

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
GAINESVILLE DIVISION

THE UNITED STATES OF AMERICA,

Plaintiff,

vs.

JOHN KNOCK and
ALBERT MADRID,

Defendants.

Docket No. 94CR1009MMP
Gainesville, Florida
May 24, 2000
9:00 a.m.

VOLUME 14

TRANSCRIPT OF THIRTEENTH DAY OF JURY TRIAL
WHEN HEARD BEFORE THE HONORABLE SENIOR UNITED STATES
DISTRICT COURT JUDGE MAURICE M. PAUL, AND A JURY.

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U.S. DISTRICT COURT
NORTHERN DISTRICT OF FLORIDA
GAINESVILLE, FLA.
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1 THE COURT: You may address the jury.

2 MR. HANKINSON: Thank you, Your Honor.

3 Good morning. In one sense it seems like a long time
4 ago when we started with the jury selection. And, in another
5 sense, it seems like it has gone real fast. We've thrown a lot
6 at you in the last three and a half weeks. I'm sure sometimes
7 it has been tedious, and hopefully sometimes, you know, it has
8 been educational. I appreciate the attention that you have
9 paid, and I appreciate you being here.

10 And I'm sure some of you are sitting there thinking:
11 Well, it didn't sound all that voluntary when we started at
12 jury selection. And I know for a fact that some of you would
13 have preferred not to be here. And some of you are serving
14 here at some great sacrifice to, you know, your regular life.

15 You know sometimes we call upon our citizens to do
16 things that they are not always what they would prefer to do.
17 But, anyway, we appreciate that. And we say: Well, it may
18 seem a little funny to thank you for something that you didn't
19 have a lot of choice about, but in a sense you did. You did
20 have a choice. And I understand that, and I think you probably
21 understand that. You probably during jury selection heard
22 people say things that they knew was calculated to get them off
23 of the jury.

24 And, you know, we understand that happens. You were
25 at least willing, you know, based on your oath, to answer the

1 questions truthfully. And you didn't get yourself off the jury
2 by trying to slant the answers to the questions. And so in a
3 real sense, you did make a voluntary decision to be here, and
4 we appreciate that.

5 I would request your attention for a little bit
6 longer. And this is probably a little bit like in church when
7 the preacher asks you to pay attention for a little longer.
8 It's probably more than a little bit, because there are a lot
9 of things that we need to talk about.

10 As I start into this, obviously as lawyers we have
11 certain worries. We worry about different things. One of the
12 things that we worry about is that somehow we have done
13 something that maybe offended you in some way. We are kind of
14 in a tight situation here. We run into you in the hallway.
15 You may see us and we don't see you. You know, if there is
16 something that happened, you know, we regret that.

17 When we see you in the hallway, we don't talk to you.
18 We don't even necessarily say hello. That is not because we
19 are rude people, that is because that is what we've been
20 admonished by the Court, not to carry on conversations with
21 you.

22 And I think you can understand the problems that that
23 could create if we were. So if something like that has
24 happened, I ask you to set that aside. We also worry that you
25 have had some past experience, you know, that comes into play

1 in your deliberations.

2 If you are mad at someone, you are distrustful of
3 somebody, you didn't like someone because of something that has
4 happened in the past, those are things that we can live with.
5 But what I would ask you to do in your deliberations is to set
6 aside those kind of things. I ask one thing of you: And it's
7 an easy thing to say, it is a hard thing to do. I ask you to
8 make a decision in this case based only on the evidence and the
9 exhibits that have been presented and the law that Judge Paul
10 gives you. That is what is asked of you.

11 Don't base it on something that happened to you
12 outside of this courtroom, or some preconceived idea that you
13 might have about anything, but based on the evidence that has
14 been presented here, the exhibits put in evidence, and what
15 Judge Paul tells you the law is.

16 And if you do that, when you get through whatever you
17 decide, if that is the basis for your decision, you can walk
18 out of this courthouse proud, because you have followed your
19 oath, and you have done what has been asked of you because that
20 is what we ask.

21 We ask you to raise your right hand and swear that
22 you will truly try this cause. And what that means is you make
23 a decision based on the evidence and the law presented. I want
24 to talk about the law a little bit. It's -- factually it's a
25 complex case. Legally it's not all of that complex. There is

1 no way that I can make these legal comments exciting, there is
2 not. It is a little boring. It's a little tedious. But they
3 are very important. And let me go ahead and tell you so it
4 doesn't come as a shock to you, because it probably wouldn't,
5 but the defense attorneys and I aren't going to agree on what
6 the law is. We are just not. So you accept that.

7 So that is why you have to rely upon what Judge Paul
8 tells you the law is. Because we are advocates for our
9 clients. We are going to argue the law as we believe --
10 reasonably believe it can be articulated. But we are not going
11 to agree. You are going to have to resolve what is the law.

12 Well, when you get a question on what the law is, all
13 you have to do is turn to: What does Judge Paul say the law
14 is? Just -- because he's the final arbiter of that. And, in
15 fact, he can help you out in that way in some sense. He is
16 going to give you his instructions in writing, and you are
17 going to be able to take those into the jury room with you.

18 So we are going to be talking about the law. You
19 know, whether you want to make note of that, that is certainly
20 up to you. But I did want to tell you you will have that in
21 writing with you.

22 You will also have a copy of the indictment, the
23 original indictment, from March of '94 that was put into
24 evidence. But the judge will give you the other indictment,
25 which is the indictment the case is actually being tried on.

1 And you will have a copy of that with you in the jury room.

2 You will remember, and I told you about this in
3 opening statements: There are three charges. And we call them
4 counts. And ** you will know exactly where that word came
5 from, counts. But that is just another word for charges. The
6 first charge is a conspiracy to possess with intent to
7 distribute marijuana. That is the first charge that you will
8 have to decide.

9 The second charge is conspiracy to import marijuana.

10 And the third charge is conspiracy to money launder.
11 Now, as I have have indicated before, all of these are
12 conspiracy charges.

13 Whether, you know, you agree or not, and really as we
14 agreed in jury selection, that is not up to you to decide at
15 this point, whether you agree with the law or not, you swore
16 that you would follow it. Congress made a determination that
17 group criminal activity was more dangerous than criminal
18 activity by individuals.

19 And they passed what we call the conspiracy laws.
20 And that is what we are talking about. We are talking about
21 laws dealing with group activity. Conspiracies are a pretty
22 simple concept. It means simply that there was an agreement to
23 carry out criminal activity. In other words, some type of
24 partnership in crime. And as the judge will tell you, and I
25 quote this, because I think it's pretty significant to

1 remember: The essence of a conspiracy charge is the making of
2 the scheme itself.

3 The essence of the conspiracy charge is the making of
4 the scheme itself. In other words, it's not what they do later
5 to carry it out, it's a matter of making the initiation of the
6 scheme. That is what a conspiracy is.

7 A couple of important aspects to that. It doesn't
8 have to succeed. It doesn't have to be a successful scheme.
9 It doesn't have to be a formal agreement. They don't. The
10 conspirator doesn't even have to know the rest of the people
11 involved in the conspiracy.

12 And you have heard testimony in this case. The --
13 the multi, multi ton loads of marijuana involved many, many
14 people.

15 And the people at one end of the conspiracy certainly
16 don't know the people at the other end of the conspiracy.
17 Okay. A person may also be guilty of a conspiracy if he only
18 was involved on one occasion. It could have gone on for years
19 and years. If a person was involved once, then they are part
20 of the conspiracy and they are guilty of it.

21 And the real gravamen of the conspiracy is that
22 co-conspirators are responsible for what their co-conspirators
23 do. Even those things he doesn't specifically know about, if
24 it's reasonably predictable that it's going to happen. Now,
25 what does that mean? Well, it's reasonably predictable,

1 certainly, a load of marijuana is brought in. It's certainly
2 predictable that it's -- at the other end it's going to be
3 sold.

4 And the person doesn't have to know anything about
5 that, have any involvement in that, but they would still be
6 part of that same conspiracy.

7 Now, what are the elements of that? There are two
8 elements of a conspiracy. And you will hear -- we will talk
9 about elements. That means these are the building blocks of
10 the charge, the elements. The elements are two or more persons
11 came to a mutual understanding to do something illegal. All
12 right. So two or more people decide to do something illegal,
13 not necessarily these defendants, but someone decided to -- two
14 people decided to do something illegal.

15 And then these defendants, and again, you know, you
16 decide their charges individually. But, these two people
17 decided to join into that scheme, into that agreement. That is
18 what a conspiracy is.

19 It is pretty simple. Yes, it's pretty broad. And
20 that is how Congress designed it. Now, in this instance the
21 agreed upon objective of the conspiracy in the first count was
22 that they would possess with intent to distribute marijuana.

23 The -- the objective of the second one, the second
24 count, is that they -- the objective was they agreed that they
25 would import marijuana into the United States.

1 And, third, the objective was that they would launder
2 money by moving money from the United States to a foreign
3 country or to another location outside of the United States.

4 One of the things that comes into play in a
5 conspiracy case is a concept called venue. The venue is what
6 gives this district the ability to try this case. In many
7 instances co-conspirators have never been to the Northern
8 District of Florida.

9 It's nothing unusual about that. What it requires
10 for this district to have venue is one of two things: One,
11 that some overt act in the conspiracy was done here in this
12 district. And what is an overt act? That just means something
13 that was done with the intention of helping out the conspiracy.

14 It doesn't have to have succeeded. It doesn't have
15 to be criminal in and of itself. It can be an innocent act in
16 the sense of it's by itself not illegal, but if it was done to
17 help the conspiracy, then it's an overt act. The second way
18 that a -- this district has venue, is if one of the defendants
19 was arrested here in this district.

20 And in this instance, you have heard testimony from
21 the deputy marshal ** Frazy that Mr. Knock was arrested here.
22 Now, you may be confused. He was initially picked up in France
23 by the police. But that is not the U.S. arrest. The arrest
24 comes when he is returned here to this district and arrested
25 here in the Northern District of Florida. That is where it

1 happened. So essentially, because that is an uncontested fact,
2 venue is proper in this district.

3 The defense in their opening argument asserted that
4 what this case involved was multiple conspiracies, that the
5 defendants were guilty of other conspiracies but it was a
6 different conspiracy, not the conspiracy charged in this
7 indictment. And that is one of the instructions that the judge
8 will give you. There is some explanation of that.

9 The conspiracy in this case is a broad conspiracy.
10 And basically, the conspiracy charged is that the defendants
11 agreed to possess with intent to distribute marijuana. That
12 they agreed that they would import marijuana into the United
13 States and that they agreed that they would move money out of
14 the United States between April -- between 1982 and April of
15 1996.

16 Now, there are some important concepts to be talked
17 about in deciding whether it's a separate or the same
18 conspiracy. What the judge will tell you that a conspiracy is
19 is a continuing crime. It is a continuing crime. And the
20 defendants are responsible for the actions of their
21 co-conspirators unless two things occur. One, that the
22 defendant withdraws from the conspiracy, and that is -- let me
23 highlight legally withdraw from the conspiracy. We are going
24 to come back and talk about what that means, or that the
25 conspiracy is terminated.

