

1 (WHEREUPON, THE WITNESS WITHDREW FROM THE
2 WITNESS STAND.)

3 MR. MOYE: CALL MS. WHIPPLE.

4 SHEILA WHIPPLE,

5 BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

6 THE CLERK: BE SEATED, PLEASE, AND STATE YOUR NAME
7 FOR THE RECORD.

8 THE WITNESS: MY NAME IS SHEILA WHIPPLE GEER.

9 DIRECT EXAMINATION

10 BY MR. MOYE:

11 Q. WOULD YOU SPELL YOUR LAST NAME, PLEASE, MA'AM?

12 A. W-H-I-P-P-L-E G-E-E-R, NO HYPHEN.

13 Q. MS. GEAR OR WHIPPLE?

14 A. YOU CAN REFER TO ME AS WHIPPLE, FOR THE ENTIRE CASE I WAS
15 WHIPPLE.

16 Q. MS. WHIPPLE, LET ME DIRECT YOUR ATTENTION, IF I MAY, TO
17 JULY 27, 1992, AND ASK YOU, MA'AM, IF ON THAT DAY YOU HAD
18 OCCASION TO GO TO AN OFFICE AT 5026 SNAPPINGER WOODS DRIVE,
19 SUITE 108 IN DEKALB COUNTY, GEORGIA?

20 A. YES, I DID.

21 Q. WOULD YOU TELL US WHAT THE CIRCUMSTANCES WERE THAT LED YOU
22 TO GO TO THAT PLACE?

23 A. WE WERE EXECUTING A SEARCH WARRANT AT THAT LOCATION.

24 Q. WHAT WAS THE LOCATION?

25 A. IT WAS THE OFFICE OF HIGH REALTY.

1 MR. MOYE: YOUR HONOR, FOR THE RECORD I WOULD TENDER
2 GOVERNMENT'S 172, CERTIFIED COPY OF THE SEARCH WARRANT.

3 THE COURT: ANY OBJECTION?

4 ALL RIGHT. LET IT IN.

5 BY MR. MOYE:

6 Q. MS. WHIPPLE, WHILE YOU WERE AT THAT LOCATION, WERE YOU
7 WHAT IS KNOWN AS THE SEIZING AGENT?

8 A. YES, I WAS.

9 Q. TELL US WHAT IS A SEIZING AGENT?

10 A. SEIZING AGENT IS THE PERSON THAT IS RESPONSIBLE TO COLLECT
11 ANY OF THE EVIDENCE THAT IS TAKEN FROM A LOCATION. GENERALLY
12 SEVERAL AGENTS ARE DISPATCHED TO A PARTICULAR AREA WHEN THERE
13 IS A SEARCH ONGOING, AND IF EVIDENCE IS LOCATED, THEY WILL ASK
14 THE SEIZING AGENT TO TAKE A LOOK AT IT TO SEE IF IT IS TO BE
15 TAKEN. AND THE SEIZING AGENT THEN DOES TAKE POSSESSION OF THE
16 EVIDENCE.

17 Q. MS. WHIPPLE, WHEN YOU WENT TO THAT ADDRESS ON THAT DATE,
18 DID SOMEONE ACCOMPANY YOU TO IDENTIFY VARIOUS PARTS OF THE
19 PLACE WHERE YOU WERE TO SEARCH?

20 A. YES. MR. GEORGE HIGH WAS WITH US AND IDENTIFIED AREAS OF
21 THE OFFICE.

22 Q. IN THE COURSE OF THE SEARCH DID YOU SEIZE A NUMBER OF
23 FILES?

24 A. YES, WE DID.

25 Q. CAN YOU TELL US HOW THOSE FILES WERE STORED?

1 A. AT THE OFFICE IN FILE CABINETS.

2 Q. WERE THE FILE CABINETS ALL IN ONE PARTICULAR LOCATION OR
3 WERE THEY SCATTERED THROUGHOUT THE OFFICE?

4 A. MY RECOLLECTION IS THAT THEY WERE MORE PRIMARILY IN ONE
5 AREA.

6 Q. WHO MADE THE DECISION WHICH FILES TO TAKE?

7 A. WELL, I MADE THE DECISION ON SOME AND LATER DURING THE
8 SEARCH I WAS JOINED BY SPECIAL AGENT BILL SALINSKI, AND HE ALSO
9 DECIDED SOME OF THE DOCUMENTS TO TAKE.

