

1 THE COURT: Call your next witness.

2 MR. ROBINSON: Molly Kronberg.

3 Whereupon

4 MARIELLE KRONBERG

5 was called as a witness in behalf of the United States, and  
6 having been first duly sworn, was examined and testified as  
7 follows:

8 DIRECT EXAMINATION

9 BY MR. ROBINSON:

10 Q Good afternoon, ma'am. Would you state your name,  
11 please, and spell your last name for the Court Reporter.

12 A Yes. Marielle Kronberg. K-r-o-n-b-e-r-g.

13 Q Miss Kronberg, are you a member of the National  
14 Caucus of Labor Committees?

15 A Yes.

16 Q And how long have you been a member?

17 A Since January 1973.

18 Q Your appearance here today is pursuant to an order  
19 compelling your testimony; is that correct?

20 A That's correct.

21 Q What is your understanding about that order?

22 A My understanding is that it gives me immunity so  
23 that nothing that I say can be used either directly or  
24 indirectly in a criminal proceeding against me; does not give  
25 me immunity from perjury.

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1 Q All right. What is your position within the  
2 National Caucus of Labor Committees?

3 A I am a national committee member. I am an editor of  
4 the newspaper New Federalist.

5 Q Did you ever hold a position with an entity known as  
6 the New Benjamin Franklin House Publishing Company?

7 A Yes.

8 Q And what was that entity?

9 A Position?

10 Q First what was the company?

11 A Oh. It's a company to publish books.

12 Q When was that company formed?

13 A December 1978.

14 Q What was your position with that company?

15 A Secretary-treasurer.

16 Q Functionally, what were your duties within Franklin  
17 House?

18 A Well, I was responsible for ascertaining how to  
19 market books, developing market plans for selling books to  
20 bookstores --

21 MR. MOFFITT: Your Honor, I would like to note since  
22 we are talking about 1978, I would like to know what portions  
23 of the case are we dealing with at this particular point?

24 MR. ROBINSON: Count XIII, the tax count.

25 THE WITNESS: Purchasing advertising for the books,

1 arranging to some extent author tours, financing for the books,  
2 writing blurbs, you know, advertising promotionals for the  
3 books. In some cases myself going on radio to promote the  
4 books and arranging for other people to do the same.

5 Q Would it be fair to characterize you as the chief  
6 operating person in Franklin House?

7 A Yes.

8 Q Who else was involved in the business operations of  
9 Franklin House?

10 A How do you mean when you say business operations,  
11 what --

12 Q Well, let me ask it from a different direction:  
13 what was the relationship of Mr. LaRouche to Franklin House?

14 A We published about ten, possibly more titles that he  
15 wrote, and we also published a number of books that he  
16 commissioned to be written.

17 Q Was he involved in the management of the company?

18 A No.

19 Q Was he involved in overseeing the finances in any  
20 way?

21 A No.

22 Q Was he an employee of Franklin House?

23 A No.

24 Q Was he involved -- did you consult with him on any  
25 sort of a regular basis about the operations of Franklin

1 House?

2 A I did not.

3 Q Did you ever ask him advice about the operations of  
4 Franklin House?

5 A No.

6 MR. ROBINSON: Can the witness please be shown  
7 Exhibits 14-A through 14-G.

8 (The law clerk handing exhibits to the witness.)

9 BY MR. ROBINSON:

10 Q Could you take a look please at Exhibit 14-A and  
11 tell me what that is.

12 A This is stubs from a check register.

13 Q A check register of Franklin House?

14 A Yes.

15 Q Was that a checkbook that you maintained?

16 A Yes.

17 Q The first page has check stubs, 1001 through 1003;  
18 right?

19 A Right.

20 Q Could you turn over to the second page, please.

21 A (Witness complied)

22 Q Jump somewhat ahead. Those are now check stubs  
23 1100 through 1102, correct?

24 A Right.

25 Q What does the second check stub there say? First

1 of all, is that in your handwriting?

