

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

THE UNITED STATES OF AMERICA,

Docket No. GCR 94-01009

Plaintiff,

Gainesville, Florida

May 3, 2000

9:00 a.m.

vs.

JOHN KNOCK and
ALBERT MADRID

Defendant.

TRANSCRIPT OF CROSS-EXAMINATION BY
ATTORNEY KENNEDY OF WITNESS AGENT CARL LILLEY
WHEN HEARD BEFORE THE HONORABLE SENIOR UNITED STATES
DISTRICT COURT JUDGE MAURICE M. PAUL, AND A JURY

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-AND-

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THE COURT: Cross.

MR. KENNEDY: Thank you, Your Honor.

CROSS-EXAMINATION.

MR. DAAR: May we move the screen, Your Honor?

MR. HANKINSON: I will just set it down.

Q. Good morning, Agent Lilley.

A. Good morning, sir.

Q. Was this your first attempt at an undercover operation, this -- these meetings with Martenyi and Grenhagen back in '93?

A. This was my first attempt on this organization, yes, sir.

Q. My question, sir, was: Was this your first attempt against any target as an undercover operative?

A. No, sir. I've worked undercover on international organizations in this district a number of times.

Q. Approximately how many?

A. As the primary undercover agent, twice.

Q. In any undercover capacity, Agent.

A. Well, I can't keep track of that number.

Q. Give me a rough -- are we talking about six? Ten?

A. No, less than ten. I was more -- primarily a case agent than an undercover agent.

Q. And your ability to operate undercover requires you to be able to assume a role and play that role as effectively as you can; is that correct?

1 A. Yes, sir.

2 Q. And with reference to your playing a role in this case,
3 you did some preparation for that role, as I understand it.

4 As a matter of fact, you met with a boat captain, I
5 believe you told us, to brief you on some of the realities of
6 the West Coast of the United States and possible offshore
7 loading operations or on-shore loading operations on the west
8 coast. Did I get that right?

9 A. The first -- my first boat captain I spoke to over the
10 telephone because we were in an ongoing undercover. My second
11 boat captain I met with personally on the smaller boat.

12 Q. And those meetings designed to prepare you to be as
13 effective as you could in your undercover capacity?

14 A. Yes, sir, they were.

15 Q. For the role you were playing?

16 A. Yes, sir.

17 Q. Now, in order for that role to work, you have to be able
18 to deceive or to fool the people with whom -- those potential
19 criminals who you are engaging; do you not?

20 A. Yes, sir.

21 Q. And did you take any particular courses or do any
22 particular preparation for -- to enhance this ability of yours
23 to be able to fool or deceive people?

24 A. The DEA has courses in undercover work that are certainly
25 taught to us, the methods and roles, through basic agent

1 school.

2 Q. Were you ever discovered, that is, that -- the undercover
3 role that you were playing, was that ever discovered other than
4 by your own admitting of it in terms of an arrest or something
5 of that sort?

6 A. No, sir.

7 Q. So it is fair to say that you were good at your
8 undercover operation?

9 A. Yes, sir.

10 Q. You are good at fooling and deceiving people?

11 A. In the undercover operation, yes, sir.

12 Q. As a matter of fact, you could fool me right now; could
13 you not?

14 A. I could try.

15 Q. You could fool this jury; could you not?

16 A. Yes, sir.

17 Q. Now, back in '93, you could -- if I understand it, you
18 had been in the Gainesville office for approximately six to
19 seven years?

20 A. Yes, sir.

21 Q. And now when -- you came out of law enforcement in
22 Virginia, I believe it was?

23 A. Yes, sir.

24 Q. When you came out of law enforcement in Virginia and
25 joined the Drug Enforcement Administration, your first

1 assignment was here in Gainesville?

2 A. Yes, sir.

3 Q. That was 1987?

4 A. Yes, sir.

5 Q. So when these activities were happening in '93, you have
6 now been an agent here in Gainesville for approximately six or
7 seven years?

8 A. Yes.

9 Q. It's a fact, is it not, that prior to your having
10 encountered those people -- Martenyi and Grenhagen -- that you
11 had asked to be transferred out of the Gainesville office.
12 That is a fact; is it not?

