURT: To that question, I will overrule the
10 objection.

11 BY MR. MORRIS:

12 Q Please answer.

13 A The instructions were whenever payments would come into
14 the office, we were to put them in an envelope, address the
15 envelope to Godfrey Thompson. We were given an 800-number.
16 At that point, we were to call the 800-number and let them
17 know we have a pick-up at the office, and a messenger would be
18 sent to pick up the envelope.

19 Q And did you, in fact, do that after these meetings where
20 Godfrey Thompson were present?

21 A Yes.

22 Q That is you sent payments over to him?

23 A Yes.

24 Q What was your understanding of what Mr. Thompson was going
25 to do with these payments?

1 A He was going to --

2 MR. BERNHOFT: Lack of personal knowledge, Judge.
3 Objection.

4 THE COURT: Establish predicate for this, Mr.
5 Morris.

6 BY MR. MORRIS:

7 Q In the scope of your employment, were you given
8 instructions and an explanation as to why you were going to
9 send payments to Godfrey Thompson?

10 A Yes.

11 MR. BERNHOFT: Objection, Your Honor; lack of
12 foundation.

13 THE COURT: Well, you only ask one question at a
14 time.

15 By whom were you given these instructions?

16 THE WITNESS: By Wesley Snipes.

17 THE COURT: Go ahead, Mr. Morris.

18 BY MR. MORRIS:

19 Q And what did Mr. Snipes inform you was the reason for
20 sending these payments to Mr. Thompson?

21 A Mr. Thompson was going to invest them for him and deposit
22 them in an account overseas in Antigua.

23 Q Now, going back to the time that you began getting payroll
24 checks from Kymberlyte Production Services, were you asked at
25 that time to help set up bank accounts for this new entity,

1 Kymberlyte?

2 A Yes.

3 Q What did you do to actually set up these accounts?

4 A I had to fly out to Nevada to meet with the
5 representatives of Bank of America.

6 Q Did you do that?

7 A Yes.

8 Q And tell us briefly about what happened.

9 A Basically, I met with two representatives from Bank of
10 America, and I had to sign off on signature cards for
11 Kymberlyte and Amen Ra Films, and I had to produce a United
12 States passport as identification.

13 Q Who instructed you to go out to Nevada and to sign these
14 cards?

15 A Wesley.

16 MR. MORRIS: If we could now show Government's
17 Exhibit 3-4 that has been received in evidence, and
18 specifically Bates number WS-10573.

19 BY MR. MORRIS:

20 Q Ms. Baker, do you see the exhibit that we have just
21 referred to up on the screen there?

22 A Yes.

23 Q Is this the corporate signature card that you were
24 referring to?

25 A Yes.

1 Q And at the top, would you read the account title.

2 A Kymberlyte Production Services International, Inc.

3 Q And down in the middle section, if we could scroll down,
4 please. Thank you.

5 Do you see the names that are listed on the account?

6 A Yes.

7 Q And would you read the first name.

8 A Dr. Wesley T. Snipes.

9 Q And what's the title listed? Can you see that or --
10 Can we blow it up, please.

11 A President, slash, general manager.

12 Q And do you recognize Mr. Snipes' signature off to the
13 right-hand side?

14 A Yes.

15 Q And on the second line, is that your name there?

16 A Yes.

17 Q And what is the title that's listed for you?

18 A Signer.

19 Q Okay. And do you recognize your signature off to the
20 right?

21 A Yes.

22 Q And then down at the bottom, do you also see Mr. Snipes'
23 signature?

24 A Yes.

25 Q Now, the name listed for Mr. Snipes is Dr. Wesley T.

1 Snipes. Do you know what kind of doctor he was?

2 A No.

3 Q And if we could scroll down to the bottom a little. Thank
4 you.

5 In the bottom left-hand corner, do you see a date?

6 A Yes.

7 Q And what is the date that's listed on that signature card?

8 A October 20th, 2000.

9 Q And going now to Government's Exhibit 3-8 that's received
10 in evidence, specifically Bates Number WS-17534, is this
11 another signature card with Bank of America?

12 A Yes.

13 Q And what's the account title on this account?

14 A Amen Ra Films.

15 Q Okay. And going down to the middle of the document, do
16 you see the same names listed there on this signature card;
17 that is Mr. Snipes and yourself?

18 A Yes.

19 Q Are the same titles given for each of you?

20 A Yes.

21 Q That is Mr. Snipes is listed as the president and general
22 manager?

23 A Yes.

24 Q And do you see -- I'm sorry. Going back up again, please.

25 Do you see both Mr. Snipes and your signatures in their

1 respective places off to the right?

2 A Yes.

3 Q And going down to the bottom again, focusing on the date
4 field, what's the date there?

5 A October 20th, 2000.

6 Q So did you sign both of these signature cards on this trip
7 to Nevada?

8 A Yes.

9 Q What was your understanding as to why you were opening up
10 an account at Bank of America for Amen Ra Films?

11 A The Amen Ra Films in New York was going to be dissolved,
12 so we needed to open up another Amen Ra Films account in
13 Nevada.

14 Q Going now to Government's Exhibit 32 that's been received
15 in evidence, it's specifically Bates Number WS- 15530,
16 Ms. Baker, what is the title of that document?

17 A Articles of incorporation, Kymberlyte Production Services,
18 International, Inc.

19 Q Ms. Baker, did you have anything to do with the creation
20 or execution of this document?

21 A No.

22 Q And going to Bates Number WS-15537, please, focusing on
23 the top, please, this is an annual list of officers, directors
24 and agents of Kymberlyte Production Services International,
25 Inc. Do you see that?

1 A Yes.

2 Q Okay. And this is part of the same corporate record. If
3 we could scroll down to the middle, please.

4 Ms. Baker, do you see your name listed as -- in several
5 different positions regarding this entity on this form?

6 A Yes.

7 Q And what are the titles that are listed by your name?

8 A President, secretary, treasurer, director.

9 Q Were you aware of being named to any of those positions
10 for Kymberlyte?

11 A No. No.

12 Q Do you see a signature down at the bottom that appears to
13 be your name?

14 A Yes.

15 Q Is that your signature?

16 A No.

17 Q Again, what were your duties at Amen Ra Films and
18 Kymberlyte?

19 A Accounts payables.

20 Q Who was it that was in charge of Amen Ra and Kymberlyte?

21 A Wesley.

22 Q Did you have any decision-making authority at either of
23 those two companies?

24 A No.

25 Q As part of your duties at Amen Ra and Kymberlyte, did you

1 pay bills for those two entities?

2 A Yes.

3 Q Now, did you have -- we saw that there was a signature
4 card there that had your name on it. But did you have the
5 authority, as you understood it, to be able to write checks
6 without any approval?

7 A No.

8 Q What happened when bills came in and needed to be paid?

9 A When the bills came into the office, I would have to
10 process them, get the checks ready, type them up. And I would
11 either inform Wesley that the checks were ready for him to
12 look through them.

13 Either he will come into the office or I would have to go
14 out to where he was and take him the checks, and he would tell
15 me which checks to pay and send out, and which checks were not
16 going to be sent out.

17 Q Did Wesley Snipes approve all payments that were made
18 through Amen Ra and Kymberlyte?

19 A Yes.

20 Q Do you recall preparing checks that were made payable to
21 American Rights Litigators?

22 A Yes, sir.

23 Q And were those checks, to the best of your knowledge,
24 signed and sent to American Rights Litigators?

25 A Yes.

1 Q And do you know what they were for?

2 A Membership fees.

3 Q Now, during the time that you worked for Kymberlyte, did
4 Wesley Snipes buy a house in New Jersey?

5 A Yes.

6 Q And approximately when did that purchase take place?

7 A It started in '01 and into '02.

8 Q So that would be 2001 and 2002?

9 A Yes.

10 Q Did you assist in some way with the actual purchase of
11 that residence?

12 A Yes.

13 Q Showing you now what's been received into evidence as
14 Government's Exhibit 29, specifically Bates Number WS- 15568,
15 is that a fax on Kymberlyte letterhead or fax coversheet?

16 A Yes.

17 Q And do you know who Ralph Faasse is?

18 A No.

19 Q Is this an e-mail from you to Ralph Faasse?

20 A Yes.

21 Q Going down to --

22 MR. BERNHOFT: Objection. The answer is patently
23 incorrect. It can't be an e-mail. It can't be an e-mail,
24 Judge. It's a fax.

25 THE COURT: Well --

1 MR. MORRIS: If I misspoke, I apologize. I thought
2 I said "fax."

3 THE COURT: Go ahead then.

4 BY MR. MORRIS:

5 Q Is this a fax coversheet to Mr. Faasse from you?

6 A Yes.

7 Q And what's the date listed?

8 A April 29th.

9 THE COURT: What exhibit is that, Mr. Morris,
10 please?

11 MR. MORRIS: Government's Exhibit 29, Your Honor.

12 THE COURT: Go ahead.

13 MR. MORRIS: Thank you.

14 BY MR. MORRIS:

15 Q The date again, please?

16 A April 29th '02.

17 Q And going down to the middle of the document where it says
18 "message," would you read that, please.

19 A "Per various conversations today, there will be a closing
20 scheduled for tomorrow, April 30th, 2002. I will transfer a
21 figure of 4,597,868 dollars into the escrow account. This is
22 with the understanding that the attorneys will decide on the
23 holder of said deed and title until the balance is paid in
24 full. Please confirm as to the time allotted for the closing
25 so that all parties are aware and present."

1 Q Thank you. And is that signed by you down at the bottom?

2 A Yes.

3 Q And going two more pages into the document, Bates Number
4 WS-15570, do you see Kymberlyte Production Services letterhead
5 at the top?

6 A Yes.

7 Q And would you read what that says.

8 A I can't see it.

9 MR. MORRIS: Okay. Could you blow it up, please.

10 A (Continuing.) "April 30th, 2002. To Whom It May Concern:
11 This letter authorizes Carmen C. Baker to sign on behalf as
12 vice-president of Kymberlyte Production Services International
13 and occupant pertaining to the closing of 15 Stonetower Drive
14 in Alpine, New Jersey."

15 Q And who is it signed by?

16 A "Sincerely, Wesley T. Snipes, vice-president; Lori Davis,
17 witness."

18 Q And who is Lori Davis?

19 A She is Wesley's personal assistant.

20 Q Was it your understanding that you were going to be
21 authorized to sign documents then on behalf of Kymberlyte for
22 this closing?

23 A Yes.

24 Q Going now to Bates Number WS-15583, part of the same
25 exhibit --

1 MR. BERNHOFT: Your Honor, if I might object to
2 relevance of all this.

3 THE COURT: Well, I am inclined to overrule the
4 objection at the moment.

5 Go ahead.

6 MR. BERNHOFT: Treat it as a motion to strike
7 pending foundation and connection, Judge?

8 THE COURT: Beg your pardon?

9 MR. BERNHOFT: Could we treat this as a motion to
10 strike pending connection?

11 THE COURT: You may.

12 MR. BERNHOFT: Thank you.

13 MR. MORRIS: Your Honor, I think it will become
14 apparent that this will go to income.

15 THE COURT: Go ahead.

16 BY MR. MORRIS:

17 Q Do you see the title of this document?

18 A Yes.

19 Q What is the title?

20 A Escrow agreement.

21 Q And going several pages further, 15586, and scrolling down
22 to the bottom, do you see your signature there?

23 A Yes.

24 Q And who did you sign for?

25 A I signed for Dr. Wesley T. Snipes, vice-president.

1 Q And?

2 A Dr. Wesley T. Snipes, occupant.

3 Q Okay. And going back to the previous page, 15583,
4 focusing in on the second paragraph, do you see the purchase
5 price listed?

6 A Yes.

7 Q What's the purchase price?

8 A 5.6 million.

9 Q And going a few more pages into the document, Number
10 15591, do you see this closing statement?

11 A Yes.

12 Q Who is the name of the seller of the property? It's in
13 Box E.

14 A Charles Muniz, Melba Muniz.

15 Q And going immediately over to the left, the borrower
16 that's listed there?

17 A Kymberlyte Production Services International, Inc.

18 Q Okay. And do you see the contract sell price there listed
19 at Line 101 or 401?

20 A Yes.

21 Q What is that?

22 A 5.6 million dollars.

23 Q And then going to the next page, 15592, please, at the
24 bottom --

25 MR. BERNHOFT: Judge, I have an objection regarding

1 method of proof that I believe would be best heard at
2 side-bar.

3 THE COURT: Very well. Come to side-bar.

4 THE DEPUTY CLERK: Mr. Bernhoft, she can't hear you.

5 AT SIDE-BAR:

6 MR. BERNHOFT: Thank you, Judge. The government is
7 charged to make clear what methodology of proof that the
8 government is using in its proof. This is a tax case. That's
9 a direct methodology.

10 And it is apparent now from what Mr. Morris is doing
11 up there that all of this is going to an indirect method of
12 proof, showing that expenditures were made, and then to
13 indirectly work backwards and determine income. That's only
14 used when there are no direct means.

15 Judge, the 11th Circuit and its sister circuits all
16 have held you can't mix and match. It confuses the jury.
17 These are complex methodologies and they are mixing and
18 matching direct and indirect methods, and I object to this.

19 MR. MORRIS: Your Honor, we are entitled to show
20 income in a tax case. And certainly the defendant's ability
21 to purchase a house shows income. And this really is an
22 objection, if anything, that would go to the revenue analysis,
23 not this witness.

24 Your Honor, I don't intend to dwell on this much
25 longer and --

1 MR. BERNHOFT: What Mr. Morris said about ability to
2 pay, that is indirect methodology. They can't mix
3 methodologies of proofs, Judge. It is impermissible.

4 THE COURT: It may be so in a tax evasion case, but
5 this is not a tax evasion case. It is a failure to file case.

6 MR. BERNHOFT: They still have to establish the
7 threshold amount of income. They don't have to announce
8 pretrial what's the theory, but once they announce it and
9 proceed, they have to stick to it. And the tax comp charts
10 are clear, that's a direct methodology. This will confuse the
11 jury and they won't know what's being --

12 THE COURT: I will overrule that objection.

13 IN OPEN COURT:

14 THE COURT: All right, Mr. Morris. Put another
15 question. Go ahead, please.

16 MR. MORRIS: Thank you, Your Honor.

17 BY MR. MORRIS:

18 Q Ms. Baker, down at the bottom of this closing statement on
19 the right-hand side, do you see your signature?

20 A Yes.

21 Q And in what capacity did you sign there, or for what
22 entity?

23 A Kymberlyte Production Services International, Inc.

24 Q And were you given instructions by Mr. Snipes as to why
25 this house was going to be purchased in the name of

1 Kymberlyte, instead of his own personal name?

2 A He didn't want anyone to know that he was purchasing the
3 house or that he lived in the home.

4 Q Showing you now what's been marked for identification only
5 as Government's Exhibits 70-1, 70-2 and seven 70-3. Look at
6 those and tell me if you recognize them.

7 A Yes.

8 Q And what do you recognize that to be?

9 A The Alpine residence in New Jersey.

10 Q Did you have occasion to go to that house and see the
11 house?

12 A Yes.

13 Q On approximately how many occasions?

14 A Probably half-a-dozen times.

15 Q And do the photographs you have in front of you fairly and
16 accurately depict the residence that you have been speaking
17 about?

18 A Yes.

19 MR. MORRIS: At this time we offer into evidence
20 Government's Exhibit 70-1, 70-2 and 70-3, Your Honor.

21 MR. BERNHOFT: Judge, I object to the introduction
22 of these exhibits -- "Lifestyles of the Rich and Famous?" --
23 for the same reasons we talked about at side-bar. This has
24 nothing to do with income.

25 THE COURT: Well, I think that's for the jury,

1 Mr. Bernhoft.

2 I will overrule that objection and receive in
3 evidence the three exhibits, 70-1 through 70-3, inclusive.

4 MR. MORRIS: Thank you, Your Honor.

5 And let's publish Government's Exhibit 70-1, please.

6 BY MR. MORRIS:

7 Q Ms. Baker, do you see that exhibit up on the screen?

8 A Yes.

9 Q And would you describe for us what view this is of the
10 house.

11 A This is the front view of the house. This is the main
12 entrance to the house.

13 Q And let's look at 70-2. What view is this?

14 MR. BERNHOFT: Your Honor, objection. What is the
15 relevancy of this?

16 THE COURT: I am not hear to answer your questions,
17 Mr. Bernhoft. I will pass on your objections and I will
18 overrule that objection.

19 MR. BERNHOFT: Thank you, sir.

20 BY MR. MORRIS:

21 Q What view is this, Ms. Baker?

22 A This is the side view to the house, the side entrance.

23 Q And 70-3, please, what view is this?

24 A That's also the side view, with part of the front view of
25 the house.

1 Q Thank you. Did -- in the course of your duties at Amen Ra
2 and Kymberlyte, did you have occasion to go to Mr. Snipes'
3 house in New Jersey?

4 A Yes.

5 Q Tell us about that.

6 A The occasions were to either take checks that I had
7 prepared at the office for him to review in the house. Down
8 in the basement, it was set up as an office. There were four
9 offices downstairs with computers, phones and faxes, and we
10 each had a desk.

11 So on time to time, we were asked, instead of going into
12 the New York office, we would go into what we used to call
13 then the "Ponderosa."

14 Q You called the house the Ponderosa?

15 A Yes. We nicknamed the house the Ponderosa. And we would
16 have to drive out to the Ponderosa and do work from
17 downstairs.

18 Q Did Mr. Snipes live in that house from time to time?

19 A Yes.

20 Q Did he live there with a woman by the name of Nikki Park?

21 A Yes.

22 Q And what was her relationship to him?

23 A At that point, we just knew her as his girlfriend.

24 Q Did she later become his wife?

25 A Yes.

1 Q And approximately how old is Ms. Park?

2 A At that time that I knew her, she was around 25.

3 Q Did Mr. Snipes also have houses, to your knowledge, in
4 other places?

5 A Yes.

6 Q You mentioned the Marina Del Rey residence that you went
7 to the seminar at; is that correct?

8 A Yes.

9 Q Did he also own a house in Florida?

10 A Yes.

11 Q Are you aware of whether he had purchased a house in
12 Florida for his mother?

13 A Yes.

14 Q And to your knowledge, did he live from time to time at
15 those residences; that is the one in Florida and the one in
16 California?

17 A I basically knew he spent most of his time in the house in
18 California, Marina Del Rey.

19 Q Did he live sometimes in Florida?

20 A Yes.

21 Q Going now to Government's Exhibit 22, which has been
22 received into evidence, Bates Number WS-12871. This is a
23 letter dated September 23rd, 2002 to Irving Weintraub with
24 William Morris Agency. Do you see that?

25 A Yes.

1 Q And this is with regard to a loan to Kymberlyte Services
2 in the amount of 500,000 dollars. Do you see that referred to
3 in the first paragraph?

4 A Yes.

5 Q Tell us about that loan, please.

6 A At this point, Kymberlyte was asking William Morris Agency
7 to loan them this amount for initial payment for the house in
8 Alpine, New Jersey.

9 Q And did Kymberlyte -- well, who specifically asked for the
10 loan?

11 A Wesley did.

12 Q And what did he represent to William Morris was going to
13 be the purpose of this loan?

14 A For business --

15 MR. BERNHOFT: Objection, Judge; hearsay and very
16 tenuous.

17 THE COURT: Sustained.

18 Lay a predicate for the basis of her knowledge, Mr.
19 Morris.

20 BY MR. MORRIS:

21 Q You signed this letter; is that correct?

22 A Yes.

23 Q In the course of your duties, did you become familiar with
24 the loan and its purpose and communications about the loan?

25 A Yes.

1 Q Did Mr. Snipes, to your knowledge, communicate with people
2 at William Morris about the purpose of the loan?

3 A Yes.

4 Q And, to your knowledge, what did he tell the people at
5 William Morris was the purpose of the loan?

6 MR. BERNHOFT: Objection; lack of personal
7 knowledge, Judge.

8 THE COURT: Sustained.

9 You establish how it is that she knows that, if you
10 wish to pursue it, Mr. Morris.

11 BY MR. MORRIS:

12 Q Ms. Baker, how do you know what the purpose of the loan
13 was?

14 A I don't understand the question.

15 Q Did you have conversations with Wesley Snipes about the
16 purpose of this loan?

17 A Yes.

18 Q What did he tell you he wanted the loan for?

19 A The loan was to initiate the payment for the Alpine, New
20 Jersey residence.

21 Q That is it was going to be part of the purchase price?

22 A Yes.

23 Q Are you aware of what was communicated to William Morris
24 about the purpose of the loan?

25 A It was for a business loan for Kymberlyte Production

1 Services.

2 Q That's what was told to William Morris?

3 A Yes.

4 Q They were not told it was going to be to buy his personal
5 residence; is that correct?

6 MR. WILSON: Objection; leading.

7 THE COURT: Sustained.

8 BY MR. MORRIS:

9 Q You may have said this already, but who was in charge of
10 Amen Ra and Kymberlyte Productions?

11 A Wesley Snipes.

12 Q Did he make all the decisions for those entities?

13 A Yes.

14 Q Were there times when you were asked to sign documents on
15 behalf of either of those two companies?

16 A Yes.

17 Q Who asked you to sign those documents?

18 A Wesley.

19 Q Did he explain why he wanted you to sign them?

20 A No.

21 Q Were there various different titles that were assigned to
22 you for purposes of those documents? That is, would a
23 document have a particular title and he would just ask you to
24 sign it?

25 MR. WILSON: Objection; compound --

1 MR. BERNHOFT: Objection; compound and confusing.

2 MR. MORRIS: Withdrawn.

3 BY MR. MORRIS:

4 Q Were you asked to sign over signature lines that had
5 various different titles?

6 A Yes.

7 Q Were those, in fact, your titles?

8 A No.

9 Q And who asked you to sign those documents?

10 A Wesley would.

11 Q Now, you said previously that Kymberlyte and Amen Ra
12 didn't separate -- well, let me take that question back.

13 You said previously that Amen Ra Films didn't separate
14 business and personal expenses; correct?

15 A Correct.

16 Q Is that also true when it became Kymberlyte?

17 A Yes.

18 Q And you said previously that you worked for Kymberlyte.

19 When you worked there, you prepared checks that were paid out
20 of their bank accounts; correct?

21 A Yes.

22 Q And that Wesley Snipes authorized all of those payments;
23 correct?

24 A Yes.

25 Q I am showing you now some documents from Government's

1 Exhibit 3-5, which has been received into evidence. And,
2 specifically, first -- bless you -- Document WS 12262. Do you
3 recognize this?

4 A Yes.

5 Q You can see that's a Bank of America account statement for
6 Kymberlyte Production Services?

7 A Yes.

8 Q Okay. And if we can scroll down a little bit, do you see
9 the first item listed there with a date posted of 9/14?

10 A Yes.

11 Q And what type of transaction is this?

12 A It is a wire transfer.

13 Q And who is listed as the party that's receiving the
14 proceeds of this?

15 A Prominent Properties Trust.

16 Q What was this wire transfer out of Kymberlyte for?

17 A The Alpine, New Jersey home.

18 Q And, again, if we can go up to the top, please, the date
19 posted doesn't list a year. What is the year that's listed
20 there as the statement period?

21 A 2001.

22 Q And going back out, and this is Kymberlyte Productions
23 Services' bank account?

24 A Yes.

25 Q Still in Exhibit 3-5, going to Number 12265, going down to

1 the bottom, do you see the item for date posted 11/29 in the
2 amount of 60,000 dollars?

3 A Yes.

4 Q Who is the payee of that wire transfer?

5 A Charles Muniz.

6 Q And what was that payment for?

7 A That was part of the Alpine, New Jersey residence
8 agreement.

9 Q And going now into Government's Exhibit 3-4 that's been
10 received into evidence, going to Number 15 -- I'm sorry --
11 11516, and scrolling down, who is this check made payable to?

12 A Chase Manhattan Mortgage Corp.

13 Q I know it's difficult to see, but do you see a reference
14 to a loan number?

15 A Yes.

16 Q Do you know what that payment was for?

17 A That was for the residence and loan payment.

18 Q For the residence in Florida?

19 A Yes.

20 Q Okay. And going next to -- in the same exhibit, to 11514,
21 looking at that check, is this another check made payable to
22 Chase Manhattan Mortgage?