2 A Yes.

3 Q What does it say?

4 A It gives a date, and then it says to L. LaRouche,  
5 royalties, amount of check \$2,000.

6 Q What date did you write that check?

7 A 12-24-79.

8 Q Can you explain why the preceding check on this  
9 checkbook, 1100, is dated January 1st, 1980?

10 A No.

11 Q Why did you write that check?

12 A Which one?

13 Q The 1101, the check to Mr. LaRouche for royalties.

14 A Because a woman named Felice Merrit (phonetic)  
15 suggested that she thought Franklin House owed Mr. LaRouche  
16 royalties.

17 Q The next check on this check stub?

18 A 1102?.

19 Q Yes. What was that?

20 A It's the same date, to L. LaRouche, royalties,  
21 \$1,500.

22 Q Why did you write two separate checks on the same  
23 date for two amounts?

24 A I don't remember. I have no idea.

25 Q If you turn over to the next stub, it's stub 1103,

1 is that right?

2 A Right.

3 Q Dated January 4, 1980?

4 A Right.

5 Q Your handwriting?

6 A Right.

7 Q Turn over to the next page, please.

8 Check stub 1107. Is that in your handwriting?

9 A Right.

10 Q That's another royalty payment to Mr. LaRouche, is  
11 that right?

12 A Right.

13 Q The date there is 12-27-79?

14 A Right.

15 Q Can you tell me why that is dated a week earlier  
16 than check stub 1103, which is actually three checks earlier  
17 on in the checkbook?

18 A No.

19 Q What happened to the checks that you wrote to  
20 Mr. LaRouche for royalties?

21 A Actually I don't remember. I have no idea.

22 Q Did you have any subsequent conversations with this  
23 Miss Gelman (phonetic) you have just referred to regarding  
24 payments to Mr. LaRouche?

25 A Not regarding payments to Mr. LaRouche, no.

1 Q How about payments on his behalf?

2 A I wouldn't even say precisely that, no.

3 Q Well, was there some conversation you had with her  
4 which you are referring to?

5 A I don't quite --

6 Q All right. Still with Exhibit 1401, can you turn  
7 over to check stub 1109, please. Could you tell me what that  
8 is?

9 A Yes. That is a check to Richard F. Arco for \$900.

10 Q What was that check for?

11 A It was the rental of a house in Michigan.

12 Q And does this check stub indicate whose house that  
13 was?

14 A It says L, just L, RNT for rent.

15 Q The L would stand for Mr. LaRouche, is that correct?

16 A Correct.

17 Q Did you tell us how much the amount was there?

18 A I think so. \$900.

19 Q Ohter checks to Mr. Arco that would show up either  
20 in the check stubs or in the checks of Franklin House in  
21 that amount would also be for rent on that house?

22 A For rentals, yes.

23 Q Check stub 1249, could you tell me what that is,  
24 please.

25 A Okay. This is -- says to -- well, it's all

1 foreshortened -- it says to Apartment Furniture Rental, Inc.,  
2 June/July furniture for LaRouche; the amount is \$1,044.90.  
3 The date is 7-30-80.

4 Q Do you know what property that was for?

5 A Actually no, I don't remember.

6 Q Could you turn over to check stub No. 1454, please.  
7 Who is that to?

8 A Louis Pulvermacher (phonetic).

9 Q What is that check for?

10 A Deposit for rent on apartment in New York.

11 Q Whose apartment?

12 A Well, Franklin House has an apartment. Mr. LaRouche  
13 stayed there. So did others.

14 Q Could you turn over to 1464, please.

15 A Okay.

16 Q What does that say?

17 A That's 1-5-81, Louis Pulvermacher. The notation  
18 says LHL apartment dep. deposit No. 2. It's for \$4,600.

19 Q Other checks made payable to Mr. Pulvermacher would  
20 have been for that same apartment; is that correct?

21 A Correct, yes.

22 Q Could you just take a brief look at Exhibit 14-B.

23 A B?

24 Q Yes. That would be the next folder.

25 A Okay.



1 Q Are these stubs on another checking account of  
2 Franklin House?

3 A Yes, that's correct.

4 Q Could you take a look at Exhibit 14-C? There are  
5 three checks there on Franklin House all signed by you?

6 A Right.

7 Q The first is one of the checks to Mr. Arco, is that  
8 correct?

9 A Correct.

10 Q Do you know in whose name this property was rented?

11 A Franklin House's.

12 Q On the memo line, is there a person's name down  
13 there?

14 A Yes. D. Steven Pepper (phonetic).

15 Q Do you know what relation he has with this house in  
16 Michigan?

17 A I don't recall exactly, no.

18 Q The second check is to Citibank for a wire transfer  
19 to Arco, is that right?

20 A Right.

21 Q Exhibit 14-D?

22 A Okay.

23 Q That's three checks written by you; is that correct?

24 A No.

25 Q I'm sorry. The first and third are written by you

1 and the second is by someone else?