13 A. I don't know about that time frame, before I met this
14 organization. It's right around there where I was eligible for
15 promotion. I had put in for different positions for promotion.

16 Q. You actually put in an application to the DEA for a
17 transfer out of the Gainesville office at some point; did you
18 not?

19 A. Yes.

20 Q. Also back in -- well, let's see. The DEA is run out of
21 Washington, DC; is it not?

22 A. Yes, sir.

23 Q. Now, back in January of '93, were you aware that the DEA
24 in Washington had taken the decision -- January of '93 I'm
25 talking about -- had taken the decision to close down the

1 Gainesville office?

2 A. I heard you say that yesterday. I haven't researched it.
3 And I've thought about it, when the time frame took place.

4 But, there was discussions about closing the
5 Gainesville office. I do not deny that. The time frame I do
6 not remember.

7 Q. And, as a matter of fact, the decision to close the
8 Gainesville -- the decision by Washington to close the
9 Gainesville office was announced in Washington that Gainesville
10 was going to be the first of the DEA offices to be closed down
11 because of its marginal productivity; isn't that right?

12 A. I cannot say that is a fair statement. If there is some
13 documentation of that that I could review.

14 MR. KENNEDY: May I approach the witness, Your Honor?

15 THE COURT: Sure.

16 MR. KENNEDY: Might I have this marked for
17 identification as Defendant's Exhibit -- I suppose we'll start
18 with A then, Your Honor, if we may.

19 THE COURT: 1.

20 MR. KENNEDY: Very good.

21 Q. I show you what is an article from a Gainesville paper
22 dated January 14th of 1993. I ask you to look at that if you
23 wouldn't mind.

24 A. I accept this as your version of what you have asked me.
25 I did not remember this.

1 Q. Thank you. Okay.

2 Do you have any basis -- either personally or
3 professionally -- upon which to quarrel with this Gainesville,
4 Sun staff writer Mary Shedden's report that we've marked as
5 Defense Exhibit Number 1?

6 MR. DAVIES: Objection, Your Honor. I think --

7 THE COURT: Are you objecting to the question or to
8 what?

9 MR. DAVIES: I'm objecting to the question and to the
10 use of the article. The witness can use the article to refresh
11 his recollection, but now he's asking the witness about things
12 in the article.

13 MR. KENNEDY: No, sir. That's not quite accurate.

14 I'm asking him, Your Honor, whether or not
15 professionally or personally he quarreled with or disputed any
16 of the contents of the article.

17 THE COURT: Any objection?

18 MR. DAVIES: Yes, sir, I object. I mean, I don't
19 think it's proper use of the exhibit, Your Honor.

20 THE COURT: Well, if that's the only objection, it's
21 overruled.

22 A. I do not object with the Sun's report on this. I object
23 with what DEA in Washington may have said about us being a
24 low-producing office.

25 Q. Understood, sir.

1 You understand that I'm not asking you to agree with
2 the DEA decision to close down DEA.

3 A. Absolutely.

4 Q. Nor am I asking you to necessarily agree with the DEA's
5 description by Mr. McGivney of the DEA that the office will be
6 closed in March because the productivity was low. Do you see
7 that?

8 A. Yes, sir.

9 Q. Do you also see down in the article -- it's actually on
10 the first column down very near the bottom -- talking about the
11 Gainesville office: It is the only one currently on the
12 closure list. Do you see that?

13 A. Yes, sir.

14 Q. Now, that is all the questions that I have about that.

15 MR. KENNEDY: We would offer it, Your Honor.

16 MR. DAVIES: Your Honor, can we approach?

17 THE COURT: Do you object?

18 MR. DAVIES: I would ask Mr. Kennedy to produce the
19 actual article. He has got the date written on it.

20 THE COURT: Do you object to the article or just to
21 that aspect of it?

22 MR. DAVIES: I object. It's hearsay also.

23 THE COURT: Sustain the objection.

24 MR. KENNEDY: Thank you, Your Honor.

25 Q. Set that aside then, if you wouldn't mind, Agent Lilley.

1 So at around the early part of '93, you are
2 concerned, are you not, as an agent in the DEA office here in
3 Gainesville about this decision to close down the Gainesville
4 office. Is that fair?