23 A Yes.

24 Q What's the amount?

25 A \$17,578.92.

1 Q Okay. And going to 11464, please, same exhibit, is this
2 also a check made payable to Chase Manhattan Mortgage?

3 A Yes.

4 Q What's the amount listed?

5 A \$8,208.75.

6 Q Now, is -- this check and the previous check, what were
7 they for?

8 A Those were for the loan payments for the house.

9 Q For which house?

10 A In Florida.

11 Q Now, are these mortgage payments?

12 A Yes.

13 Q Do you know why the amounts are so different?

14 A The payments weren't always made at the time they were
15 due. Sometimes we would pay them on time and other times we
16 would pay them two or three months later.

17 Q Why?

18 A Sometimes Kymberlyte didn't have the money to make the
19 payments.

20 Q And what about other times?

21 A Other times, he just decided that he didn't want to -- let
22 the payment go at that time, we would just wait.

23 Q Who is "he"?

24 A Wesley.

25 Q Still in Exhibit 3-4, going to Bates Number 10609,

1 going -- scrolling down, do you see a 50,000-dollar wire
2 transfer in the middle of the page there? The fourth item
3 down, do you see that?

4 A Yes.

5 Q Who is that wire transfer from Kymberlyte to?

6 A Wesley Snipes.

7 Q Still in 3-4, going to 11468, do you see that check?

8 A Yes.

9 Q Who is it payable to?

10 A Washington Mutual.

11 Q And do you see a loan number referenced at the bottom?

12 A Yes.

13 Q And what was that for?

14 A That was the payment on the -- another Florida residence.

15 Q Whose residence?

16 A Marian Snipes'.

17 Q Who is Marian Snipes?

18 A Wesley's mom's.

19 Q Going to Exhibit 3-5, Number 12275, do you see the fifth
20 item listed there, approximately four million dollars?

21 A Yes.

22 Q And what is the amount of that item, specifically?

23 A 4,597,868 dollars.

24 Q And is that a wire transfer?

25 A Yes.

1 Q And who is it going to?

2 A Carbone and Faasse Trust.

3 Q And what's the date?

4 A April the 30th.

5 Q Of what year? Can you see the upper portion there?

6 A 2002.

7 Q What was that payment for?

8 A That was the final payment for the Alpine, New Jersey
9 residence.

10 Q Government's Exhibit 3-4, Number 12173, who is that made
11 payable to?

12 A Chase Manhattan Mortgage Corporation.

13 Q Is there a loan number referenced there?

14 A Yes.

15 Q Is that another payment for the Florida residence?

16 A Yes.

17 Q Okay. Number 12225, another payment from Kymberlyte to
18 Chase Manhattan?

19 A Yes.

20 Q For Mr. Snipes' Florida residence?

21 A Yes.

22 Q Okay. Going to 10652, the first item listed under other
23 debits in the amount of 2,500 dollars, do you see that?

24 A Yes.

25 Q Who is that wire transfer to?

- 1 A Nakyung Park.
- 2 Q Do you know who that is?
- 3 A That's Nikki Park.
- 4 Q And going to the third item, do you see that item?
- 5 A Yes.
- 6 Q And what's the amount?
- 7 A \$4,997.76.
- 8 Q Who is that paid to?
- 9 A April DuBois.
- 10 Q Do you know who she is?
- 11 A That's Wesley's ex-wife.
- 12 Q Do you know what that payment was for?
- 13 A That's child support.
- 14 Q And going down to the next item, do you see who that's
- 15 paid to?
- 16 A Yes.
- 17 Q Who is that?
- 18 A Marian Snipes.
- 19 Q And, again, who is Marian Snipes?
- 20 A Wesley's mom.
- 21 Q Going to Number 10683, still in Government's Exhibit 3-4,
- 22 and scrolling down to the bottom, do you see a 10,000-dollar
- 23 item there? Who is that wire transfer to?
- 24 A Iva Zubickova. I can't pronounce the last name.
- 25 Q Do you know who she is?

1 A Yes.

2 Q Who?

3 A She was Wesley's friend.

4 Q When you say "friend," what do you mean?

5 A Girlfriend.

6 Q And scrolling down, do you see that item?

7 A Yes.

8 Q Who is it made payable to and what was it for?

9 A April DuBois; and, again, that was for child support.

10 Q Do you know Jelani Snipes?

11 A Yes.

12 Q Who is that?

13 A That's Wesley's son.

14 Q Now, in 2003, had you left Kymberlyte or Amen Ra at that
15 time?

16 A Yes.

17 Q Did you receive a subpoena from the United States to
18 produce any documents that you might have with regard to Amen
19 Ra Films?

20 A Yes.

21 Q What did you do when you got that subpoena?

22 A Once I read the subpoena, I contacted Sandra Farrior and
23 told her that I had been subpoenaed. And at that point, she
24 told me --

25 MR. BERNHOFT: Objection; hearsay.

1 THE COURT: Sustained.

2 BY MR. MORRIS:

3 Q Why did you contact Sandra Farrior?

4 A She was the office manager.

5 Q Did she tell you, give you instructions with regard to
6 what you should do regarding this subpoena?

7 A Yes.

8 Q And did she base those instructions in some way on your
9 employment?

10 A Yes.

11 Q What did she tell you to do?

12 MR. BERNHOFT: Objection; hearsay, Judge.

13 MR. MORRIS: Your Honor, I believe she was acting as
14 an agent at that time for Amen Ra. The subpoena was served on
15 Amen Ra, so she would be an agent of the defendant.

16 THE COURT: Well, perhaps for some purposes,
17 Mr. Morris. But the instructions, as I understand it, were
18 given by someone else. I am inclined to sustain the
19 objection. The witness may testify as to what she did in
20 response to the subpoena, if anything.

21 MR. MORRIS: Thank you, Your Honor.

22 BY MR. MORRIS:

23 Q After you talked with Ms. Farrior, did you provide any
24 documents to the United States?

25 A Yes.

1 Q Because she told you to?

2 MR. BERNHOFT: Objection, Your Honor.

3 THE COURT: Sustained.

4 BY MR. MORRIS:

5 Q Did you have a conversation with Wesley Snipes about the
6 subpoena?

7 A Yes.

8 Q Did you call him or did he call you?

9 A I was contacted.

10 Q That is did he call you?

11 A Yes.

12 Q What did he tell you about the subpoena you received from
13 the United States?

14 A He told me not to respond, not to talk to anybody or to
15 disclose any information on the company. And I was like:
16 Why? And he says: Remember you signed a confidentiality
17 agreement once you was hired, so that still is -- that still
18 stands.

19 And I said: Well, this is the United States government.
20 They are subpoenaing me. He said: It doesn't matter. I have
21 that paper with your signature on it. And he said: And if
22 you do contact them, you will have to pay the consequences.

23 Q How did that conversation with him make you feel?

24 A I was very upset and it made me feel uneasy and I was
25 scared.

1 MR. MORRIS: Those are my questions at this time,
2 Your Honor.

3 THE COURT: Mr. Bernhoft?

4 MR. BERNHOFT: Yes, Your Honor.

5 CROSS-EXAMINATION

6 BY MR. BERNHOFT:

7 Q Good morning, Ms. Baker.

8 A Good morning, sir.

9 Q How are you?

10 A I am well. And yourself?

11 Q I'm pretty good. Let's talk a little bit about Amen Ra
12 Films, Incorporated, if we might. Now, you indicated that
13 sometime around 1999, Amen Ra changed to Kymberlyte; is that
14 correct?

15 A I don't recall the exact dates, but they did change.

16 Q All right. Now, isn't it true that in the latter part of
17 1999 that there was discussion about reorganizing Amen Ra
18 Films, Incorporated into a pure business trust? Do you recall
19 those discussions?

20 A No, I do not.

21 Q You mentioned a man named Dr. Jonathan Good on direct
22 examination. Who was he?

23 A He was an advisor.

24 Q And isn't it true that he had a Ph.D. in business
25 management from Cambridge University in Great Britain?

1 A I don't know.

2 Q When you say "advisor," wasn't he a consultant and an
3 expert business management consultant for --

4 MR. MORRIS: Objection to the form of the question.

5 THE COURT: I will overrule the objection. It's
6 cross-examination.

7 MR. BERNHOFT: Thank you, Judge.

8 BY MR. BERNHOFT:

9 Q I will re-ask the question. Wasn't Dr. Jonathan Good an
10 expert business management consultant for both Amen Ra Films,
11 Incorporated and for Kymberlyte?

12 A I don't know whether he was an expert advisor or not. I
13 don't know.

14 Q He consulted the corporations and Mr. Snipes on business
15 management issues?

16 A I don't know.

17 Q Isn't it true that Dr. Good discussed with you opening up
18 this business account in Nevada for Kymberlyte?

19 A Yes.

20 Q And isn't it true that Dr. Good traveled with you to
21 Nevada to set up that account?

22 A No.

23 Q He did not travel with you there?

24 A No.

25 Q But it was Dr. Good who gave you the instructions on how

1 to open up that account in Nevada; correct?

2 A No.

3 Q All right. Did you ever discuss the issue of Kymberlyte
4 opening up an account in Nevada with Dr. Good?

5 A Yes.

6 Q And what did he tell you?

7 A He just told me to make sure that I have a U.S. passport
8 and to sign as a signer on the accounts.

9 Q So you were taking instructions from Dr. Good with respect
10 to Kymberlyte's finances and operations; isn't that correct?

11 A I don't understand the question as far as "instructions."

12 Q Okay. That's fair enough. Let me rephrase. It was Dr.
13 Good who was instructing you with respect to opening up this
14 business account in Nevada with respect to Kymberlyte;
15 correct?

16 A No. No.

17 Q You testified you had a discussion with Dr. Good and he
18 told you how to open up the account. You had to have a
19 passport; correct?

20 A He asked me when I was going to Nevada to make sure that I
21 had a valid U. S. passport and to sign as a signer.

22 Q Right. So he gave you those instructions?

23 A Those instructions.

24 Q Excellent. Thank you. Isn't it also true that during the
25 transition period from 1999, late '99 when Amen Ra Films,

1 Incorporated transitioned and reformed into the business trust
2 Amen Ra Films, that Dr. Good was the consultant that was
3 managing that reorganization?

4 A I wasn't aware of that.

5 Q Did you ever have occasion to discuss with the employees
6 of the Los Angeles office of Amen Ra Films this issue of
7 whether they would be subcontractors or employees?

8 A Yes. We had a meeting.

9 Q When was that meeting?

10 A I don't recall the date.

11 Q Well, can you give us an idea what year that was?

12 A I can't recall. I know I went out to the L.A. office, but
13 I can't recall the date.

14 Q All right. Who went with you to the L.A. office?

15 A Myself and Jonathan Good.

16 Q So Jonathan Good, Dr. Good, again, traveled with you to
17 L.A. to meet with the Amen Ra employees?

18 A On that particular occasion, yes.

19 Q Okay. And about how many employees were at that meeting?

20 A I would say around six or seven. I don't recall the exact
21 amount.

22 Q Fair enough. Where did that meeting take place?

23 A I'm sorry?

24 Q Where did the meeting take place in California?

25 A It was in the L.A. office.

1 Q And do you remember what that address was in Los Angeles,
2 the L.A. office where the meeting --

3 A It was off of Wilshire Boulevard. I don't recall the
4 number of the building.

5 Q Okay. Off Wilshire Boulevard. And that's the main drag
6 in the financial center of Los Angeles; correct?

7 A Whether it is, I don't know, but I know it was on Wilshire
8 Boulevard.

9 Q What was the purpose of that meeting?

10 A Basically, the meeting was held to -- the employees had
11 concerns of why we went from Amen Ra Films to Kymberlyte.

12 Q Why was Dr. Good there with you for the meeting?

13 A He was there to answer the questions of the employees, and
14 make them understand or try to help them understand why we
15 were switching from Amen Ra Films to Kymberlyte.

16 Q And what did he tell them?

17 A I don't recall the whole conversation.

18 Q You talked about moving to a subcontractor as opposed to
19 being an employee who had withholding taxes taken out of the
20 paycheck; correct?

21 MR. MORRIS: Objection to the form of the question.
22 I believe it misstates her testimony.

23 THE COURT: I will overrule the objection. It is
24 cross-examination.

25

1 BY MR. BERNHOFT:

2 Q Please answer the question.

3 A Well, I wasn't told until after that we were now going to
4 be called "subcontractors" instead of employees.

5 Q Right. Have you ever worked for -- as a subcontractor for
6 any company before or after your Amen Ra Films or Kymberlyte
7 employment?

8 A No.

9 Q You haven't?

10 A As a subcontractor?

11 Q Yeah.

12 A Not that I recall.

13 Q Do you recall testifying before the Grand Jury on
14 January 11, 2006 in this matter? Do you recall testifying
15 before the Grand Jury on January 11th, 2006?

16 A Yes.

17 Q Okay. Do you recall telling the Grand Jurors in that
18 matter that subsequent to your employment separation with
19 Kymberlyte and Amen Ra Films that you obtained employment with
20 the Ascyc, Incorporated company, A-s-c-y-c? Do you recall
21 testifying to that?

22 A That's a temporary services.

23 Q Okay. And do you recall testifying to the Grand Jury that
24 you were a contractor working for Ascyc, Incorporated?

25 A As a temp personnel, yes.

1 Q Let me ask rephrase the question.

2 A Okay.

3 Q Actually, let me ask the same question. Listen carefully
4 to my questions. Please answer the questions.

5 Do you recall testifying before the Grand Jury that you
6 worked as a subcontractor for Ascyc, Incorporated?

7 A Yes.

8 Q Thank you.

9 A You are welcome.

10 Q So now let me ask that other question again, which you
11 answered in the negative. Before or after your employment
12 with Amen Ra or Kymberlyte, have you ever worked as a
13 subcontractor?

14 A Yes.

15 Q Thank you. So we will detract that other testimony. That
16 was incorrect, right?

17 A I didn't understand what you meant.

18 Q Okay. Isn't it true that at this -- was that California
19 meeting, when Dr. Good came there to answer the employees'
20 questions about what was going on with the business
21 transition, was that meeting videotaped? It was videotaped,
22 wasn't it?

23 A I can't recall. I am trying to think and I --

24 Q There was a camera set up in the room, wasn't there?

25 A I can't recall.

1 Q Do you recall telling the Amen Ra people at that meeting
2 that they had a choice as to whether they wanted to continue
3 to have taxes withheld from their paychecks or become
4 subcontractors? Do you recall that?

5 A No.

6 Q You don't recall that Dr. Good advised those employees
7 that they could sign a separate agreement and continue to have
8 taxes withheld from their paychecks?

9 A No, I don't.

10 Q What did Dr. Good explain to you at any time about what
11 this pure business trust organization was that Amen Ra Films
12 became?

13 A I don't recall him discussing that with me.

14 Q Did he tell the employees and discuss with you the fact
15 that the corporation would be dissolved and Amen Ra would
16 become this trust, this business trust?

17 A He discussed with me that the Amen Ra Films, Inc., the
18 first one, the one that was established in Delaware, that was
19 going to become dissolved, and a new Amen Ra Films entity was
20 going to be incorporated in Nevada.

21 Q All right. And you testified that Sandra Farrior was the
22 office manager, is that correct, of Kymberlyte?

23 A Yes.

24 Q Okay. Do you recall being interviewed by Internal Revenue
25 Service Criminal Investigation Division special agents over

1 the past three or four years?

2 A Yes.

3 Q On how many occasions did they interview you?

4 A It's been a few. I can't recall the exact number.

5 Q Well, let's see if we can give us a range. About how many
6 times did they interview you?

7 A In person?

8 Q In person, by telephone, in any way that they would have
9 interviewed you.

10 A I have met with them in person I will say twice. And I
11 have had maybe four or five conversations over the phone.

12 MR. BERNHOFT: Judge, very brief moment to confer
13 with counsel.

14 (Conference between defense counsel.)

15 MR. BERNHOFT: Judge, we need to go side-bar on an
16 issue here.

17 THE COURT: All right. Well, it's almost the middle
18 of the morning, members of the jury. Maybe we can accomplish
19 two things at once here by excusing you for our morning break
20 while I have these conversations with counsel.

21 THE COURT SECURITY OFFICER: All rise.

22 (Jury absent.)

23 THE COURT: Ms. Baker, you may step down from there
24 and we will be taking a 15-minute break.

25 (Witness Baker excused from witness stand.)

1 THE COURT: Be seated, please.

2 Yes, Mr. Bernhoft.

3 MR. BERNHOFT: Motion to continue the testimony of
4 this witness for Brady-Giglio violations, Your Honor. In the
5 discovery, with respect to this witness, Carmen Baker, we
6 received three memorandas of interview.

7 The first memoranda of interview is dated May 19th,
8 2003, a telephonic interview conducted by F. Cameron Lalli,
9 IRS CI special agent. So that's May 19th, 2003.

10 The second memoranda of interview is also
11 telephonic, March 30th, 2005, F. Cameron Lalli, special agent,
12 conducting the telephonic interview.

13 And we have a very, very brief third memoranda of
14 interview. It is very brief.

15 Thank you, Bret.

16 And, Judge, that was on November 17th, 2005, and
17 this was also telephonic, conducted by F. Cameron Lalli,
18 special agent.

19 Now, Ms. Baker testified significantly that she had
20 had personal meetings with IRS criminal investigation division
21 special agents on two occasions. We have no memorandas of
22 interview for those two meetings.

23 Second, she testified that she had had four to five
24 telephonic interviews with the special agents from the IRS.
25 We don't have those. We have three telephonic MOI's.

1 This is Brady-Giglio violation. Your Honor, we
2 raised these concerns pretrial by motion. And I understood
3 and respected the Court's position regarding ripening, but we
4 are here now, the defense is substantially prejudiced. We
5 have been unable to cross-examine this witness effectively.

6 Move to continue the testimony and then deal with
7 the other Brady-Giglio issues with respect to future
8 witnesses, Judge, so we don't get into these problems.

9 THE COURT: Let's find out.

10 What do you say, Mr. Morris?

11 MR. MORRIS: Your Honor, the answer is simple. We
12 have provided the defense with every memorandum of
13 conversation, interview that has been generated with regard to
14 Ms. Baker, as well as her Grand Jury testimony. We can't
15 provide what we don't have.

16 The other occasions that Ms. Baker has referred to,
17 there simply was no report generated, so I can't provide what
18 we don't have.

19 THE COURT: Back to you, Mr. Bernhoft.

20 MR. BERNHOFT: Certainly, Judge. Two personal
21 meetings with a critical witness like Ms. Baker, and the
22 government is making a representation that there weren't any
23 notes, not even rough notes, and no memoranda of interview? I
24 am pretty familiar with the customs, practice and habits of
25 IRS special agents, Judge, and those are codified in the IRS

1 special agents handbook. And they are compelled, by operation
2 of that handbook, when they interview a material witness with
3 respect to an investigation, they have to preserve their rough
4 notes and they have to memorialize those rough notes into a
5 memorandum of interview.

6 That representation is simply not credible. These
7 were two personal interviews with a critical witness. And we
8 also have two telephonic conversations that we have no MOI's
9 on.

10 Now, the IRS special agents had no problems creating
11 a memorandum of interview for a 10-, 15-second conversation.
12 This is what they do, Judge.

13 THE COURT: Well, I understand, Mr. Bernhoft. What
14 am I supposed to do? I have the representation of counsel
15 that no such documents exist. If you have evidence to the
16 contrary, of course, you can present it.

17 MR. BERNHOFT: Voir dire the special agent, Judge?

18 THE COURT: Pardon?

19 MR. BERNHOFT: Permission to voir dire the special
20 agent.

21 THE COURT: Well, you can take that up at your own
22 leisure and opportunity, Mr. Bernhoft. At the moment, we are
23 trying this case and you are cross-examining this witness and
24 counsel has said that everything has been provided.

25 MR. BERNHOFT: Here is the other problem, Judge. We

1 did file a motion to continue for eve-of-testimony Jencks
2 production. And what we have here, but for --

3 THE COURT: Let me say this, too, by the way. I am
4 not entirely sure that any memorandum of the interview could
5 be compelled, unless the government voluntarily produced it.

6 It would not constitute Jencks Act material unless
7 there is some showing that it had been adopted -- has been
8 shown to and adopted by the witness in some way; or perhaps
9 reported via a verbatim account of what she said, which is
10 doubtful; or that it contained exculpatory material.

11 The mere fact that some memorandum might exist
12 concerning an interview of a witness does not mean that it is
13 producible.

14 MR. BERNHOFT: There is a high probability that
15 there's exculpatory material in the memorandums of interview
16 that we believe occurred here. You can take a look at the
17 first two MOI's and the Grand Jury testimony, and there is a
18 startling evolution of Ms. Baker's testimony regarding
19 critical areas.

20 THE COURT: Well, you have that, and I have the
21 representation of counsel that you have everything there is.

22 MR. BERNHOFT: With respect to our motion to
23 continue, I would like to re-raise that issue regarding our
24 inability to review and digest, interview potential witnesses,
25 incorporate the Jencks material into our cross-examination,

1 Judge.

2 One of the issues that came up in the
3 eve-of-testimony Jencks production was this issue of this
4 California meeting that Ms. Baker had. There is critical
5 witnesses that have to be located, identified and interviewed.
6 It is material to the cross-examination of this witness.

7 She has testified. She has tried to diminish her of
8 responsibility and control of these corporations, and there is
9 going to be people that can testify as to what she said out
10 there. And she's already demonstrated a complete -- not a
11 complete, but an interesting selective lack of memory about
12 who was there, whether it was videotaped, et cetera.

13 We simply have not been able to have time, with all
14 due diligence, to obtain witnesses, compulsory process,
15 interview them, and incorporate that information into a cross.
16 This is critical cross-examination material for this witness.
17 It goes to her credibility, it goes to bias, it goes to
18 prejudice.

19 Move to continue this witness' testimony so we can
20 perform a proper investigation, Your Honor, with all respect.

21 MR. MORRIS: Your Honor, may I address that briefly?

22 THE COURT: Yes, Mr. Morris.

23 MR. MORRIS: Your Honor, the June 2000 meeting that
24 was part of Ms. Baker's testimony is an allegation in the
25 indictment. And so counsel was on notice at the beginning of

1 the case that this was going to be an issue.

2 And, quite frankly, they knew from the outset that
3 Ms. Baker was going to be one of our witnesses. I have
4 e-mails from counsel months ago with regard to Ms. Baker. So
5 this is no surprise to them that she is going to be a witness.

6 Your Honor, with regard to the frequent references
7 to eve-of-testimony production of Jencks, with regard to this
8 witness, the Jencks material for her was provided not last
9 night, but the night before. So it exceeds the Court's order
10 in this particular case, and we have complied with the Court's
11 order, and certainly with the Jencks Act.

12 And briefly to address the issue of the MOI's, we
13 have turned over those memorandum of conversation or interview
14 in an abundance of caution, taking a very broad view of what
15 might possibly be Jencks.

16 But we concur with the Court, that with perhaps
17 minimal exceptions, there would be little or no Jencks in the
18 memorandums. So we have gone, we believe, above and beyond
19 what we were required to provide under Jencks for Ms. Baker.

20 MR. BERNHOFT: Your Honor, respectfully, Mr. Morris,
21 my learned friend, is mistaken about the facts. We are
22 talking about two different California meetings. The
23 California meeting alleged in the indictment --

24 THE COURT: There is no need to pursue it,
25 Mr. Bernhoft. The law is abundantly clear with respect to

1 this, as are the orders of the Court.

2 Technically, the United States is not required to
3 produce even Jencks Act material until the conclusion of the
4 direct examination of the witness.

5 MR. BERNHOFT: Your Honor, I would respectfully
6 observe that, as the 11th Circuit and sister district courts
7 have held in circuits across the country -- we have
8 400,000-plus pages of documents, we have 60, 70 witnesses. It
9 is a salutary practice in these sorts of high-volume witness,
10 extremely large quantities of documents that Jencks be
11 provided earlier.