1 The Court will also tell you, and I think this is
2 very important for you to pick up in the jury instructions.
3 That just because they decide, well, we are going to move our
4 activity to Canada, doesn't mean that the conspiracy ended.

5 Just by moving it -- I think was the suggestion in
6 opening statement -- they decided to move their activity to
7 Canada, that doesn't end or terminate the conspiracy. It's
8 still going on.

9 As you can see, it is important to define what was
10 the original agreement. The agreement in this case, and you
11 know we are not talking about General Motors, we are talking
12 about a huge organization, but they don't put down on paper,
13 it's not a signed contract, what they agreed to. You have to
14 kind of put it together from what they did.

15 But basically their agreement was to smuggle drugs
16 and to distribute drugs wherever they could best make money. I
17 mean, that is the agreement and the bottom line.

18 I suspect there was never any discussion about, you
19 know, it's going to be U.S., Canada, Australia, Holland. It's
20 a matter of: Where can we make money? Where can we make the
21 best money from smuggling our drugs? That was the agreement.
22 And what you are going to have to decide is: Does this
23 continue on?

24 Now, the defense contends that the defendants should
25 not be found guilty because either this conspiracy terminated,

1 or they withdrew more than five years before they were
2 indicted.

3 That is a concept, and we'll talk a little bit more
4 about it. The five years comes from the statute of
5 limitations. That is what the statute of limitations says,
6 five years. But what the judge will tell you is as long as
7 that conspiracy is continuing, that the statute of limitations
8 doesn't come into play. And I'll come back, and that -- but
9 that will come into play.

10 The operative date that defendant Knock was indicted
11 in March of '94 **. Madrid was indicted in February of '99.
12 Their contention is, therefore, that as to Knock that the
13 conspiracy ended before March of '89 or in Madrid's case that
14 it ended before February of '94.

15 And my response to that is twofold. First, I would
16 suggest that the evidence establishes that the conspiracy
17 continued on with the defendants' participation, and remember a
18 couple of things. And I'm not going to get too far into the
19 facts. We'll come back and talk about the facts. But I think
20 the evidence supports that defendants continued to be involved.

21 Now, remember one thing. Talking about quitting
22 isn't necessarily quitting. Now, you certainly heard testimony
23 that Mr. Knock talked about quitting. I suspect, in our daily
24 lives, we have many situations where someone talks about
25 quitting their job, talks about retiring, this is enough. I'm

1 fed up with it. I've had a bad day. I'm done.

2 But what you've got to look for is: What did they
3 really do? What did they really do? Talking about it, and
4 remembering those are drug dealers, their business is drug
5 dealing.

6 And it's just like, you know, I might have a bad day
7 and I might talk about I'm fed up with it and, you know, I've
8 had enough.

9 I think there is a country song along those lines.
10 But that doesn't mean that I quit. That doesn't mean that I
11 retired. What you have to look at is what I did, not what I
12 said.

13 Aside from that, even if after you review the
14 evidence and talk about it, you're convinced that after March
15 of '89, Mr. Knock did nothing, and that is your decision based
16 on the facts, what you then have to decide is whether he
17 legally withdrew.

18 And if he didn't legally withdraw, then he is still
19 responsible for the conspiracy and the statute of limitations
20 still doesn't help him. In other words, just stopping activity
21 doesn't do it. You have to legally withdraw. We'll talk about
22 that a little bit. I've got to kind of liken the analogy, the
23 analogy that Mr. Knock gave to Sonia Vacca.

24 Do you remember Sonia Vacca, good friend with
25 Mr. Knock? And I don't think anybody here has any perception

1 of where Sonia Vacca ** lanel for Sonia Vacca wanted to help
2 Mr. Knock all she could, but she gave an analogy, remember she
3 talked to him I think it was in the summer of '92.

4 And sometimes these dates escape me. And let me say
5 that you are going to go into that jury room. You are going to
6 have 12 people who are listening, taking notes. And your
7 recollection of this, I think if you will listen, is going to
8 be -- collectively it's going to surprise you how good it is.

9 But it was either summer of '92, summer of '93. And
10 let me just say that I don't recall specifically when this
11 conversation was. But Mr. Knock was talking about, remember
12 Ms. Vacca told him Mr. Duboc was still going on. And as I
13 think about it, I think this is the summer of '93, that
14 Mr. Duboc is still going on.

15 Remember Mr. Knock's analogy was: Yeah, it's like
16 getting a car running, getting a car all fixed up, and it's
17 hard not to take it around the block for a spin. Well,
18 Mr. Knock, Mr. Madrid were involved in getting this car
19 running.

20 This organization, this drug organization, this
21 smuggling organization they were involved in that. And as long
22 as it's reasonably foreseeable that somebody is going to
23 continue operating this car, running it around the block
24 driving and smuggling drugs into this country. He is
25 responsible for that unless he has done something to stop it.

1 And that is where the concept of withdrawal comes into it.

2 Now, let me talk just a little bit about timing.

3 You -- I know as we sit here in May of 2000, some of those
4 things sound like they happened a long time ago. And they did.
5 But I want you to remember the testimony of Mr. Mott.

6 Mr. Knock -- another friend of Mr. Knock's, in December of '93,
7 is when he left and went into hiding. This indictment was
8 returned in March of '94.

9 Mr. Knock wasn't found. He was a fugitive for over
10 two years. Then he resisted extradition from France for three
11 years. The fact that Mr. Knock goes into hiding and the fact
12 that Mr. Knock resists extradition and drags it out for three
13 years put five years in here. That isn't something that he
14 should receive the benefit of, and legally he is not. But I
15 want you to think of about that when you start thinking about
16 timing of things, this indictment was returned more than six
17 years ago in March of '94.

18 And it's not the government's fault that it took this
19 long to get here. So when you start thinking of timing, you
20 need to think of that perspective from what was going on in
21 March of 1994.

22 As I indicated, one of the defense assertions is that
23 the statute of limitations, it is important that you will note
24 from the Judge's instructions that that is something that is
25 the defense's obligation to prove. Statute of limitations.

1 Now, most of the things the government has got to
2 prove a defendant is guilty beyond a reasonable doubt. And we
3 accept that. But certain times when it gets into defenses, in
4 other words, yes, I did the crime, but there is some excuse for
5 it, then it becomes the defense's burden to prove those kind of
6 things.

7 And this is one of the things the defense has an
8 obligation to prove by preponderance of the evidence. That
9 means more than 50/50, that there is a statute of limitations
10 defense. And to do that, they must show by a preponderance of
11 the evidence that the defendant legally withdrew or legally
12 with -- or the conspiracy was terminated before, in Knock's
13 instance, March of 1989.

14 And in Mr. Madrid's instance, February of 1994. Now,
15 why is the difference? The difference is the indictment, the
16 returning of the indictment is the date you count from.

17 As I said, Mr. Knock was indicted in March of '94.
18 So let me say that again so -- it's a little bit confusing.
19 I'm not sure I explained that real well.

20 To have a statute of limitations defense, the
21 defendants must prove that either the conspiracy terminated,
22 ended before March 10th of '89, in Mr. Knock's case, or
23 February of '94 in Mr. Madrid's case, or they must prove that
24 they legally withdrew from the conspiracy before those dates.

25 So those are important dates. Now, termination, what

1 does that mean? That means that no overt act in the conspiracy
2 occurred after that day. No overt act by anybody, not by those
3 defendants, just by anybody involved in the conspiracy did an
4 overt act after those dates the conspiracy is not terminated.

5 What does withdrawal mean? And it's an important
6 concept. Again, must be proven by the defense. It's the
7 defense, it is an excuse defense.

8 Four elements to withdrawal.

9 One, that the defendant completely withdrew. Partial
10 withdrawal doesn't help.

11 Two -- and this is a very important element. That
12 the defendant took affirmative steps to defeat the objectives
13 of the conspiracy. In other words, he did something to stop
14 it. Not he just didn't -- wasn't involved any longer. He did
15 something to stop it.

16 And, three, that he communicated his withdrawal from
17 the conspiracy either to his co-conspirators or to the police.

18 And, fourth, and we go back to those dates that I
19 talked about that this occurred before. In Mr. Knock's
20 instance, March 10th, 1989, and in Mr. Madrid's instance,
21 before February 17th, 1994.

22 Talking about one last legal thing, and I know you
23 all have been very patient. I appreciate you staying with me,
24 it is very tedious, but it's very important. There is one last
25 thing that I want to talk about. This is very important. And

1 on account of me bringing up, I can't avoid it. There have
2 been times in cross-examination when it seemed that the defense
3 was suggesting -- well, Mr. Knock has been in prison long
4 enough, so, you know, let him go.

5 One of the things that the judge is going to tell
6 you, and I ask you to take this to heart: Punishment is not a
7 jury concern. That is the judge's job. All right. It isn't
8 your job to decide, you know, well, what is the right sentence?
9 Is this long enough? Is that long enough? You have sworn to
10 follow your oath.

11 And the instructions the judge is going to tell you
12 is: That is his job. I ask you to leave that to be his job.
13 If the defense in any way in their closing remarks suggests
14 that this is a factor, I ask you to totally disregard those
15 remarks and understand that that is just not proper.

16 That is not your position. And I know, you know, I
17 know we are all human and you want to consider those things.
18 But there are many things that the judge has to take into
19 account, you know. We are not here on a sentencing issue. So
20 leave that to the judge. That is his job.

21 All right. Let's talk about the facts a little bit.
22 Again, I told you that this is going to be your collective
23 recollection. You are going to go into the jury room and
24 hopefully you will sit down and you will talk about things
25 among yourselves. And I think you will be impressed. You will

1 be impressed at how much you remember of what happened from the
2 last three and a half weeks. And I ask you to do that.

3 You are also going to have the opportunity, all of
4 those things that we have slammed into evidence sometimes, I
5 mean it's gone fast, we've put a lot of records into evidence.
6 You are going to have a chance to look at those. And to some
7 extent, do your own investigation of, you know, what went on,
8 and get a chance to look at them yourself.

9 And that is part of your role back there is to make
10 sure you understand the facts. And I know sometimes it goes a
11 little fast on those evidentiary things, and you think: Well,
12 I wish I could see that document. Well, I think you can
13 imagine if we stopped and looked at every page of every
14 document that we put into evidence, we would still be going two
15 or three months from now, and we can't do that. So you will
16 have the opportunity to look at those things and decide what
17 you think is important. All right.

18 If we could pull this up. I want to go back to when
19 I started the case and talk with you a little bit about the
20 activity of this organization.

21 And I want to go back to that. And we modified this
22 somewhat to try to fit with, you know, what those witnesses
23 have told us in the course of this case.

24 And I think in a general sense, we would have -- you
25 heard testimony that at least once a year this group was doing

1 a load of marijuana. And that generally they were around 30
2 tons a year that they were importing. And some of the early
3 loads you will remember have -- Bruce Rifkin and Vincent Mott
4 were involved in some of the real early loads. Do you remember
5 Mr. Rifkin talked about information he was involved in
6 discussions with Mr. Knock back in the '70s about a container
7 load that they planned, and then didn't come about.