2 A Right.

3 Q The first one is to Pulvermacher for rent on the  
4 apartment we discussed a minute ago, correct?

5 A Right.

6 Q The third one to Millerton Holding Company. Do you  
7 know what that was for?

8 A Well, I don't recall. It says here phones.

9 Q Does it have an address there for the phones?

10 A Yes. 315 West 57th.

11 Q Is that the address of the apartment that you were  
12 paying rent to Mr. Pulvermacher for?

13 A Yes.

14 Q Why was Franklin House paying rent on, rent and  
15 other expenses, on houses and apartment where Mr. LaRouche  
16 was residing?

17 A Well, we paid rent on places where Mr. LaRouche  
18 stayed for periods of time. He was not the only person to stay  
19 there by any means, because he was our principal author, and  
20 in that sense, our principal asset. He was -- LaRouche titles  
21 were Franklin House's best selling products. So we  
22 considered it important to help maintain him in some way to  
23 some extent.

24 Q You paid this rent instead of paying him royalties  
25 or compensation; isn't that right?

1           A     Well, frankly I didn't consider it precisely that  
2 way. I considered that I was renting a place where he could  
3 stay and other people stayed, but it was important to me that  
4 he had a place to say. I didn't think of it in my mind as  
5 in lieu of paying something else.

6           Q     When you say other people stayed there as well,  
7 did you put anybody else's initials on any of these check  
8 stubs or on the memo lines of any checks?

9           A     No. But that's because he was of all people who  
10 stayed there, he was the one who was most important to me.

11           MR. ROBINSON: I would like to show the witness  
12 Grand Jury testimony from June 21st, 1988, page 31, and  
13 direct your attention to lines 12 through the bottom of the  
14 page.

15                     (The law clerk handing the exhibit to the witness.)

16           THE WITNESS: Okay.

17 BY MR. ROBINSON:

18           Q     Have you read that?

19           A     Yes.

20           Q     Does that refresh your recollection about why  
21 Franklin House was making these rent payments?

22           A     Well, I think what I just explained was why I was  
23 making them, what was in my mind when I paid them. As I  
24 understand, reading this testimony, I was discussing what  
25 someone else had in her mind when she talked to me, which is

1 somewhat different.

2 MR. ROBINSON: May I have the transcript back,  
3 please.

4 (The law clerk handing document back to counsel)

5 BY MR. ROBINSON:

6 Q Who was that other person you talked to?

7 A Felice Merrit Gelman.

8 Q And who was she?

9 A She was at that time a member of the national  
10 committee member of the Labor Committees and worked in our,  
11 I don't know how you call it exactly, our paralegal department.

12 Q And was she the one who wanted you to make these  
13 rent payments?

14 MR. REILLY: Objection, Your Honor.

15 THE COURT: Objection overruled.

16 THE WITNESS: She is the one who suggested to me,  
17 yes.

18 BY MR. ROBINSON:

19 Q Why did she suggest doing it?

20 A She figured -- or what she said -- I guess it was  
21 what she figured, but what she said was --

22 MR. WILLIAMS: Objection, Your Honor.

23 THE COURT: Objection sustained.

24 MR. ROBINSON: I think it at least goes to her  
25 state of mind, Your Honor, about why she was writing these

1 checks, if this is the person who told her to do it.