12 And, again, the issue is it is the due process
13 rights.

14 THE COURT: Enough is enough is enough.

15 MR. BERNHOFT: May I request one brief remedy from
16 the Court, Judge?

17 THE COURT: I beg your pardon?

18 MR. BERNHOFT: Could I just ask for one brief
19 remedial request of the Court?

20 THE COURT: You have asked for a continuance and the
21 motion is denied. Now, what other motion do you have?

22 MR. BERNHOFT: If the Court --

23 THE COURT: What other motion do you have?

24 MR. BERNHOFT: If the Court would --

25 THE COURT: What other motion do you have?

1 MR. BERNHOFT: We move for an order of the Court to
2 instruct the U. S. Attorney's Office to make further inquiry
3 with the special agents to see if there are any documents or
4 things that could be potential Brady-Giglio or Jencks, and
5 disclose that to us, Judge.

6 THE COURT: I will deny that motion. It is
7 counsel's obligation to have done that long ago, and to
8 produce any potentially exculpatory material, and I don't see
9 the need to revisit that.

10 MR. BERNHOFT: All right. Thank you, Judge.

11 THE COURT: We will take a ten-minute break.

12 (Short recess was taken.)

13 (Jury present.)

14 THE COURT: Thank you. Be seated, members of the
15 jury, please.

16 Mr. Bernhoft, you may continue your
17 cross-examination.

18 MR. BERNHOFT: Thank you, Your Honor.

19 BY MR. BERNHOFT:

20 Q. Good morning again, Ms. Baker.

21 A. Good morning.

22 Q. What was the last full year that you worked for Starr &
23 Company in New York?

24 A. 1997.

25 Q. Wasn't it 1998? You testified you joined Amen RA and

1 Kymberlyte in late 1999?

2 A. I started in '97, ended in '99. I'm sorry.

3 Q. Okay. So then the last full year of employment with Starr
4 would have been 1998?

5 A. The earlier part of '99.

6 Q. Okay.

7 A. Yeah.

8 Q. What was your -- were you a salaried employee at Starr &
9 Company? Did you make a salary with Starr & Company, or were
10 you paid by the hour?

11 A. I was salaried.

12 Q. Okay. What was that salary?

13 A. I think I was making maybe \$25,000 at the time.

14 Q. Okay.

15 A. Twenty-five.

16 Q. Back in '97, '98?

17 A. Yes.

18 Q. And when you came over to the Kymberlyte and Amen RA
19 companies, were you salaried or hourly employed?

20 A. When I was with Amen RA?

21 Q. Yes.

22 A. I was salaried.

23 Q. Okay. And what was your salary with Amen RA?

24 A. Fifty thousand.

25 Q. So you made double the salary by coming over from Starr

1 and working for Amen RA?

2 A. Yes.

3 Q. Okay. Ms. Baker, what kind of a car do you drive?

4 MR. MORRIS: Objection, relevance.

5 MR. BERNHOFT: I can make the connection, Judge.

6 THE COURT: All right. I'll overrule the objection.

7 MR. BERNHOFT: Thank you, Judge.

8 THE WITNESS: A 2002 Mercedes.

9 BY MR. BERNHOFT:

10 Q. Mercedes-Benz?

11 A. Yes.

12 Q. What model number is that?

13 A. A C-230.

14 Q. All right. When did you -- when was that car purchased?

15 A. September of '03 --

16 Q. Okay.

17 A. -- if I recall.

18 Q. And who purchased that car?

19 A. I did.

20 Q. All right. Did you purchase it with your own funds, or
21 did you have loan assistance from someone or some company?

22 A. From some company.

23 Q. All right. And who gave you loan assistance to buy that
24 car?

25 A. Nu-Con Leasing Company.

1 Q. I'm sorry. Could you speak up, please?

2 A. Nu-Con Leasing Company.

3 Q. All right. Did you get any assistance from Amen RA or
4 Kymberlyte to make sure that the credit approval would be made
5 and you could purchase that car?

6 A. I don't understand what you mean.

7 Q. Did Kymberlyte or Amen RA assist you in getting credit to
8 purchase that car?

9 A. Credit? I'm not understanding your question.

10 Q. Let's talk a little bit about your testimony regarding
11 where Wesley Snipes lived.

12 Now, you testified that Mr. Snipes had a home in New York
13 City, is that correct?

14 A. In New Jersey.

15 Q. I think that's right. You didn't testify on direct as to
16 that.

17 You're aware that Wesley Snipes had a home in New York
18 City before the 9-11 terrorist attacks, are you not?

19 A. Did he have a home?

20 Q. Yes, a home in New York.

21 A. Yes.

22 Q. Okay. Are you aware that the reason he purchased the
23 New Jersey home is because the home was damaged in the 9-11
24 attacks?

25 A. I wasn't aware of that.

1 Q. Did Mr. Snipes' children live at the New Jersey home?

2 A. His children, yes.

3 Q. Yes. And they went to school there?

4 A. Oh. I don't know whether they went to school there or
5 not. I don't know.

6 Q. Okay. Isn't it true that Mr. Snipes spent the vast
7 majority of his time at either the New Jersey home or the
8 California home?

9 A. Okay. When you say "vast," did he split his time up?

10 I'm --

11 Q. Yeah. That's fair. Fair enough.

12 A. Okay.

13 Q. I'll ask you a different question.

14 A. Okay.

15 Q. Where did Mr. Snipes spend most of his time?

16 A. It varied. Sometimes he was in New Jersey, and other
17 times he could have been in his home in California.

18 Q. Okay. Mr. Morris asked you on direct regarding this
19 "doctor" designation. You're aware, aren't you, that
20 Mr. Snipes is an honorary Ph.D. from a New York University for
21 his career in fine arts, aren't you?

22 A. No, I'm not.

23 Q. Okay.

24 MR. BERNHOFT: Moment to confer, Judge?

25 THE COURT: Sure.

1 MR. BERNHOFT: Thank you.

2 (Pause.)

3 MR. BERNHOFT: Pass the witness, Judge.

4 THE COURT: Mr. Wilson?

5 MR. WILSON: Yes, Judge.

6 CROSS-EXAMINATION

7 BY MR. WILSON:

8 Q. Good morning, Ms. Baker.

9 A. Good morning, sir.

10 Q. Ms. Baker, my name is David Wilson. I'm the attorney for
11 Doug Rosile in this case. I just have a few questions for
12 you.

13 Ma'am, you testified -- or described an initial meeting in
14 Marina Del Rey, California, between Mr. Snipes and Mr. Kahn,
15 is that correct?

16 A. Yes.

17 Q. Okay. And you were there, right?

18 A. Yes.

19 Q. Okay. And you testified that some other individuals were
20 there during this meeting: I think Mr. Snipes' sister,
21 Mr. Snipes' bodyguard, chef, Mr. Kahn, and a female that
22 accompanied Mr. Kahn, is that correct?

23 A. Yes.

24 Q. Okay. Was Mr. Rosile present during that meeting?

25 A. No.

1 Q. Okay. You testified regarding two meetings where Mr. Kahn
2 traveled to New York to meet with Mr. Snipes, is that correct?

3 A. Yes.

4 Q. And were you present at both of those meetings?

5 A. I was in the office.

6 Q. Okay. And you testified that other individuals
7 accompanied Mr. Kahn during his meetings with Mr. Snipes in
8 New York, correct?

9 A. Well, there were other people present at the meeting.
10 Whether they came together or not, I -- I can't say they did.

11 Q. Okay.

12 A. But they were in the office -- in the meeting.

13 Q. Okay. Did you ever see Mr. Rosile at any of those
14 meetings?

15 A. No.

16 Q. You indicated that you were aware of some checks that were
17 sent by Mr. Snipes or by yourself on behalf of Mr. Snipes that
18 he signed to ARL, American Rights Litigators, is that right?

19 A. Yes.

20 Q. Okay. And you described these checks as being for
21 membership fees, right?

22 A. Yes.

23 Q. Okay. Did you ever see any checks that were written to
24 Douglas Rosile?

25 A. No, not that I recall. No.

1 Q. Okay. Thank you.

2 MR. WILSON: No more questions, Your Honor.

3 THE COURT: Mr. Morris, any redirect?

4 MR. MORRIS: Yes, Your Honor.

5 REDIRECT EXAMINATION

6 BY MR. MORRIS:

7 Q. Ms. Baker, Mr. Bernhoft asked you about these bank
8 accounts that you opened up. Who directed you to open up the
9 new bank accounts for Kimberlyte and Amen RA?

10 A. I got my directions from Wesley.

11 Q. And he asked you about decision-making, I believe, for
12 Amen RA and Kimberlyte. Who made all the decisions for
13 Amen RA and Kimberlyte?

14 A. Wesley.

15 Q. Now, you were also asked about this issue of being a
16 subcontractor or an employee. When you worked for Amen RA and
17 for Kimberlyte, were you able to just do what you wanted to
18 do? Did you act independently?

19 A. We had set duties and responsibilities that we had to do
20 when we came to work.

21 Q. And when you worked there, did you have to report to
22 someone?

23 A. We normally would report to the office manager.

24 Q. And that was who?

25 A. Sandra Farrior.

1 Q. And did you also have to report ultimately to Wesley
2 Snipes?

3 A. Well, on a day-to-day basis we would have to keep him
4 abreast of what was going on.

5 Q. Okay. Did Amen RA or -- let me scratch that.

6 Did Kimberlyte Production Services ever issue you a 1099
7 form as an independent contractor?

8 A. No.

9 Q. You were asked about the car that you drive. How did you
10 get the money to be able to buy that car?

11 A. It was a loan from Nu-Con Leasing Company.

12 Q. And are you paying on that?

13 A. After I left Amen RA Films, about six months later, I
14 received the title in the mail saying that it was paid and
15 taken care of, and the title was now in my name.

16 Q. Okay. Do you know how that happened?

17 A. Yes.

18 Q. How did that happen?

19 A. Wesley decided that he didn't want me to continue paying
20 on the car, so he took care of it.

21 Q. And when did that happen?

22 A. I would say maybe six months after I left.

23 Q. Thank you.

24 MR. MORRIS: No further questions.

25 THE COURT: Anything further of the witness?

1 MR. BERNHOFT: Very briefly on recross, Your Honor.

2 RECROSS-EXAMINATION

3 BY MR. BERNHOFT:

4 Q. Wesley Snipes was fairly generous to you during your
5 employment at Amen RA and Kimberlyte, wasn't he?

6 A. Yes.

7 Q. Thank you.

8 THE COURT: Mr. Wilson, any recross?

9 MR. WILSON: No, Your Honor.

10 THE COURT: Thank you, Ms. Baker. You may step
11 down.

12 THE WITNESS: Thank you, sir.

13 MR. MORRIS: Your Honor, we understand that a
14 subpoena has been served on Ms. Baker, and we would -- we
15 would ask that she be excused at this time and --

16 THE COURT: Well, that's up to counsel, Mr. Morris.
17 You may excuse her from your subpoena, if you had served one.

18 If other counsel have served a subpoena on the
19 witness, it's up to them to manage that. And I think that was
20 made clear in my order governing procedure at trial previously
21 entered.

22 MR. MORRIS: Yes, Your Honor. We just didn't want
23 there to be any misunderstanding about whether she had a
24 continuing obligation to stay here.

25 THE COURT: Well, that depends on whether she's been

1 subpoenaed or not.

2 MR. MORRIS: Thank you, Your Honor.

3 THE COURT: And if she has, then she'll have to take
4 it up with counsel.

5 Call your next witness, please.

6 MR. O'NEILL: Your Honor, the government calls
7 Charis True.

8 *** CHARIS MAE TRUE was sworn by the Deputy Clerk ***

9 THE DEPUTY CLERK: Please have a seat.

10 Please state your full name, and spell your last
11 name for the record.

12 THE WITNESS: Charis Mae True, T-R-U-E.

13 THE COURT REPORTER: Spell your first name, too,
14 please.

15 THE WITNESS: C-H-A-R-I-S.

16 MR. O'NEILL: May I inquire, Your Honor?

17 THE COURT: You may.

18 CHARIS MAE TRUE,

19 being duly sworn, testified as follows:

20 DIRECT EXAMINATION

21 BY MR. O'NEILL:

22 Q. Ms. True, I'm going to be asking you a series of
23 questions. I'd ask you to speak in as loud -- it sounds like
24 you have a very low voice.

25 A. Okay.

1 Q. So speak into the microphone, if you can --

2 A. Okay.

3 Q. -- so that everyone can hear you.

4 Also, if there's something I say that you don't
5 understand, please let me know. I'll be glad to rephrase it.

6 A. All right.

7 Q. Ma'am, how old are you?

8 A. I am 25 years old.

9 Q. And are you currently employed?

10 A. I am.

11 Q. Where are you employed?

12 A. For an insurance company.

13 Q. And how long have you been employed by an insurance
14 company?

15 A. A little over three years.

16 Q. And prior to working for an insurance company, what was
17 your employment?

18 A. I worked for Eddie Kahn.

19 Q. Now, when you say "Eddie Kahn" --

20 A. Uh-huh.

21 Q. -- when did you first meet this individual Eddie Kahn?

22 A. You mean like a year or an event? What do you mean?

23 Q. Well, first the event; and if you can tie it to the year,
24 that would be helpful.

25 A. The year was probably 1999, I believe.

1 Q. And how did you first meet him?

2 A. Our families were in a home school group together, and I
3 met him that way.

4 Q. How old were you at this time?

5 A. Probably 17, I think. Sixteen or 17.

6 Q. And you were being home-schooled, you say?

7 A. I was.

8 Q. And were you friends with anybody in the Kahn family?

9 A. I was friends with his daughter. We were the same year in
10 high school.

11 Q. As a result of that, did you meet the Kahn family?

12 A. Yes.

13 Q. Did there come a point in time when you started doing work
14 for the Kahn family?

15 A. Yes.

16 Q. Can you please relate that to the ladies and gentlemen of
17 the jury?

18 A. The time that I started working for them?

19 Q. The time and what you did.

20 A. It was sometime in either 1999 or 2000 and I worked in
21 their home.

22 Q. And what did you do in their home?

23 A. I did some things for his wife, Kookie, domestic-type
24 things, whether it was helping her organize things in the
25 house, help their son with piano lessons, his school work,

1 things like that, some things in her office as well.

2 Q. Now, were you paid for your efforts?

3 A. I was.

4 Q. And how were you paid?

5 A. Usually in cash.

6 Q. Did there come a point in time when you stopped working in
7 their household and started working for Mr. Kahn's business?

8 A. Yes, sir.

9 Q. Were you familiar at that time with Mr. Kahn's business?

10 A. Somewhat.

11 Q. What was the name of his business?

12 A. Eddie Kahn and Associates.

13 Q. And where was that located?

14 A. Initially in their home, and then it was moved to a
15 building in Mount Plymouth.

16 Q. Now, when you first started working for him, was it -- was
17 his business in his home or in Mount Plymouth?

18 A. In his home.

19 Q. And did he officially hire you to work there?

20 A. What do you mean by officially hire me?

21 Q. Well, how did it come about? You tell us, please, if you
22 would, how it came about that you started working for
23 Mr. Kahn.

24 A. I actually did some work at their home for his wife
25 Kookie. And when we moved -- when they moved things to the

1 office, I just started working there at the office, and it --
2 I mean, it just kind of progressed from there. It wasn't like
3 a specific time we had a conversation that I was hired or
4 anything like that.

5 Q. Okay. And what type of work did you do for him in the
6 office?

7 A. In the office for Eddie Kahn and Associates?

8 Q. Yes.

9 A. There was videotapes, CDs, paperwork, things like that, so
10 it was just a matter of people would order things and I would
11 fill their orders, or they might call in with questions, that
12 sort of thing. I would just -- you know, it was
13 administrative.

14 Q. And, Ms. True, what kind of business was it?

15 A. It was an educational materials ministry.

16 Q. You said educational materials ministry?

17 A. Uh-huh.

18 Q. And could you describe that for us?

19 A. Basically Eddie had a number of videotapes from seminars
20 that he had done. He did seminars explaining his tax
21 research, that sort of thing. And so it was just
22 documentation, videos of the seminars that people would
23 purchase or that he would give to people.

24 Q. Now, to your knowledge, was he a tax lawyer?

25 A. No, sir, I do not believe he is, or was.

1 Q. To your knowledge, was he an accountant?

2 A. Not to my knowledge.

3 Q. Did he explain to you his tax ideas that he was putting on
4 these videotapes?

5 A. On occasion.

6 Q. And what would he say?

7 A. What would he say about what?

8 Q. About those -- what was the purpose of the tapes? What
9 was his position with the tax -- with taxes?

10 A. His position with the taxes would basically be that they
11 were voluntary, not involuntary, according to the research
12 that he had done.

13 Q. And "voluntary" meaning what?

14 A. "Voluntary" meaning that the average, you know, U.S.
15 citizen or average American was not required to pay income
16 taxes.

17 Q. Did he explain to you who would have to pay taxes?

18 A. Not that I can recall.

19 Q. Okay. Now -- and forgive me, I don't want to put words in
20 your mouth -- what was the name of this -- the initial
21 business that you worked for for Mr. Kahn?

22 A. Eddie Kahn and Associates.

23 Q. And was that this business that put on seminars?

24 A. Yes, sir.

25 Q. Did you happen to see the videotapes?

1 A. Like the actual videotape --

2 Q. Yes.

3 A. -- or like what the videotapes -- like the recording on
4 the videotapes? Is that what you're talking about?

5 Q. Right. I should rephrase that.

6 Did you actually get a chance to watch the videotapes?

7 A. Not -- I mean, occasionally we were dubbing a tape, or
8 something like that, and I would see bits and pieces. But I
9 didn't ever sit and watch like a full-length video.

10 Q. And for his seminar business what type of work did you do?

11 A. Just coordinated with the people that were hosting the
12 seminar, maybe flight arrangements, hotel arrangements,
13 anything -- you know, fliers that had to go out ahead of time,
14 things like that; just all the logistics, administrative type
15 of things.

16 Q. And initially I believe you stated he was operating this
17 out of his home?

18 A. Eddie Kahn and Associates?

19 Q. Yes.

20 A. Yes, sir.

21 Q. Now, Ms. True, you also mentioned that it's a ministry.
22 What did you mean by that?

23 A. I -- I guess I'm just stating what I was told: It was
24 Eddie Kahn and Associates, and it was an education materials
25 ministry.

1 Q. Okay.

2 A. I guess his purpose in that was that he felt it was
3 information that people needed to know, and he considered it
4 one of his ministries.

5 Q. Okay. Is he some sort of priest or deacon or minister or
6 something?

7 A. Not that I know of.

8 Q. Now, did there come a point in time when Mr. Kahn moved to
9 an official office in Mount Plymouth?

10 A. Eddie Kahn physically or Eddie Kahn and Associates?

11 Q. Eddie Kahn and Associates.

12 A. Yes, sir.

13 Q. At that point did he enlarge his business, or was it still
14 just Eddie Kahn and Associates?

15 A. It was still just Eddie Kahn and Associates.

16 Q. Did you go with him and start working at the
17 Mount Plymouth address?

18 A. Well, he was already -- like, his office was at the
19 Mount Plymouth address. So at the time when they moved the
20 education materials, and all of that, to the office, I started
21 working there instead of in the home.

22 Q. And can you describe generally the type of work you were
23 doing there?

24 A. The same type of thing for Eddie Kahn and Associates:
25 Administrative, you know, filling orders, that sort of thing.

1 Q. Now, are you familiar with a company called American
2 Rights Litigators?

3 A. Yes, sir.

4 Q. And how did you become familiar with that entity?

5 A. American Rights Litigators, also known as ARL, was located
6 in the same office --

7 Q. And who --

8 A. -- their staff.

9 Q. I'm sorry, ma'am. Who ran that?

10 A. What was the question?

11 Q. Who ran American Rights Litigators?

12 A. Who ran American Rights Litigators?

13 Q. Yes.

14 A. I guess Eddie would be considered the one that ran it or
15 coordinated it, yes.

16 Q. Who was in charge?

17 A. Eddie.

18 Q. And what would -- did you do any work for American Rights
19 Litigators?

20 A. Later on I did.

21 Q. Okay. What type of work did you do for ARL?

22 A. It was administrative as well, anything along the lines of
23 answering phones, computer work, whether it was, you know,
24 letters or working with clients, that sort of thing.

25 Q. The jury has heard testimony about American Rights

1 Litigators and about the entity. Could you please describe
2 for us what type of business it was and what type of things
3 ARL did?

4 A. Sure. American Rights Litigators was basically an
5 organization setup. Their clients needed some type of help or
6 came to them for assistance in correspondence with the
7 Internal Revenue Service. And so there was attorneys and CPAs
8 that were associated with ARL. And so that was just kind of
9 the client base that the attorneys and CPAs helped, and
10 everything, correspondence with the IRS.

11 Q. Did ARL do any business other than tax work?

12 A. Not that I know of.

13 Q. Okay. Now, you say there was accountants and lawyers
14 associated with American Rights Litigators. What did you mean
15 by "associated with"?

16 A. The clients that came to ARL would give power of attorney
17 to attorneys and CPAs that were, you know, somehow connected
18 with American Rights Litigators.

19 Q. Okay.

20 A. I don't...

21 Q. Were they physically located at the Mount Plymouth
22 address?

23 A. They would come and go.

24 Q. Okay.

25 A. They didn't, like, have offices in there for every day of

1 the week or anything.

2 Q. Do you recall any of the attorneys or accountants by name?

3 A. Yes. Ray Pope was one of the attorneys. Milton Baxley
4 was an attorney. Brian Malatesta was a CPA. Those are the
5 only three that I can remember off the top of my head.

6 I think we had John -- John somebody, but I don't remember
7 his last name.

8 Q. And when you say they would come from time to time, what
9 do you mean by that?

10 A. They only came into the office on occasion.

11 Q. Okay.

12 A. It wasn't their Monday through Friday, come to the office
13 kind of a location. They had offices elsewhere.

14 Q. And do you know where their offices were?

15 A. I do not.

16 Q. Now, are you familiar with an individual by the name of
17 Douglas Rosile?

18 A. I am.

19 Q. And how do you know Mr. Rosile?

20 A. He came into the office on occasion.

21 Q. And what was his occupation, to your knowledge?

22 A. I can't really speak to his occupation. I don't know.

23 Q. To your knowledge, was he an employee of American Rights
24 Litigators?

25 A. No, sir.

1 Q. Was he --

2 A. Not to my knowledge.

3 Q. Was he a client of ARL?

4 A. I believe so.

5 Q. And to your knowledge, did he also do work for ARL?

6 A. I'm not sure if it was technically considered work for
7 ARL.

8 Q. And please explain that.

9 A. He came to the office, and he did things for our clients.
10 But I don't remember it actually being considered a service
11 that was offered to our clients via, you know, their
12 association with ARL. I think it was independent, but I don't
13 remember.

14 Q. What was the service he was -- to your knowledge, what was
15 the service that he was providing to ARL clients?

16 A. I don't remember anything specifically. It was something
17 along some type of tax returns.

18 Q. Something to do with tax returns?

19 A. Yes, sir.

20 Q. Do you see Mr. Rosile in the courtroom today?

21 (Pause.)

22 A. I don't think so.

23 Q. Okay. Now --

24 A. No.

25 Q. And when was the last time you saw Mr. Rosile, ma'am?

1 A. Oh. He is here. Yes, I see him. I'm sorry.

2 Q. Would you please -- if you can see him, please identify
3 him and identify what he's wearing for the record.

4 A. He's in a purple suit. Hi, Doug.

5 MR. O'NEILL: Indicating the defendant Rosile, Your
6 Honor?

7 THE COURT: It may.

8 BY MR. O'NEILL:

9 Q. Now, when was the last time you saw Mr. Rosile prior to
10 today?

11 A. I want to say 2000 -- 2001, early 2002, I want to say, but
12 I'm not for sure.

13 Q. Earlier in this decade, 2001, 2002?

14 A. Yes.

15 Q. Okay. Now, when you started working for both at the
16 Mount Plymouth address, when you worked for both Eddie Kahn
17 and Associates as well as American Rights Litigators, were you
18 being paid at that time?