5 A. Yes, sir.

6 Q. And one of the ways in which you would like to be able to
7 prevent or get them to reconsider, at least, is by increasing
8 or showing them how productive the DEA office is here in
9 Gainesville; is that correct?

10 A. Well, we did produce these statistics. Yes, sir.

11 Q. As a matter of fact, you were looking to try to bring
12 into Gainesville cases that would increase, statistically, the
13 productivity in the office. Fair enough?

14 A. I don't know that that is a fair statement, because I
15 don't recall sitting around having those discussions with the
16 guys in the office saying that.

17 Q. Well, my question, sir, wasn't did you talk to your
18 brother agents about it. But, in your own mind, one of your
19 desires -- strike that.

20 You wanted to keep the Gainesville office open; did
21 you not?

22 A. Sure.

23 Q. You knew that Washington was saying: We're going to
24 close you down because your productivity is low or marginal.

25 A. Yes, sir.

1 Q. You wanted to stop Washington from closing down the
2 office?

3 A. Certainly.

4 Q. The way to do that is to increase the productivity of the
5 office?

6 A. That would be one of the methods.

7 Q. And one of the methods of increasing the productivity of
8 the office is to make cases, bring cases into Gainesville, make
9 some arrests, seize some drugs, get some money, correct?

10 A. Yes, sir.

11 Q. Now, Clifton Brown -- that is his actual name; is it not?

12 A. Yes, sir. It is Clifton Brown.

13 Q. Now, before Clifton Brown called on this occasion in '92
14 or '93 to alert you to the possibility of these people working
15 the drug smuggling scam out on the west coast, out in
16 California or wherever, had you ever heard of Clifton Brown or
17 known about his case?

18 A. Yes. I was assigned -- it's actually -- the title is
19 called Rostyslaw Kindratyw. That is how DEA does a file title.

20 I had been assigned that case in 1987. When I showed
21 up on the doorstep in Gainesville, I was given about 75 cases
22 to handle that agents that I replaced had left.

23 Q. And when you -- when you were assigned that case as a
24 young officer you reviewed the case, I presume?

25 A. It was in -- yes, I reviewed it. It was in a fugitive

1 status.

2 Q. If I understand correctly, Mr. Brown had been convicted
3 of smuggling cocaine -- five thousand pounds I believe it
4 was -- of cocaine into what, the Gainesville area particularly?

5 A. It was in the Northern District. But he had been
6 indicted, not yet convicted.

7 Q. I'm sorry. So he had been indicted, accused by the
8 government, of bringing some five thousand pounds of cocaine
9 into the Northern District of Florida; is that correct?

10 A. As a member of that organization. Yes, sir.

11 Q. And you were interested in getting him?

12 A. Yes, sir.

13 Q. But I gather whatever efforts you were able to make were
14 of no avail from 1987 till ultimately he calls out of the blue
15 in '93; am I correct?

16 A. That -- he did not call me. His attorney called
17 Mr. McGee and we set up a meeting. And that was out of the
18 blue.

19 Q. Out of the blue. Thank you.

20 Now, the meeting -- the attorney for Mr. Brown did
21 not call you, because, of course, he didn't know you had been
22 assigned Mr. Brown's fugitive file?

23 A. That's correct.

24 Q. When Mr. Brown -- when Mr. Brown's attorney called,
25 though, he called somebody in the DEA?

1 A. He called Mr. David McGee, an Assistant United States
2 Attorney in Tallahassee, Florida.

3 Q. Here in the Northern District also?

4 A. In the Northern District. Yes, sir.

5 Q. Did Mr. McGee then contact you, Agent Lilley, and ask you
6 to take over this matter?

7 A. Yes.

8 Q. You then spoke to Mr. Brown?

9 A. On the 18th of June, Mr. Pasano, representing Clifton
10 Brown, came to the Gainesville office and met with Mr. McGee
11 and myself.

12 Q. With Mr. Brown?

13 A. Yes, sir.

14 Q. And it was at that time that he told you of his being
15 introduced or becoming involved with these people: Martenyi,
16 Grenhagen, Vacca, and a Mr. Larkin?