2 THE COURT: That isn't what has been asked.

3 MR. ROBINSON: All right. What was your state of --  
4 I think she has answered.

5 THE WITNESS: I explained what my state of mind was  
6 and why I was doing it.

7 BY MR. ROBINSON:

8 Q Felice Merrit gave you a different reason for  
9 writing these checks, isn't that correct?

10 A Yes.

11 Q What was that reason?

12 MR. REILLY: Objection.

13 MR. ROBINSON: I think I am allowed -- may we  
14 approach the Bench?

15 THE COURT: No. I know where you are going. It's  
16 still objectionable. Objection sustained.

17 (Counsel conferring off the record)

18 BY MR. ROBINSON:

19 Q What sort of dealings did you have with Felice  
20 Merrit on a continuing basis?

21 A Could you be a little more precise?

22 Q You told us she was a member of the Labor  
23 Committees?

24 A Right.

25 Q And she was an NC member?

1 A Right.

2 Q And what was her position as an NC member, what did  
3 she do?

4 A A large variety of things. What -- a great number  
5 of things. She gave classes. She did all kinds of things.

6 Q How is it that you and she had occasion to be  
7 discussing the payment of this rent?

8 A She came to me to talk about it. This was something  
9 that she had on her mind that she came to me to discuss.

10 Q After you discussed it with her, you in fact  
11 started making these rent payments, is that right?

12 A That's correct, yes.

13 Q What did she say?

14 MR. REILLY: Objection, Your Honor.

15 THE COURT: Objection sustained.

16 Why don't we move on to something else. I think  
17 you have tried hard enough on this, Mr. Robinson.

18 MR. ROBINSON: This is the end of it, Judge, if I  
19 could. This is the last point I really want to get out of  
20 this witness.

21 BY MR. ROBINSON:

22 Q Did she have any position with Franklin House?

23 A No.

24 Q Why then did you write these checks?

25 A I explained I think. Let me put it this way. I

1 thought it was the right thing to do. I wrote the checks  
2 because I thought it was the right thing to do. We had a  
3 discussion about it, but I did it because I felt that  
4 Mr. LaRouche needed a place to be able to stay. And he  
5 didn't have one.

6 Q She was the one that brought the suggestion to you,  
7 though, is that correct?

8 MR. REILLY: Objection.

9 THE COURT: I think we have already established that.  
10 BY MR. ROBINSON:

11 Q At the time that you had the conversation with  
12 Felice Merrit, what was your impression about whether or not  
13 Mr. LaRouche was receiving royalty payments?

14 MR. REILLY: Objection.

15 MR. WILLIAMS: Objection. Either she does know or  
16 she doesn't know. It's not an impression.

17 BY MR. ROBINSON:

18 Q Did you know whether or not Mr. LaRouche was getting  
19 royalty payments?

20 A Let me back up a second. You mean which  
21 conversation? The conversation --

22 Q Regarding --

23 A -- regarding the royalty checks or regarding the  
24 apartment thing?

25 Q I am now talking about the conversation regarding

1 the rent.

2 A Okay. I'm sorry. Could you repeat the question?

3 Q At that point in time, did you know whether or not  
4 Mr. LaRouche was receiving royalty payments from Franklin  
5 House?

6 A I knew he was not.

7 Q How did you know that?

8 A Because I was the person who ran the Franklin House  
9 checkbook.

10 Q What about those check stubs we looked at earlier?

11 A Excuse me. But weren't they from a year before?

12 Q So you know he hadn't gotten any royalty payments  
13 during 1980, is that right?

14 A That's correct.

15 Q Did you know anything about whether he was getting  
16 any other income from any other source?

17 MR. MOFFITT: Objection, Your Honor. There needs to  
18 be a foundation laid as to how she would know that.

19 MR. ROBINSON: I asked her if she knew.

20 THE COURT: If she knew. Objection overruled.

21 BY MR. ROBINSON:

22 Q Did you know?

23 A The only thing I can say is I knew he was eating,  
24 okay, because he was writing books, so I knew he was eating.  
25 I didn't -- this may sound crazy, but I really didn't think



1 about it. I mean -- it didn't concern me, you know.

2 Q Why was it necessary --

3 THE COURT: I think we have spent all the time we  
4 are going to on this, Mr. Robinson. There comes a time when  
5 the objective is no longer worthwhile.