19 A. Can you repeat the question? I'm sorry.

20 Q. Sure. When you began working at the Mount Plymouth office
21 for both Eddie Kahn and Associates as well as American Rights
22 Litigators, were you being paid at that time?

23 A. I was.

24 Q. And how much were you being paid, do you remember?

25 A. What specific time are you referring to?

1 Q. When you first went to the Mount Plymouth office.

2 A. When I first went there? Something -- somewhere around
3 probably eight bucks an hour, something like that.

4 Q. And what method of payment did you receive from Mr. Kahn?

5 MR. BARNES: Objection, Your Honor. A brief
6 sidebar, Your Honor, that will relate to a course of testimony
7 that's about to take place?

8 THE COURT: I'm not sure I understood that. What's
9 your objection, Mr. Barnes?

10 MR. BARNES: It will be on 402 and 403 grounds,
11 Your Honor.

12 THE COURT: I'm inclined to overrule that objection.
13 You may answer the question, Ms. True.

14 THE WITNESS: Could you repeat the question?

15 BY MR. O'NEILL:

16 Q. Surely. What method of payment did you receive?

17 A. Usually it was cash.

18 Q. And how was it provided to you?

19 A. It was handed to me in, like, a bank envelope.

20 Q. In an envelope?

21 A. Uh-huh.

22 MR. BARNES: Your Honor, I would request a 105
23 instruction to the jury.

24 THE COURT: I'm inclined to deny that at the moment
25 in view of Count One of the Indictment.

1 Go ahead with your examination, Mr. O'Neill.

2 MR. O'NEILL: Thank you, Your Honor.

3 THE COURT: And you might pull the microphone down
4 and towards you a bit.

5 MR. O'NEILL: Yes, sir. Sorry.

6 BY MR. O'NEILL:

7 Q. Ms. True, were any withholdings made on the salary that
8 you received for Eddie Kahn and Associates and American Rights
9 Litigators?

10 A. Withholdings for what?

11 Q. For taxes.

12 A. No, sir.

13 Q. Was it ever explained to you why that was?

14 A. I believe -- from what I remember, it was just kind of
15 along the lines of we were working as independent contractors.

16 Q. And had you ever worked as an independent contractor
17 before?

18 A. I baby-sited -- I baby-sat in high school, so I guess.
19 Kind of, sort of.

20 Q. All right. And how old were you at this time?

21 A. At what time? I'm sorry.

22 Q. When you were getting paid at Eddie Kahn and Associates
23 when you first joined up there at Mount Plymouth like we have
24 been talking about for the last ten questions.

25 A. I'm sorry. That would have been later on in 2000, so I

1 was 18.

2 Q. Okay. To your knowledge, were the other employees being
3 paid in cash?

4 A. To my knowledge, yes.

5 Q. Were you involved in the payroll part of ARL or Eddie Kahn
6 and Associates?

7 A. Was I involved in what part?

8 Q. In the payroll --

9 A. The payroll part. At one time I was. Not at that time.

10 Q. Subsequent to that?

11 A. Yes, sir.

12 Q. Okay. Now, how long did you work for the American Rights
13 Litigators?

14 A. From later in 2000 until, I believe it was, sometime in
15 2003.

16 Q. So approximately three years?

17 A. Yes, sir.

18 Q. During that period of time did your duties and
19 responsibilities change?

20 A. They did.

21 Q. Can you take the ladies and gentlemen of the jury through
22 a short recitation of, when you started working there, what
23 you did, until the time you left.

24 A. Sure. When I started working for ARL in 2000, I did
25 things in the filing cabinets, whether it was making copies,

1 filing, you know, paperwork, that sort of thing; generating
2 letters; talking with clients over the phone in regards to
3 their accounts; worked with on power of attorneys, and things
4 like that, for the attorneys and CPAs; did that for quite a
5 while. And then a little bit later on I took a role of an
6 assistant job coordinator.

7 Q. And what did that entail?

8 A. I was basically an assistant to the job coordinator, so it
9 was kind of like an assistant supervisor type of a role,
10 just -- you know, I still had some of my own administrative
11 duties, but it was also just kind of coordinating the other
12 girls that were in the office doing work and making sure that
13 they knew what they were doing. I did a lot of training;
14 assisted when, you know, we did payroll, things like that; had
15 meetings. If Eddie was out of the office and, you know,
16 things went on that you need somebody, I would assist the job
17 coordinator in that.

18 Q. And when you were assistant job coordinator, who was the
19 job coordinator?

20 A. Her name at the time was Amy Bennett.

21 Q. And did there come a point in time when your job changed
22 from assistant job coordinator?

23 A. Yes, sir.

24 Q. And what did you become?

25 A. I then became the job coordinator when Amy left.

1 Q. And approximately when was that?

2 A. I think it was -- it was in the fall of 2003, October,
3 maybe, somewhere around there.

4 Q. And how did your job title change, then, your duties
5 and -- well, excuse me. Your job title obviously changed.
6 How did your duties and responsibilities change?

7 A. At the time when my job title changed, my duties didn't
8 really change because Amy had not been in the office very much
9 for several months leading up to that. So I had pretty much
10 assumed that role for some time before my job title actually
11 changed.

12 Q. Okay. Now, did there come a time when American Rights
13 Litigators -- the office physically moved from one location to
14 another?

15 A. Yes, sir.

16 Q. And can you tell the ladies and gentlemen of the jury
17 where it was and where it moved to?

18 A. It was in Mount Plymouth, Florida; and it moved to
19 downtown Mount Dora, just about 15 minutes away.

20 Q. Other than that physical change, did the nature of the
21 business change at all?

22 A. I believe when we moved, American Litigators (sic) kind of
23 ended, disbanded, that sort of thing.

24 Q. And did it become something else?

25 MR. BARNES: Objection, Your Honor, 402 and 403

1 grounds. This involves past, after the Indictment, years
2 outside of the scope of Count One, and involves a completely
3 different entity which Mr. Snipes was never a member of.

4 MR. O'NEILL: It's well within the scope of the
5 conspiracy, Your Honor.

6 THE COURT: All right. On that representation I'll
7 overrule the objection.

8 Do you recall the question, Ms. True?

9 THE WITNESS: I do not.

10 MR. O'NEILL: I'll be glad to change it, yes,
11 Your Honor.

12 BY MR. O'NEILL:

13 Q. Ms. True, you stated that you believed at that time with
14 the move American Rights Litigators basically ceased to exist.

15 A. Yes.

16 Q. What did it become?

17 A. It didn't become anything.

18 Q. That entity just ended?

19 A. Yes, sir.

20 Q. Okay. Was there any formal disbanding of the corporation?

21 A. I believe a notice went out to the clients.

22 Q. Okay. Did a new corporation come into existence?

23 A. A new corporation in exchange for American Rights
24 Litigators?

25 Q. Correct.

1 A. No, sir.

2 Q. Did a whole new entity start?

3 A. Where?

4 Q. At the new address in Mount Dora.

5 A. Yes, sir.

6 Q. And what was that whole new entity?

7 MR. BARNES: Your Honor, I would renew the
8 objection. Clearly the witness established a foundation that
9 ARL terminated, and this new entity is not one my client had
10 anything to do with.

11 THE COURT: Well, again, in view of the temporal
12 scope of the allegations in Count One, I'll presently overrule
13 the objection.

14 You may answer, Ms. True.

15 THE WITNESS: Can you repeat the question for me,
16 please?

17 BY MR. O'NEILL:

18 Q. Surely. What was this new entity?

19 A. Guiding Light of God Ministries.

20 Q. Okay. Who was in charge of Guiding Light of God
21 Ministries?

22 A. I don't remember specifically who the person was that was
23 on the corporation papers. I don't remember specifically.

24 Q. On the day-to-day operations of the business who ran it?

25 A. Eddie Kahn.

1 Q. Did the day-to-day operations in any way change when it
2 became Guiding Light of God Ministries from when it was
3 American Rights Litigators?

4 A. Yes, sir.

5 Q. And please explain how.

6 A. In one way it was considered a ministry; ARL was more of a
7 business. The individuals that joined Guiding Light of God
8 Ministries were considered patrons.

9 Any services that were rendered were done for free, and
10 they would send in donations, that sort of thing, for the type
11 of services that were rendered. So I -- I guess that's
12 probably the main thing that was different in how they
13 operated.

14 Q. Okay. Let's go through that for a second.

15 A. Uh-huh.

16 Q. You used the word "patrons."

17 A. Yes.

18 Q. Previously under American Rights Litigators I believe you
19 used the word "clients."

20 A. Yes, sir.

21 Q. And now they were called "patrons"?

22 A. A total separate entity.

23 Q. Okay. What GLGM was doing for these individuals was what?

24 A. Similar to that of ARL.

25 Q. How was it different?

1 A. I guess the correspondence that went on changed. With
2 GLGM I don't -- from what I remember, I don't believe we had
3 attorney and CPAs doing correspondence, but I could be wrong.
4 I don't remember.

5 Q. Well, then who was providing the tax advice for GLGM?

6 A. A number of different people.

7 Q. Tax lawyers?

8 A. I don't believe they were tax lawyers.

9 Q. Did they have any tax expertise?

10 A. It kind of depends on what you consider "tax expertise," I
11 guess.

12 Q. Did they have any background in taxation whatsoever?

13 A. Yes, sir.

14 Q. And what was that?

15 A. Research.

16 Q. And who were these people?

17 A. A number of different people that were in the office at
18 that time.

19 Q. In the research department?

20 A. Some of them.

21 Q. How about some of the names?

22 A. I guess probably the primary one would have been Allen
23 Tangway. He did a lot of the letter writing.

24 Q. And to your knowledge, is he a tax lawyer?

25 A. Not to my knowledge.

1 Q. To your knowledge, is he an accountant?

2 A. Not to my knowledge.

3 Q. And who else was in the research department?

4 A. J.R. was in there, Steve, Danny.

5 Q. By "Danny" do you mean your father, Danny True?

6 A. I do.

7 Q. Is he an attorney?

8 A. Not to my knowledge.

9 Q. And is he an accountant?

10 A. Not to my knowledge.

11 Q. Now, you also said it changed in that, under American
12 Rights Litigators, clients were charged fees, but now patrons
13 were charged donations.

14 A. They weren't charged donations.

15 Q. Oh. They were asked to pay a donation --

16 A. Yes, sir.

17 Q. -- or to give a donation?

18 A. Uh-huh.

19 Q. Okay. And how did that -- were the donations that were
20 requested approximately the same as the fees that were
21 previously charged?

22 A. From what I remember, they were similar, yeah.

23 Q. They were very much the same, correct?

24 A. Yes, sir.

25 Q. Okay. Now, did the employees change from the time it went

1 from American Rights Litigators to Guiding Light of God
2 Ministries?

3 A. At the time when the change took place, I don't remember
4 if anybody was hired or left.

5 Q. Okay.

6 A. But the staff remained pretty much the same.

7 Q. So the staff is pretty much the same.

8 A. Uh-huh.

9 Q. And it's still -- the entity -- the new entity is also
10 providing tax advice, correct?

11 A. I don't believe it was considered tax advice, no, sir.

12 Q. Oh. Okay. Because it was a ministry. What was it
13 providing now?

14 A. Services.

15 Q. Tax services?

16 MR. WILSON: Objection, leading.

17 MR. O'NEILL: I'll rephrase it, Your Honor.

18 THE COURT: All right. Go ahead.

19 BY MR. O'NEILL:

20 Q. What type of services was it providing at this point?

21 A. Communication with the IRS. They did that type of
22 services.

23 Q. On what type of matters, ma'am?

24 A. Tax matters.

25 Q. Okay. Now, we talked about the seminars, and I just want

1 to ask a follow-up question to that. I believe you said --
2 and please correct me if I'm wrong -- Mr. Kahn said the filing
3 of taxes is not mandatory?

4 A. I don't remember a specific time when he said that.

5 Q. Okay. And that was -- then how did you get that
6 impression?

7 A. It was the nature of the materials that he provided and
8 the nature of his business was on the grounds that filing
9 income tax returns is voluntary.

10 Q. And do you recall whether or not he ever said that?

11 A. Said what, sir?

12 Q. That the filing of income taxes is not mandatory but
13 voluntary.

14 A. So the question is, do I recall when he specifically said
15 that?

16 Q. Yes.

17 A. I do not recall a specific time when he said that, from
18 what I remember, no.

19 Q. Okay. Now, in the payroll for American Rights Litigators,
20 were you paid pursuant to your real name?

21 A. Yes, sir.

22 Q. Were pseudonyms also employed by the company?

23 A. At one time.

24 Q. At what time?

25 A. I don't remember a specific time as far as like I don't

1 remember specifically what date it was. Probably sometime in
2 2003 is when they started doing that, from what I remember.

3 MR. BARNES: Your Honor, I'd request the 105
4 instruction to the jury at this time.

5 THE COURT: Again, in view of the temporal scope of
6 the Indictment specific to Count One, I'm inclined to overrule
7 that objection.

8 BY MR. O'NEILL:

9 Q. And what was your pseudonym?

10 A. "Grace."

11 Q. And did the other employees have pseudonyms, to your
12 knowledge?

13 A. When you say "employees," who are you referring to?

14 Q. The people that worked with you in the office.

15 A. Eddie's staff?

16 Q. Eddie's staff.

17 A. Some of them did, yes.

18 Q. Okay. Were they Eddie's staff at American Rights
19 Litigators, these individuals? Would you characterize them as
20 Eddie's staff at American Rights Litigators?

21 A. Yes.

22 Q. Would you also characterize them as Eddie's staff at
23 Guiding Light of God Ministries?

24 A. Yes, sir.

25 Q. What was the ministry part of that, by the way?

1 A. Ministry part of --

2 Q. Guiding Light of God Ministries.

3 A. Guiding Light of God Ministries?

4 Q. Yes.

5 A. The fact that they were helping people.

6 Q. With their tax issues?

7 A. Yes, sir.

8 Q. Did anybody ever explain to you why pseudonyms were being
9 employed?

10 A. Not that I can remember, no, sir.

11 Q. Okay. Now, are you familiar with documents called bills
12 of exchange?

13 A. Yes, sir.

14 MR. BARNES: Your Honor, I would request a sidebar
15 briefly at this moment.

16 THE COURT: What's the objection, Mr. Barnes?

17 MR. BARNES: Your Honor, the objection would be
18 under 402 and 403 grounds that ARL said various things to
19 various people. Some of what she's talking about are things
20 my client never did. My client never sent in any bogus checks
21 or anything like that.

22 THE COURT: Well, I'm inclined to overrule that
23 objection with respect to the pending question, Mr. Barnes. I
24 don't see the need for a sidebar conference.

25 Do you recall the question, Ms. True?

1 THE WITNESS: No, sir. Could you repeat that for
2 me, please?

3 THE COURT: Please restate it, Mr. O'Neill.

4 MR. O'NEILL: Surely, Your Honor.

5 BY MR. O'NEILL:

6 Q. Are you familiar with something called a bill of exchange?

7 A. Yes, sir.

8 Q. Can you please explain to the ladies and gentlemen of the
9 jury what that is and how you came to learn of that within the
10 business?

11 A. It was explained to us that a bill of exchange was a form
12 of payment.

13 Q. And when you say explained to you, by whom?

14 A. I don't remember specifically who it was that explained
15 that to us.

16 Q. Did Eddie Kahn talk about -- Eddie Kahn -- excuse me --
17 talk about bills of exchange to you?

18 A. Yes, sir.

19 Q. And what did he tell you about these bills of exchange?

20 A. I don't remember a specific time when he told us something
21 specific about a bill of exchange. I know he referenced them
22 in conversation, but I don't remember a specific time when he
23 told us exactly what they were.

24 Q. Let me show you, ma'am -- well, let me go on. Maybe it
25 won't be necessary.

1 Do you recall him talking to you about a secret account?

2 A. I don't recall him specifically talking to us about a
3 secret account, no, sir.

4 Q. Okay. Let me show you a document that I'll mark as
5 Government's Exhibit...

6 (Pause.)

7 Q. Let me show you a document that's going to be marked for
8 purposes of identification --

9 A. Okay.

10 Q. -- as Government's Exhibit 144.

11 MR. O'NEILL: And if I may approach the witness,
12 Your Honor?

13 THE COURT: You may.

14 MR. WILSON: Your Honor, I have an objection:
15 Improperly refreshing the witness' recollection.

16 THE COURT: I don't understand the objection at the
17 moment, Mr. Wilson.

18 Are you showing the witness an exhibit for purposes
19 of laying a predicate for its admission, Mr. O'Neill?

20 MR. O'NEILL: No, Your Honor, for refreshing her
21 recollection.

22 You want me to ask a follow-up question?

23 THE COURT: That would seem appropriate, yes.

24 BY MR. O'NEILL:

25 Q. Ms. True, did you testify to the grand jury in this case?

1 A. I did.

2 Q. And were you provided with a grand jury transcript to
3 refresh your recollection as to what you testified to?

4 A. Yes, sir, I was.

5 Q. Do you recall being asked a number of questions concerning
6 your employment at American Rights Litigators as well as GLGM?

7 A. At what time?

8 Q. At the grand jury.

9 A. Yes, sir.

10 Q. And would a review of that grand jury transcript, do you
11 believe, assist you in refreshing your recollection as to
12 whether you had a conversation with Eddie Kahn about this
13 secret account?

14 A. Are you asking me did it or would it?

15 Q. Would it?

16 A. I can't tell you that for sure.

17 Q. Would you like to look at the grand jury transcript to see
18 if it would refresh your recollection?

19 A. That's fine.

20 MR. O'NEILL: May I approach the witness,
21 Your Honor?

22 THE COURT: Very well.

23 MR. WILSON: Your Honor, I object still. She didn't
24 say that it would help her or would assist in refreshing her
25 recollection.

1 THE COURT: Well, I'll overrule that objection,
2 Mr. Wilson.

3 BY MR. O'NEILL:

4 Q. And, Ms. True, just so it's clear, you cannot read out
5 loud, just to yourself.

6 A. Okay.

7 MR. BARNES: Your Honor, I request that the witness
8 be told she's allowed to read the -- any part and all of the
9 grand jury transcript to refresh her recollection as to
10 everything she said and the context in which she said it.

11 THE COURT: Every answer she's given thus far,
12 Mr. Barnes?

13 MR. BARNES: I believe, Your Honor, there's several
14 different parts of the transcript where she references --

15 THE COURT: She's subject to cross-examination. At
16 the moment she's asked by Mr. O'Neill to look at a particular
17 response, I believe.

18 (Pause.)

19 MR. O'NEILL: While she's reading that, Your Honor,
20 I have just been informed our exhibit list goes up to 149. So
21 for the record, this would be 150 for identification only.

22 (Pause.)

23 THE WITNESS: Did you have a question specific to --

24 BY MR. O'NEILL:

25 Q. Yes. First of all, have you had an opportunity to look

1 through several of the pages of the transcript?

2 A. Yes, sir.

3 Q. Does that refresh your recollection as to whether

4 Eddie Kahn talked to you about this secret account?

5 A. I don't remember specifically him talking about it.

6 Q. Well, no. The question would be, does that document

7 refresh your recollection?

8 A. No, sir.

9 Q. Okay. Thank you.

10 A. Uh-huh.

11 Q. Now, do you recall ever speaking with Mr. Kahn about how

12 he found out about this secret account?

13 A. No, sir.

14 Q. These BOEs, or bills of exchange, how were they generated

15 within the company?

16 A. Using, like, a Microsoft Word mail merge and then print it

17 out.

18 Q. Okay. Please explain that for us. I don't know anything

19 about merging and Microsoft documents.

20 A. Well, basically in Microsoft Word you would have a

21 template, you know, like a document, and then you would use a

22 merging piece of the software that would actually merge in

23 someone's name, their address, any other pertinent information

24 in that document that made it specific to them. And then it

25 would print it out with all of that information loaded into

1 the document.

2 Q. When you say "print it out," would it be printed out on a
3 copier right there?

4 A. Not a copier. Usually a printer.

5 Q. A printer. Okay. And what type of paper would be
6 inserted into it?

7 MR. BARNES: Your Honor, objection on 402 and 403
8 grounds and motion for a mistrial, motion to sever if those
9 objections are not granted.

10 THE COURT: Well, I will overrule the objection as
11 well as the motions.

12 THE WITNESS: What kind of paper, was the question?

13 BY MR. O'NEILL:

14 Q. What kind of paper was used to generate these bills of
15 exchange?

16 A. A number of different kinds of paper.

17 Q. What type?

18 A. Regular paper, just like regular copy paper; check paper
19 at times; some type of paper with, you know, color something
20 to it, you know, that was different than just regular copy
21 paper.

22 Q. Once this was generated, what did it look like?

23 A. Like a certificate, something like that, I guess I would
24 say.

25 Q. And what was its purpose?

1 A. The bill of exchange -- what was the bill of exchange
2 purpose?

3 Q. Yes. That's the question.

4 A. To settle -- to settle the debt.

5 Q. So that was -- what did ARL and then GLGM do with this
6 bill of exchange?

7 A. They didn't do anything with it.

8 Q. Well, you just left it and stacked it up in the office?

9 A. Well, they didn't use it for their purposes. Their
10 clients would use that.

11 Q. What did they do with it?

12 A. Give it --

13 MR. WILSON: Objection, asked and answered.

14 THE COURT: Overruled.

15 THE WITNESS: Could you ask me the question again,
16 please?

17 BY MR. O'NEILL:

18 Q. Yes. What did they do with it once they generated BOE?

19 A. It was given to their clients.

20 Q. How so? Was it mailed to the clients, hand-delivered, do
21 you recall?

22 A. I believe if it was a client that was local, they may come
23 into the office to get them. If they were, you know, not
24 local, then it would be mailed to them.

25 Q. And what was the client to do with this bill of exchange?

1 A. Send it in to the IRS.

2 Q. And would that constitute a form of payment for their tax
3 obligation?

4 A. Supposedly it was a form of payment, yes, sir.

5 Q. And please explain to the ladies and gentlemen of the
6 grand jury -- of the jury -- excuse me -- how that would work.

7 A. How what would work.

8 Q. How this document you generated would constitute payment
9 to the IRS.

10 A. I don't know --

11 MR. WILSON: Objection, foundation -- sorry -- lack
12 of foundation, Your Honor.

13 THE COURT: No, I'll overrule that objection. The
14 witness had answered "I don't know," I believe.

15 Put another question, Mr. O'Neill.

16 MR. O'NEILL: Yes, Your Honor.

17 BY MR. O'NEILL:

18 Q. Did American Rights Litigators or Guiding Light of God
19 Ministries have some sort of large account from which these
20 bills of exchange would draw down the money?

21 A. No, sir.

22 Q. So where was the money coming from that was -- that these
23 bills of exchange were based on?

24 A. It was explained to us that people with a Social Security
25 Number had some form of -- some form of an account like with

1 the U.S. Treasury and that the bills of exchange were just
2 basically an instrument that was used to tap in, so to speak,
3 to that account and use funds from that account to settle a
4 public debt.

5 Q. And did you believe this?

6 A. I saw that it worked for individuals.

7 Q. And please explain how you saw that it worked.

8 A. I saw copies of debt that was settled because a bill of
9 exchange was sent in for it.

10 Q. Okay. The bill of exchange was sent in to the IRS?

11 A. Yes, sir.

12 Q. And it did, in fact, work?

13 A. From what the paperwork showed.

14 Q. Did you see instances where it didn't work?

15 A. Yes, sir.

16 Q. And approximately how many bills of exchanges did you see
17 generated, Ms. True?

18 A. I couldn't even tell you.

19 Q. Would it be in the nature of zero to ten, more than ten,
20 more than a hundred, hundreds? Could you give us an estimate?