17 A. Yes, sir, he did.

18 Q. Now, this Mr. Larkin, you ultimately made in your
19 investigation -- determined to be a man named Claude Duboc; did
20 you not?

21 A. That's correct.

22 Q. When Mr. Brown -- by the way, have you seen the notes
23 that Mr. Brown made with reference to this?

24 A. I had asked him to prepare the notes. I'm aware of
25 those. Yes, sir.

1 Q. And my colleagues in the government have given us a copy
2 of them. I'm assuming that you have seen a copy?

3 A. Yes, sir.

4 Q. The copy that we've been given is actually typed up.

5 A. Yes.

6 Q. I gather that Mr. Brown wasn't typing his notes. He was
7 probably doing them in long hand and THEN he or someone typed
8 them up for him?

9 A. Yes.

10 Q. And so far as you can tell, did the typed version of
11 those notes accurately reflect the handwritten notes of
12 Mr. Brown?

13 A. At the time I was working with an FDLE agent --

14 Q. What is that, sir? Tell the jury.

15 A. The Florida Department of Law Enforcement. Agent Tom
16 Turk. He may have sat down with Clifton Brown and changed
17 these from the handwritten into the typed. I don't remember
18 doing that part of it.

19 MR. DAAR: Your Honor, can I ask the witness to move
20 the microphone closer.

21 MR. KENNEDY: Possibly if you will project, try and
22 project your voice back to where I am, Agent.

23 Q. Now, when you spoke to Mr. Brown, Mr. Brown was
24 interested, of course, in making a deal, correct?

25 A. Yes, sir.

1 Q. He was -- he had not be convicted, but he was not only
2 facing charges of having brought five thousand pounds of
3 cocaine into the Northern District of Florida, but then having
4 fled, having absconded. Correct?

5 A. Yes, sir.

6 Q. And so he was facing 20 years to life in prison, as far
7 as he knew, correct?

8 A. Yes, sir.

9 Q. So he really wanted to make a deal?

10 A. Yes, sir.

11 Q. And the way that he wanted to make the deal is to improve
12 his own position, was to bring you what you wanted, which was
13 another case here in Gainesville. Right, sir?

14 A. Yes, sir.

15 Q. Now, if this case was made out in California or out in
16 Seattle, or out in Vancouver, British Columbia, up in Canada,
17 that wouldn't do you any good down in Gainesville, would it,
18 down here?

19 A. I don't know what you mean by doing me any good.

20 Q. Well sorry. I'm didn't mean to make it personal.

21 Doing your official capacity any good, as a DEA
22 agent, because you were trying to make cases here in
23 Gainesville, and to make cases out on the west coast of the
24 United States or up in Canada wouldn't really help Gainesville,
25 would it?

1 A. No, sir.

2 Q. All right. Thank you.

3 MR. KENNEDY: Now we've got volume. I believe even
4 Mr. Daar is going to be able to hear us now. Thank you
5 whomever did that.

6 Q. So the first thing you wanted Mr. Brown to do was to help
7 you get this burgeoning criminality out west into Gainesville;
8 is that correct?

9 A. Yes, sir.

10 Q. Now, Mr. -- in Mr. Brown's notes -- I just asked you to
11 accept my representation of this, and I will show you if you
12 don't want to accept my representation, because you don't have
13 to.

14 In Mr. Brown's notes he says that what he would like
15 to do is to bring you undercover and maybe another one of your
16 colleagues undercover out to San Francisco. Do you recall
17 that?

18 MR. DAVIES: Objection, Your Honor.

19 THE COURT: Sustained.

20 Q. Did Mr. Brown seem to you to come -- that he'd like you
21 to come to San Francisco?

22 A. There was discussion about coming to San Francisco.

23 Q. When -- you said no, it would be better if you came to
24 Gainesville, correct?

25 A. Gave him a call and told him to come to Gainesville.

1 Q. Good.

2 And, in fact, that is ultimately what happened?

3 A. Yes, sir.

4 Q. Now, prior to that time, prior to the time that you --
5 that they accept your invitation to come to Gainesville, had
6 there been any activity, to your knowledge, by this group --
7 this Martenyi and Vacca and those people -- had there been any
8 activity of them of any sort in Florida?