6 MR. ROBINSON: Thank you, Your Honor.

7 I would move Exhibits, the exhibits I referred to,  
8 14-A through I think it was F, into evidence.

9 THE COURT: There being no objection, they will be  
10 received in evidence.

11 (Government's Exhibit Nos. 14-A  
12 through F were received in evidence.)

13 THE COURT: Any cross examination?

14 CROSS EXAMINATION

15 BY MR. ANDERSON:

16 Q Is it Mrs. Kronberg or Miss Kronberg?

17 A Mrs.

18 Q Mrs. Kronberg, how many books to your knowledge  
19 has Mr. LaRouche written that were printed by New Benjamin  
20 Franklin Publishing Company?

21 A Between 10 and 12. And co-authored some.

22 MR. ANDERSON: Would you present that to the witness.

23 THE COURT: Can't we settle for the titles? We  
24 are not going through these books. I wonder --

25 MR. ANDERSON: Well, they do have a certain -- I

1 wanted to do it by the pound, Your Honor.

2 I ask this be presented to Mrs. Kronberg.

3 (The law clerk handing exhibit to the witness.)

4 BY MR. ANDERSON:

5 Q Is it fair to say, Mrs. Kronberg, that things other  
6 than books written by Mr. LaRouche were published by New  
7 Benjamin Franklin House?

8 A Yes. Absolutely.

9 Q Would you look at that list that I have just had  
10 handed up. Have you seen that before?

11 A Yes.

12 Q What does it purport to be?

13 A It's a list of Franklin House titles not arranged  
14 by date but it's a list of the titles that Franklin House  
15 published.

16 Q How many of those -- can you tell by looking at  
17 that how many of those were authored in whole or in part by  
18 Mr. LaRouche?

19 A Can I take a second to count them?

20 Q Please.

21 A Let me get a pencil.

22 Q One is coming, on its way.

23 A Thank you.

24 If you include co-authors, 16.

25 Q To your knowledge, is that during the entire

1 existence of the New Benjamin Franklin House, or was there an  
2 existence prior to of which you are not aware? I mean -- in  
3 other words, what are you telling the jury, is that the total  
4 number that New Benjamin Franklin House published, or the  
5 total of which you are aware during your time?

6 A Well, my time, this would include all of Franklin  
7 House's publishing activity.

8 Q Thank you. Now, to your knowledge, did Mr. LaRouche  
9 directly or indirectly ever receive one penny of compensation  
10 by salary or royalties or any other form of cash payment for  
11 any of those services excluding momentarily those royalty  
12 checks that we have already discussed?

13 A To my knowledge, he did not.

14 Q Did he ever ask for any?

15 A No.

16 Q What was your official title with Franklin House?

17 A Secretary-treasurer.

18 Q Can you just summarize without going into them, the  
19 range of topic areas in those 14 books -- what did you say,  
20 14 or 16 that Mr. LaRouche participated in?

21 A I will try not to go too long.

22 Q Keep it short.

23 A Science, history, foreign policy, strategy, both  
24 foreign policy strategy and military strategy, constitutions  
25 written for two countries, Canada and Iran; economic

1 development, Third-World economic development, debt bomb, the  
2 debt crisis, an autobiography, about four books minimally  
3 were on economics, basic economics.

4 Q Were all of those books offered for sale on the  
5 market?

6 A Yes.

7 Q To your knowledge, has Mr. LaRouche written and  
8 produced many other writings which were not published by  
9 Franklin House but were distributed otherwise?

10 A Yes.

11 Q And predominantly who would those have been  
12 distributed by or produced by?

13 A Executive Intelligence Review magazine, a form of  
14 white papers, pamphlets, campaign platforms -- I don't know  
15 how much more detail you want, but --

16 Q Okay, that's sufficient. I think that creates the  
17 flavor.

18 Now, these royalty checks -- do you still have  
19 those?

20 Maybe we could remove that box out of the way.

21 A I think I still have them. Yes. I have them.

22 MR. ANDERSON: I don't see any point in moving  
23 those into evidence, Your Honor.

24 THE COURT: All right.

25 MR. ANDERSON: We'll just leave them in the box.

1 BY MR. ANDERSON:

2 Q Do you have those royalty checks?

3 A Yes, I do.

4 Q The check number -- that precedes check No. 1101,  
5 check No. 1100, was a payment, or purports to be a payment  
6 for -- with some relationship to a conference, is that right?