21 A. Are you saying, like, in total, like, the entire time that
22 those were being generated?

23 Q. Yes, ma'am.

24 A. My guess would be in the several hundreds, would be my
25 guess.

1 Q. How many client did American Rights Litigators, ARL, have?

2 A. Well, I know we were up, like, client number-wise -- we
3 assigned our clients numbers, and we were, I believe, up to
4 4,000, if I recall correctly. But it didn't necessarily mean
5 that we had 4,000 active clients because, you know, we didn't
6 reassign old client numbers; we just assigned new ones. So I
7 would say probably 1,800, somewhere around there, would be my
8 guess, less than 2,000 active clients.

9 Q. And how many clients did Guiding Light of God Ministry
10 have?

11 A. Less than that. I don't remember a specific number. I
12 didn't work with them very long.

13 Q. Were some of the clients from American Rights Litigators
14 patrons under Guiding Light of God Ministries?

15 A. Yes, sir.

16 Q. Were the bulk of the clients under American Rights
17 Litigators also patrons under Guiding Light of God Ministries?

18 A. Could you repeat that question for me again, please?

19 Q. Sure. Were the bulk of the clients under ARL also patrons
20 under GLGM?

21 A. Yes, sir.

22 Q. Now, were you ever told by Eddie Kahn, or anyone there,
23 that a BOE was not real money?

24 A. Not that I can recall.

25 Q. Were you ever paid by a BOE for your services while you

1 worked there?

2 A. No, sir.

3 Q. Let me show you, if I could, several exhibits that I do
4 not intend to offer in evidence at this time, Your Honor, but
5 merely lay a foundation.

6 First, if I may, with permission of the Court, show you
7 what's previously been marked as Government's Exhibit 72 for
8 purposes of identification only.

9 A. Okay.

10 Q. Just if we could -- maybe this will help speed it up --
11 did I show you this this morning?

12 A. You did.

13 Q. Okay. Now, Ms. True, did you look through this?

14 A. This morning?

15 Q. Yes.

16 A. Yes, sir.

17 Q. And if you want to look through it again just to make sure
18 it's the same thing -- do you recognize that, ma'am?

19 A. It's a phone message book, yes, sir.

20 Q. And have you seen it before?

21 A. I saw it this morning.

22 Q. And had you seen it before this morning?

23 A. Not that I know of.

24 Q. Do you recognize the handwriting in that phone message
25 book?

1 A. I believe so.

2 Q. And whose handwriting is it?

3 A. It appears to be Eddie's.

4 Q. And by "Eddie," do you mean Eddie Kahn?

5 A. Yes, sir.

6 Q. And are you familiar with Mr. Kahn's handwriting?

7 A. Somewhat familiar, yes, sir.

8 Q. Ms. True, at this time, with permission of the Court, I
9 would also show you what's been marked for identification only
10 as Government's Exhibit 73, and I would ask you if you
11 recognize that, ma'am.

12 A. Yes, sir.

13 Q. And, again, is that something I showed you this morning?

14 A. It is.

15 Q. And, ma'am, is that something that -- is that the type of
16 record that was kept by Eddie Kahn and Associates on his
17 seminar business?

18 A. Yes, sir.

19 Q. As part of your duties when you worked for him, did you
20 file things like that?

21 A. Yes, sir.

22 Q. Okay. And this specific one bears a lot of handwriting on
23 it. And whose handwriting is that?

24 A. It's mine.

25 Q. Thank you. I would show you, with permission of the

1 Court, Ms. True, Government's Exhibit 74 for purposes of
2 identification, and I'd ask you, again, do you recognize that?

3 A. I do.

4 Q. And was that kept in the offices of ARL?

5 A. I don't remember.

6 Q. Okay.

7 A. But I believe so.

8 Q. And where do you recall that being kept?

9 A. What was the question? I'm sorry.

10 Q. Where do you recall that being kept?

11 A. Where? Probably in a file drawer.

12 Q. Okay. And is Government's Exhibit 74 more of a personal
13 matter for Mr. Kahn as opposed to a client file?

14 A. It's not his client file, no.

15 Q. Right. And so was this kept in his office or the general
16 part of the office?

17 A. That specific file was probably kept in my file drawers.

18 Q. Okay. I would like to show you what's been marked as
19 Government's Exhibit 75 for purposes of identification.

20 A. Okay.

21 Q. And do you recognize that, ma'am?

22 A. Yes, sir.

23 Q. Was that a document kept by American Rights Litigators?

24 A. I assume so, but I don't ever remember seeing it packaged
25 in this form.

1 Q. Okay. How do you recall seeing it?

2 A. I know these are job descriptions, but I usually would
3 just see them, like, in an electronic version on the computer.
4 I didn't never see it that we had them printed out and filed
5 anywhere.

6 Q. Thank you.

7 Now, you mentioned electronic form. During your years at
8 American Rights Litigators and then Guiding Light of God
9 Ministries, was the business making that transition, like so
10 many businesses, from paper to computer?

11 A. Yes, sir.

12 Q. With permission of the Court I would approach you and show
13 you Government's Exhibit 77-1 --

14 A. Uh-huh.

15 Q. -- and ask, do you recognize that?

16 A. Yes, sir.

17 Q. And is that the type of record kept by the business of ARL
18 and then GLGM?

19 A. Yes, sir.

20 Q. Thank you.

21 Again, let me show you Government's Exhibit 79-1 and ask
22 you if you recognize that, ma'am.

23 A. I do.

24 Q. And is that a record that's kept by American Rights
25 Litigators and Guiding Light of God Ministries?

1 A. I don't remember if it was something that was kept at
2 GLGM. I know it was something that was initially put together
3 for ARL.

4 Q. Okay.

5 A. And I think we usually kept it electronically. It wasn't
6 usually in a printed-out form, from what I can remember.

7 Q. So your recollection is that it was kept at ARL in
8 electronic form?

9 A. Yes, sir, from what I remember.

10 Q. But would it bear the same substance -- information that's
11 contained in 79-1?

12 A. Can you ask that question again?

13 Q. Yes. Was it the same -- the substance of the information,
14 was that the same although in electronic form?

15 A. Yes, sir.

16 Q. Let me show you Government's Exhibit 80, if I may,
17 ma'am --

18 A. Okay.

19 Q. -- and ask you to look at that.

20 A. Uh-huh.

21 Q. And, again, do you recognize that?

22 A. I do.

23 Q. Is that something that was kept in the offices of ARL and
24 GLGM?

25 A. Most likely.

1 Q. Thank you.

2 A. Uh-huh.

3 Q. Let me show you what has been marked as Government's
4 Exhibit 86 for purposes of identification.

5 A. Uh-huh.

6 Q. Do you recognize that, ma'am?

7 A. I recognize it because you showed it to me this morning.
8 I don't recall seeing it in the office.

9 Q. Okay. In looking at that Government's Exhibit 86, you do
10 not recall seeing that one in the office?

11 A. No, sir.

12 Q. Then I won't ask you further questions on it.

13 A. Okay.

14 Q. Thank you.

15 Let me show you Government's Exhibit 87. It's not in
16 evidence so we can't refer to it out loud, but do you recall
17 seeing that in the office?

18 A. I cannot recall a specific time when I saw this in the
19 office, no, sir.

20 Q. Do you recall seeing it in the office?

21 A. No, sir.

22 Q. Ms. True, let me show you Government's Exhibit 89 for
23 purposes of identification.

24 A. Uh-huh.

25 Q. And I ask you, do you recall seeing that in the office?

1 A. No, sir, I don't recall seeing it.

2 Q. Now, Ms. True, to your knowledge, was Wesley Snipes a
3 client of American Rights Litigators?

4 A. Yes, sir.

5 Q. And how do you know that?

6 A. His name and personal contact information was in our
7 database, along with the other clients; and we would do
8 correspondence letters for him from time to time. And he
9 would call into the office from time to time.

10 Q. When you say you would do correspondence letters from time
11 to time, what are you referring to?

12 A. The letters that the attorney or the CPA would send on
13 behalf of our clients were at times sent for Wesley as well,
14 from what I can remember.

15 Q. Okay. Now, you identified Mr. Rosile earlier. To your
16 knowledge, was Douglas Rosile an employee -- excuse me -- a
17 client of American Rights Litigators?

18 MR. WILSON: Objection, asked and answered.

19 THE COURT: It's a different question, I believe.
20 Overruled.

21 THE WITNESS: Could you ask me the question again,
22 please?

23 BY MR. O'NEILL:

24 Q. To your knowledge, was Douglas Rosile a client of American
25 Rights Litigators?

1 A. I believe he was at one time, yes, sir.

2 MR. O'NEILL: Nothing further. Thank you,
3 Your Honor.

4 THE COURT: All right. Well, here again, members of
5 the jury, it seems as though we reach a stopping point just
6 before 12:00 every day. So I think it's appropriate that we
7 recess for lunch given this break in the examination of
8 Ms. True and resume again at 1:15 this afternoon, and you're
9 now excused for lunch until that time.

10 (The luncheon recess was taken.)

11 (Jury absent.)

12 THE COURT: Thank you. Be seated, please.

13 Yes, Mr. O'Neill.

14 MR. O'NEILL: Thank you, Your Honor. I just want to
15 bring to the Court's attention that, obviously, unless waived,
16 identification is an issue. And the witnesses this afternoon
17 are not in a position to identify Mr. Kahn, if he continues to
18 voluntarily absent himself from trial.

19 And that will be an issue and I wanted to alert the
20 Court to that.

21 THE COURT: All right.

22 MR. BARNES: I don't know if this is a solution,
23 Your Honor, but my understanding, Your Honor, is that there is
24 a photo of Mr. Kahn in the government's discovery. That may
25 substitute.

1 THE COURT: Well, that may be a solution here. I
2 assume -- well, I shouldn't assume anything. Is
3 identification by any witness of Mr. Kahn individually going
4 to be a foreseeable issue in the case in so far as either
5 Mr. Snipes or Mr. Rosile is concerned?

6 MR. BARNES: No, Your Honor.

7 MR. WILSON: No, Judge.

8 THE COURT: Mr. Nielsen --
9 Where is Deputy Marshal Rivera or Thornal, do we
10 know?

11 Have you had a report today, Mr. Nielsen, concerning
12 Mr. Kahn's preference?

13 MR. NIELSEN: Yes, sir.

14 THE COURT: What is it?

15 MR. NIELSEN: I was advised by the marshals that
16 they had spoken to Mr. Kahn and he elects to continue not to
17 participate, Your Honor.

18 THE COURT: Well, under those circumstances, Mr.
19 O'Neill, it seems to me that a photograph of Mr. Kahn can be
20 used. Do you have one?

21 MR. O'NEILL: We are going to try to locate it, Your
22 Honor. It is not in the government's exhibit list. Counsel
23 is right, it is in the overall discovery, and we will try to
24 locate it.

25 THE COURT: All right. Let's do that.

1 MR. O'NEILL: Yes, Your Honor.

2 THE COURT: And I will get, as I had intended to by
3 now, a statement on the record from the marshal concerning his
4 communication from Mr. Kahn this morning.

5 As I announced last evening, I have asked the
6 marshals to raise with Mr. Kahn each morning affirmatively
7 whether he wishes to come to court, and then to make himself
8 available throughout the day to any communication from
9 Mr. Kahn that he may have changed his mind.

10 MR. NIELSEN: Your Honor, excuse me. I would ask
11 that that not be a booking photo, on his behalf, if that is
12 what is -- and if it is, to somehow redact it so it doesn't
13 show that. But that is one request I would have.

14 MR. BARNES: To my knowledge, Your Honor, I don't
15 believe it is a booking photo. I believe it is a P.R. photo
16 of some sort, as I recall.

17 THE COURT: All right. Well, we will deal with
18 that, if it becomes necessary.

19 Seat the jury, please.

20 THE COURT SECURITY OFFICER: All rise.

21 (Jury present.)

22 THE COURT: Thank you. Be seated, please, members
23 of the jury.

24 Mr. Barnes, you may cross-examine.

25 MR. BARNES: Yes, Judge.

CROSS-EXAMINATION

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BY MR. BARNES:

Q Good afternoon, Charis.

A Hello.

Q So you pronounce -- Eddie Kahn, you pronounce his name as in "Kahn" as in "sugar cane"?

A Yes, sir.

Q Okay. And people who have been introduced to him or know him know that he goes by Kahn not Con (phonetic)?

A Correct.

Q In your experience with Mr. Kahn, was he a very persuasive person?

A At times.

Q Was he -- did he come across to you as a very sincere person?

A Very.

Q You said that -- you referenced to Mr. O'Neill that when Eddie would do seminars, he would give various documentation?

A Yes, sir.

Q And he would also present that documentation in the form of pamphlets and video?

A That's correct.

Q Do you know how many videos were sent out to people?

A I believe he had nine, nine or ten, somewhere right around there.

1 Q So nine or ten different videos he would send to various
2 customers?

3 A Correct.

4 Q Do you know how many people requested videos from
5 Mr. Kahn?

6 A Over a certain period of time or --

7 Q Over the entire period of time that you knew him or worked
8 with him.

9 A Several hundred. I wouldn't know like an exact number.

10 Q And how many seminars -- did he do these seminars all
11 across the country?

12 A Yes, sir.

13 Q Were people often publicly invited to these seminars?

14 A Yes, sir.

15 Q Do you know how many seminars he did across the country?

16 A I have no idea. I would say probably, I don't know,
17 probably at least five or six a year, something like that.

18 Q And did Eddie show you a letter where he had invited the
19 commissioner of the Internal Revenue Service and the IRS to
20 come to those seminars?

21 A Yes, sir, he did.

22 Q And that letter was dating all the way back to 1998?

23 A I don't recall the date of it, but I remember seeing the
24 letter.

25 Q Do you know if the IRS ever took him up on his invitation?

1 A I don't know.

2 Q You said that there were at least 1,800 clients of ARL?

3 A I would say for an estimate, yeah, somewhere right around
4 there, active clients. Probably as many as 4- or 5,000 over
5 the course of the company's history, but probably a little
6 less than 2,000 active at one time.

7 Q At any one time?

8 A Uh-huh.

9 Q Of those 4- to 5,000 people, did they come from all across
10 the country?

11 A They did.

12 Q Did they come from all walks of life?

13 A Yes, sir.

14 Q Were some of them doctors?

15 A I assume so, yes, sir.

16 Q And some of them were professionals?

17 A Yes, sir.

18 Q And many of them were very educated people?

19 A Definitely.

20 Q Was some of the documentation that Eddie would show
21 concerning his tax beliefs documentation including letters
22 from the commissioner of the Internal Revenue Service?

23 A I believe so, yes, sir.

24 Q And, in fact, one of those letters was from Commissioner
25 Rossotti, telling people that their return and their tax

1 obligations were voluntary, not mandatory?

2 A You are correct.

3 Q And did that documentation also include case laws and
4 court cases from court cases, Federal court cases?

5 A Yes, sir.

6 Q Did it also include references to what was in the Internal
7 Revenue code.

8 A Yes, sir.

9 Q Did it also include what was -- in references to the
10 income tax regulations?

11 A Yes, sir.

12 Q You mentioned that ARL had various attorneys and CPAs
13 providing services to clients; is that correct?

14 A That is correct.

15 Q And one of those attorneys was Raymond Pope?

16 A Yes, sir.

17 Q I am going to show you what is marked as Defense Exhibit
18 230.

19 A Okay.

20 Q Is this a resume of Ray Pope?

21 A It appears to be so, yes, sir.

22 Q And was this the attorney that you knew at ARL?

23 A I wouldn't be able to tell you that, only because I didn't
24 really know what his history was, his work history, you know,
25 his current position or anything like that. I wouldn't be

1 able to tell you for sure.

2 Q Okay. And the other attorney was Milton Baxley?

3 A Yes, sir.

4 Q And there was also a CPA, Brian Malatesta?

5 A Yes, sir.

6 Q And your understanding was that all of these people agreed
7 with Eddie's beliefs?

8 A As far as I know, yes, sir.

9 Q Was the services provided by ARL to clients was that --
10 these clients could go directly to the IRS to find out if what
11 Eddie was saying was true?

12 A Yes, sir.

13 Q And frequently when they made various requests for refunds
14 or to pay a tax, frequently you saw refund checks; is that
15 correct?

16 A I remember seeing copies of refund checks.

17 Q So copies of refund checks actually issued to clients?

18 A Yes, sir.

19 Q And there was a reference to bills of exchange. Some of
20 these bills of exchange were printed out just like letters;
21 correct?

22 A Correct.

23 Q I'm going to show you what is marked as Government's
24 Exhibit 87-9. Does that document look familiar to you in
25 terms of the form of bills of exchange that were used by ARL

1 clients?

2 A In terms of the form, yes, sir.

3 Q Okay. And was each one of those letters -- who was it
4 addressed to at the top left-hand corner?

5 MR. O'NEILL: Are we referring to that document?

6 MR. BARNES: Yes.

7 MR. O'NEILL: It is not in evidence, Your Honor.

8 THE COURT: Sustained. It ought not be published in
9 any part unless it is offered and received in evidence,
10 Mr. Barnes.

11 BY MR. BARNES:

12 Q Do you know who these letters were routinely sent to on
13 behalf of ARL clients?

14 A I think it kind of depended on the letter, because I know
15 when the bills of exchange were processed, a certain piece of
16 it would go to the Treasury and a certain piece of it would go
17 to the IRS.

18 Q Okay.

19 A And so I know there was -- I don't remember his first
20 name, but someone with the last name Snow was the person in
21 the Treasury that things normally went to.

22 Q Okay. So it was up to the client where they decided to
23 send the letter?

24 A No. It usually -- a certain portion would go to the
25 Treasury, and I believe it was usually someone -- I don't

1 remember his first name, like I said, but his last name was
2 Snow.

3 And it would, most of the time, go to -- if there was an
4 IRS letter, if there was a specific agent that it came from,
5 it would go to them.

6 Q Okay. So if they were sending the bill of exchange as a
7 responsive document, it would also go to that person?

8 A Correct.

9 Q If they were just sending it in on their own, it would
10 just go to Mr. Snow or whoever the Secretary of Treasury was?

11 A I don't know of a time that they were actually sent out
12 when it wasn't in response to some kind of correspondence from
13 the IRS. It may have been, but I don't know that they did
14 that.

15 Q Okay. Was it often the case in these letters that got
16 sent out the person would put -- the client would put their
17 name on the bottom? Was that a common occurrence?

18 A You mean sign their name on the bottom?

19 Q Exactly.

20 A Yes, sir.

21 Q And would they frequently ask at the bottom in the letters
22 that you would send out to people: If you need more
23 information or assistance, you may write me?

24 A I don't remember that for sure.

25 Q Okay. So some of this was up to the individual client,

1 how to send it in and whom to send it to?

2 A To some extent, yes.

3 Q Did you think anything that you did at ARL was part of a
4 conspiracy to defraud the government?

5 A No, sir.

6 MR. BARNES: No further questions, Your Honor.

7 THE COURT: Mr. Wilson?

8 MR. WILSON: Yes, sir.

9 CROSS-EXAMINATION

10 BY MR. WILSON:

11 Q Good afternoon, Ms. True.

12 A Hello.

13 Q Ms. True, my name is David Wilson and I am Mr. Rosile's
14 attorney.

15 A Okay.

16 Q I just wanted to go over some of the testimony that you
17 gave regarding your knowledge of Mr. Rosile during the time
18 period that he was affiliated with American Rights Litigators.

19 Now, you have testified about two different entities, I
20 believe; American Rights Litigators and Guiding Light of God
21 Ministries; correct?

22 A Yes, sir.

23 Q Okay. And Mr. Rosile wasn't affiliated with Guiding Light
24 of God Ministries, was he?

25 A Not that I know of.

1 Q Okay. In fact, Mr. Rosile wasn't -- would it be fair to
2 say that he didn't work for American Rights Litigators for a
3 very long period of time?

4 A Yes, sir.

5 Q Okay. You indicated that you really didn't know exactly
6 what he did at ARL; is that correct?

7 A True.

8 Q And you indicated that he just came into the office on
9 occasions, right?

10 A That's correct.

11 Q So he wasn't there all the time?

12 A No, sir, he wasn't.

13 Q You also indicated that Mr. Rosile wasn't an employee of
14 ARL?

15 A That is correct.

16 Q Do you know how long Mr. Rosile worked for ARL?

17 A I don't know that he ever worked for ARL. As far as the
18 time that he was coming and going in our office, just a matter
19 of a few months, I believe.

20 Q Just a few months?

21 A Uh-huh.

22 Q Okay. Mr. Rosile didn't conduct any of the seminars, did
23 he?

24 A Not that I know of.

25 Q And he didn't do any of the research, did he?

1 A Not unless it pertained to what he was actually doing for
2 the clients.

3 Q Okay. Which you don't know what that was?

4 A I don't know specifically what it was; something with
5 their tax returns, but I don't know exactly.

6 Q Okay. And you have testified about these documents
7 referred to as "bills of exchange;" correct?

8 A Yes, sir.

9 Q Okay. And you are not aware that Mr. Rosile had anything
10 to do with the bills of exchange, right?

11 A I am not aware of anything that he did, no.

12 Q You have testified about seminars that Mr. Kahn would give
13 throughout the country, right?

14 A (Nodding head.)

15 Q Okay. And Mr. Rosile didn't have anything to do with
16 those seminars, did he?

17 A I don't know for sure.

18 Q Okay. Did he -- are you aware of whether he ever actually
19 gave any seminars?

20 A That is what I am not sure of. I can't remember.

21 Q Okay. Are you aware of whether he was involved in the
22 production of the seminars that Mr. Kahn gave?

23 A As far as I know, he was not.

24 Q Okay. You have -- I think you have testified that
25 Mr. Kahn was very -- I don't want to put words in your mouth.

1 I don't recall exactly what you said, but he was -- Mr. Kahn
2 was convincing in his presentations; is that right?

3 A At times.

4 Q Okay. And, in fact, you believe the truth of the things
5 or the ideas that Mr. Kahn told to others about the obligation
6 to pay income tax; is that right?

7 A Some of them.

8 Q In fact, you believed in the truth of the services that
9 ARL was providing for its clients; is that right?

10 A Some of them.

11 Q During the time that you worked for American Rights
12 Litigators, did you ever agree or conspire to defraud the
13 United States government?

14 A Absolutely not.

15 MR. WILSON: I don't have any more questions, Judge.

16 THE COURT: Any redirect, Mr. O'Neill?

17 MR. O'NEILL: Yes, Your Honor.

18 REDIRECT EXAMINATION

19 BY MR. O'NEILL:

20 Q Ms. True, when you first testified before the Federal
21 Grand Jury, did you make a request of the prosecutor for
22 transactional immunity?

23 A I don't recall.

24 MR. WILSON: Objection; relevance.

25 THE COURT: In view of the cross-examination, I will

1 overrule that objection.

2 BY MR. O'NEILL:

3 Q You do not recall whether you asked for transactional
4 immunity?

5 A I do not.

6 Q Do you recall whether you asked for derivative use
7 immunity?

8 A I believe I did not.

9 Q Would anything refresh your memory as to whether you did
10 or not?

11 A Kind of depends on what it is.

12 Q Okay. Well, you believe you did not ask for derivative
13 use immunity?

14 A Yes, sir.

15 MR. O'NEILL: Well, Your Honor, then I would read
16 into the record as part of a proper impeachment the Grand Jury
17 testimony, June 17, 2004, page four.

18 MR. WILSON: Your Honor, I object to him reading
19 Grand Jury testimony into the record.

20 MR. O'NEILL: As a prior inconsistent statement,
21 Your Honor.

22 THE COURT: I will overrule that objection.

23 BY MR. O'NEILL:

24 Q "Ma'am, when we met --" "question." And this is by a
25 prosecutor other than myself; is that correct? Is that

1 correct?

2 A What was your question?

3 Q Was it a prosecutor other than myself asking you questions

4 --

5 A During the Grand Jury investigation?

6 MR. WILSON: Objection; improper impeachment.

7 THE COURT: In what way, Mr. Wilson?

8 MR. WILSON: Your Honor, she has testified that she
9 doesn't recall making a statement. She hasn't testified
10 inconsistently with something that he is attempting to elicit
11 from her now. If she made a statement that she didn't do
12 something --

13 THE COURT: I think it's if she does not recall. It
14 is subject to impeachment when she said she thinks that she
15 can be refreshed, and then she says she didn't make the
16 request, in any event.