8 And then in the early '80s, Mr. Rifkin is the one
9 that told you that he went to the Boston area and picked up a
10 load of hash from Mr. Knock in the Boston area, and then
11 delivered that into Canada. Mr. Mott you will recall -- and
12 you will recall Mr. Mott was good friends with Mr. Knock.

13 And I think it was, again, he is another person -- I
14 think it was very apparent was doing his best to not hurt
15 Mr. Knock, but told you about being involved in a series of
16 hashish and marijuana distributions that started as best he
17 could recall somewhere around 1983. The first load he told you
18 about he picked up in California and moved into Canada. And
19 was involved from then through 1986.

20 And into the distribution of this hashish and
21 marijuana, most of which, at that point was being distributed
22 in Canada. But I think it's important to note what is
23 happening in those loads. I mean, the hashish may be getting
24 distributed into Canada. But where is it being brought in?
25 It's being brought into the United States and then moved to

1 Canada.

2 Sonia Vacca, now she is there because she was the
3 one, and you will remember in the undercover investigation, she
4 talked about this, that they were doing loads for a long period
5 of time. And that each of the loads was about 30 tons. And
6 she didn't have a specific knowledge of a specific load, it was
7 in general from her association, close association, with
8 Mr. Knock.

9 And then we go through -- we have '85, '86, and it's
10 not listed up there, but you will recall that Mr. ** Breedin
11 was another person that in '84 and '85 got involved in the
12 movement of hashish. First, he was moving hashish to the New
13 York area, and then he got involved in Canada. Then we come
14 along to the fall of '87, and we got some new players involved.

15 You will recall in the fall of '87, and we now know
16 that this was on the vessel RUBY R, there was a load brought
17 into San Francisco. Now, there was -- the people that were
18 involved in that load, were Tom and Dan Vance who were working
19 for their father. Remember Gary Vance was their father who
20 insisted that they be involved, and they were involved in this
21 load along with Julie Roberts.

22 And you will recall Ms. Roberts said she first met
23 John Knock, Gary Vance and paid -- I forget who she paid -- she
24 paid someone for a connection with Mr. Knock, and they made a
25 meeting at the old airport with Mr. Knock. And from that, this

1 load in 1987 was planned. She also had meetings with
2 Mr. Duboc. And this was a large load brought into the San
3 Francisco area and distributed and moved to a farm of
4 Mr. Madrid's.

5 And you will remember Dan and Tom Vance talking about
6 working side by side with Mr. Madrid and Mr. Knock there at the
7 farm, I think he called it, the walnut farm or the pecan farm
8 or something along those lines, repackaging the marijuana for
9 distribution.

10 And, you know, I think you heard some things from
11 Mr. Vance. He talked about things that Mr. Knock had talked
12 about. He talked about him missing a finger and telling him
13 about how he had lost the finger in an accident. You know,
14 things that would be difficult for Mr. Vance to just come up
15 with, personal things he knew about in the fall of 1987 that
16 involved the RUBY R.

17 Let's go to Exhibit 83, talking about the RUBY R.
18 Agent Heng, the DEA agent from San Francisco had gone out and
19 gotten a picture of the RUBY R. Remember this was done in
20 similar fashion to the one the next year that they seized where
21 this ocean going tug boat would pull a barge out, they would
22 meet the mother ship, and then pull that barge back into the
23 San Francisco area.

24 Now, one of the things that came up during the course
25 of this investigation, and if we would go to Exhibit 81,

1 please, it's interesting. We went over this real fast so you
2 know I'm not sure how clear it was. But, during the course of
3 this investigation, now this was actually found in May of '88.
4 And you will note these checks are written March 14th of '88.

5 But, you remember the IRS agent from the Sacramento
6 area, told you about going out to Calvin Robinson's sister's
7 residence, and there he found bearer checks. This is just a
8 sample of them, bearer checks that totaled a million dollars.

9 And you will note these are bearer checks written on
10 the -- I won't try to say the French at the top -- we will call
11 it BNP, a bank in Luxembourg, that total a million dollar
12 bearer checks. Along with those checks are instructions of how
13 to spend this money, what to do with this money.

14 You will have those instructions and, you know, you
15 can look at them. But one of the instructions was: Paying off
16 some money on the RUBY R. And remember this is Calvin
17 Robinson's sister. And you heard testimony that Calvin
18 Robinson was the captain of the RUBY R, and then the captain of
19 the INTREPID VENTURE. This is one that occurred in 1988.

20 The next load that we know about, we know a good bit
21 more about, because law enforcement seized this, and that was
22 in May of 1988, and that was the INTREPID VENTURE.

23 And again, you heard testimony from Ms. Roberts that
24 she set up a meeting between Knock, Bill Lyttle who was
25 involved in the '87 load, and Calvin Robinson to start this

1 load. But, by this time she had gotten scared off and decided
2 to go to Europe and was not involved. But she talked about
3 this.

4 Same captain, the INTREPID VENTURE. If we could go
5 to Exhibit 80, please. And this is a picture of the tug, a
6 similar tug to the RUBY R. And you will recall it went out
7 pulling a barge, and that is the barge. You can't see it from
8 there, but you will have a whole series of these, but it's the
9 barge there on the right side. And you will recall the hashish
10 and marijuana was welded into below decks there. And it took
11 law enforcement quite a while to find it, but eventually they
12 did get it out. And there was 43 tons of hashish, 13 tons of
13 marijuana.

14 If we could go to the next picture slide, please.
15 All right. If we go to the next page. And I think that you
16 will recall the testimony of Agent Heng the DEA agent from San
17 Francisco, that this is just the marijuana that was on there,
18 the 13 tons of marijuana. And that it took a large group of
19 people many hours just to unload these tons of marijuana,
20 combination marijuana and hashish.

21 Now, you have not only the testimony of Ms. Roberts
22 about this load, but you will also recall that Mr. Knock
23 admitted being involved in this case, in this seizure, to
24 Mr. Mott.

25 He also acknowledged being involved in this with

1 Ms. Vacca. Told about this seizure in the Bay, this is the
2 seizure in the Bay in San Francisco that he acknowledged being
3 involved in 56 tons of marijuana.

4 All right. Then we get involved into a series, and
5 it's ongoing, a series of loads into Canada. And now you
6 recall they are bringing in the INTREPID VENTURE into San
7 Francisco at roughly the same time they are bringing a load
8 into Vancouver. And you hear that you have the testimony of
9 Mr. Cowles, Georgio Farina and John Breedin there is this
10 series of loads going into Canada.

11 You will recall that in April of '91 you had the RCMP
12 officers that talked to you about the surveillance in Canada,
13 where they surveilled John Hanson, Mr. Madrid, Mr. Darmon, and
14 ** involved in this. You have the testimony of Ms. Vacca, **
15 Chris Horne that in the spring of 91, they went up and sat on
16 one of those stash houses. And Mr. Madrid told Ms. Vacca that
17 they were postponing this load because he was under
18 surveillance.

19 And that he had, in fact, thrown away, I think it was
20 \$35,000 in cash, and thrown away a cell phone because he saw
21 that the police were after him.

22 And it fits pretty closely with what those witnesses
23 are telling you. And I think Mr. Cowles and Mr. Farina was
24 telling you about this, that the load was postponed.

25 Go to Exhibit 107, please.

1 You saw that a number of things were seized in what
2 we refer to as the stash houses there in Canada. And this is
3 the corner of one of the receipts. We've blown up this
4 particular corner so that you can see it. And it relates to P.
5 Osborne, June 14th, 1989, ** 4, 91, 1755, Robinson Road.

6 Now, you will recall, and we'll look at it in just a
7 second, we've got -- this is the address for that mail room
8 that we put in the records of Mr. Osborne and Mr. Madrid from
9 the mail room. And this is a receipt found at one of the stash
10 houses. I'm sure that you figured out from the presentation of
11 the evidence now that Patrick Osborne is an alias used by John
12 Knock.

13 And, in fact, some of the letters he is writing home
14 to his wife, he signs them Patrick. And there has been a
15 series of things where Patrick Osborne has been used by
16 Mr. Knock. But anyway in this same house, not only do you have
17 Patrick Osborne's things, but you have things that are actually
18 in the name of John Knock. Let's go to the mailroom records
19 that I'm talking about, 136.

20 Now, there is -- here is Patrick Osborne at the mail
21 room. We have postal offshore oil services. And I think you
22 will recall the testimony of Sonia Vacca, that that was one of
23 the names that Claude Duboc used as one of his companies named
24 John Richards, then an address in Switzerland.

25 Now, interestingly, I want you to note the date of

1 this, April 19th, 1989, is the day that they are making this
2 application. It says: Start service same date. So, remember,
3 this becomes number 491. Remember the invoice we were just
4 looking at it was boxes 491, 1755 Robinson.

5 Now, if we can go to the next entry. Mr. Madrid.
6 All right. Now, remember -- now, this is Albert Madrid. His
7 address that -- he is just traveling. He doesn't have an
8 address. Look at the date on this, April 19th, 1989.

9 Now, Mr. Madrid, Mr. Knock were pretty clear though,
10 they didn't want to start service the same day. They thought
11 that someone might be snooping around and see who started
12 service the same day.

13 So on Mr. Madrid's they say: Well, start April 20th.
14 Now, I don't think anybody is terribly fooled by that. But
15 anyway they asked not to start service that day, but start
16 service the next day.

17 Mail room box number 696. So the same date, April
18 19th, 1989, Mr. Knock and Mr. Madrid in their -- starting their
19 service at the mail room.

20 You also remember Ken Cowles used this same place.
21 Georgio Farina used this same place. Mr. Breedin used this
22 same place. All right.

23 Now, I'm not going to show them, because it won't
24 mean a whole lot to you. But I do want you to remember that
25 fingerprints were found in that same stash house. They call

1 that the trout farm. And I constantly get them mixed up. But
2 they refer to it as the trout farm. Fingerprints of Mr. Knock
3 and Mr. Madrid were found in that same stash house. In a
4 different stash house, the log cabin, is what they referred to
5 it as, they had fingerprints of Mr. Madrid and Mr. Cowles.

6 In the log cabin, you also had a receipt from Georgio
7 Farina ** something these guys, it's understandable have a
8 little problem going back.

9 Well, did this happen in 1989 or 1990 or 1991? What
10 we were able to show Mr. Farina is there is a receipt there
11 dated October of 1991.

12 And he says: That is a receipt for something that I
13 bought while I was there at the stash house working on a drug
14 load. So he knows that he was there in the fall of '91. There
15 is also a receipt there from Mr. Cowles for the same time
16 frame. And I think one is in September, one is in October. It
17 was about a six-week period. So we are able to pin down that
18 they were there at that stash house in the fall of '91.

19 You will also have with you the -- the plea agreement
20 that Mr. Madrid signed in which he acknowledges these facts
21 that they were, in fact, using those stash houses to run these
22 loads of marijuana through.