9 A. No, sir.

10 Q. Any activity by them of any sort in Gainesville?

11 A. No, sir.

12 Q. And as I understand their scheme or scam or whatever we
13 call it, it was to import -- somewhere out in the Pacific
14 Northwest -- some hashish and/or marijuana?

15 A. Yes, sir.

16 Q. As I understand it there was no plan to bring any of that
17 hashish and marijuana into Gainesville, was there?

18 A. No, sir.

19 Q. Nor was there any plan to bring any money into
20 Gainesville; was there, sir?

21 A. No, sir.

22 Q. Now, did you ever go out to San Francisco or anyplace out
23 west?

24 A. Not during the course of my undercover.

25 Q. Right.

1 After the arrests were made -- and you told us that
2 the arrests really came with the arrest, I believe of first
3 Mr. Grenhagen on the 12th day of October of '93; is that
4 correct, sir?

5 A. Yes, sir.

6 Q. And then you -- you moved -- or your brother officers or
7 brother/sister officers moved immediately against Martenyi and
8 Vacca out in the San Francisco bay area; is that correct?

9 A. Yes, sir.

10 Q. Now, actually from your standpoint as a professional DEA
11 officer, what you wanted to do was for this -- this case you
12 were working on out on the west coast, you wanted it to develop
13 further; did you not?

14 A. Yes, sir, I did.

15 Q. You weren't really ready to have to make the arrests of
16 Grenhagen and -- not Grenhagen -- but you were not really ready
17 at that point, or did not desire professionally at that point
18 to make the arrests of Vacca and Martenyi particularly?

19 A. That's correct.

20 Q. And you couldn't make the arrest of Larkin, Mr. Duboc.
21 You didn't know where he was?

22 A. That's correct.

23 Q. Now, the reason -- as I understand it -- that you
24 arrested Mr. Grenhagen before, and then Vacca and Martenyi
25 before you really wanted to, is because Mr. Grenhagen was

1 himself engaged in some criminality that you felt, as a law
2 enforcement officer, you had to stop right then and there and
3 arrest him; is that correct?

4 A. Yes, sir, we did.

5 Q. That particular activity of Mr. Grenhagen -- strike that.

6 Now, Mr. Grenhagen, during the course of his
7 conversations with you, aside from talking about this West
8 Coast, this Pacific Northwest marijuana-hashish smuggling
9 scheme, talked to you about some other totally independent
10 schemes; did he not?

11 A. Yes, sir, he did.

12 Q. Included among the schemes that Mr. Grenhagen spoke to
13 you about was a plan to try to defraud a bank through a bank
14 loan he'd never pay back, correct?

15 A. Yes, sir.

16 Q. To try to defraud -- to try to utilize a fraudulent
17 Mexican bond as a security and rip people off that way; is that
18 correct?

19 A. That was as a down payment for a load that he wanted me
20 to take down to them.

21 Q. Okay. And that didn't have anything -- as far as you
22 could tell -- to do with Martenyi or Vacca, did it?

23 A. No, sir.

24 Q. Also, Mr. Grenhagen was talking to you about the plan to
25 try to import some heroin or cocaine into Europe, correct?

1 A. Yes, sir.

2 Q. And, again, that didn't have anything to do with the --
3 so far as you could tell -- with Vacca or Martenyi or Larkin?

4 A. It did not have anything to do with them.

5 Q. And also I understand that there was some kind of a scam
6 or scheme involving a Swedish bond that he was trying to
7 perpetrate; is that correct?

8 A. Yes, sir.

9 Q. Now, take us, if you would, Agent, to this 12th day of
10 October of '93. And tell us what were the factors that caused
11 you to have to move against Grenhagen and thereby move
12 precipitously against Vacca and Martenyi?

13 A. A number of things happened involving Mr. Grenhagen. He
14 had bragged about being involved in a bank robbery in Sweden
15 involving some Swedish bonds.

16 Through correspondence with our agents there, there
17 was, in fact, a bank robbery. In fact, it was the largest bank
18 robbery in Swedish history. So they were very much interested
19 in Mr. Grenhagen's apprehension.