17 Go ahead, Mr. O'Neill.

18 BY MR. O'NEILL:

19 Q Ms. True, do you recall being asked the following
20 questions, giving the following answers:

21 "Question: When we met this morning, you made a request
22 of me.

23 "Answer: Yes, sir.

24 "Question: What was that request?

25 "Answer: I requested transactional immunity and --

1 "Question: And? I'm sorry?

2 "Answer: Derivative use immunity.

3 "Question: And what was my response?

4 "Answer: You declined it.

5 "Question: I said 'no,' right?

6 "Answer: Yes, sir."

7 Do you recall those questions and answers?

8 A I don't recall them; but if it's in the record, then I
9 suppose I said it.

10 Q If you did not engage in any sort of illegal behavior, why
11 were you requesting transactional and derivative use immunity?

12 A As I said, I don't even remember asking for it. So the
13 reasoning behind that, I am not real clear on at this moment.

14 Q Did someone instruct you to ask for that?

15 MR. WILSON: Objection, Your Honor, to the extent
16 that that may intrude upon attorney-client privilege,
17 depending upon who advised her.

18 THE COURT: Well, I think it is -- the privilege is
19 for the witness to invoke rather than others.

20 However, you do have an attorney-client privilege,
21 Ms. True, to decline to testify with respect to any advice
22 that may have been given to you by an attorney, if you were
23 represented at the time.

24 Do you understand that?

25 THE WITNESS: Yes, sir, I do.

1 THE COURT: Do you wish to --

2 Well, state your question again so we are clear
3 about this, Mr. O'Neill.

4 BY MR. O'NEILL:

5 Q Yes. I believe the question was: If you had not
6 committed any offense against the United States, why were you
7 requesting immunity?

8 A Probably along the same lines or the same reason that
9 somebody would plead the Fifth Amendment rights, on the
10 grounds that something that they could say could possibly
11 incriminate them without their knowledge.

12 Q Did you know what transactional immunity was at the time
13 you asked for it?

14 A Probably a little bit.

15 Q And what is it?

16 A Something along the lines of basically anything that you
17 give as testimony can't be -- end up being held against you.

18 Q And that was your understanding of transactional immunity?

19 A Something along those lines, yes.

20 Q And how about derivative use immunity?

21 A Have no idea. I don't even remember that.

22 Q And then -- but you did request that?

23 A Apparently, I did.

24 Q And was that of your own volition or did someone ask you
25 or tell you to request that?

1 A No one told me to request it, no, sir.

2 Q Then where did you come up with the term "derivative use
3 immunity"?

4 A I don't recall.

5 Q Do you have any legal training?

6 A What was that?

7 Q Do you have any legal training?

8 A No, sir.

9 Q And so the record is clear, that was in 2004, so that was
10 three years ago?

11 A What time in 2004 was that?

12 Q June 17th.

13 A Three-and-a-half years ago, yes, sir.

14 Q And during that period of time -- before then, had you had
15 any sort of legal training, since your high school graduation?

16 A Could you state that question again, please?

17 Q Did you have any legal training since your high school
18 graduation?

19 A No, sir.

20 Q So you have no idea now where you got the term "derivative
21 use immunity"?

22 A Would you state that question again, please?

23 Q You have no idea now, as you sit here, why you asked for
24 derivative use immunity?

25 MR. WILSON: Objection; argumentative, asked and

1 answered.

2 THE COURT: Overruled.

3 A I know that I asked it, yes. I am not quite understanding
4 your question.

5 Q As you sit here, do you have any idea why you asked for
6 derivative use immunity?

7 A For protection.

8 Q From what?

9 A That any testimony that I would have given could then in
10 the future be used against me.

11 Q In what manner?

12 A I don't know specifically.

13 Q Had you done anything wrong?

14 A No, sir.

15 Q Then why did you ask for this immunity?

16 THE COURT: Well, that is asked and answered, I
17 think.

18 MR. O'NEILL: Yes, sir. I agree, Your Honor. I
19 withdraw it.

20 Thank you.

21 RE-CROSS-EXAMINATION

22 BY MR. BARNES:

23 Q How old were you at the time that you were asked to appear
24 before the Grand Jury?

25 A Twenty-two, I believe.

1 Q Did you have a lawyer there?

2 A No, sir.

3 Q And you had not been advised by a lawyer before you went
4 there?

5 A No, sir.

6 Q Was it a scary experience?

7 A Not really, no, sir.

8 Q So you just wanted to make sure that nothing you did or
9 said could be used against you later?

10 A Exactly.

11 Q And is it possible that you could have got this term from
12 looking up stuff on the Internet?

13 MR. O'NEILL: Objection to possibility, Your Honor.

14 BY MR. BARNES:

15 Q Did you ever look up at the Internet --

16 MR. BARNES: I will withdraw the question.

17 THE COURT: Go ahead.

18 BY MR. BARNES:

19 Q Did you ever look up issues on the Internet on occasion?

20 A Yes, sir.

21 Q Do you recall if you looked up on the Internet the issue
22 of what you should do before you appear before a Grand Jury?

23 A I think I may have.

24 Q And do you believe that that is where the term came from?

25 A I don't believe that's where it came from. I can't

1 recall, though.

2 Q Okay. And did they also give you a perjury warning at
3 your testimony before the Grand Jury?

4 A I believe they probably did, yes, sir.

5 Q And you have never been charged with perjury, have you?

6 A No, sir.

7 Q And everything you said today was truthful?

8 A Yes, sir.

9 MR. BARNES: Thank you.

10 THE COURT: Mr. Wilson, any further questions?

11 MR. WILSON: No questions, Your Honor.

12 MR. O'NEILL: Your Honor, I would ask to re-open her
13 testimony for one item that we talked about previously before
14 the jury came in, the introduction of a document.

15 THE COURT: All right. You may. Go ahead.

16 Mr. Wilson will --

17 (Tendered to Mr. Wilson and Mr. Nielsen.)

18 DIRECT EXAMINATION (cont'd)

19 BY MR. O'NEILL:

20 Q Ms. True, with permission of the Court, I will ask you
21 just a quick question. I would show you a document that's
22 been marked as Government's Exhibit 151 for purposes of
23 identification only at this time, and I would ask you to look
24 at that.

25 A Uh-huh.

1 Q And is that a photograph?

2 A Is it a photograph?

3 Q Is it a copy of a photograph?

4 A Yes, sir.

5 Q And who is depicted in that copy of the photograph?

6 A It appears to be Eddie Kahn.

7 Q When you say "it appears to be," is that Eddie Kahn?

8 A It looks like him.

9 Q Okay. Are you familiar with Mr. Kahn?

10 A I am.

11 Q Have you known Mr. Kahn for a number of years?

12 A Yes, sir.

13 Q Is that Mr. Kahn?

14 A It appears to be him.

15 Q You sound like you are equivocating. Does it not look
16 like him?

17 A It does look like him.

18 Q Then is it him or not, ma'am?

19 A It appears to be him.

20 MR. O'NEILL: Okay. Very good.

21 I move it into evidence, Your Honor.

22 MR. BARNES: No objection, Your Honor.

23 MR. WILSON: No objection, Your Honor.

24 THE COURT: It is received.

25 MR. NIELSEN: Your Honor, I need to address the

1 Court.

2 THE COURT: All right, Mr. Nielsen. Come to
3 side-bar, please. Judge.

4 AT SIDE-BAR:

5 MR. NIELSEN: I need some direction from the Court.
6 Mr. Kahn doesn't want to participate, but -- I am not sure
7 exactly what my role is here, but if, for example, he was
8 here, there is an objection to that photograph that I would
9 make. And so --

10 THE COURT: Let me see the exhibit.

11 (Tendered.)

12 MR. NIELSEN: The objection would be to the hearsay
13 writing on the bottom of the photo, and it perhaps could be
14 redacted.

15 But I want to make this extremely clear. I am not
16 waiving Mr. Kahn's position that he does not want to
17 participate. I just am not sure what to do, so -- I have been
18 waiting for something to come up, if you could tell me.

19 THE COURT: Your role is to do precisely what you
20 are doing, Mr. Nielsen. Use your best judgment as to
21 protecting the interest of Mr. Kahn. Although you are not his
22 counsel of record, as it were, but you are a friend of the
23 Court, you understand. And I appreciate what you are saying.

24 It seems to me that this exhibit can be cropped,
25 except for the torso and face of Mr. Kahn.

1 MR. O'NEILL: Yes, Your Honor. The government has
2 no problem. We just got this, obviously. We will cut out
3 every word on it, other than his picture.

4 Judge, one quick thing, since we are up here.
5 Ms. True had asked, after getting off the stand, if she could
6 just sit in the back. So unless there is an objection --

7 MR. BARNES: No objection, Your Honor.

8 MR. O'NEILL: That's what she wants to do. I
9 just --

10 MR. WILSON: I would have to ask. One second.

11 (Conference between Defendant Rosile and his
12 counsel.)

13 MR. WILSON: Mr. Rosile has no objection to her
14 remaining in the courtroom.

15 THE COURT: Okay.

16 IN OPEN COURT:

17 THE COURT: Thank you, Ms. True. You may step down.

18 Next witness, Mr. O'Neill.

19 MR. O'NEILL: Yes, Your Honor. Your Honor, the
20 government calls Bianca Menezes, M-e-n-e-z-e-s.

21 THE DEPUTY CLERK: I need you to stand and raise
22 your right hand, please.

23 *** BIANCA MENEZES was sworn

24 by the Deputy Clerk ***

25 THE DEPUTY CLERK: Please have a seat. Please state

1 your full name, and spell your last name for the record.

2 THE WITNESS: Bianca De Oliveira Menezes,
3 M-e-n-e-z-e-s.

4 THE REPORTER: The middle?

5 THE WITNESS: De Oliveira, D-e, space,
6 O-l-i-v-e-i-r-a.

7 BIANCA MENEZES,
8 having been duly sworn, testified as follows:

9 DIRECT EXAMINATION

10 BY MR. O'NEILL:

11 Q Good afternoon, Ms. Menezes. And I am sorry if I'm going
12 to mispronounce that a few times.

13 Ma'am, I am going to ask you a series of questions.
14 Please speak in a loud voice so everyone can hear you.

15 Are you currently employed?

16 A Yes.

17 Q And where are you employed?

18 A Timicuan Golf Course.

19 Q I am going to ask you to speak a little louder and closer
20 to the microphone so that your voice will carry more.

21 And how long have you been working there?

22 A A couple of months.

23 Q And what do you do there?

24 A I drive the cart.

25 Q Now, Ms. Menezes, did there come a point in time when you

1 went to work for an individual by the name of Eddie Kahn?

2 A Yes.

3 Q When did that occur?

4 A A long time ago.

5 Q Approximately when?

6 A I don't remember the year. About four years ago, four --

7 Q Well, let me first show you a document that's been placed
8 in evidence as Government's Exhibit 151, and just ask you do
9 you recognize the person depicted in that picture?

10 A Yes.

11 Q And who is that?

12 A That's Eddie Kahn.

13 Q Was he the individual that hired you?

14 A Yes.

15 Q Could you relate to the ladies and gentlemen of the jury
16 how you came about working for him.

17 A I just had a friend that I knew that worked there. She
18 had told me about the opening and I went in for it.

19 Q And what type of opening was it?

20 A Just to do computer stuff.

21 Q And did you meet with anybody when you went in there to
22 get the job?

23 A Yes.

24 Q Who did you meet with?

25 A Other than Eddie?

1 Q Yes.

2 A Amie and David.

3 Q Now, you said "other than Eddie." Did you meet with
4 Eddie? And who are you referring to when you say "Eddie"?

5 A Eddie Kahn.

6 Q Okay. Did you meet with him about the job?

7 A Yes.

8 Q And when you say "Amie," what would be her last name?

9 A I don't know her last name.

10 Q Okay. What position did she hold in the company?

11 A She was over me.

12 Q Okay. And who was the third person?

13 A David.

14 Q And do you remember his last name?

15 A No.

16 Q Okay. And did you start working there?

17 A Yes.

18 Q Were you paid?

19 A Yes.

20 Q What was going to be your salary?

21 A There wasn't a salary. It was hourly, seven dollars.

22 Q And did there come a point in time when you received your
23 first payment?

24 A Yes.

25 Q Was that in the form of a check or cash?

1 A Cash.

2 Q Were you explained anything about -- by Mr. Kahn when you
3 were first hired about how you would receive payment?

4 A I was explained by Amie.

5 Q Okay. Not by Mr. Kahn?

6 A No.

7 Q Okay. Now, when you worked -- how long did you work for
8 Mr. Kahn?

9 A A few months; approximately, I think three or four months.

10 Q And during that period of time, were you always paid in
11 cash?

12 A Yes.

13 Q Were any withholdings ever taken from your check?

14 A No.

15 Q Now, what were your duties and responsibilities at -- let
16 me withdraw that.

17 What was the name of the business to which you were hired?

18 A Guiding Light of God Ministries.

19 Q And where was it located when you went to work there?

20 A Mount Dora, downtown Mount Dora.

21 Q And what were your duties and responsibilities at Guiding
22 Light of God Ministries?

23 A They taught me how to put stuff in the computer and I
24 would do letters.

25 Q When you say put "stuff" in the computers, what are you

1 referring to?

2 A People's names, and like whatever their tax amounts was
3 owed, and the letters that they got from the IRS.

4 MR. BARNES: Your Honor, I would move to strike.
5 Just renew the earlier objections, 402 and 403 grounds and
6 motions for mistrial and severance, this being severed from my
7 client.

8 THE COURT: The record will so reflect and the
9 ruling will be the same.

10 BY MR. O'NEILL:

11 Q Now, in generating -- you said you put the names and would
12 put this together. How would you do that physically? Could
13 you describe that for the jury?

14 A I am not sure what you are asking me. Do you want me to
15 explain the whole process?

16 Q Sure. The jury has heard something -- let me start this
17 way. The jury has heard something called a bill of exchange.

18 A Yes.

19 Q And did you make those?

20 A Yes.

21 Q And how did you make them?

22 A It was generated in the computer, like people's -- there
23 would be a list of names and then a dollar amount. It would
24 go in the computer and it would just print out.

25 Q Okay. And when it printed out, can you describe for the

1 jury what it looked like.

2 A It was just all white, black and white. And then there
3 was one page that I had to take to the copy machine, and it
4 was the one that was in a check format, and it would go -- the
5 black and white would go inside the copier, and come out on
6 the other like bluish paper.

7 Q And what was the purpose of this document that you
8 created?

9 A It was to discharge IRS debt for whatever amount they
10 had -- the patrons had got their letters for.

11 Q So each one would have a different amount on it?

12 A Yes.

13 Q Now, who taught you how to generate these bills of
14 exchange?

15 A Amie did.

16 Q And who explained to you about these bills of exchange,
17 that it was to discharge a debt?

18 A I don't remember who explained it to me, but --

19 Q Now, on a normal day, approximately how many bills of
20 exchange would you produce?

21 A After I got, you know, to know the computer and stuff, it
22 would be about ten per day.

23 Q Ten a day?

24 A If I worked a full day.

25 Q Now, did you ever have a discussion with Eddie Kahn about

1 these bills of exchange?

2 A We would have morning meetings, but nothing specific on
3 the bills of exchange that I remember.

4 Q And do you recall any conversations with him about the
5 purpose of any of this?

6 A Not that I remember right now.

7 Q And how long did you work totally for the company?

8 A I remember it being approximately three to four months.

9 Q And prior to working there, what was your work history?

10 A I was serving at a restaurant.

11 Q Okay. And how long had you been doing that?

12 A Not too long, because I had just moved back from Germany.

13 Q And you were living in Germany for how long?

14 A Two years.

15 Q Okay. Does that give you a time frame -- what years were
16 you in Germany?

17 A I left there right before my daughter turned four. So
18 about 2002.

19 Q Okay. And then that's when you returned from Germany?

20 A She turned four -- yeah, uh-huh.

21 Q Okay. And how long after that did you go to work for
22 Guiding Light of God Ministries?

23 A A while. It had to be the end of the following year,
24 because she turned four at the -- December. So it would be
25 the following year after that.

1 Q So --

2 A 2003.

3 Q Okay. The latter part of 2003?

4 A I think so.

5 Q And you worked there for a few months?

6 A Yeah.

7 Q Now, what is your educational background, ma'am?

8 A I went up to my sophomore year in college.

9 Q And where was that?

10 A Western Connecticut State University.

11 MR. O'NEILL: Thank you, ma'am.

12 THE COURT: Mr. Barnes?

13 MR. BARNES: Yes, Your Honor.

14 CROSS-EXAMINATION

15 BY MR. BARNES:

16 Q Good afternoon, Bianca.

17 A Hi.

18 Q You never worked with American Rights Litigators; is that
19 correct?

20 A No.

21 Q I am going to show you what is marked as Government's
22 Exhibit 119, if you could page through that for me.

23 A Okay.

24 Q You mentioned sending out bills of exchange that are on
25 special paper?

1 A Uh-huh.

2 Q That doesn't look like the bills of exchange that you sent
3 out; correct?

4 A No.

5 Q In fact, it just looks like a letter; correct?

6 A Yes.

7 Q I am going to show you what is marked as Government's
8 Exhibit 118. Could you page through that for me. That, too,
9 does not look like the kind of bills of exchange that you did;
10 correct?

11 A Yes.

12 Q And that also just looks like a letter?

13 A Yes.

14 Q You wouldn't go down to the bank and try to cash it,
15 right?

16 A No.

17 Q Now, let me show you what is marked as Government's
18 Exhibit 87-9.

19 A Okay.

20 Q And that, too, does not look like the bills of exchange
21 that you did; correct?

22 A No.

23 Q And that, too, has more letters in it; correct?

24 A Uh-huh.

25 Q At any time during this period when you were working, did

1 you think you were part of a conspiracy to defraud the United
2 States government?

3 A No.

4 MR. BARNES: No further questions, Your Honor.

5 MR. WILSON: No questions, Judge.

6 THE COURT: Redirect, Mr. O'Neill?

7 MR. O'NEILL: Yes, Your Honor.

8 REDIRECT EXAMINATION

9 BY MR. O'NEILL:

10 Q Based on counsel's questions Ms. Menezes, did you think
11 something was wrong at that place?

12 A No.

13 Q You thought everything was okay?

14 A Yes.

15 Q What about the bills of exchange?

16 A I was told it was just a form to discharge a debt to the
17 government. Everyone always said that everything that we did
18 was right.

19 Q When you say everyone was telling you everything was
20 right, who are you talking about?

21 A Everyone in the office that I worked with.

22 Q The coworkers?

23 A Yeah.

24 MR. O'NEILL: Thank you.

25 MR. BARNES: No follow-up, Your Honor.

1 THE COURT: Thank you, Ms. Menezes. You may step
2 down.

3 MR. O'NEILL: Your Honor, the government calls Amie
4 Huse.

5 THE DEPUTY CLERK: Raise your right hand.

6 *** AMIE HUSE was sworn
7 by the Deputy Clerk. ***

8 THE DEPUTY CLERK: Please have a seat. Please state
9 your full name, and spell your last name for the record.

10 THE WITNESS: Amie Huse, H-u-s-e.

11 THE COURT: Mr. O'Neill.

12 MR. O'NEILL: Thank you, Your Honor.

13 AMIE HUSE,
14 having been duly sworn, testified as follows:

15 DIRECT EXAMINATION

16 BY MR. O'NEILL:

17 Q Ms. Huse, good afternoon.

18 A Good afternoon.

19 Q I am going to ask you a series of questions. I would ask
20 you to speak into the microphone so that your voice will
21 project and everyone will hear you.

22 A Okay.

23 Q Ma'am, where do you currently reside?

24 A In Georgia.

25 Q And how long have you lived in Georgia?

1 A For about a year-and-a-half.

2 Q Are you currently employed, ma'am?

3 A Yes.

4 Q And what do you do?

5 A I am a secretarial administrative assistant.

6 Q Do you also have a family?

7 A Yes, I do.

8 Q And how many children do you have?

9 A Two.

10 Q Ms. Huse, I would like to direct your attention back to a
11 time -- did there come a point in time when you started to
12 work for an individual by the name of Eddie Kahn?

13 A Yes.

14 Q Let me show you what's been marked as Government's Exhibit
15 151, and it's been placed into evidence. And I would ask you,
16 do you see that there is a copy of a photograph on that page?

17 A Yes, I do.

18 Q And do you recognize the person in that photograph?

19 A Yes, I do.

20 Q Who is that?

21 A Eddie Kahn.

22 Q And, ma'am, how did you first meet Mr. Kahn?

23 A I was looking for a job.

24 Q And how was it that you ran into him?

25 A I just went to the store to get a soda, and I saw a clerk

1 there and I knew her at the store, and she -- I told her I was
2 looking for a job, and she said for me to try next-door. And
3 that's how that came about.

4 Q And where was this?

5 A In Mount Plymouth, Florida.

6 Q And were you familiar with Mount Plymouth at that time?

7 A Yes.

8 Q Okay. Had you lived there?

9 A I lived very close to there, yes.

10 Q And how old were you at that time?

11 A Twenty-four.

12 Q And could you briefly tell us both your educational and
13 work experience up until that point.

14 A Sure. I graduated high school, just high school diploma.
15 And I have been -- I worked in a deli, started out working in
16 a deli. And then I went and worked just secretarial at a
17 foliage company for two years; and secretarial at a screened
18 enclosures company for two years; and then I started a
19 cleaning business for, I think, two years, as well.

20 Q And then it was subsequent to that that you met with
21 Mr. Kahn?

22 A Correct.

23 Q And what year was this, approximately?

24 A Ninety-nine.

25 Q Now, Ms. Huse, when you went to him, did you discuss

1 employment with him?

2 A Yes.

3 Q And what, if anything, was discussed?

4 A That he needed somebody to help him organize his office
5 and that I would be hired temporarily.

6 Q Was there talk about how much you would be paid?

7 A Yes.

8 Q And how much were you to be paid?

9 A 280 a week.

10 Q Was there any talk about how payment would be made?

11 A No.

12 Q Did you subsequently get paid for your work, you know,
13 every other week or whatever?

14 A Yes. Yes. Yes.

15 Q How much were you paid?

16 A 280 a week.

17 Q In what form?

18 A Of cash.

19 Q Did you ever question why you were being paid in cash?

20 A Yes.

21 Q And who did you ask?

22 A I asked Eddie.

23 Q And what did he say?

24 A He said that we were subcontractors and that we did not
25 need to -- he didn't need to withhold taxes.

1 Q Now, when you started to work for the company, what was
2 the name of the company?

3 A American Rights Litigators.

4 Q And did he explain to you what type of business it was?

5 A Yes.

6 Q What did he tell you?

7 A That he was helping Americans understand their tax rights.

8 Q How long did you work for Mr. Kahn?

9 A For four years.

10 Q And do you recall approximately when you terminated your
11 employment there?

12 A 2003.

13 Q Now, what was your reason for terminating employment at
14 that business?

15 A I didn't feel like he was helping -- he was doing what he
16 said he was doing. He wasn't helping people.

17 Q What do you mean by that?

18 A He wasn't helping people with their taxes, basically. He
19 was -- I felt like he was being deceitful as -- well, I
20 thought he was a scam artist, basically.

21 Q Now, I'm going to ask you if you could talk --

22 A Sorry.

23 Q You have a low voice. If you could just talk a little
24 closer to that.

25 Now, during the time you worked there, when you were paid,

1 were you paid under your name?

2 A In the beginning, yes.

3 Q Did that change?

4 A Yes, that did change.

5 Q How did it change, ma'am, could you tell the ladies and
6 gentlemen of the jury?

7 A Yes. He -- we -- he told us to use fake names.

8 Q Did he say why --

9 MR. BARNES: Your Honor, I would object on the
10 grounds earlier, on 402, 403, and renew our motions to sever
11 and to -- for mistrial on grounds this does not involve our
12 client.