23 And, lastly, I want to mention seized at that stash
24 house, the one where Mr. Knock's fingerprints are found, are
25 the Textel machines, the machines that you use -- that you can

1 use to send coded messages. Now, what is really interesting,
2 not only that you found that there, but you will recall, and
3 you will get to look at them, you've got three of the exact
4 same machines seized in Mr. Knock's residence when Agent Lilley
5 goes there and does a search in March of 1994.

6 Now, so you have a series of loads into Canada. You
7 have a great deal of testimony about that, 1988 through 1992.
8 Then we get involved in a couple of loads to Australia and
9 Amsterdam.

10 You will recall that Ms. Roberts told you about, and
11 Julian Rodriguez told you about plans to send this load to
12 Australia. As I said, those guys, they are willing to send
13 their dope wherever they can make a buck. And then in this
14 instance, it was to Australia first. In 1991, summer of '91,
15 they sent 25 or 30 tons of hashish to Australia. That is where
16 they got into the big argument with Blue.

17 As Ms. Roberts described it, there was always a load
18 on the water. That was what he said. Always a load on the
19 water. And Duboc is telling her, there is a load ready to go
20 to Australia. Now, who is involved in collecting the money
21 from the Australian load but Mr. Madrid. He meets Ms. Roberts
22 in Hong-Kong and helps collect money.

23 And then we have the load in -- in the fall, Winter
24 of 1992, another load into Amsterdam. That is seized in
25 December of 1992.

1 Then we come to the 1992 load that is seized in
2 Canada. And it is actually, time-wise it is interspersed. But
3 this is in the summer of 1992. And you will recall that
4 Mr. Madrid and Mr. Cowles and Lori Burdin are arrested there at
5 a warehouse in Vancouver on July 16th, 1992, in the presence of
6 six tons of hashish.

7 Seized in the warehouse with them -- and if we could
8 show Exhibit 20, please. And Mr. Madrid, the picture doesn't
9 come out real clearly, but you will have the original picture.
10 But he is arrested there at the warehouse. This -- if there is
11 any doubt, there's a picture taken there with law enforcement
12 with a bunch of tally sheets we referred to and drug sheets
13 where they are keeping track of the loads.

14 Mr. Cowles showed that he is only getting a portion
15 of the load. The -- the tally sheets from Mr. Madrid shows
16 that it's much larger than Mr. Cowles knows about. And again
17 in the plea agreement, there is discussion about that. It's
18 actually around 40 tons.

19 You will recall, and this is important, after this
20 occurs, July 15th of 1992, Mr. Knock gets involved. You will
21 remember Marshal Way, one of our earlier witnesses. He was
22 probably in the first week of trial. Marshal Way says that in
23 the summer of '92 he contacted Mr. Knock and said: Have you
24 got any work for me?

25 And at the time he said: No, but, you know, maybe.

1 I'll get back with you. And he got a call back sometime late
2 July or early August of '92, and somehow he related this to his
3 son's birthday or something of that nature.

4 He said: We've got a problem in Canada. We need you
5 to go up there and help. Mr. Knock arranges for Mr. Way to go
6 to Canada. And from that point in time, Marshal Way goes to
7 Canada and gets involved in collecting money. He is collecting
8 money in Canada, along with Julie Robert who is also there.
9 And Mr. Madrid is still involved, even after being arrested,
10 caught in the act, six tons of hash in the warehouse.
11 Mr. Madrid continues to be involved.

12 His workers are distributing the hash. He is helping
13 pick up the money: And this goes on, you know, for a period of
14 time while the money is collected. Roberts gets involved in
15 Vancouver from January of '93 through June of '93, collecting
16 the money.

17 Now, you say collecting the money. I thought they
18 seized it. They seized six tons, as you are recall the
19 testimony. But this load was at least 40 tons. So about in
20 excess of 30 tons of hashish had gotten through. It was
21 continuing to be sold, continuing to be distributed, and the
22 money is continued to be picked up.

23 July of '92. And Mr. Madrid continues to be involved
24 even after his arrest in July of '92 and even confirms those
25 facts in his plea agreement, and his admission and the

1 statement of facts in which he talks about what he did, even
2 after July of 1992.

3 And then that takes us to the 1993 load into the West
4 Coast of the United States. You will recall that July 4th of
5 '93, it's brought in through Seattle. It was originally 23
6 tons, the marijuana. They couldn't fit it all in the boat so
7 they dumped six tons.

8 Duboc is the organizer. Julie Roberts is
9 coordinating the offload. Dallas and Douglas Nelson are
10 involved. And Marshall Way is running the distribution. They
11 bring this load in on July 4th of '93. Move it to a farm of
12 the Nelson's, and then began distribution of the marijuana.

13 You will recall they referred to marijuana as green,
14 hashish as black. And that just comes from the color of the
15 substance. But something to keep in mind later. You will
16 remember that Ms. Roberts told you that five thousand pounds of
17 this marijuana was distributed to a guy named Dr. Mike, Michael
18 Rogerson, as he has identified a picture of.

19 Five thousand of this, plus Mr. Rogerson is also
20 involved and it gets a little confusing. He is not only
21 involved in this marijuana load that is distributed in
22 California, but a few months later, a couple of months later,
23 he is involved in the offloading and the distribution of the
24 load of hash through Vancouver.

25 So this is all going on about the same time. Those

1 are massive operations. They don't happen instantly. So this
2 is all going on at the same time. You will recall that
3 Mr. Rogerson in conversations claims that he lost part of his
4 marijuana in North Carolina, basically because he doesn't want
5 to pay for it.

6 And you will hear later an undercover conversation
7 where he's offering to give some of this marijuana back. Now,
8 I hope you followed this. But sometimes it gets a little
9 confusing in the presentation. But I think that you will
10 understand that part of this load that was being distributed
11 into California, the marijuana, that Julie Roberts was involved
12 in, was being distributed to a group in New York.

13 A fellow named David Kaplan was running that, and you
14 will remember that is where Mr. Rosen, and Mr. ** Parnels came
15 into play.

16 Mr. Rosen was the one that was basically coordinating
17 that, had come here and moved about a million dollars to pay a
18 deposit down on that marijuana. And you will remember
19 Mr. Parnels is the one that was found with the \$700,000.

20 And the California highway patrolman, Trooper
21 Hubbard, seized the \$700,000 because Mr. Parnels didn't follow
22 Mr. Kaplan's instructions. Instead of taking his time moving
23 getting from LA to San Francisco, he was speeding. He got
24 caught speeding. And the \$700,000 was seized.

25 And you know when we bring you those things to say

1 that there is real life, \$700,000 is not something that, you
2 know, that we totally envision. And so that is -- I think it
3 is important that you see this is the reality. This is the
4 kind of money that we are dealing with for those people. And
5 you will have pictures of that. And the trooper told you
6 about seizing it.

7 There was a little segment in there that I hope you
8 were paying attention to and picked up on. I hope you see the
9 drug dealers are not very concerned with the borders. You will
10 remember the little incident with Mr. Rosen, where Kaplan had
11 sent the money over with Rosen to deliver it to Parnels. And
12 mixed in with the money they had U.S. and Canadian money mixed
13 together. They said: Oh, Kaplan got mixed up. This was the
14 money that was supposed to go to buying the load that was going
15 to Canada instead of the load that is coming through
16 California.

17 Those -- those dealers are not very concerned about
18 our foreign borders. So he got mixed up in that money. So
19 they had to take the Canadian money back and change it for the
20 American money and make sure that they were giving the right
21 money to the right groups. And then you will recall, and it
22 kind of fits in with this, is Mr. Rosen was involved, and it
23 actually occurred sometime before this picking up a load of
24 hashish in New York City.

25 That was distributed to Mr. Kaplan for Mr. Kaplan to

1 distribute. Now, you know we are not a hundred percent sure
2 whose hashish that was. Circumstantially it fits with a load
3 that had come in through Vancouver about this time, we are
4 talking about six months before the seizure in California, of
5 the '93 seizure. So this would have been late '92, or early
6 '93.

7 It's the same people. Remember, the guy he just knew
8 as Sid or Howard is his connection with Marshal Way in
9 California to buy the marijuana. He is the same connection
10 with this load of hashish that they are buying and distributing
11 in New York City. And as Mr. Rosen believes, this load was
12 being distributed there in New York City and then was going to
13 be sent on to Canada.

14 But I only mention that, you know, it's -- it's a
15 little circumstantial. But I think it shows you, you know, the
16 borders between the U.S. and Canada are not real carefully
17 considered by those drug dealers, and any suggestion to the
18 contrary I think you should reject.

19 And worth noting, as I indicated, September of '93,
20 another load came into Canada, Dr. Mike offloads and
21 distributes this. That is when we get into October of '93, law
22 enforcement seizing about 14 tons of marijuana in the San
23 Francisco area. And we'll tell you, you will have with you
24 pictures of that. And it is -- if we could show Exhibit 156
25 please.

1 All right. And you know, I've got a whole series of
2 pictures of this. This is a picture of about 11 tons of
3 marijuana that was seized in the warehouse there in ** Novato,
4 there was marijuana -- and I'm sure you will recall -- seized
5 at several different locations. There was marijuana seized
6 from Mr. Tepping's residence. Marshal Way was arrested in
7 connection with this.

8 This is the marijuana right here in U.S. soil,
9 California, as far as that -- as far as I know, still part of
10 the United States. Marijuana distributed by this organization.
11 Now, we don't have any evidence that this load is being
12 initiated or implied that Mr. Knock is actively involved or
13 that Mr. Madrid is actively involved in this planning.

14 But what we do have is that when the money is
15 starting to be collected, Mr. Madrid and Mr. Knock both get
16 involved.

17 And you will recall in March of '94, Madrid and Knock
18 get involved in trying to collect money after Duboc is arrested
19 or goes on the run, and gets arrested. And this activity
20 continues through Mr. Knock's arrest in April of 1996.

21 Judge, I see a few jurors are getting a little
22 restless.

23 THE COURT: Do you want to take a couple of minute
24 break here? 15 minutes, folks. Don't talk about the case even
25 now. Just relax. We'll take 15 minutes.

1 (Jury out.)

2 (Recess taken.)

3 (Jury in.)

4 THE COURT: Be seated, folks.

5 Mr. Hankinson.

6 MR. HANKINSON: Yes, sir, Your Honor. Thank you.

7 Let's talk about Julie Roberts a little bit.

8 Ms. Roberts is what she is. It's not hard for you probably to
9 have feelings of animosity, dislike for her. Involved in major
10 drug smuggles, goes to San Francisco and gets put on probation
11 after having been involved in major drug smuggling activity.
12 Doesn't cut a very appealing figure even up here as a witness.

13 I would sense, you know, that she's not a very
14 likable figure in general. But let's be real clear. The --
15 the question is not whether you like her or approve of her.
16 The question is: Did she tell you the truth from the witness
17 stand?

18 If you believe the testimony of Julie Roberts, all of
19 this analysis is very simple because Ms. Roberts tells you that
20 the defendants, Knock and Madrid, both get back involved after
21 March of '94 in trying to collect for those drug ^{loads} **, ~~involvements~~
22 ~~involvements~~ that they are actively involved, end of story.
23 It's very easy.