7 A Right.

8 Q International Caucus of Labor Committees conference?

9 A Right.

10 Q That was entered in the checkbook and apparently  
11 written on January 1st, 1980; is that right?

12 A That's what it looks like, yes.

13 Q Do you know where the actual original of this  
14 checkbook is at this point in time?

15 A I think the prosecution must have it.

16 MR. ROBINSON: Your Honor, I think it's sitting in  
17 front of her.

18 THE WITNESS: The whole checkbook? It's very small.  
19 I don't know.

20 BY MR. ANDERSON:

21 Q Do the checks that precede check 1100, are they  
22 there?

23 A No. Just different things -- it doesn't appear to  
24 be continuous all the way through.

25 Q This wasn't the first check ever written on --

1 A No.

2 Q Do you know where the checks that preceded 1100 are?

3 A Well, no. I mean there is one page that precedes.

4 Q Were there checks preceding 1100, if you know?

5 A Yes.

6 Q And were the records such as existed seized by the  
7 Government in the raid of October 6th and 7th, 1986?

8 A No. I think these were turned over under subpoena?

9 Q Were there others turned over as well?

10 A You mean besides this checkbook?

11 Q Yes.

12 A Yes.

13 Q The predecessor -- the predecessor checks?

14 A Everything -- yes, all the check stubs that we had.

15 Q So in other words, it's fair to say that there was  
16 a continuum of checks leading up to this check 1000, January  
17 1st, 1980?

18 A Absolutely.

19 Q The check 1101 which purports to be, or I shouldn't  
20 say the check, the check stub --

21 A Right.

22 Q -- indicates that this first check which was  
23 proposed to be a royalty payment to Mr. LaRouche was written  
24 on December 24th, 1979. Do you have any memory of having  
25 for any reason been instructed to or having backdated the

1 check so that it appeared to have been written prior to the  
2 previous check and in December?

3 A I have almost no memory of writing these checks at  
4 all, although I obviously did. No, I don't have any memory  
5 of that.

6 Q Were these royalties in some way, did you have any  
7 understanding that they were proposed to have been in the  
8 nature of payments that were proposed to be made to  
9 Mr. LaRouche in 1979?

10 A Yes.

11 Q So in other words, if they weren't made in 1979,  
12 but were made in 1980, then they wouldn't have been, wouldn't  
13 have had any relationship to tax year 1979; isn't that true?

14 A Yes.

15 Q Do you know whether or not there was any money --  
16 I don't see a running balance here along with these checks.  
17 Can you tell what the balance was at the time that these  
18 royalty checks were written?

19 A Well, there is no balance above. There is a balance  
20 on a preceding check, but there is no running balance  
21 indicated on these checks.

22 Q The balance on the preceding check indicates an  
23 active balance at the time after that preceding check was  
24 written of \$712.41, right?

25 A Right.

1 Q You see any deposits entered anywhere prior to the  
2 next check?

3 A No.

4 Q The next check, this proposed royalty check, was  
5 for \$2,000, is that right?

6 A Right.

7 Q So far as you could tell from these records, there  
8 weren't funds in that account to support that check when it  
9 was written.

10 A That's correct. That is what it looks like.

11 Q Nor for the following check, is that correct?

12 A That's correct.

13 Q Then in fact -- well, is check 1103, do you have  
14 records for that check 1103?

15 A Yes.

16 Q What was that? Who was that to?

17 A That was a check made out to me.

18 Q And from what amount did you deduct, what was the  
19 balance when you deducted that check to you?

20 A It looks as if the balance was still \$712.14.

21 Q So in fact you deducted that check to you from that  
22 \$712 bucks?

23 A Right.

24 Q You didn't make any deduction for these two. Now  
25 let's get on --



1 A Right.

2 Q -- let's go on to -- do you see from the records you  
3 have in front of you any deposits which would have covered  
4 any of these royalty checks there up to and including the  
5 last dated one which was 12-27-79?

6 A No. No deposits.

7 Q And there is another one, to further confuse things  
8 in the running list that appears down the line, which in fact  
9 purports to have been written before some of the -- preceded  
10 it; is that correct?