10 Q. MS. WHIPPLE, LET ME HAND YOU GOVERNMENT EXHIBIT 173 --

11 MR. MOYE: AND I THINK, YOUR HONOR, IF I CAN DO IT AS
12 A PACKAGE.

13 BY MR. MOYE:

14 Q. IT'S 173-A THROUGH 173 LITTLE A, LITTLE L. AND ASK YOU IF
15 THESE ARE FILES YOU SEIZED AT THE OFFICE OF HIGH REALTY?

16 A. YES, THEY ARE.

17 MR. MOYE: YOUR HONOR, I WOULD TENDER GOVERNMENT
18 EXHIBIT 173-A THROUGH 173-AL.

19 THE COURT: ANYBODY WANT TO TAKE A SHOT AT OBJECTING?

20 MR. ROSEN: IF I MAY, WHAT IS J, K AND L? WE DON'T
21 HAVE THAT LISTED.

22 THE COURT: ANYBODY HAVE ANY OBJECTION?

23 ALL RIGHT. PUT THEM IN.

24 BY MS. MOYE:

25 Q. MS. WHIPPLE, I HAND YOU 173-A, AND ASK YOU HOW THAT FILE

1 IS LISTED?

2 THE COURT: I DON'T SEE THE NEED TO GO THROUGH THEM
3 ALL. THE JURY WILL HAVE EVERY ONE OF THEM, THEY CAN SEE HOW
4 THEY ARE LISTED AND WHAT THEY ARE. THEY ARE IN EVIDENCE NOW.
5 I SEE NO NEED TO GO THROUGH EVERY ONE OF THEM, UNLESS SOMEBODY
6 WANTS TO CROSS-EXAMINE ON THEM. THE JURY CAN READ IT OFF AS
7 WELL AS SHE CAN.

8 BY MR. MOYE:

9 Q. MS. WHIPPLE, IN THE COURSE OF YOUR -- LET ME ASK, HOW LONG
10 WERE YOU INVOLVED IN THIS PARTICULAR INVESTIGATION?

11 A. ABOUT TWO AND A HALF YEARS.

12 Q. MS. WHIPPLE, DID THERE COME A TIME WHEN YOU MET KYLE
13 HENRY?

14 A. YES, I DID.

15 Q. TELL US ABOUT YOUR MEETING WITH KYLE HENRY.

16 A. I WAS REQUESTED BY AN IRS AGENT IN MEMPHIS TO INTERVIEW
17 SOME CAR DEALERS IN ATLANTA ABOUT SOME VEHICLES THAT HAD BEEN
18 PURCHASED BY LADARIUS PATRICK, WHO WAS THE SUBJECT OF AN
19 INVESTIGATION IN MEMPHIS, TENNESSEE. IN RESPONSE TO THEIR
20 REQUEST, I WENT OUT TO INTERVIEW THE CAR SALESPEOPLE THAT SOLD
21 THOSE CARS TO LADARIUS PATRICK, AND KYLE HENRY WAS ONE OF THOSE
22 SALESPEOPLE.

23 Q. WHEN YOU TALKED TO MR. HENRY, AFTER YOUR CONVERSATION WITH
24 HIM, WAS THERE ANY SENSE -- DID YOU HAVE ANY SENSE THAT MR.
25 HENRY HAD VIOLATED THE LAW?

[VOLUME 10 - 10/5/93]