20 Then Mr. Grenhagen got involved in the scheme where
21 he was going to try and launder my money and rip off 20 million
22 dollars out of the Sun Bank down in Miami.

23 One of the female agents from Miami came up and
24 assisted me on that where we had meetings with some of
25 Grenhagen's friends. And they actually signed a bank

1 statement, cards and created a phony organization. And there
2 was going to be a ripoff of 20 million.

3 And learning from Clifton Brown is actually the three
4 guys that came over and Grenhagen were going to rob me of about
5 seven million dollars.

6 So Grenhagen was, I mean, we -- he was a violent
7 criminal that just needed to be stopped.

8 Q. And you took -- in your professional judgment you took
9 the decision to stop this man before he really did some serious
10 harm to himself -- not to himself, but to you or to someone
11 else, correct?

12 A. Yes, sir.

13 Q. And this incipient harm that he was about to do, again,
14 didn't have anything to do -- as far as you could tell -- with
15 Vacca, Martenyi or Larkin?

16 A. It had nothing to do with them.

17 Q. So this -- here is a man who is operating what we could
18 describe as a totally separate conspiracy; is he not?

19 A. Yes, sir.

20 Q. Now, let's go to Matthew Martenyi for a moment.

21 I confess, I tried to listen to the tapes and I -- I
22 know you had to listen to them, and you tried to do the best
23 you could in terms of a transcript. But there is still a lot
24 of inaudibility there, correct?

25 A. Yes, sir.

1 Q. But as far as you are concerned as a professional
2 operating undercover, you knew that someone of the likes of
3 Grenhagen or Martenyi -- strike that.

4 Let's just take Martenyi for a moment. You knew that
5 somebody of the likes of Martenyi who was hoping to get
6 involved in some criminal operations had the ability to
7 possibly exaggerate what he had done or was capable of now
8 doing; is that true?

9 A. Yes, sir.

10 Q. As a matter of fact, some of these people -- Martenyi
11 being an example -- might just outright lie to you about what
12 they have done or could do?

13 A. Yes, sir.

14 Q. And as good as you are at your job, you could never
15 really tell when Martenyi was telling you the real truth or
16 when Martenyi is simply exaggerating or outright lying, could
17 you?

18 A. That's correct.

19 Q. Also some of those people -- and this is an example of
20 Grenhagen I suppose -- some of those people you have to
21 encounter are absolute renegades. You know what I mean by
22 renegade?

23 A. Yes, sir.

24 Q. Someone off doing their own thing independently
25 separately from other people?

1 A. Yes, sir.

2 Q. And as far as you knew, Martenyi could be -- could be a
3 renegade himself, correct?

4 A. I don't think for him that I had that -- those thoughts.

5 Q. You did have them for Grenhagen?

6 A. Absolutely.

7 Q. Now, Matthew Martenyi on the part of the transcript that
8 we saw that was audible was talking about the North Pacific.
9 There was -- actually those are two words that are actually
10 transcribed in the transcript. Do you recall them, Agent?

11 A. Yes, sir.

12 Q. Thank you.

13 Now, by the North Pacific, was it -- was it not your
14 impression that Mr. Martenyi was talking about Canada?

15 A. No. My impression was Washington, Oregon, that area of
16 the Pacific Northwest.

17 Q. I understand the Pacific Northwest of the United States.
18 But this was two words that he used that I want you to focus
19 on -- I'm not trying to put words in your mouth -- was North
20 Pacific. Those were the two words as opposed to the Pacific
21 Northwest. That has a little different meaning; does it not?

22 A. In my discussion with him there was discussion about
23 north. I took that to be Canada. Yes. Yes, sir.

24 Q. And the thing about north being Canada is that
25 Martenyi, in fact, said that some of the operations that had

1 been occurring were, in fact, occurring in Canada?

2 A. Yes, sir.

3 Q. And, as a matter of fact, the proposal that Mr. Martenyi
4 was bringing to you at one point included an offloading
5 operation up north, possibly in Canadian waters, where a
6 Canadian offloading crew would take some hashish into Canada,
7 and another crew, your crew, theoretically, would take the
8 marijuana back down into the United States, correct?