13 THE COURT: The record will so reflect, Mr. Barnes.
14 The ruling will be the same.

15 BY MR. O'NEILL:

16 Q Ms. Huse, did Mr. Kahn say to you why you should use fake
17 names within the business?

18 A I don't remember.

19 Q Do you recall what your fake name was?

20 A Yes.

21 Q And what was it?

22 A It was Sam.

23 Q Was there any reason behind that?

24 A Because that was a childhood nickname.

25 Q Okay. Now, are you familiar with a document that was

1 produced at the company called a bill of exchange?

2 A I have seen it, yes.

3 Q And what was your understanding of what that was?

4 A I didn't understand it.

5 Q Did anybody ever explain to you what it was?

6 A I don't remember.

7 Q And did you ever see Mr. Kahn generate any bills of
8 exchange?

9 A No.

10 Q Are you sure of that, ma'am? I'm sorry?

11 A I don't remember.

12 MR. O'NEILL: Okay. One second, Your Honor.

13 Let me move on to something else and get back to
14 that.

15 BY MR. O'NEILL:

16 Q You stated that -- well, withdrawn.

17 In terms of these bills of exchange, did the production of
18 those make you nervous?

19 A Yes.

20 Q Why?

21 A Because they just didn't -- they didn't seem right. I
22 don't, I don't really know why. I just wasn't comfortable
23 with them. I don't really remember what -- I don't know.

24 Q Now, you mentioned you didn't feel right and they made you
25 nervous. Could you try to explain that a little more to the

1 ladies and gentlemen of the jury.

2 A Sure, sure.

3 Q What about it made you nervous?

4 A About working there?

5 Q Yes; and the bills of exchange.

6 A Basically, about working there was just because I didn't
7 feel like he was being honest. I didn't feel like he was
8 helping people.

9 And the bills of exchange, I don't -- I just -- they just
10 weren't right. They -- it wasn't -- I don't know how else to
11 explain it.

12 Q Now, you worked there for a period of time from
13 approximately 1999 to 2003. At what point did you start
14 feeling this nervousness?

15 A Well, towards the end. It was before I left, so around
16 2003.

17 Q Did anything predicate that nervousness? I mean, did
18 something occur that made you feel more nervous towards the
19 end?

20 A They started doing more of the UCC type of process.

21 Q Can you explain that to me?

22 A That's where the bills of exchange, I guess, come in or
23 something. I don't really remember what that was about.

24 Q Now, when you worked there, how big a company was it?

25 A When I first started?

1 Q Yes.

2 A It was, I think, six people.

3 Q And how about by the time you left?

4 A Oh, gosh; 10 or 11. I feel like I'm guessing.

5 Q Okay. Well, what type of employees were there? What type
6 of jobs did they have?

7 A There was a research department, there was scanning
8 department and data entry, receptionist, and then there was
9 Eddie.

10 Q Now, the jury has heard testimony that there are lawyers
11 and accountants associated with the business. Were they
12 on-site or --

13 MR. WILSON: I would object to him instructing her
14 as to what the jury has heard previously.

15 THE COURT: Sustained. That's argumentative in
16 form, I think, Mr. O'Neill. But you may --

17 MR. O'NEILL: I will rephrase it, Your Honor. Thank
18 you.

19 THE COURT: Go ahead.

20 BY MR. O'NEILL:

21 Q Were there any accountants or attorneys on-site?

22 A No. Well, there was once in the beginning, whenever I
23 first started.

24 Q And who was that?

25 A That was Tom Roberts.

1 Q And he was on-site there?

2 A Yes, he was.

3 Q Are you familiar with an individual by the name of Douglas
4 Rosile?

5 A I have met him, yes.

6 Q Do you see him in the courtroom today?

7 A I don't -- yes, I do.

8 Q And would you just point him out for the record and
9 indicate what he is wearing.

10 A A purple jacket.

11 MR. O'NEILL: Indicating the Defendant Rosile, Your
12 Honor.

13 THE COURT: Yes.

14 BY MR. O'NEILL:

15 Q And what was his relationship to ARL, to your knowledge?

16 A He helped Eddie with the amended returns.

17 Q With the amended returns?

18 A Yes.

19 Q Do you know what he did with those returns?

20 A No, I don't know what he did with those returns.

21 Q Anybody else on-site, either an accountant or a lawyer?

22 A No.

23 Q So you mentioned there was the research department, the
24 scanning department. Any other departments?

25 A No.

1 Q And what was your job title?

2 A A job coordinator.

3 Q And what did that entail?

4 A Basically, scanning -- I was a floater. So I would scan
5 or -- if somebody was out one day, I would go scan. If the
6 receptionist wasn't there, I would go answer the phone. I did
7 the payroll; just whatever anybody needed, as far as office
8 stuff goes.

9 Q If they were utilizing fictitious names, how would you do
10 the payroll?

11 A It was on a movable drive that you just plug into the
12 computer in a -- I think it was an Excel. I don't know what
13 else you need.

14 Q And when you say removable drive, what, if anything, would
15 you do with that?

16 A Oh, I would take it home with me. I would do -- bring it
17 in on Thursdays, and then take it home with me on the same
18 day. And then the same the next week.

19 Q Okay. Were you told to do it that way?

20 A Yes, I was.

21 Q By whom?

22 A By Eddie Kahn.

23 Q Why did he tell you that?

24 A He didn't say.

25 Q He didn't explain to you the purpose of that?

1 A No. No, he did not.

2 Q So each week you took the removable drive home?

3 A Yes, sir.

4 Q Now, were you there both as American Rights Litigators and
5 as Guiding Light of God Ministries?

6 A Yes, I was.

7 Q How did the business, if at all, change when it went from
8 the other?

9 A I didn't -- it didn't.

10 Q So did the names change? Did clients become something
11 else?

12 A I don't remember.

13 Q How about the nature of the business? Did it change at
14 all?

15 A No.

16 Q How about Mr. Kahn? Did he -- did his role at all change
17 from where it was at American Rights Litigators to Guiding
18 Light of God Ministries?

19 A No. No, it did not.

20 Q And how would you characterize his role within the
21 business, both at ARL and GLGM?

22 A He was the boss.

23 MR. O'NEILL: Nothing further. Thank you, Your
24 Honor.

25 THE COURT: Mr. Barnes?

1 MR. BARNES: Yes, Your Honor.

2 CROSS-EXAMINATION

3 BY MR. BARNES:

4 Q At the beginning, during the American Rights Litigators
5 stage of your work with Mr. Kahn, you didn't believe he was a
6 scam artist then, right?

7 A No.

8 Q You believed he was helping clients?

9 A Yes, I did.

10 Q And, in fact, how many clients were there for ARL?

11 A Total? Like when? In the beginning?

12 Q Over the whole course of the period, how many people --

13 A I don't remember that.

14 Q Was it thousands?

15 A It was -- yeah, it was like over 2,000.

16 Q Okay. And when he began Guiding Lights of -- the Guiding
17 Light Ministries, that's when you believed he stopped
18 servicing clients the way he was supposed to?

19 A I always thought it was kind of the same as American
20 Rights.

21 Q Oh, so initially you thought he was going to continue
22 servicing clients the right way?

23 A I don't understand what -- can you say it again?

24 Q I'm asking you was it at that point in time that you began
25 to have concerns that he was no longer keeping his promises to

1 his clients?

2 A No.

3 Q When was that time?

4 A Around 2003, a little bit before I left.

5 Q Okay. And that was at Guiding Lights Ministries?

6 A That's when it was Guiding Light Ministries -- of God
7 Ministries, yes.

8 Q Did you ever think you were part of a conspiracy to
9 defraud the United States government?

10 A No.

11 MR. BARNES: No further questions.

12 THE COURT: Mr. Wilson?

13 MR. WILSON: Thank you.

14 CROSS-EXAMINATION

15 BY MR. WILSON:

16 Q Good afternoon, Ms. Bennett (sic).

17 A Good afternoon. It's Ms. Huse.

18 Q I'm sorry. I apologize. Huse. I'm sorry, Ms. Huse.

19 Good afternoon, Ms. Huse.

20 A Good afternoon.

21 Q My name is David Wilson and I am the attorney for Douglas
22 Rosile.

23 A Okay.

24 Q I just want to ask you a few questions about your
25 testimony with respect to Mr. Rosile's role --

1 A Okay.

2 Q -- at American Rights Litigators.

3 Now, just to be clear, Mr. Rosile had no affiliation with
4 Guiding Light of God Ministries; correct?

5 A Not to my knowledge.

6 Q Okay. You indicated that, as far as you knew, Mr. Rosile
7 helped Eddie Kahn with amended returns?

8 A Yes; as far as I knew, yes.

9 Q As far as you knew?

10 A Right.

11 Q Do you know whether or not Mr. Rosile had any other
12 responsibilities at ARL?

13 A No, I do not.

14 Q Okay. Would it be fair to say that Mr. Rosile would only
15 be in the office on an occasional basis?

16 A Right.

17 Q Okay. Mr. Rosile, best of your knowledge, didn't have
18 anything to do with the preparation of the BOE's, right, bills
19 of exchange?

20 A I don't know. I don't know.

21 Q Okay. And you identified a gentleman by the name of Tom
22 Roberts, is that right --

23 A Yes.

24 Q -- as working with American Rights Litigators?

25 A Yes.

1 Q Okay. And he was a CPA for American Rights Litigators?

2 A Yes.

3 Q Okay. Now, you testified regarding -- you were asked
4 questions about how the bills of exchange work. And I just
5 want to clarify to make sure I heard you right.

6 You indicated -- I think that you said that you didn't
7 really understand how the bills of exchange worked; is that
8 right?

9 A That's right.

10 Q Okay. Now, you worked with Eddie Kahn directly; is that
11 right?

12 A Yes.

13 Q Okay. And you were around him quite a bit?

14 A As much as everybody else, I would say.

15 Q Okay. All right. And I think you believe -- would you
16 say that Mr. Kahn is pretty persuasive about his ideas and
17 views?

18 A Very.

19 Q Very much so, right?

20 A Very much so.

21 Q Do you know when Mr. Rosile was associated with American
22 Rights Litigators? Do you remember the dates?

23 A I don't remember that, no.

24 Q Do you know how long he worked there?

25 A No, I do not.

1 Q Would it be fair to say a few months only?

2 A I can't -- I don't want to -- I don't know.

3 MR. WILSON: Thank you.

4 No more questions, Your Honor.

5 THE COURT: Redirect, Mr. O'Neill.

6 REDIRECT EXAMINATION

7 BY MR. O'NEILL:

8 Q Ms. Huse, Mr. Barnes, the first attorney, asked you
9 questions about when you started becoming nervous about
10 Mr. Kahn and you thought that he became a scam artist.

11 A Right.

12 Q And it was later, I believe your testimony is about 2003.

13 Is that what you said?

14 A That's correct.

15 Q Was it the changeover from ARL to GLGM that made you
16 nervous or the nature of the business?

17 A The nature of the business.

18 MR. O'NEILL: Nothing further, Your Honor.

19 THE COURT: All right. Thank you, Ms. Huse. You
20 may step down.

21 Mr. McLellan.

22 MR. MCLELLAN: The government calls Kurt Andersen
23 Kurt Andersen Kurt Andersen.

24 *** KURT MATTHEW ANDERSEN was sworn

25 by the Deputy Clerk ***

1 THE DEPUTY CLERK: Please state your name, and spell
2 your last name for the record.

3 THE WITNESS: My name is Kurt Matthew Andersen,
4 A-n-d-e-r-s-e-n.

5 THE COURT: Go right ahead, Mr. McLellan.

6 KURT MATTHEW ANDERSEN,
7 having been duly sworn, testified as follows:

8 DIRECT EXAMINATION

9 BY MR. McLELLAN:

10 Q Mr. Andersen, where are you employed?

11 A With the Internal Revenue Service.

12 Q And how long have you been with the IRS?

13 A About 17-and-a-half years.

14 Q What is your current job at the IRS?

15 A I am a management and program analyst.

16 Q Back in 2001, what was your job with the IRS?

17 A I was an investigative analyst with criminal
18 investigation.

19 Q And in what office location?

20 A Denver, Colorado.

21 Q In the course of your duties as an analyst, did you come
22 into contact with documents called "bills of exchange"?

23 A Yes, I did.

24 Q Were those also known as "BOE's"?

25 A Yes.

1 Q What was your assignment?

2 A In June of 2004, I became the site draft coordinator.

3 Q Okay. And is this something that's called a site draft
4 program?

5 A That's correct.

6 Q Okay. What -- I'm sorry. What is the site draft program?

7 A The site draft program is an accumulation of
8 non-negotiable instruments.

9 Q As the coordinator, did you use a data system that
10 recorded these documents?

11 A Yes, I did.

12 Q How did that work?

13 A It was an access database that was created to reflect all
14 of the documents that had come in through the Department of
15 Treasury and the Internal Revenue Service.

16 Q Generally speaking, what was the route that these
17 documents took to get to you?

18 A The documents were received by the Department of Treasury
19 or the Internal Revenue Service. They were processed at the
20 Kentucky data input center, and all of the subsequent
21 documents were then forwarded to me in Denver.

22 Q What was your -- or I'm sorry. Do you know how the
23 documents got to the Treasury or to the IRS?

24 A Received through the mail system.

25 Q What was your duty or mission with regard to all these

1 documents in Denver?

2 A I was classified as the custodian of records.

3 Q Did you store these records and keep track of them?

4 A Yes. I had -- once they were processed at the Kentucky
5 daily input center, placed into the access database and the
6 documents had been scanned, the scanned documents and all of
7 the original documents were forwarded to me.

8 Q Did you use some kind of a numbering system to track the
9 documents?

10 A When they were processed at the data input center, each
11 set of documents was given a batch number, a three- or
12 four-character code.

13 Q Okay. Do you have before you a document previously marked
14 for identification 117?

15 A Yes, I do.

16 Q Okay. Do you see an envelope there?

17 A Yes.

18 Q Who appears to be the sender on that envelope?

19 A It says Wesley T. Snipes.

20 Q Now, do you see any indication that that document was kept
21 in the program on that envelope?

22 A Yes. Yes, I do.

23 Q What indication is that?

24 A There is a code sticker on it. It says "KF9."

25 Q Is that one of your batch numbers?

1 A Yes, it is.

2 Q Okay. Please take a look at a document previously marked
3 for identification as 118. Do you have that in front of you?

4 A Yes, I do.

5 Q Do you see an envelope there?

6 A Yes.

7 Q Who appears to be the sender on that envelope?

8 A It says Wesley Trent Snipes.

9 Q Is there an indication that that document was kept in your
10 program?

11 A Yes, there is.

12 Q What is that?

13 A There is a batch number listed on it, which is BJA.

14 Q Taking a look at the document previously marked 119, do
15 you see an envelope there?

16 A Yes, I do.

17 Q And who appears to be the sender?

18 A Wesley Trent Snipes.

19 Q Is there an indication that that document was kept in your
20 program?

21 A Yes, there is.

22 Q What is that?

23 A There is a batch number on this one of ETE.

24 Q Do these documents come from your custody?

25 A Yes, they did.

1 MR. McLELLAN: The government offers documents
2 previously identified as Numbers 117, 118 and 119 into
3 evidence, Your Honor.

4 MR. BARNES: No objection, Your Honor.

5 MR. WILSON: No objection, Judge.

6 THE COURT: Each is received, 117 through 119,
7 inclusive.

8 BY MR. McLELLAN:

9 Q Mr. Andersen, directing your attention to Exhibit Number
10 117.

11 A Okay.

12 Q Taking a look at the envelope, please identify the sender.

13 A The sender is Wesley T. Snipes.

14 Q Okay. And to whom is that addressed?

15 A It says Mr. Paul O'Neil, Secretary of the Treasury.

16 Q At what -- what's the full address there?

17 A Department of Treasury, 1500 Pennsylvania Avenue,
18 Northwest, Washington, D.C., 20220.

19 Q Okay. And do you see a postmark on that document --

20 A Yes, I do.

21 Q -- in the upper right-hand corner?

22 A Yeah.

23 Q What's the date on that?

24 A It says September 10th '02.

25 Q Okay. Directing your attention to the second page of the

1 document, do you see a caption there?

2 A Yes, I do. It says: "Actual constructive notice,
3 non-negotiable."

4 Q And I guess, taking a look at the upper left-hand corner,
5 who is the addressee of this?

6 A Mr. Paul O'Neil, Secretary of the Treasury.

7 Q Okay. Focusing on the first paragraph, could you please
8 read that paragraph.

9 A "It says: Dear Mr. O'Neil: I accept for value all
10 related endorsements in accordance with UCC 3-419 and HJR-192.
11 Charge my Treasury direct account, Employer Identification
12 Number [REDACTED], for the registration fees and command the
13 memory of Account Number [REDACTED] to charge the same to the
14 debtor's order, or your order."

15 Q Okay. And also read the next paragraph, please.

16 A "The total amount of this non-negotiable acceptance for
17 value in the enclosed filing is one million dollars.

18 Q Okay. Focusing on the lower right-hand corner --

19 A Yes.

20 Q -- do you see a signature there?

21 A Yes, there is.

22 Q Who appears to be the signatory?

23 A It says Wesley Trent Snipes.

24 Q And taking a look at the next page, what's the caption on
25 that page?

1 A "Registered bill of exchange in accord with HJR-192, not
2 subject to negotiability."

3 Q Please read the first paragraph.

4 A "Dear Mr. O'Neill, secretary-in-charge: Enclosed are
5 documents (copies) from examination of the undersigned's
6 commercial agreements which are listed on the enclosed
7 (accounting) with receipts and other evidence that have been
8 accepted for value, including all related endorsements, front
9 and back, including those in accord with UCC 3-419. The total
10 amount of this bill of exchange enclosed is one million
11 dollars."

12 Q Okay. And taking a look at the signature block on that
13 document, who appears to have signed it?

14 A Wesley Trent Snipes.

15 Q Okay. And please direct your attention to the next page.

16 A Okay.

17 Q Taking a look at the -- at that document, what does that
18 appear to be?

19 A It appears to be a copy of a Social Security card.

20 Q Can you make out the name on there?

21 A It says Wesley Trent Snipes.

22 Q And directing your attention to the next page, I believe,
23 it is a UCC financing statement. Do you see that?

24 A Yes, I do.

25 Q Okay. Who is listed here as the debtor, the name of the

1 debtor?

2 A The debtor is Snipes, Wesley T.

3 Q Okay. And taking a look below the name, do you see an
4 address there?

5 A Yes.

6 Q Could you please read that address.

7 A 9711 Deacon Court, Windermere, Florida, 34786, U.S.A.

8 Q Okay. And directing your attention to the next page, what
9 is that document?

10 A It's a Form 1040-ES 2002, Payment Voucher 3.

11 Q Do you recognize that as coming from a particular agency?

12 A Yes. It says Department of the Treasury, Internal Revenue
13 Service.

14 Q Okay. Please read the instructions underneath the
15 caption.

16 A It says: "File if you are --" no, excuse me. "File only
17 if you are making a payment of estimated tax by check or money
18 order. Mail this voucher with your check or money order
19 payable to the United States Treasury. Write your Social
20 Security number and 2002 Form 1040-ES on your check or money
21 order. Do not send cash. Enclose but do not staple or attach
22 your payment with this voucher."

23 Q And do you see a first name and initial and a last name on
24 that document?

25 A Yes, I do. It says Wesley T. Snipes.

1 Q And taking a look at the last page of the document, what
2 does that appear to be?

3 A It appears to be a birth certificate.

4 Q Can you make out the name towards the -- it's in the
5 middle, towards the top, underneath that stamp. Can you make
6 that out?

7 A It says Wesley Trent Snipes.

8 Q Directing your attention to Government's Exhibit Number
9 119, do you see an envelope there?

10 A Yes.

11 Q I'm sorry. Who is the sender on this envelope?

12 A Wesley Trent Snipes.

13 Q Okay. And --

14 MR. McLELLAN: Begging the Court's indulgence.

15 BY MR. McLELLAN:

16 Q Okay. Is that the -- focusing on the exhibit on the
17 screen, is that what you were just reading, the name of the
18 sender?

19 A Yes.

20 Q Okay. Now, take a look at the middle of that envelope.

21 Who is the addressee here?

22 A Lawrence H. Summers, Department of the Treasury.

23 Q At what address?

24 A 1500 Pennsylvania Avenue, Northwest, Washington, D.C.,

25 20220.

1 Q And taking a look at the upper right-hand corner of that
2 document, do you see a postmark date there?

3 A Yes.

4 Q And what is that date?

5 A November 30, 2000.

6 Q Taking a look at the next page of this exhibit, what does
7 that appear to be?

8 A It is a Form 1040-ES 2000, Payment Voucher 4.

9 Q Okay. And what's the name on that document?

10 A Wesley T. Snipes.

11 Q Okay. And taking a look at the next page, who is the
12 addressee on this document?

13 A The addressee is Lawrence H. Summers.

14 Q Is that at the same address as on the envelope?

15 A Yes, it is.

16 Q And how is it captioned?

17 A The caption says: "Non-negotiable bill of exchange in
18 accord with HJR-192."

19 Q Okay. And what is this -- underneath there, what is this
20 in regard to?

21 A It says: "Regard a chargeback of personal treasury direct
22 account."

23 Q Please read the salutation there, to who it is sent, and
24 the first three paragraphs.

25 A "Dear Mr. Summers, secretary-in-charge: Enclosed are

1 documents (copies) from my examination of my commercial
2 agreements which are listed on the enclosed (accounting) with
3 receipts and other evidence that I have accepted for value all
4 related endorsements, front and back, to include those in
5 accord with UCC-3-149. The total amount of non-negotiable
6 chargeback enclosed is one million dollars.

7 "Please charge back to my treasury direct account, Number
8 [REDACTED], for the same value, and charge my account for the
9 fees necessary for securing and registration (for the priority
10 exchange for the tax exemption to discharge the public
11 liability) of my personal possessions. Command the memory of
12 Account Number [REDACTED] to charge the same to the debtor's
13 order, or your order."

14 Q Thank you, Mr. Andersen. Taking a look at the next page
15 of this bill of exchange, do you see a signature block there?

16 A Yes, I do.

17 Q And who appears to have signed it?

18 A Wesley Trent Snipes.

19 Q Okay. Taking a look at the page after that, what's the
20 caption on there?

21 A It says: "Verified actual and constuctive notice."
22 Probably means "constructive."

23 Q Okay. And to who is this addressed?

24 A Lawrence Summers, 1500 Pennsylvania Avenue, Northwest,
25 Washington, D.C., 20220.

1 Q Okay. Do you see in the middle of the letter this "plain
2 statement of facts"?

3 A Yes.

4 Q Okay. Could you please read the first two paragraphs of
5 that plain statement of facts.

6 A "This constitutes actual and constructive notice that the
7 undersigned, Wesley Trent Snipes, herewith accepts for value
8 the attached documents with all related endorsements in
9 accordance with UCC 3-419 and HJR-192 and UCC Section
10 1- [REDACTED] for the registration fees, and command the
11 memory of Account [REDACTED] to charge the same to the
12 debtor's order, or your order.

13 "The total amount of this non-negotiable acceptance for
14 value in the enclosed filing is one million dollars."

15 Q Okay. And taking a look at the next page, who appears to
16 have signed this verified actual and constructive notice?

17 A Wesley Trent Snipes.

18 Q Okay. Just flipping forward to the end of that document,
19 there is -- I think attached at the end there is a UCC
20 financing statement amendment. Do you see that?

21 A Yes. Yes.

22 THE COURT: Is that Document 119 now, Mr. McLellan?
23 Or are you still --

24 MR. McLELLAN: I believe it is Document Number 118,
25 Your Honor.

1 THE COURT: All right. Go ahead.

2 BY MR. McLELLAN:

3 Q Okay. And who is listed here in the -- this financing
4 statement, who is listed here as the current -- under current
5 record information?

6 A It says Snipes, Wesley Trent.

7 Q Okay. And what mailing address is given there?

8 A 9711 Deacon Court, Windermere, Florida.

9 Q And at the bottom of that document, is there -- do you see
10 a signature there?

11 A Yes.

12 Q And whose signature does that appear to be?

13 A Wesley Trent Snipes, secured party.

14 Q I would like to direct your attention for a moment back to
15 Exhibit Number 117. Okay. If you flip forward through the
16 document, you will come to that copy of a Social Security
17 card. Do you see that?