24 Now, let me be quick to say, I don't think the
25 opposite is true. I don't think the fact that you disbelieve

1 her means that the case isn't proven. But if you do believe
2 it's a very easy analysis, because she tells you between March
3 of '94 and April of '96 Mr. Knock and Mr. Madrid are ~~***~~
4 involved in the collections of the drug proceeds, that they are
5 actively involved.

6 Now, do you believe her or not? That is what you are
7 going to have to decide. That is the kind of things that
8 juries need to decide. I think you have got to kind of analyze
9 a little bit of sympathy too. You've got to look at her
10 testimony as it relates to Mr. Madrid.

11 I think it was abundantly clear on the witness stand
12 that Ms. Roberts was doing everything she could to help out
13 Mr. Madrid's situation.

14 And from the testimony apparently there has been some
15 personal relationship there. And I think it was abundantly
16 clear that her leanings, at least in that instance, were to
17 help Mr. Madrid. I don't see that displayed as much in terms
18 of Mr. Knock.

19 But again what you have got to analyze is: Was
20 Ms. Roberts telling you the truth? And I suggest to you there
21 are a lot of ways to analyze and assist what she said that
22 suggests she is telling you absolutely the truth from things
23 that don't rely on her believability. And what do you mean by
24 that? Well, let's first talk about ^{remember in} you will ~~first~~ ** February
25 of ^{'96} ** Ms. Roberts came, turned herself in to the San Francisco

1 area and began cooperating.

2 And she did this undercover -- a series of undercover
3 meetings. She did undercover service -- calls to the answering
4 service of Mr. Knock that she was given the phone number to.
5 She had this undercover meeting with Mr. Rogerson, Dr. Mike.
6 And that was in April of 1996.

7 Now, to be real clear, Dr. Mike doesn't know that he
8 is being recorded. So what he has to say is -- you know, as a
9 co-conspirator thinking he is dealing with a fellow
10 co-conspirator. Now, the -- admittedly the quality of this
11 tape, because it's in the restaurant, is not very good. But
12 there are a few real important things that are said in there,
13 and that I know it was painful to sit and listen to that. But
14 I thought it was worth doing, and let's mention and show just a
15 couple of them.

16 If we could go to Exhibit 152, please. Page 3.

17 And you remember Ms. Robert's testimony was that
18 Mr. Madrid and Mr. Knock are helping collect the proceeds from
19 the 1993 load. And what you have to decide is: Is that true?
20 She said that Mr. Madrid had participated in one of those
21 meetings. And if we go down here, and remember Mr. Madrid is
22 known by those people as Blank, because that's his nickname
23 that he was known as.

24 And just listen. This is Mr. Rogerson talking.
25 Says -- and some of it is unintelligible. But they are talking

1 about this green thing. And you remember the green thing is
2 marijuana. That is what we are talking about, the green thing.

3 And Mr. Rogerson, we talked. Remember you agreed
4 with me. You said that the numbers are settled. And then
5 there is some that you can't understand. I have overpaid as
6 far as they are giving me any cash, and we -- me and the Blank
7 sat and talked.

8 So when Ms. Roberts says that Mr. Madrid was involved
9 in conversations with Rogerson about the money, you don't have
10 to take Ms. Robert's word for it, you have confirmation of that
11 in Mr. Rogerson's own words out of his own mouth, not knowing
12 that he is being recorded. If we can go to the next page, page
13 5, please.

14 Go up a little bit. I'm sorry.

15 Okay. I'm sorry. Sometimes it gets a little
16 disoriented on where we are. Let's start here with
17 Mr. Rogerson talking. You know, the last time we met Blank
18 was -- and there is something we can't understand. I came to
19 meet him right here.

20 Julie Roberts: You met him here by yourself here?

21 Mr. Rogerson: I met him a few times, yes.

22 Before he left?

23 Yeah.

24 And then Mr. Rogerson says: Something
25 unintelligible. But he left with his slippers and pajamas

1 folded on his bed.

2 That is interesting because you will remember the
3 testimony of Paul ** Nadeau, the RCMP officer that went to look
4 for Mr. Madrid after he fled to Mexico. And what do you call
5 constable or corporal Nadeau was talking about the way he found
6 Madrid's place, was his slippers and pajamas folded on the bed.
7 Obviously, Mr. Rogerson had been gathering information in some
8 way. But that is interesting. That is exactly what you recall
9 Corporal Nadeau was talking about. If e would go to the next
10 page, page 13.

11 All right. And again, there is conversations,
12 talking about: I couldn't do that. A bunch of jokers. And
13 then Ms. Roberts is talking about: So did Blank and John, and
14 then, Ms. Roberts -- or Mr. Rogerson is talking: So did Blank
15 and John?

16 Ms. Roberts then confirms that they are in Europe.
17 Just -- when we are talking about Ms. Roberts, saying that
18 Madrid and Knock are involved in this collection, you don't
19 just have to take her word for that, it's -- it is in these
20 transcripts or the tape of this conversation.

21 We -- there was another conversation shortly after
22 that, a phone conversation. It's pretty brief. It's -- there
23 is nothing real specific in it, but you will recall again the
24 discussion about the episode. And Mr. Rogerson is basically
25 saying: Well, I don't owe that much.

1 And Ms. Roberts is saying: I think that -- I don't
2 want to get involved in the middle of this. But, you know,
3 it's clear. And you don't have to take Ms. Robert's word for
4 this, that they are talking about a debt that is owed.

5 What other things do you have that -- to tell you
6 whether Ms. Roberts was telling the truth or not? You will
7 recall on August 5th of 1994 the -- law enforcement went to the
8 San Diego area, did a search of Mr. Berger's residence in his
9 mini warehouse. What did they find in that search but a
10 million dollars Canadian. If we could show that, please.

11 And, you know, again, you don't have to take
12 anybody's word for it. There it is, a million dollars
13 Canadian. And you will recall the testimony, and what
14 Ms. Roberts had already told the police was: I paid Berger a
15 million dollars. I had gotten the money from Dr. Mike in Palm
16 Springs. I got a million dollars Canadian that I gave to
17 Berger.

18 I got a million dollars Canadian that I gave to the
19 Nelsons, and \$400,000 U.S. that I also gave to the Nelsons.
20 Well, when law enforcement searches Berger's place August 5th,
21 1994, a million dollars, just as she's indicated.

22 The next event that would confirm what Ms. Roberts is
23 saying is actually the arrest of Mr. Knock. April 17th of
24 1996, Mr. Knock is arrested in Paris, France. He is arrested
25 there. And in his possession was a false passport in the name

1 of Charles ** Meleau, false Irish driver's license in the name
2 of Charles Meleau, currency from three different countries in
3 the amount of about \$11,000. And he is arrested.

4 But, remember the significance as it relates to
5 Ms. Roberts. He is there. According to her, he is going to
6 answer a phone call at a pay phone. Well, what do the French
7 police officers tell you about? He is there at a pay phone
8 pretending to be making a call waiting for a call.

9 Now, for some reason or other, he is intending to
10 record it. We don't quite understand that, but he's there
11 waiting on the phone call. That is exactly what Ms. Roberts
12 indicated. And then to cap that off, you have the note that
13 was obtained from Mr. Knock's jail cell.

14 If you would go to Exhibit 177, please. And you will
15 have this back there, and you will be able to read it yourself.
16 But, in this note Mr. Knock confirms that he is dealing with
17 somebody that needed to talk with me, that she received a
18 message that she could not reach me until April 17th, and that
19 it was important. She was in a panic, which was not unusual,
20 because, CD, Claude Duboc, had put her in a position way beyond
21 her **. ~~death~~

22 Now, when Julie Roberts tells you that she is
23 communicating with Mr. Knock about the problems created with
24 this organization, and at the request of Mr. Duboc, you have
25 the words from Mr. Knock himself that confirms that that is

1 true. So, again, not whether we like her. Is she telling the
2 truth?

3 The next thing we know is May of '96 Mr. Madrid is
4 arrested. How does the information as to where Mr. Madrid is
5 located come about? It comes about based on the information of
6 Ms. Roberts. The next -- that was May of '96. The next, in
7 June of '96, June 15th of 1996, we have the meeting with Carol
8 Nelson.

9 Remember, we talked about Berger had a million
10 dollars. They had given a million dollars to the Nelsons
11 Canadian, and Ms. Nelson is showing up to trade her Canadian
12 money into U.S. money. That is what she believes. It's an
13 undercover operation. There is a videotape of it. Now,
14 remember, Nelson doesn't know anybody is listening.

15 Now, this videotape is quite long. And I played
16 about as much of it as I thought, you know, you all could stand
17 to listen to. You know, it's probably an hour and 30 minutes
18 long. But I commend to you that videotape. It's a very good
19 look at the perception from the inside of the conspiracy. From
20 the inside of the conspiracy as stated by Ms. Nelson.

21 What does Ms. Nelson tell Ms. Roberts? She says: If
22 you decide to turn yourself in, she doesn't know she already
23 has turned herself in, you have got to be a hundred percent.
24 If you are not a hundred percent, they are going to nail you.

25 So before you turn yourself in, convince yourself you

1 are going to do that. And what does she say? And I think it's
2 quite significant. And you can hear it in the videotape for
3 yourself. They are going to want to hear about -- or I think
4 they are going to want you to give up -- I don't remember the
5 exact wording of it -- J.J. and Al. J.J. and Al. And remember
6 who J.J. is. J.J. is John Knock. They are going to want you
7 to give up J.J. and Al.

8 Now, this Ms. Nelson is a member of this drug
9 conspiracy. Her perception -- now she doesn't know that she's
10 being recorded. But what is Ms. Nelson's perception of who is
11 in this conspiracy? J.J. and Al were the ones still out there
12 that if Ms. Roberts turns herself in, she is going to have to
13 give up. Like I say, you will have that in evidence with you
14 if you want to look at it.

15 The money is then seized. \$900,000 Canadian. Now,
16 remember, \$900,000 there, a million dollars from Mr. Berger.
17 This is the money given to Ms. Roberts by Dr. Mike in Palm
18 Springs.

19 Another verification of what Ms. Roberts said. Do
20 you remember the Realtor from the Taos area who is now in Los
21 Angeles, Bonnie Bryant? She came here, indicated, you know,
22 she had some real estate transactions with Ms. Roberts, not
23 terribly significant from our perspective, but she **
24 Ms. Roberts brought somebody into the office that I met. His
25 name was Al. Well, she is shown a book of pictures. I think

1 you will find there is a big grey volume of pictures there.
2 And she looked through it. This is the guy Al that I met.

3 Well, who is this Al? It is Mr. Madrid. So when
4 Ms. Roberts tells you that in March of '94, she is in Taos with
5 Mr. Madrid, again, you don't have to take her word for it.

6 Again, when Mr. Duboc is arrested, there is a phone
7 number on his pad. There is a phone number on his pad for
8 Taos, New Mexico. Now, it turns out that it's actually
9 Ms. Gerald's number which is in the duplex next to Ms. Roberts,
10 and Ms. Gerald's is the one that couldn't remember her phone
11 number. But we put it in evidence so you won't have any
12 problem, because she couldn't remember her phone number.