11 A Could you back up a second? Down the line --

12 Q Strike that.

13 Do you know whether there was ever funds put into  
14 that account for purposes of supporting those checks?

15 A I don't remember that, no. I do not think there  
16 was.

17 Q Do you know whether or not those checks were ever  
18 given to Mr. LaRouche?

19 A I have no idea.

20 Q Do you have any idea of whether Mr. LaRouche  
21 actually had any knowledge of the proposal or the fact that  
22 the checks were actually written or any other idea as to the  
23 discussions or whatever that led up to them?

24 A No.

25 Q In fact, did you learn at a later date that those

1 checks were never in fact cashed?

2 A Yes.

3 Q When did you learn that?

4 A With the indictment for this, this indictment.

5 MR. ROBINSON: I am going to object to any further  
6 testimony, Your Honor. I don't think investigations she  
7 performed subsequent to the indictment are relevant evidence  
8 about checks written in 19 --

9 THE WITNESS: It was in the indictment. I learned  
10 it by reading the indictment.

11 MR. ROBINSON: Well, I don't think that's  
12 admissible evidence, Your Honor.

13 MR. ANDERSON: Then strike the indictment.

14 THE COURT: If it's in the indictment, the jury is  
15 going to get the indictment. If it's in there and I am not  
16 sure that it is --

17 MR. ROBINSON: Well, in any event I don't think  
18 witnesses can come in and testify about things they learned  
19 in an indictment, Your Honor. An indictment is not evidence.

20 THE COURT: Objection overruled.

21 BY MR. ANDERSON:

22 Q So you learned that the checks were in fact never  
23 cashed, is that right?

24 A Right.

25 Q Now, these checks written out for -- the checks for

1 the apartment in New York, do you know the meaning of the  
2 word safe house, safe facility, secure facility?

3 A Yes.

4 Q Was that apartment that those checks were written  
5 on behalf of the secure apartment which Mr. LaRouche was  
6 living at that particular time in New York City?

7 A Yes.

8 Q And you mentioned that others stayed there. Who  
9 else stayed there?

10 A It's a bit late in the day for me to remember  
11 precisely, but various people stayed there for, you know,  
12 spend the night there, spend the week there. I don't recall  
13 who particularly. I don't pay much attention to that.

14 Q For what other purposes was that apartment utilized  
15 during that period of time?

16 A We used it for meetings, little round-table  
17 discussions. We held a wedding there, a wedding party there.  
18 We had other parties -- you know, just, what do you call it,  
19 social get-togethers and discussions and meetings.

20 Q Is that the apartment from which Mr. LaRouche  
21 operated, in other words where he worked during that period  
22 of time that he lived there?

23 A During the period of time that he lived there, yes.

24 Q And in fact the apartment in Michigan or the house  
25 in Michigan that was rented, was that the facility in which

1 Mr. LaRouche was living at a period of time?

2 A Yes.

3 Q And there was no other apartment maintained for his  
4 use during the period of time that that apartment existed in  
5 Michigan; isn't that true?

6 A Correct.

7 Q That was where he was living and working at that  
8 time?

9 A Right.

10 Q And do you know how long a period that was?

11 A I don't remember how long he stayed there. I don't  
12 remember.

13 Q And that was once again at the time that he was  
14 living there the secure facility in which he was maintained,  
15 is that correct?

16 A Correct.

17 Q The furniture, the check written for furniture  
18 rental, that was to furnish one, whatever one it was. I think  
19 that was the New York one.

20 A I don't remember which one it was but to furnish  
21 one of the two, yes.

22 Q Now, among other reasons, isn't it fair to say that  
23 there were -- do you understand the meaning of the term inter-  
24 company bookings or inter-company --

25 A I think so. Maybe you should --

1 Q Well, let me ask you this more simply: is it fair  
2 to say that at various times the New Benjamin Franklin House  
3 would provide services for one of the other entities associated  
4 with the National Caucus of Labor Committees?

5 A Yes.

6 Q And bill them for those services?

7 A Or -- yes.

8 Q But not actually receive payment, carry it on the  
9 books as a debt due to New Benjamin Franklin House? Is that  
10 true?