18 A Yes.

19 Q Okay. Could you take a look in the middle of that page,
20 please. Okay. There is a -- do you see a red stamp on there?

21 A Yes.

22 Q Okay. Did you put that stamp on there?

23 A Did I put it on there?

24 Q Yes.

25 A No, I did not.

1 Q Did that document come to your program looking that way?

2 A Yes, it did.

3 Q Okay. Addressing Government's Exhibit Number 119, please
4 take a look at that one. Do you see an envelope there?

5 A Yes.

6 MR. McLELLAN: Begging the Court's indulgence.

7 BY MR. McLELLAN:

8 Q Okay. Who is -- who appears to be the sender on this
9 envelope?

10 A Wesley Trent Snipes.

11 Q Okay. And taking a look at the upper right-hand corner,
12 when does it appear to have been sent?

13 A January 18th, 2001.

14 Q Okay. And in the middle there, who is it addressed to?

15 A Lawrence H. Summers, Secretary of Treasury, Department of
16 Treasury, 1500 Pennsylvania Avenue, Northwest, Washington,
17 D.C., 20220.

18 Q Okay. Please take a look at the next page. Okay. At the
19 top of that page, what is that document?

20 A It is a Form 1040-ES 2000, Payment Voucher 4.

21 Q Okay. And does it give a name of the person on there?

22 A Wesley T. Snipes.

23 Q And is there an address?

24 A Yes.

25 Q What is that?

1 A 9711 Deacon Court, Windermere, Florida, 34768.

2 Q And did this one come with a sticky note on it?

3 A Yes, it does.

4 Q Okay. What does the sticky note say?

5 A It says: "Please complete this form for me." And it says
6 pre- -- I think "prepaid account."

7 Q Okay. What's the next page you have in front of you?

8 A There is a 1040-ES 2001, Payment Voucher 1.

9 Q Okay. And what's the name on this one?

10 A Wesley T. Snipes.

11 Q At the same address as the last one?

12 A Yes.

13 Q Okay. And does this have the same kind of sticky note on
14 it?

15 A Yes, it does.

16 Q Does it say the same thing?

17 A Yeah. Yes, it does.

18 Q Okay. Moving forward, do you see a document there
19 captioned "Verified actual and constructive notice"?

20 A Yes.

21 Q Okay. Taking a look at the next page of that document,
22 does that seem to have a signature on there?

23 A Yes.

24 Q Who appears to have signed it?

25 A Wesley Trent Snipes.

1 Q And what's on the next page? I'm sorry. I mean the next
2 page following. Is there a document captioned
3 "non-negotiable"? Do you see that?

4 A Yes. It says: Non-negotiable bill of exchange in accord
5 with HJR-192."

6 MR. McLELLAN: Begging the Court's indulgence.

7 BY MR. McLELLAN:

8 Q Mr. Andersen, are you looking at the non-negotiable bill
9 of exchange document?

10 A Yes.

11 Q What's the date on that upper right-hand corner?

12 A December 31, 2000.

13 Q Okay. And taking a look at the salutation there, and
14 reading the salutation and the first paragraph, please go
15 ahead.

16 A "Dear Mr. Summers, secretary-in-charge: Enclosed are
17 documents (copies) from my examination of my commercial
18 agreements, which are listed on the enclosed (accounting) with
19 receipts and other evidence that I have accepted for value
20 (all related endorsements, front and back, to include those in
21 accord with UCC-3-149). The total amount of non-negotiable
22 chargeback enclosed is 12 million dollars."

23 Q And taking a look at the next page, do you see a signature
24 on that page?

25 A Yes.

1 Q Who appears to have signed it?

2 A Wesley Trent Snipes.

3 Q Okay. And flipping forward to the document captioned "UCC
4 financing statement," do you see that document?

5 A Yes.

6 Q Okay. And does that one give the individual's last name,
7 first name and middle name?

8 A Yes.

9 Q What are those?

10 A Snipes, Wesley Trent.

11 Q What's the mailing address under that?

12 A 9711 Deacon Court, Windermere, Florida.

13 MR. McLELLAN: Your Honor, might the Court take its
14 afternoon break at this time?

15 THE COURT: I think so. It's appropriate. Members
16 of the jury, it's that time of day. Let's pause for 15
17 minutes.

18 (Short recess was taken.)

19 (Jury absent.)

20 THE COURT: Thank you. Be seated, everyone.

21 Where is Marshal Rivera? I thought he was in court.

22 THE DEPUTY CLERK: He was.

23 (Pause.)

24 THE COURT: Marshal Rivera?

25 THE DEPUTY MARSHAL: Yes, Your Honor.

1 THE COURT: In accordance with my request, did you
2 speak with Mr. Kahn this morning about his desire to come or
3 not to come to court?

4 THE DEPUTY MARSHAL: Yes, Your Honor. At 7:15 this
5 morning, I went to the Marion County Jail. And myself, with
6 Deputy Smith of the Marion County Sheriff's Office, went to
7 the dorm and spoke to Mr. Kahn. I asked him if he wanted to
8 participate in the trial today and he said no.

9 THE COURT: All right. And he understands that if
10 at any time during the day he should change his mind, he can
11 communicate with you and let you know that, I take it?

12 THE DEPUTY MARSHAL: Yes, Your Honor. I told him
13 that I would be in contact with the jail over the weekend and
14 that I would be back on Tuesday when court resumes in the
15 morning to check with him if he wanted to participate in the
16 trial.

17 THE COURT: All right. Make sure he also
18 understands that if at any time during the day he changes his
19 mind, he can communicate with someone to make that known.

20 THE DEPUTY MARSHAL: I'll make that happen,
21 Your Honor.

22 THE COURT: Thank you.

23 THE DEPUTY MARSHAL: I'm going over there today and
24 take him the transcript. So when I go over there, I'll speak
25 to him myself.

1 THE COURT: All right. And you are taking
2 transcripts to him on a daily basis, as I understand?

3 THE DEPUTY MARSHAL: I will be now, yes, Your Honor.

4 THE COURT: Thank you, Marshal Rivera.

5 THE DEPUTY MARSHAL: You're welcome.

6 THE COURT: Seat the jury, please, Marshal.

7 (Jury present.)

8 THE COURT: Thank you. Be seated, please, members
9 of the jury.

10 Mr. McLellan, you may continue.

11 BY MR. McLELLAN:

12 Q. Mr. Andersen, I think we were looking at Government's
13 Exhibit Number 119, the page toward the end captioned UCC
14 Financing Statement.

15 A. Okay. I have it.

16 Q. Do you see that?

17 A. Yes.

18 Q. Okay. Taking a look at the page that follows that one.

19 Okay. I -- do you see a stamp on there?

20 A. Yes.

21 Q. And what -- can you make out what it is, just the caption
22 beneath that stamp?

23 A. The caption beneath it or the top line?

24 Q. Whatever you can make out in that respect, please.

25 A. It says -- the top line says, Charge-back, Lawrence H.

1 Summers, Secretary of the Treasury.

2 Q. I'm sorry, I'm not asking you to read the caption. I'm
3 asking you to ready -- I'm sorry. I'm not asking you to read
4 the stamp; I'm asking you to read the caption beneath it, if
5 you can make it out.

6 A. The caption -- oh. Beneath it? The document itself?

7 Q. If you can make it out.

8 A. Are you speaking of "to the Sheriff" or --

9 Q. There's a caption on this document underneath the stamp.
10 It starts out "present."

11 A. Okay. It says, Present, Honorable Barry A. Cozier.

12 Q. Could you read that caption, please?

13 A. I don't know. I think it might say "justice" right
14 underneath...

15 Q. Okay. Flipping forward another couple of pages, do you
16 see a -- do you see a document there on letterhead designated
17 Chase?

18 A. Yes.

19 Q. Okay. Do you see another one of those stamps?

20 A. Yes.

21 Q. Underneath that there's a -- there's a -- it -- I'm sorry.
22 Next to the stamp, do you see to whom that letter is
23 addressed?

24 A. It's addressed to Mr. Wesley Snipes.

25 Q. Okay. And can you make out what it says in the "re"? You

1 know, there's a --

2 A. Regarding.

3 Q. -- regarding -- can you read that underneath that stamp?

4 Can you make it out?

5 A. I will try.

6 Q. Please.

7 A. "Your indebtedness to the Chase Manhattan Bank as
8 guarantors of Loan Number 034096764897 to Pyramid House,
9 Incorporated. The Chase Manhattan Bank v. Pyramid House,
10 Incorporated," comma, "Wesley Snipes, and Amen" -- A-M-E-N I
11 see, and then "Films, Incorporated."

12 Q. Okay. Now, let me ask you this. Can you -- can you read
13 the stamp on top? If you can, please do so.

14 A. Okay. "Non-negotiable charge back. Birth Certificate
15 Number 10962068766, Lawrence H. Summers. I accept for value
16 all related endorsements, front and back, in accord with UCC
17 3-419 in accord with HJR192 of June 5, 1933. Please charge my
18 Treasury direct account number [REDACTED] 3 for the
19 registration fees and command the memory of account number
20 [REDACTED] to charge the same to the debtor's order or your
21 order. Posted certified account number 709932200008" --
22 something I can't read -- "06," something, "1336. Value:
23 \$12 million. Invoice Number MCSCMB123100WS. Name: Wesley
24 Trent Snipes. Address: Care of 100 Van Dam Street, Fourth
25 Floor, New York, New York State, non-domestic, 10013."

1 Q. And does this appear to bear a signature?

2 A. Yes.

3 Q. Can you make out the name?

4 A. Wesley Trent Snipes.

5 Q. And the date?

6 A. December 31, 2000.

7 Q. Okay. Mr. Andersen, directing your attention to a
8 document previously marked for identification, Number 120. Do
9 you have that in front of you?

10 A. One twenty, yes.

11 Q. Does that appear to be an envelope?

12 A. A Fed Ex envelope, yes.

13 Q. And can you make out the -- who it's from?

14 A. It says from W. Snipes.

15 Q. Okay. And to whom is that addressed?

16 A. Paul O'Neill.

17 THE COURT: Mr. McLellan, I do not show this
18 document as being in evidence.

19 MR. McLELLAN: That is correct, Your Honor. I was
20 laying the foundation to offer it.

21 At this time the government offers a document
22 previously marked Number 120 into evidence.

23 MR. BARNES: No objection, Judge.

24 MR. WILSON: No objection.

25 THE COURT: It's received. Go ahead.

1 BY MR. McLELLAN:

2 Q. Okay. Taking a look at the next page of this document --
3 I guess it would be the page that follows the first page in
4 the envelope, is this -- is this another one addressed to
5 Paul O'Neill, Secretary of the Treasury?

6 A. Yes.

7 Q. Okay. And please read the first two paragraphs of this
8 actual constructive notice.

9 A. This says, "Dear Mr. O'Neill: I accept for value all
10 related endorsements in accordance with UCC 3-419 and HJR192.
11 Please charge my personal treasury account, Number
12 [REDACTED], for the registration fees and command the memory
13 of Account Number [REDACTED] to charge the same to the
14 debtor's order or your order. The total amount of this
15 non-negotiable acceptance for value in the enclosed filing is
16 \$27,485.31."

17 Q. Does there appear to be a signature below there?

18 A. Yes.

19 Q. Whose?

20 A. It looks like Wesley T. Snipes.

21 Q. Okay. And taking a look at the next page, what's the
22 caption on that one?

23 A. "Registered bill of exchange in accord with HJR-192, not
24 subject to negotiability."

25 Q. Okay. And please read the first paragraph.

1 A. "Dear Mr. O'Neill, Secretary in Charge: Enclosed are
2 documents, copies, from examination of the undersigned
3 commercial agreements which are listed on the enclosed
4 accounting with receipts and other evidence that have been
5 accepted for value, including all related endorsements, front
6 and back, including those in accord with UCC 3-419. The total
7 amount of this bill of exchange enclosed is \$27,485.31."

8 Q. Can you make out the name signed on that document?

9 A. Yes, Wesley T. Snipes.

10 Q. Okay. Taking a look at the next page, this is another one
11 with these stamps. What's the letterhead there?

12 A. The letterhead says, "State of Florida, Department of
13 Revenue, Tallahassee, Florida."

14 Q. And to whom is this addressed?

15 A. It's addressed to Wesley Snipes.

16 Q. Okay. And has this got another one of these stamps on it?

17 A. Yes, it does.

18 Q. Okay. I guess I -- I would ask you to please read the
19 salutation and the first three paragraphs beneath that stamp.

20 A. Okay. It says, "Dear Taxpayer: Please be advised that a
21 tax warrant, copy enclosed, has been recorded and filed with
22 the Clerk of the Circuit Court in Leon County, Florida,
23 against you and/or your company pursuant to Chapter 199,
24 Florida Statutes. The balance currently due and reason for
25 filing: A tax warrant is provided below. Interest continues

1 to accrue daily on any outstanding tax.

2 "You are hereby advised to contact this office within
3 seven days of receipt of this notice to satisfy this liability
4 in order to avoid any future legal actions, such as" -- do you
5 want me to read the rest?

6 Q. Yes, please.

7 A. -- "garnishment of assets, including all personal and
8 business banking accounts, levy on assets, inventory, personal
9 property and/or real property, revocation of your tax
10 certificate, which means you cannot conduct business in the
11 State of Florida; referral of your account to a debt
12 collection agency and/or criminal prosecution."

13 Q. Okay. And taking a look at the next page, what's the
14 caption on there?

15 A. The caption?

16 Q. At the top of the document under --

17 A. Oh. It says "warrant." "State of Florida, Department of
18 Revenue, warrant."

19 Q. And what's the grand total?

20 A. \$27,485.31.

21 MR. McLELLAN: That's all for this witness at this
22 time, Your Honor.

23 THE COURT: Mr. Barnes?

24 MR. BARNES: Yes, Your Honor.

25 CROSS-EXAMINATION

1 BY MR. BARNES:

2 Q. All these documents were -- and letters were addressed to
3 people like Lawrence Summers and the Secretary of the
4 Treasury. Do you know who the Secretary of the Treasury is?

5 A. Currently?

6 Q. No. Do you know what the office is?

7 A. No.

8 Q. So you didn't -- you've worked for the IRS for how long?

9 A. Seventeen and a half years.

10 Q. So you didn't know who the person was who wrote your
11 checks?

12 A. As long as it's in the bank account, I guess...

13 Q. Okay.

14 MR. BARNES: Can we go to Government Exhibit 118?
15 Can we blow that up? Blow up the top left-hand side.

16 BY MR. BARNES:

17 Q. First, Mister -- the attorney for the government asked you
18 various questions -- Mr. McLellan -- about some addresses but
19 not all of the addresses. What address is listed there?

20 A. It says, "100 Van Dam Street, Fourth Floor, New York, New
21 York, 10013."

22 Q. Now, to the left where it says "enter the amount you are
23 paying by check or money order," there is no amount listed,
24 correct?

25 A. That's correct.

1 Q. Okay.

2 MR. BARNES: Can we go to the next page?

3 BY MR. BARNES:

4 Q. And Lawrence Summers -- did you know that Lawrence Summers
5 at this point in time was the Secretary of the Treasury?

6 A. At that moment in time, no.

7 MR. BARNES: Can we go to the next page?

8 BY MR. BARNES:

9 Q. What address is listed under Mr. Snipes' signature?

10 A. It says, "Care of 100 Van Dam Street, Fourth Floor, Near,
11 10013, New York, New York."

12 MR. BARNES: Can we go to the next page?

13 BY MR. BARNES:

14 Q. Is this another letter also addressed to Lawrence Summers?

15 A. Yes.

16 MR. BARNES: Can we go to the bottom of that page?

17 Can we blow up the last paragraph? It won't? Oh. Okay.

18 Thank you.

19 BY MR. BARNES:

20 Q. Does the last paragraph read, "In the event respondent
21 requires further information or assistance from the
22 undersigned, please write to the undersigned at the mailing
23 location provided herein and herewith"?

24 A. Yes.

25 Q. And in reviewing these documents, is there any response

1 letter from Lawrence Summers in those documents that you
2 reviewed and brought with you as custodian of records?

3 A. I do not see one, no.

4 Q. Thank you.

5 MR. BARNES: Can we go to the next page? Right
6 there, yes. Go down to the bottom.

7 BY MR. BARNES:

8 Q. What address is listed under Mr. Snipes' name?

9 MR. BARNES: I'm sorry. Right there. Thank you.

10 THE WITNESS: It says, "Care of 100 Van Dam Street,
11 Fourth Floor, Near, 10013, New York, New York."

12 BY MR. BARNES:

13 Q. And does it -- is there a Post It note as well to this
14 that asks, "Please complete the form for me; thank you"?

15 A. Yes.

16 Q. And there's no evidence the form was ever filled out for
17 him, correct, in the files that you have?

18 The -- nobody from the IRS ever filled out the form and
19 sent anything back to him in the files you have?

20 A. You know, unfortunately, I don't know if anybody ever
21 responded to this. I was custodian of records for these
22 records here that came into the Service. Anything else that
23 may have transpired I would not --

24 Q. You wouldn't know about?

25 A. That's correct.

1 Q. Okay.

2 MR. BARNES: Can we go to the bottom?

3 BY MR. BARNES:

4 Q. Are you familiar with notary stamps?

5 A. Yes.

6 Q. Has this document been notarized?

7 A. Yes.

8 Q. And it's been notarized by somebody different than

9 Mr. Snipes?

10 A. Yes.

11 Q. And where was it notarized?

12 A. It says, "New York, New York, on the 24th of November."

13 Q. Thank you.

14 MR. BARNES: Can we go to Government Exhibit 1- --

15 are we on 118? One nineteen.

16 Can we blow up the top right-hand corner? Yeah,

17 that's fine.

18 BY MR. BARNES:

19 Q. In this payment voucher there's no amount listed as being
20 paid, correct?

21 A. That's correct.

22 MR. BARNES: Can we go to the next page?

23 BY MR. BARNES:

24 Q. And here again, there's no amount listed as being paid,
25 correct?

1 A. That's correct.

2 MR. BARNES: Can we go to the next page?

3 BY MR. BARNES:

4 Q. And this is a letter, again, to the same Lawrence Summers?

5 A. Yes.

6 MR. BARNES: And can we go to the bottom?

7 BY MR. BARNES:

8 Q. And does it have the same paragraph: "In the event
9 respondent requires further information or assistance from the
10 undersigned, please write to the undersigned at the mailing
11 location provided herein and herewith"?

12 A. That's correct.

13 MR. BARNES: Can we go to the next page?

14 BY MR. BARNES:

15 Q. Is this document notarized as well at the bottom?

16 A. Yes, it is.

17 Q. And the address listed for Mr. Snipes is, again, in
18 New York under his name, is that correct?

19 A. That's correct.

20 Q. And the notary is also in -- where is the notary in this
21 instance?

22 A. This one says "Los Angeles, California."

23 Q. Okay.

24 MR. BARNES: Could we go to the next page?

25 BY MR. BARNES:

1 Q. Is this a more extended notary document? Does this page
2 also have a notary signature?

3 A. It's got the same notary stamp.

4 Q. Okay. And where is the notary? Does it say "State of
5 California"?

6 A. Oh. It says, "State of California, County of
7 Los Angeles," at the top.

8 Q. Thank you.

9 MR. BARNES: One moment, Your Honor.

10 (Pause.)

11 MR. BARNES: No further questions.

12 MR. WILSON: No questions, Your Honor.

13 THE COURT: Any redirect, Mr. McLellan?

14 MR. McLELLAN: No, Your Honor.

15 THE COURT: Thank you, Mr. Andersen. You may step
16 down, sir.

17 MR. MORRIS: Your Honor, could we confer with you at
18 sidebar, please?

19 THE COURT: Very well.

20 AT SIDEBAR:

21 THE COURT: Yes, Mr. Morris?

22 MR. MORRIS: Your Honor, I note that the time is
23 3:30. We have another witness ready to go, and we can present
24 the testimony of that witness.

25 We are making, in our estimation, very good

1 progress. I would say we're ahead of what we predicted we
2 would be.

3 I think if we were to break today at this time, we
4 would have -- we estimate, with the way things are going,
5 we'll be done by the end of next week.

6 We just wanted to consult with the Court. We do
7 have at least one member of the trial team who has to catch a
8 flight, has to leave at 5:00.

9 MR. BARNES: I have no objection to an early
10 departure.

11 MR. BERNHOFT: None whatsoever.

12 THE COURT: Well, neither do I. We'll stop.

13 MR. WILSON: Judge? Your Honor? I'm sorry. After
14 the jury is excused, I have a scheduling issue that I would
15 like to address with the Court.

16 THE COURT: Surely.

17 MR. WILSON: Thank you.

18 IN OPEN COURT:

19 THE COURT: Members of the jury, I've just been told
20 by counsel at sidebar, since this is Friday afternoon, there
21 are some that have some travel arrangements later in the
22 afternoon and it might suit their convenience if we recess
23 now. And I'm assured by counsel that we're well ahead -- I
24 think those were the words used -- of the schedule that had
25 been forecast with respect to the trial of the case. So I

1 think it's appropriate that we reward ourselves with an early
2 recess this afternoon and this week.

3 And remember that Monday is a national holiday,
4 Martin Luther King Day, which, of course, we will observe.
5 And Tuesday, I believe, is election day.

6 All of you -- am I right about that, Madam Clerk;
7 Tuesday is election day? No?

8 THE DEPUTY CLERK: It's the 29th, the following
9 week.

10 THE COURT: It's a week from -- oh. Well, I'm
11 getting ahead of myself. Tuesday is not election day, and
12 we'll start at 9:00. I was about to say, we might start a
13 little later in order to make sure that you all have an
14 opportunity to vote, but that won't be necessary until later
15 on if we're still together. And I think we probably will be.
16 So we'll stop now until 9:00 next Tuesday morning.

17 Please be mindful over this lengthy break that
18 you're still bound not to discuss the case with anyone or
19 expose yourselves in any way to any extraneous information
20 having to do with this case.

21 And with my thanks to all of you for your patient
22 attention this week, we'll stop now until 9:00 next Tuesday
23 morning.

24 (The jury exited the courtroom, having been excused
25 from further proceedings in this case on this date.)

1 THE COURT: Thank you. Be seated, please.

2 Yes, Mr. Wilson?

3 MR. WILSON: Your Honor, I had filed a notice of
4 conflict and motion for protection. I don't recall the -- I'm
5 trying to locate the document.

6 However, Judge, given the length of this trial, I
7 cleared my entire docket. However, there is one matter that I
8 was unable to reschedule, and that is a change of plea
9 hearing. I believe it's Tuesday, I think, at 3:00 o'clock. I
10 don't have the motion in front of me. It's a very, very brief
11 matter. The gentleman is in custody and has been in custody
12 for a while.

13 What I would ask the Court to do would be to allow
14 me to have a break for the afternoon -- take a break in the
15 afternoon, allow me 15 to 20 minutes to run across the street,
16 handle the change of plea and come back. It should be very,
17 very brief.

18 THE COURT: Remind me about it when the time comes
19 and we'll accommodate it, Mr. Wilson.

20 MR. WILSON: Thank you, Your Honor.

21 MS. MORENO: Excuse me, Your Honor. May I address
22 the Court?

23 THE COURT: Surely.

24 MS. MORENO: I, too, also have two dates that I'm
25 trying to reschedule that were planned many, many months ago.

1 One is -- they both involve teaching seminars at the
2 University of Pennsylvania Law School and at the Center of
3 American and International Law. One is on the 25th and one on
4 the 30th. I am trying to reschedule them as well.

5 THE COURT: All right. Thank you.

6 And I hope counsel have a restful weekend and
7 holiday, and we'll resume next Tuesday at 9:00.

8 (Thereupon, the proceedings in this case for this
9 date were concluded at this time.)

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C E R T I F I C A T E

15 We hereby certify that the foregoing is an accurate
16 transcription of proceedings in the above-entitled matter.

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20 -----
Dennis Miracle

Date

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Kelly Owen McCall

Date

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