- 1 A. NO, I DIDN'T.
- 2 Q. YOU HAVE BEEN SITTING HERE THROUGHOUT THE TRIAL, HAVE YOU
3 NOT?
- 4 A. YES, I HAVE.
- 5 Q. THERE WAS SOME INDICATION THAT YOU PREPARED A FORM 8300
6 WITH MR. HENRY OVER LUNCH. DO YOU RECALL DOING THAT?
- 7 A. I RECALL FILLING OUT THE 8300. I DON'T RECALL THE LUNCH.
- 8 Q. DID MR. HENRY ASSIST YOU IN FILLING OUT THE 8300 OR DID
9 YOU ASSIST MR. HENRY IN FILLING IT OUT?
- 10 A. I BELIEVE I GAVE HIM THE FORM AND INSTRUCTED HIM THAT IT
11 WAS TO BE FILLED OUT EVERY TIME THERE WAS A CASH TRANSACTION
12 EXCEEDING \$10,000. HE WAS NOT FAMILIAR WITH THE FORM, SO WE
13 WALKED THROUGH IT, SO TO SPEAK. I BELIEVE HE FILLED IT OUT AND
14 I JUST TOOK IT FOR HIM.
- 15 Q. AND THE 8300 THAT YOU AND MR. HENRY FILLED OUT ON THAT
16 OCCASION OR THAT MR. HENRY FILLED OUT AND YOU TOOK, WHAT
17 HAPPENED TO 8300?
- 18 A. I SENT THAT 8300 ALONG WITH A MEMORANDUM TO TENNESSEE
19 REGARDING MY INTERVIEW WITH KYLE HENRY.
- 20 Q. WITH REGARD TO THAT, DID YOU TALK TO MR. HENRY ABOUT
21 CONTINUING HIS ASSISTANCE WITH THE GOVERNMENT?
- 22 A. I DID.
- 23 Q. AND HOW LONG AFTER THIS INITIAL CONTACT WAS YOUR NEXT
24 CONTACT WITH MR. HENRY?
- 25 A. I BELIEVE IT WAS THE NEXT DAY.

1 Q. CAN YOU GIVE US FROM A DATE ON WHEN THE FIRST CONTACT WAS
2 MADE WITH MR. HENRY?

3 A. IT WAS SEPTEMBER 26TH, 1990.

4 Q. NOW, MS. WHIPPLE, ARE YOU FAMILIAR WITH THE NAME LAUREN
5 BELL?

6 A. YES, I AM.

7 Q. HOW ARE YOU FAMILIAR WITH LAUREN BELL?

8 A. LAUREN WAS AN UNDERCOVER AGENT THAT WORKED IN THE
9 INVESTIGATION FOR THE INTERNAL REVENUE SERVICE.

10 Q. AND CAN YOU TELL US EXACTLY HOW THAT PORTION OF THE
11 INVESTIGATION WAS SET UP?

12 A. LAUREN WAS -- HER OFFICE WAS SET UP TO GIVE THE APPEARANCE
13 OF BEING A FINANCIAL OFFICE. IT WAS CALLED PEACHTREE FINANCIAL
14 SERVICES, AND IT WAS IN A DOWNTOWN BANK BUILDING.

15 Q. AND THE OFFICE IN WHICH MS. BELL WORKED, WAS THAT A -- WAS
16 THERE ANY KIND OF MONITORING EQUIPMENT SET UP IN THE OFFICE?

17 A. YES, IT WAS WIRED FOR BOTH AUDIO AND VIDEO.

18 Q. AND ON OCCASION WHEN MATTERS RELATED TO THIS INVESTIGATION
19 TOOK PLACE THERE, WOULD YOU BE PRESENT?

20 A. YES, I WAS.

21 Q. DID THERE COME A POINT IN TIME, MS. WHIPPLE, IN THE COURSE
22 OF THE INVESTIGATION WHEN YOU LEARNED OF MR. GRACIA'S DESIRE TO
23 MOVE FROM CASCADE ROAD?

24 A. YES.

25 Q. TELL US WHAT IT WAS THAT YOU LEARNED.

1 A. I LEARNED THAT MR. GRACIA HAD ASKED KYLE HENRY TO ASSIST
2 HIM IN LOOKING, IN FINDING A HOME IN THE BUCKHEAD AREA. MR.
3 HENRY TOLD ME HE IN FACT HAD --

4 MR. ROSEN: I THINK IT IS HEARSAY AND WE HAVE HAD MR.
5 HENRY'S TESTIMONY.

6 MR. MOYE: I DON'T INSIST ON THIS, YOUR HONOR. I AM
7 GOING INTO IT TO EXPLAIN THIS WITNESS' CONDUCT AND SUBSEQUENT
8 EVENTS.

9 THE COURT: JUST GO IN THE SUBSEQUENT EVENTS AND THAT
10 WILL PROBABLY TAKE CARE OF IT.

11 BY MR. MOYE:

12 Q. MS. WHIPPLE, DID THERE COME A POINT IN TIME WHEN MR.
13 GRACIA WENT INTO SEE MS. BELL?

14 A. YES, THERE DID.

15 Q. I DIRECT YOUR ATTENTION TO JULY 2ND, 1991, AND ASK YOU IF
16 ON THAT DATE YOU HAPPENED TO BE IN THE OFFICE OBSERVING WHAT
17 WAS TAKING PLACE?