11 A Yes.

12 Q In fact, other entities would perform services in  
13 the opposite direction, they would perform services for the  
14 New Benjamin Franklin House, send the Benjamin Franklin House  
15 a bill but carry it as a receivable, if you will, on their  
16 books?

17 A Right.

18 Q And there would ultimately be a reconciliation of  
19 those debits and credits at the end of the year when the  
20 books were closed?

21 A Right.

22 Q Is it also a fact that occasionally the Benjamin  
23 Franklin House would in fact make a payment on behalf of one  
24 of the other entities at a certain point of time if they  
25 happened to have a debt, owe money to the other company and

1 the other company didn't have the money at that particular  
2 time to make the payment?

3 A Occasionally, yes.

4 Q Do you know if -- you don't know the precise  
5 circumstances or reasons for New Benjamin Franklin House  
6 paying those portions of rent at that particular time, do you?

7 A (Shaking head no)

8 Q You mentioned that you --

9 A No, I don't. I said why I did it.

10 Q You said what you knew.

11 A Yes.

12 MR. ANDERSON: Could I have a moment, if Your Honor  
13 please.

14 (Pause in the proceedings)

15 MR. ANDERSON: Two minutes of 6:00, Your Honor. No  
16 further questions.

17 MR. ROBINSON: Three questions.

18 REDIRECT EXAMINATION

19 BY MR. ROBINSON:

20 Q Did you ever bill Campaigner or any other company  
21 for this rent?

22 A I don't remember it. I sometimes gave them memos  
23 of things that I thought had to be worked out who owed what to  
24 whom. I don't remember in this case, though.

25 Q Did Franklin House rent any other apartments or

1 houses for anyone other than the ones we have just discussed?

2 A Not that I recall.

3 Q Would it be fair to characterize Mr. LaRouche as the  
4 one of the most, well, the principal author-producing  
5 materials for Franklin House?

6 A He was best-selling of the authors, yes.

7 MR. ROBINSON: Thank you. No further questions.

8 THE COURT: You may step down.

9 (Witness excused)

10 THE COURT: We will adjourn this case until Monday  
11 morning at 10:00.

12 Again, over the few days do not discuss the case  
13 with each other or with anybody else or allow it to be  
14 discussed in your presence. You should not form or express  
15 any opinion on the outcome of the case until you have heard  
16 all of the evidence and received the instructions of the Court,  
17 and do not read about, listen to, have read to you or look at  
18 or allow yourself to be exposed to any outside account of the  
19 case.

20 Court will stand adjourned until tomorrow morning  
21 at 9:00.

22 Mr. Robinson, in your instructions, I would like you  
23 to include what the Government does not claim, particularly  
24 in the tax count, because we have had some discussion of that  
25 at the Bench. I just want to make sure that I don't mislead --

1 MR. ROBINSON: Certainly. You just adjourned until  
2 9:00 tomorrow, Your Honor. That doesn't include us, does it?

3 THE COURT: Oh, no. You all can come back if you  
4 want at 10:00 on Monday morning.

5 MR. ROBINSON: Thank you, Your Honor. I'll be here.

6 (Whereupon, at 6:00 p.m., the trial in the above-  
7 captioned matter was adjourned to reconvene the following  
8 Monday morning, December 5, 1988, at 10:00.)

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CERTIFICATE OF OFFICIAL REPORTER

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COMMONWEALTH OF VIRGINIA )  
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CITY OF ALEXANDRIA )

I, EDWARD DONOVAN McCOY, Registered Professional Reporter and Official Court Reporter for the United States District Court for the Eastern District of Virginia, appointed pursuant to the provisions of Title 28, United States Code, Section 753, do hereby certify that I was authorized to report, and did so report in Stenotype, the foregoing proceedings;

THEREAFTER, my Stenotype notes were reduced to typewriting under my supervision; and I further certify that the pages herein numbered contain a true and correct transcription of my Stenotype notes taken herein.

DONE and signed, this 3rd day of November, 1989, in the City of Alexandria, Commonwealth of Virginia.

Edward McCoy  
EDWARD DONOVAN McCOY, RPR  
Official Court Reporter

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