9 A. Yes, sir.

10 Q. And you said: I don't want any part of that, right?

11 A. Yes, I did.

12 Q. One of the reasons you didn't want any part of that is
13 because whatever criminality was created you -- strike that.

14 Whatever criminality was perpetrated, you wanted done
15 or perpetrated in the United States, correct?

16 A. No. I think -- as I recall my conversations with him on
17 the transcript, I didn't want that many boats bumping into each
18 other.

19 You know, I didn't want the Coast Guard saying:
20 We've got a Canadian group going out there and an American
21 group and they are all meeting at one mother ship. What is
22 going on with that? They would head one direction, I would
23 head the other. I think that was my concern.

24 Q. Understood sir. Thank you.

25 You were -- there was a discussion on the tape about

1 some action north of Washington. Do you recall that?

2 A. Yes.

3 Q. And the Washington referred to presumably the state of
4 Washington, correct?

5 A. Yes, sir.

6 Q. And immediately north of the state of Washington, of
7 course, is Canada?

8 A. Yes, sir.

9 Q. And you are not -- you did not want to get mixed up with
10 the Canadian load up in Canadian waters, correct?

11 A. I don't know that I even considered not getting mixed up
12 in it. I mean, if that was the last -- you know, the last
13 straw, then I would have been happy to take it into Canada.

14 Q. Did you ever suggest to -- strike that.

15 Do any of the tapes or any of your DEA-6s reflect
16 your having expressed your willingness to bring these planned
17 and proposed loads of marijuana or hashish into Canada?

18 A. No. I thought you were asking me subjectively your last
19 question.

20 Q. Well, that's a fair interpretation of it.

21 My question to you now is: Do your tapes or your
22 reports or your notes reflect this willingness that you have
23 just described of bringing these things, these drugs, into
24 Canada?

25 A. They reflect the contrary.

1 Q. They reflect you wanted to bring them into the United
2 States?

3 A. Yes, sir.

4 Q. Now, you're familiar generally, professionally, with
5 the -- with the drug laws of the United States because it's
6 part of your job to enforce them, correct?

7 A. Yes, sir.

8 Q. And you have become -- maybe as a result of this case or
9 other cases -- somewhat familiar with the drug laws of Canada;
10 have you not?

11 A. Yes, sir.

12 Q. And it is a fact, is it not, that the drug laws of Canada
13 are a whole lot less harsh than our drug laws down here in
14 America?

15 A. Yes, sir.

16 Q. Now, is there anywhere in the -- in the tapes or your
17 transcripts, wherein there is an actual statement or an actual
18 indication that an agreement, a meeting of the minds, has been
19 reached with you and Martenyi with reference to these proposed
20 drug smuggling activities out on the west coast, out on the
21 Pacific coast?

22 A. In my meeting with Martenyi, the only agreement reached
23 was he would take my proposal back to Larkin at that particular
24 July 1 meeting.

25 Q. And that -- and then Mr. Larkin would be in -- that is

1 more or less is -- you're saying -- strike that.

2 You are -- in fact, you are in a negotiation, are you
3 not, as an undercover operative?

4 A. Yes, sir.

5 Q. And the negotiation means that you haven't quite gotten
6 to the point of agreement. Would you agree with me?

7 A. Yes.

8 Q. And in the negotiation, for example, they are offering
9 you 12 percent, something like that, if I understand it, and
10 you say customarily I get 25. Correct?

11 A. Correct.

12 Q. These negotiations are ongoing; are they not?

13 A. Correct.

14 Q. As a matter of fact, those negotiations are not even
15 concluded by the 12th day of October when you have to arrest
16 these people; is that correct?

17 A. Before the October 12th, because undercover meetings and
18 these negotiations was a continuing process. The discussions
19 were continuing.

20 The final conversations were that there would be a
21 meeting in January with another representative of their group
22 to inspect my boats.

23 Q. And you hoped out of that January meeting would actually
24 come an agreement?

25 A. Yes.

1 And approval of my boats.

2 Q. Which meant an agreement?

3 A. Certainly.

4 Q. Thank you.

5 MR. KENNEDY: I have nothing further, Your Honor. I
6 thank you, Agent.

7 THE COURT: Mr. Daar.

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