18 A. YES, I WAS.

19 Q. CAN YOU TELL THE LADIES AND GENTLEMEN OF THE JURY WHAT YOU
20 OBSERVED?

21 A. I OBSERVED ALEX GRACIA MEETING WITH LAUREN BELL IN HER
22 OFFICE.

23 Q. COULD YOU HEAR WHAT WAS GOING ON?

24 A. YES, I COULD.

25 Q. COULD YOU DESCRIBE FOR THE LADIES AND GENTLEMEN OF THE

1 JURY THE MEETING? HOW LONG DID IT LAST?

2 A. APPROXIMATELY ONE HOUR.

3 Q. WHAT OCCURRED DURING THE COURSE OF THE MEETING?

4 A. DURING THE COURSE OF THE MEETING, LAUREN --

5 MR. ROSEN: I OBJECT TO THIS. THIS IS -- IF SHE
6 GOING TO SAY WHAT LAUREN BELL SAID, THAT IS HEARSAY AND I AM
7 GOING TO OBJECT TO THAT.

8 MR. MOYE: MR. GRACIA WAS PRESENT.

9 THE COURT: HE WAS PRESENT. IT CAN'T BE HEARSAY.

10 I UNDERSTOOD HIM TO SAY HE WAS PRESENT, MR. GRACIA
11 WAS PRESENT.

12 THE WITNESS: YES, SIR.

13 THE COURT: I OVERRULE THE OBJECTION.

14 BY MR. MOYE:

15 Q. GO AHEAD.

16 A. MR. GRACIA REQUESTED LAUREN BELL TO ASSIST HIM IN A
17 LEASE ON A HOUSE ON BEECHWOOD ROAD. AND HE HAD BROUGHT WITH
18 HIM SOME MONEY TO BE USED TO LEASE THAT HOUSE.

19 Q. DO YOU KNOW HOW MUCH MONEY HE BROUGHT WITH HIM?

20 A. YES. HE BROUGHT \$20,000 WITH HIM.

21 Q. THE \$20,000, DID YOU WITNESS WHAT FORM THAT MONEY WAS IN?

22 A. YES, I DID.

23 Q. WHAT FORM WAS IT IN?

24 A. IT WAS IN CASH.

25 Q. HOW DID MR. GRACIA BRING THAT \$20,000 IN CASH TO THAT

1 MEETING, DID YOU SEE?

2 A. HE HAD ASKED MR. HENRY, WHO WAS WITH HIM, APPARENTLY TO
3 CARRY IT FOR HIM BECAUSE HE SAID KYLE HAD THE MONEY. LAUREN
4 ASKED KYLE TO GET THE MONEY. KYLE BROUGHT THE MONEY IN AND
5 HANDED IT TO MR. GRACIA, WHO GAVE IT TO LAUREN.

6 Q. NOW, THE MONEY, WAS IT PACKAGED IN ANYTHING AT THE TIME
7 YOU OBSERVED?

8 A. NOT THAT I COULD OBSERVE.

9 Q. THE MONEY, WAS THERE ANY EFFORT TO COUNT THE MONEY AND
10 RECEIPT THE MONEY DURING THE COURSE OF THE MEETING?

11 A. YES. LAUREN ASKED ANOTHER PERSON IN THE OFFICE, ANOTHER
12 UNDERCOVER AGENT WHO WAS OPPOSING AS A SECRETARY IN THE OFFICE,
13 TO COME IN AND COUNT THE MONEY, AND IN FACT THE MONEY WAS
14 COUNTED IN LAUREN BELL'S OFFICE IN THE PRESENCE OF LAUREN BELL
15 AND ALEX GRACIA.

16 Q. NOW, DURING THE COURSE OF THE MEETING WAS THERE ANY
17 DISCUSSION ABOUT MR. GRACIA'S BUSINESS ACTIVITIES?

18 A. I DON'T BELIEVE MR. GRACIA STATED HE HAD A BUSINESS.

19 Q. WAS THERE ANY DISCUSSION OF WHAT HE DID AND HOW HE WANTED
20 HIS FINANCES HANDLED?

21 A. THE DISCUSSION WAS ABOUT THE WAY THAT LAUREN BELL WAS TO
22 TRANSACT BUSINESS FOR MR. GRACIA. SHE EXPLAINED THAT SHE HAD A
23 NUMBER OF CLIENTS AND SHE HANDLED THEM IN A DIFFERENT MANNER,
24 AND SHE NEEDED TO KNOW IN WHICH MANNER TO HANDLE HIS FUNDS.