13 But she ^{indicates} ** remember she is the one that got a call in
14 the middle of the night from some guy that says: I got mixed
15 up with my time zones. So when Ms. Roberts says that they were
16 contacting her and Duboc first contacted her, then she has
17 contact with Knock there in Taos. You don't have to rely on
18 her word for that, you know from her next door neighbor,
19 Ms. Gerald, that it occurred.

20 The other thing that we need to look at, and if we
21 could pull up 239, something that you know is based on the
22 documents is the -- is the long series of deposits that
23 Ms. Roberts received, and she indicates from Duboc, starting in
24 December of '89.

25 And it goes through -- and let me just kind of scroll

1 on down, '89 through 19 -- January of 1994. So when we talk
2 about the people involved in the conspiracy, and over what
3 period of time they were on, you can see on paper -- you don't
4 have to take anybody's word for it -- 1989 through 1994, there
5 are transfers periodically from Duboc and the organization to
6 Ms. Roberts paying her for her assistance in this organization.

7 Now, you will remember the testimony of Ms. Roberts
8 is it wasn't any exact thing, that I will get exactly this
9 amount of money. When I needed money, you know, I would call
10 Mr. Duboc and he'd send me some money.

11 Now, don't get lost in one thing. And I will come
12 back to this a little bit later. But remember, Duboc is the
13 money man. All right. So, you know, she wouldn't call John
14 Knock to get money, because he is not the money man. The money
15 man in the organization is Claude Duboc.

16 And that is why the money is always coming from
17 Mr. Duboc. Even later we'll talk about money going to
18 different things, you know, real estate and so forth. It
19 always comes from Duboc. Duboc is always holding the purse
20 strings. He's the money man.

21 Ms. Roberts, accept or reject her. That is your
22 decision. But I suggest that those things that she didn't have
23 any control over suggest that she was telling you the truth.

24 Now, let's kind of switch gears just a little bit
25 here and talk about money couriers. You heard testimony that

1 starting in about 1987, Sonia Vacca was recruited by Mr. Knock
2 to begin carrying money for the organization. You remember
3 Mr. Knock first contacted her and would say: Would you go to
4 Canada? We are going to be having you carry papers from one
5 law office to another.

6 She goes to Canada, I believe, to Vancouver.
7 Mr. Knock introduces her to Duboc. And this is in January of
8 '88. And she begins carrying money for the organization. And
9 now what is significant about that? Well, a number of things
10 are significant about that. But, first she goes to Luxembourg,
11 a couple of three trips and then she goes on to Singapore.

12 This continues up through September of '93 up until
13 the time she is arrested. And, in fact, when she is arrested
14 there is a trip in the works to be made.

15 Sonia Vacca is involved from January of 1988 through
16 September of '93 carrying money for this organization. Who got
17 her involved? John Knock. Who were the -- the first loads,
18 the -- the January of '88, would have had to have related to
19 drug sales from the RUBY R.

20 The load into San Francisco, the RUBY R is the load
21 that came in in the fall of '87. Remember it takes a while to
22 sell those drugs. So she starts out, she is carrying dollars
23 from the RUBY R to Luxembourg, and as time goes on, begins
24 carrying the money to Singapore.

25 Now, 39 trips. You have got travel records that show

1 some of her trips, maybe not all of them, and you have got her
2 passport in evidence. And who got her started? Who got her
3 started? John Knock. And who did she talk to along the way
4 about this? John Knock.

5 And I think one thing that is interesting. The
6 defense made quite a -- quite a -- what's the right word --
7 highlighted I guess is the right word -- Mr. Knock's comments
8 to her on a couple of occasions. Do you remember there were a
9 couple of occasions that Duboc asked Ms. Vacca to get involved
10 in offloading?

11 I think they were were a little fuzzy on the date of
12 the first one. She thought it was in '87. Mr. Horne puts that
13 trip a little bit later. But there is no doubt that there was
14 twice that Mr. Duboc asked her to get involved in offloading.

15 And in each instance, as I recall Ms. Vacca's
16 testimony, she later told Mr. Knock about this, and Mr. Knock
17 was mad because Duboc was involved having her in offloading.

18 Well, you know why do I point that out? How does
19 that benefit the government? You know what is really
20 interesting there is Mr. Knock never once said: Ms. Vacca, you
21 got to quit carrying that money, which he knew she was doing.

22 Because, I mean, he is the one that got her started
23 in it. That carrying the money was just as much if not more
24 than a part of this conspiracy in this organization, as the
25 offloading as it all goes hand in hand. The reason those drug

1 dealers are in this business is to make money. They are not in
2 it for fun. They are in it to get the money.

3 And what was Ms. Vacca doing? She was actually
4 leading the couriers. Well, Mr. Knock said: I don't want you
5 involved in that offloading. Remember, we are friends. That
6 might be more likely to get you arrested. You're an amateur on
7 that offloading. But never once, never once was there some
8 suggestion, well, you need to quit carrying that money.

9 In fact, you know, you will recall her testimony
10 better than I. I mean, I think even in one instance there was
11 conversation along those lines that money is all right, but,
12 don't get involved in that offloading.

13 Did Mr. Knock affirmatively try to stop this
14 conspiracy, which is what is required? Absolutely not. I
15 think you can -- the opposite is true. He was trying to keep
16 her in an area of her expertise, carrying the money. And that
17 money was moved from January of '88 through September of 1993.

18 And remember, now, Ms. Vacca is clearly Mr. Knock's
19 friend. And I think that was clear in the testimony. If you
20 have any doubt about that, I would suggest you go look at her
21 phone tolls, which are put into evidence and we didn't
22 summarize them, but they are in evidence as Government Exhibit
23 33.

24 You also have her address book where she has
25 Mr. Knock's phone number. But if you will look at the phone

1 calls between Ms. Vacca and Mr. Knock, you'll see that over a
2 ~~large~~^{lengthy} period of time, Ms. Vacca is very frequently calling
3 Mr. Knock from California to Hawaii.

4 You know, now she says: Well, we are just
5 socializing. But those are in evidence. You can establish his
6 number from her address book. You have the phone tolls there.
7 And you will see that very frequently -- we even actually have
8 some from 1987 when Mr. Knock was living in California, I think
9 this is just one month or two there -- that you will see there
10 is calls from 1987, and then you will jump to '91 or '92. And
11 you will see those calls after Mr. Knock is in Hawaii and
12 Ms. Vacca is living in California. Those calls continue right
13 on.

14 Then let's talk briefly about the Gainesville
15 activity, summer, fall of 1993. You have become aware that
16 because of the arrests in Vancouver, there is a problem with
17 Mr. Duboc having offload crews. So he is looking for an
18 offload crew. And in that basis, Vacca gets involved with
19 Mr. Martenyi, with Mr. Grenhagen, and they eventually hook up
20 with ~~Agent Lilly~~^{hiring}. And I think that they are ~~** hearing of a~~^{an}
21 offload crew. Meetings occur right here in Gainesville,
22 Florida, with Mr. Grenhagen, Mr. Martenyi.

23 Now, the defense has made much of whether there was a
24 completed agreement or not, whether it was finally, totally
25 etched in stone, exactly how this offload was going to be. I

1 could care less. That -- that doesn't matter in the least.
2 It's an overt act in the conspiracy that they are trying. And
3 whether they actually had finally got it etched into stone is
4 exactly what they did. Doesn't matter.

5 Matthew Martenyi and Sonia Vacca and Nicholas
6 Grenhagen had been carrying money for this organization.
7 Ms. Vacca for five years. There is no doubt that they are part
8 of this conspiracy, part of this drug conspiracy, and they were
9 trying to arrange an offload crew. That occurred right here in
10 Gainesville, Florida, in the motel here in Gainesville. And
11 that is an overt act in the conspiracy, and venue would be
12 established in that way. This really has little significance
13 other than as to venue.

14 And as I said, venue is also established because
15 Mr. Knock was arrested here in this district. So beyond that,
16 it matters very little. October of '93, Vacca, Martenyi,
17 Grenhagen are arrested. And you will recall in November of '93
18 and December of '93, Mr. Knock arranges to pay for Martenyi and
19 Vacca's attorney.

20 Now, again the defense of: Well, it was Duboc's
21 money. Well, we don't know whose money it was, frankly,
22 because Ms. Vacca is the one that said it was Duboc's money.
23 When you recall what her basis was, she thinks somebody from
24 the government told her that. You know, we don't know for sure
25 whose money it is. What we do know is Mr. Knock arranged it.

1 And that is what a conspiracy is about. It doesn't
2 matter, you know, if it's yours, particularly that we proved
3 that it was his money or Duboc's money or whose money. It's
4 clearly money from the drug organization that Mr. Duboc is
5 arranging the payment of.

6 March of '94, the -- the indictment was returned
7 against Mr. Knock and Duboc.

8 I mentioned the money from the lawyer. We don't have
9 the \$350,000 that was the Singapore bank checks that were paid
10 for the attorney fees. We do have one of the other checks. If
11 we could pull up Government Exhibit 36, please.

12 All right. You will see this is a check for 26,900
13 dollars written to Marnie Shapiro on ^a ~~April~~ ^C ~~city~~ ^B ~~bank~~ ^{of}
14 Singapore. You will remember the testimony of Mr. Weinberg
15 that first this guy named Simpson came in who he identified as
16 Mr. Knock, and arranged -- you know, wanted to know how much it
17 would be for the attorney's fees. There was discussion about
18 that. And sometime shortly after that, the money arrived,
19 roughly \$350,000.

20 He was again contacted by Knock, a/k/a Simpson. And
21 Mr. Weinberg suggested to him he had enough money, but maybe it
22 would be nice to help the family out a little bit. Shortly
23 after that, two more checks arrived, this being one of them,
24 for Marnie Shapiro, Martenyi's wife, and then another check
25 arrived in the name of Matthew Martenyi, which Mr. Weinberg

1 turned over to Matthew Martenyie's father to support the
2 family.

3 Again, arranged by the defendant in this case, John
4 Knock, in November and December of 1993. Now, we have -- we
5 placed a bunch of travel records in, and we haven't spent a lot
6 of time talking about them, but you will see in there that
7 records were received from Mr. Knock that place him in the San
8 Francisco area in December of '93.

9 Take us to the next year, March 15th of 1994.
10 Mr. Knock's house is searched. A lot of different things are
11 found there. Many of them incriminating. You will have them
12 with you. You can find the equipment to send the coded
13 messages, the bug detector, brochure books on how to use mail
14 drops, incriminating letters. We went through a portion of
15 them.

16 One of the things that shows is just association.
17 You know, we understand that when we bring people in here that
18 are drug dealers, and that is what a number of those
19 cooperators are, that your first inclination is to say that:
20 Why do you want to believe a drug dealer about what they have
21 to say?

22 So one of the things that we try to do is try to
23 support what they said by showing you other things, uncontested
24 things, you know, like the ski instructors that put Knock and
25 Duboc together. And one of the things we found in the search

1 of the house, if we could pull up Government Exhibit 65,
2 please, is the -- is the ski picture. You can't see it real
3 well here. But because Mr. Duboc in the long ~~john~~, kind of ^{wierd} ~~word~~ ^{Coat}
4 ~~word cooperate~~ here and right next to him? Mr. Knock.

5 No question. Those are friends and associates over
6 quite a period of time. And I think you heard the testimony of
7 the ski instructors that, you know, this was quite an expensive
8 endeavor, that they weren't clear who was paying. They assumed
9 that Mr. Duboc was paying, but 70, 80,000 dollars a pop taking
10 everyone skiing and flying up in the mountains in a helicopter.
11 Along other things that were seized there, Exhibit 212, showing
12 the association between Mr. Duboc and Knock.

13 Again, it's a little harder to tell in this, but
14 Mr. Knock right here, Mr. Duboc directly behind him. Photos
15 from the residence showing the association.

16 All right. If we could go to Government Exhibit 70.
17 Now, this is a little thing, but I think quite telling. You
18 will remember Agent Lilley told us that he found the wallet of
19 Mr. Knock's there. In the wallet was a driving license,
20 Mr. Knock's pilots' license, there was some business cards
21 there.

22 Now, one of the business cards is John Knock,
23 consultant for Dynagrow. Now, I think you will recall the
24 testimony of Mr. Neal, whether Mr. Neal said Mr. Knock had
25 nothing to do -- I mean, he had something to do with Dynagrow,

1 but in terms of 1994, John Knock was certainly not Dynagrow.

2 That company as I understand Mr. Nelson's testimony
3 doesn't currently exist, but sometime in the mid ~~1980s~~^{180's}
4 Mr. Neal had ~~brought~~^{bought} that out. John Knock had nothing to do
5 with it whatsoever. But, in 1994, Mr. Knock was still carrying
6 around his Dynagrow consulting card. I guess he couldn't think
7 of anything else better to say about what he did for a living
8 other than I guess they don't have drug dealer cards.

9 But in that same wallet there were a couple of other
10 cards. And I think this is real telling. We've got cards of
11 Sonia Vacca, SV International. You will remember this was the
12 company -- you will see a bunch of checks in evidence where SV
13 International is being used to run the money through for all of
14 the expenses of the trip.

15 You know, that is kind of interesting. I think that
16 shows the association there. But the one that I think is
17 really interesting is this is the other business card that is
18 there in Knock's wallet: Nicholas Grenhagen.

19 And I will -- you will remember Mr. Grenhagen is the
20 one that is involved here in the Gainesville meetings with
21 agent Lilley, and is planning this offload. Now, he did a --
22 he did a trip or two as a courier. But I think if you will
23 look at the records that we have, Mr. Grenhagen doesn't get
24 involved in this activity until pretty late in the game. I
25 don't have the records in front of me, and I don't remember the

1 exact date, but you will have them. See, I think you are going
2 to see that he is not involved until '91 or '92.

3 And here is Mr. Knock with his wallet with this
4 business card of Nicholas Grenhagen, the business card for
5 Sonia Vacca's company that they are using to pay the expenses
6 for the money couriering. Is Mr. Knock out of the picture?
7 You know, a hard piece of evidence for you to look at and
8 consider.

9 The next thing that occurs -- I'm kind of trying to
10 go through this chronologically -- is Duboc is arrested in
11 Hong-Kong traveling under a false name, Anthony Larkin. And
12 he's got with him some documents.

13 And we put those in evidence. One of those is the
14 phone number for Ms. Roberts there in Taos. And then there is
15 another fellow traveling with him, ~~** Nico Dallam.~~ *Nico Dalam*
16 *(Ninon Dahlem)*

17 I think there has been a picture identified of
18 Mr. Dalam which shows this person we know as ** Nenan Dalam.
19 Now, what is interesting, and we didn't go through each of
20 those records, and again you will have them with you.

21 But, there are papers in there that suggest that
22 Mr. Dalam is in the process or has set up a company for Naomi
23 Phillips. You will remember Naomi Phillips is Mr. Knock's
24 wife. And there is a receipt in there that appears to -- to
25 suggest that there has been a million dollars paid towards this
company and the date is blacked out. And I don' know why, but

1 that is the way that the documents came to us.

2 And then there is -- what is basically articles of
3 incorporation there of this Kenneth Company. And then there is
4 some papers suggesting that what is being done is the
5 investment of a total of around five million dollars.

6 Now, that is the sequence. Now, there are some other
7 documents in there. You will see some other documents relating
8 to the Kahala property, the lease on the Kahala property. So
9 it's going to be absolutely clear from those documents that
10 Dallam not only works with Duboc, who he is with when Duboc was
11 arrested, but that he works with Mr. Knock.

12 And that it certainly appears, and is crystal clear
13 for Dallam here to tell us what is going on, but it appears
14 that they were in the process of investing five million dollars
15 into this ~~*** Kenna~~ ^{with} company ~~for~~ Mr. Dalam. So it shows some
16 very interesting connections, very interesting amounts of money
17 involved.

18 Then we have the stash houses. And I'm not going to
19 spend a lot of time, but you will recall in May of '94 there
20 was the stash houses. We found -- I think I've commented on
21 most of the things that were found there. I think it's clear
22 that Mr. Knock, Mr. Madrid were associated with those stash
23 houses.

24 Let's talk about money next since I mentioned the --
25 let's, first, if you would, pull up for us 3.

1 You will recall in terms of their filing of taxes,
2 Ms. Knock and Mr. Knock none. We included Ms. Knock just in
3 case you were concerned: Well, maybe she had loads of money
4 and that is an explanation of all of those things. Scroll down
5 there. I mean, you can see that there is no huge amounts of
6 money being reported on it.

7 But, then we start looking at the amount of money
8 that we can attribute to Mr. Knock. And if we could go to
9 that. And we have gone back and tried to kind of reconstruct
10 and pull up some of the things that have been testified about
11 in terms of money.

12 Let's just run down there. You will remember the
13 testimony from Mr. Rothman that in '90 and '90⁹³, that Mr. Knock
14 ^{arranged} ** around 2.6 million dollars. Now, you know, the defense
15 contends: Well, you know, you don't know who that is coming
16 from. Well, the truth is: We do know who it's coming from.
17 It's coming from the bank accounts that Duboc has set up and
18 used. Well, so there is two claims here, folks. Either it is
19 Mr. Knock's money that Mr. Duboc is holding for him, or
20 Mr. Knock is helping Mr. Duboc launder his money.

21 I mean, those -- that is one of the other. Neither
22 of which helps get Mr. Knock out of this conspiracy. He is
23 involved one way or the other. It's his money or he is helping
24 Duboc launder it.

25 Being laundered one way or the other. What we don't

1 know is whose money is it? Is it actually Knock's money or
2 Duboc's money? We don't know. We won't be able to find out.
3 And the fact is, it doesn't matter.

4 Next, we have the Singapore bank account that
5 Mr. Leffler talked about. We'll come back and talk about that
6 just a little bit more. But you have seven million dollars of
7 transactions there at the Rocky Creek account in Singapore.

8 As you recall, that with these records, the Singapore
9 police officers gave Corporal Leffler a picture of Mr. Knock,
10 on the back of it written Patrick Osborne. You will have that
11 evidence. And there were withdrawals from this bank account in
12 the name P. Osborne in 1994. You will have that chart. We did
13 go over those things with you.

14 The -- let's go over to the Rothman chart, if we
15 could, just to show -- I probably should have pulled this up to
16 show you. All right. Talking about the Rothman fund.
17 Probably would have been more logical to pull this up while we
18 are talking about it here. It's March, April, October of '90,
19 April of '92, Gulf Development, Gulf Oman Oil, then you have
20 got November 18th, 26, 29th, 1993. ←

21 American Express Bank of New York, total of 2.6
22 million dollars going to Mr. Rothman arranged by Mr. Knock. If
23 you could establish -- let's pull up Government Exhibit 230 if
24 we could, please.

25 I'm sorry. Let's try to change the order.. Let's go

1 back to our chart. All right. The -- the next thing relates
2 to the Waikaki Ranch property. And in 1992 you will recall
3 there was \$600,000 that was wire transferred in that, and you
4 heard the testimony of the Realtor that this transaction was
5 handled by Mr. Knock. Mr. Knock said it was for him. He was
6 making an investment. And then these wire transfers come in.

7 If you will pull up 238, please, so we can show where
8 those came from. All right. And we did a little chart. You
9 will have this with you. This is a little bit confusing. This
10 just basically shows the path of the money, that six hundred
11 thousand dollars that goes to the Waikaki Ranch.

12 ** To start with 30,000 dollars from Credit Lyonnaise
13 to Carte Petro in Luxemborg to Title Guarantee Services with **
14 a message on there, it's actually Title Guarantee but that is
15 where it goes, the 30,000 dollars. This money goes -- ^{the} ~~owe too~~
16 ten thousand is split up for a down payment on each of the
17 lots. The money then is supplemented by a five hundred and
18 seventy-seven thousand dollars wire transfer from Arab Banking
19 Corporation, Cal-Tex Petroleum to pay for those lots.

20 Again, as we have indicated, companies that are being
21 used by the organization, and I believe there was testimony
22 that Cal-Tec was one of the Bahrain companies that was being
23 used by Mr. Duboc in this organization. So that is how the
24 Waikaki Ranch property is bought. And remember the Realtor
25 says: Mr. Knock says he's being -- this is an investment. And

1 he took it as that.

2 The next thing we have is the purchase of the Kahala
3 house. All right. This is a chart that shows where the money
4 came from, the two million dollars. We have April of '93, Arab
5 Banking Corporation, Oman Oil, a hundred thousand, seven
6 hundred thousand dollars from R K, \$700,000 from Oman Oil,
7 \$500,000 from R K, and twenty-nine thousand dollars from Wang
8 Petro, which we are told went to constitute a down payment that
9 had been earlier made.

10 And I think we have a total there at the bottom of --
11 it is a little over two million dollars wire transferred from
12 accounts for Mr. Knock's house that the Realtor told you
13 Mr. Knock picked out this house and negotiated this house, told
14 me he was buying this house for himself.

15 Same type of testimony from Mr. Mott. That as he
16 understands it, this was Mr. Knock's house. Now, the defense
17 wants to say that this is in a corporate name of a Hong-Kong
18 corporation, which it certainly was transferred into the name
19 of Yip-Chung a Hong-Kong corporation. And you have those
20 records in evidence.

21 I would note to you first, you will see in those
22 records, and we have showed them to you yesterday, and why
23 don't we pull those up if we could, 166.

24 In those records from AMS, you will have a fax from
25 Mr. Knock, faxed from Mr. Knock -- if we go to the next page,

1 please.

2 And then you have the handwritten note from Mr. Knock
3 where he is giving instructions. Now, remember, this is
4 instructions to Yip-Chung, the Hong-Kong corporation as to how
5 to set up the paperwork.

6 Now, was Mr. Knock too involved in this transaction?
7 Absolutely. And, in fact, what this letter does is the fax and
8 this letter you will see -- it is a six-page fax, it sends a
9 special power of attorney that sets up the paperwork of how
10 Mr. Knock is supposed to have control over this house.

11 Now, again, let me reiterate. It really doesn't
12 matter a whole lot whether Mr. Knock is laundering his own
13 money or he is helping launder Mr. Duboc's money. That legally
14 doesn't have a whole lot to do. I think you can credit the
15 testimony of the Realtor. He doesn't have any reason to come
16 in here and lie to you that Mr. Duboc told him that it's his
17 house. But whatever his involvement, whether it be to help
18 Duboc launder his money or launder his own money, he is
19 involved in the conspiracy and it's certainly of no benefit to
20 Mr. Knock.

21 I would remind you, and I'm not going to pull them
22 up, but remember there is this lease on this Kahala property
23 that you know they are leasing from Yip-Chung, ** 20 so as to
24 keep records of how they were ^{spending} ~~web-pending~~ it. X

25 (Well, you know, that is a total sham. You will

1 recall on the ~~the~~ Melita property, you remember the property
2 that he had in California, the Melita Road property was the
3 same kind of lease for that property.

4 And I think you have heard testimony from
5 Ms. Goodman, the lawyer that came in and testified the Melita
6 property was the Knock property as she understands it, even
7 though it was deeded in this foreign corporation. The same
8 kind of thing.

9 Now, why do people want to own property in a foreign
10 corporation name, set up a lease making it look like they are
11 leasing from this corporation when, in fact, it's their
12 property?

13 Now, why do people want to do that? Because they
14 want to conceal the true ownership of that property and conceal
15 the true source of that property. And that is what is involved
16 in money laundering when you are cleaning up the dirty money
17 that you have made in your drug activity, and Mr. Knock was
18 totally involved in that well through 1994.

19 Go back to the chart. There were, you know, a couple
20 of other things we have listed. I think we've hit the high
21 points of it. We had the money from ~~the~~ ^{Varell} Mr. Varell. We
22 mentioned the payments ^{to} ~~from~~ Mr. ^{Weinberg} ~~Bainberg~~, the Kahala house.
23 Then it takes us to the million dollars that was delivered to
24 Mr. Abelman, and then the two and a half million dollars that
25 according to the letters was gathered for attorney fees.

1 Now, counsel argued that this million dollars and
2 this two and a half million dollars overlap. We will come back
3 and talk about that in just a little bit.

4 Then we have the -- just some other things that I
5 think, you know, he has got a sail boat in the South Pacific.
6 They are traveling all over the world. If you have any doubt
7 about that, look at Ms. Knock's passport. Go back to what we
8 saw in the tax returns.

9 30,000 dollars here, 40 thousand a year, 50,000 a
10 year at the tops. Is this the kind of money that someone
11 making that kind of money has to spend? You know, obviously,
12 obviously not. Can we pull up 238?

13 I wanted to go back and mention -- I talked about the
14 Rocky Creek properties. This is -- remember, this is the
15 testimony of corporal Lefler, RCMP officer, who indicated those
16 were the records that he was allowed to look at, his chart that
17 contained those records, \$600,000, February, March, May, 1994.

18 P.T. Osborne. We've got some other quite extensive
19 transaction deposits in there of millions of dollars. You will
20 recall corporal Lefler said at the end, I think it's down at
21 the bottom. If you would scroll down, please,

22 Okay. I believe corporal Lefler said that at this
23 time it was about six million dollars frozen in this account in
24 Singapore. But, if you recall, February, March, May of 1994,
25 P.T. Osborne.

1 Then we'll go to -- I've already mentioned it -- the
2 arrest of Mr. Knock in April of '96. The items that he has
3 with him. The defense contended in opening statements that he
4 was hiding out because he was wanted in Canada.

5 There are two problems with that contention by the
6 defense. First, it's not true. You heard the testimony of
7 sergeant ~~** vehicle room~~ saying there is no warrant for him in
8 Canada.

9 Secondly, and more importantly, and this points up
10 something that the judge has said: You are only to consider
11 evidence that you hear.

12 What a defense attorney or a prosecutor says is not
13 evidence. And you should absolutely disregard anything that
14 one of the lawyers tells you that is not supported by evidence.
15 And you have heard no evidence that Mr. Knock was hiding out in
16 France because he was concerned about the Canadian warrant.

17 And so you should totally disregard those comments by
18 the defense attorney in opening statements. Last thing I want
19 to talk about relates to the -- to be referred to as the
20 Abelman transaction. Now, this may be one of the little bit
21 more confusing areas. But I think if you will study on it just
22 a little bit, an incident that clearly shows Mr. Knock's
23 involvement in the conspiracy through up until at least 1996,
24 even at the time and after the time he is arrested.

25 So let me just run through this real quickly. We'll

1 recall the testimony of Dana Jaffee, Mr. Knock's sister-in-law,
2 Naomi Knock's sister, that she received this briefcase of cash.
3 She passed this on to Naomi Knock. And you later find out this
4 was the \$60,000 in cash that was given to her sometime in the
5 spring of '96.

6 Interestingly enough, she received another package
7 from her sister which contained some passport photos, four
8 passport photos of Ms. Knock and her son. Shortly after that,
9 she gets a call from a stranger and is asking her about whether
10 she has some photos. Ms. Jaffee is obviously a little
11 concerned about this call from a stranger and doesn't say much
12 to him. There is another call from a stranger, and she doesn't
13 ever really say anything. But she does have those photographs.
14 And I'll come back to why that is significant.

15 Then you have the testimony of Shelly Wichersham who
16 is basically the young girl that was traveling with Steve
17 Abelman in Europe in May and June of 1996.

18 During that time Abelman told Ms. Wichersham about
19 having previously dealt drugs with Mr. Knock. He also showed
20 her a million dollars in Deutschemarks contained in a briefcase
21 that he possessed, that Mr. Abelman possessed, that Mr. Abelman
22 said had been received from Knock's wife.

23 And in the course of the conversation, Mr. Abelman
24 indicates that he is gathering money to help Knock, and that
25 the ultimate goal is to raise four million dollars.

1 Then you will recall the testimony of Naomi Knock,
2 you know about the \$60,000 cash in a briefcase. She says she
3 just spent that. But she confirms what Ms. Wickersham says,
4 that she did, in fact, release the sum of money to Steve
5 Abelman. Now, it wasn't -- she said she didn't actually have
6 her hands on it. But she did approve this release through some
7 guy named Louie.

8 And when I asked her whether, you know, a million
9 dollars sounded right, I mean, she didn't ever want to talk
10 about the exact amount. But I wanted to ask her if a million
11 dollars sounded about right. I think her response is: That
12 could be about right. Which pretty much confirms the testimony
13 of Ms. Wickersham.

14 I would also tell you that Ms. Knock's American
15 Express records -- which you will have in evidence -- show that
16 she was in Brussels, Belgium, in June of '96, which as you
17 recall Ms. Wickersham is when they are there in Europe
18 traveling around, and she believes that the money was actually
19 passed in Germany but that there were several meetings,
20 according to Mr. Abelman.

21 How does this all tie together? And I think you will
22 have this in the room with you. And it's a little confusing,
23 but if we can pull up Government Exhibit 206, please. You will
24 recall that Agent Heng testified that in June of '96, he did a
25 search warrant on Mr. Abelman's home.

1 In the course of that, he found some items, and in a
2 safe, and he found some items on Mr. Abelman's person. One of
3 the items that he found in the safe is this note: And if you
4 look at paragraph 2 from Sonoma Mission Inn, telephone number.
5 Best to call on Sunday or Monday. Ask for grill and Dana
6 Jaffee.

7 And it goes through how to connect with Dana Jaffee.
8 It says there: Say, tell him it is a friend of Terry Traveler.
9 You will remember Ms. Jaffee said Terry Traveler is the name
10 that Mr. Knock used, and then said ~~***~~ Rosi and Semle's dad.
11 You may have been wondering why in the world I was asking about
12 what the dog's names were when she was testifying. But it
13 relates to the -- this fact that the Knock's dogs were Rosi and
14 Semle's. Need to collect some photos from her.

15 Nothing else needs be said or shared, when you last
16 saw him or where not her business. Those photos need to come
17 to me. Important. So we have this note that was with the
18 identifying factors for Dana Jaffee from what I think you could
19 put together is from Mr. Knock to get these passport photos to
20 Naomi and the son.

21 Some other interesting things are found there with
22 Mr. Abelman. Now, these aren't going to scan up here real
23 well, because the copies are not great, but I want to run
24 through these real quickly with you, because I think they are
25 quite significant.

1 If you will look first in the top left-hand corner,
2 talks about Carl Lilley, case agent, obviously the case agent
3 in this case. What about him? Refers to a prosecutor, Miller,
4 who I believe you heard his -- from agent Lilley was one of the
5 prosecutors in this case at one point.

6 Go down here, down on the left-hand column. What
7 does this dollar buy Sonny? You will see references all
8 through these notes about Sonny. I think if you read it, I
9 think you will reconstruct that Sonny refers to Mr. Knock.

10 Let's go over to the left-hand column. We are
11 talking about what again? A reference to Tallahassee, Miller,
12 Kirwin, then a reference to Gainesville. Timetable? Does
13 dropping indictment free his assets? What does the second part
14 buy? When does he pay more? Let's go down to the bottom of
15 this.

16 One, guarantee he will not be sent home. Two,
17 timetable for release. End of year? Three, something looks
18 like L A jacket. Four, no more dollars until after release.

19 Pay to ^{two}~~to~~ now.

20 If we can go to the next page. This will be the
21 third page. Now, as I say, some of those don't scan real well,
22 but you will be able to read it. It says info on Julie
23 Roberts. Who else is she talk -- who else is she taking down?

24 Next page. What military experience -- or it maybe
25 expertise -- you all need to look at the copy. Any special

1 training. Something may not be cheap, but, fast.

2 Pinky. You remember testimony that Pinky is Marshal
3 Way, leaky faucet. Sonny's wife was under joint surveillance
4 of -- it is a little hard to read. It starts with a D from the
5 context. It may be DEA. And what about to be ** A T but the F
6 circles are not cooperating because of us.

7 Next page. Second page. There is a parenthesis.
8 Three, might be escrowed at time of release. Third payment.
9 Third. And then there is circle. Two plus.

10 After funds are disbursed, we will get a game plan,
11 et cetera. If we go to the left-hand column. What is the
12 timetable for release? What will happen when he is released?
13 What is his status? What does the second payment buy?
14 Immunity? Free. It's a little hard to read that. You will
15 have to figure that out. Account number for blind transfer.

16 Let's go down to the bottom. Second payment.
17 Specifically three million. Define what he gets. Those are
18 the notes that are found in Mr. Abelman's safe. If you recall,
19 this is just after he has been in Europe with Ms. Wickersham
20 where he tells her that he -- his goal is he is collecting four
21 million dollars to help his friend.

22 I suggest to you that those notes reflect that it was
23 more than just gathering money to hire attorneys. It's a
24 little difficult to figure out exactly what the plan was, but
25 certainly nothing good. The reference to military experience,