25 Q. WHAT CHOICES DID MS. BELL OFFER TO MR. GRACIA?

[VOLUME 10 - 10/5/93]

1 A. MS. BELL EXPLAINED TO MR. GRACIA THAT SOME OF HER CLIENTS
2 WERE THOSE THAT PAID BY CHECK AND HAD THEIR NAME ON ALL THEIR
3 THINGS AND PRETTY MUCH HANDLED IT IN A NORMAL BUSINESS FASHION,
4 AND THAT SHE HAD OTHER BUSINESS -- OTHER CLIENTS THAT REQUIRED
5 CONFIDENTIALITY, WHO HAD PERHAPS CASH BUSINESSES THAT DID NOT
6 WANT THEIR NAME ON ANYTHING, AND SHE NEEDED TO KNOW WHICH END
7 OF THE SPECTRUM HE FELL ON.

8 Q. WHAT WAS HIS RESPONSE?

9 A. HE STATED HE NEEDED THINGS HANDLED CONFIDENTIALLY.

10 Q. AT ANY POINT DID HE INDICATE TO MS. BELL WHAT HIS BUSINESS
11 WAS?

12 A. NO, HE DIDN'T.

13 Q. WHAT WAS THE \$20,000 SUPPOSED TO GO TOWARD?

14 A. LAUREN EXPLAINED TO MR. GRACIA SHE WAS GOING TO ESTABLISH
15 AN ESCROW ACCOUNT FOR HIM, THAT THE \$20,000 WAS TO BE USED FOR
16 MONTHLY PAYMENTS ON THE LEASE.

17 Q. AND WAS THAT THE SUM TOTAL THAT WAS NEEDED ON THAT
18 OCCASION TO PAY THE LEASE?

19 A. NO, IT WASN'T. MS. BELL EXPLAINED THAT THE TOTAL AMOUNT
20 OF THE LEASE, THE LEASE WAS ENTERED INTO FOR A ONE-YEAR PERIOD,
21 AND THAT AS REQUIRED BY THE CONTRACT, IF THE LEASE WAS BROKEN,
22 THE ENTIRE AMOUNT WOULD BE DUE, THE ENTIRE YEAR'S LEASE WOULD
23 BE DUE. AND SO SHE -- SHE ADVISED MR. GRACIA SHE WOULD NEED
24 ADDITIONAL MONIES.

25 Q. HOW MUCH MONEY DID SHE REQUEST?

1 A. SHE ADVISED HIM SHE WANTED TO HAVE AT LEAST \$40,000. THAT
2 THE LEASE PAYMENT WOULD BE \$39,600 FOR THE 12 MONTHS, AND SHE
3 WAS GOING TO ALSO CHARGE HIM A FEE.

4 Q. HOW MUCH DID SHE INDICATE SHE WAS CHARGING?

5 A. SHE WAS CHARGING HIM \$5,000.

6 Q. MS. WHIPPLE, THIS MEETING INVOLVING MR. GRACIA AND LAUREN
7 BELL, WAS THAT MEETING VIDEOTAPED?

8 A. YES, SIR, IT WAS.

9 Q. MS. WHIPPLE, DID THERE COME A POINT IN TIME DURING THE
10 COURSE OF THE INVESTIGATION WHEN YOU CAME INTO CONTACT WITH A
11 HONDA AUTOMOBILE?

12 A. YES, SIR.

13 Q. I SHOW YOU GOVERNMENT EXHIBIT 197, AND ASK YOU IF YOU
14 RECOGNIZE THE VEHICLE DEPICTED IN THOSE PHOTOGRAPHS?

15 A. YES, I DO. THAT'S THE HONDA.

16 Q. HAVE YOU WORKED WITH THIS AUTOMOBILE?

17 A. YES, SIR.

18 Q. CAN YOU TELL US, IN PARTICULAR, HAVE YOU HAD AN
19 OPPORTUNITY TO CHECK TO SEE IF THERE IS WHAT IS CALLED A POCKET
20 IN THIS VEHICLE?

21 A. YES, SIR, I DID HAVE THAT OPPORTUNITY.

22 Q. TELL US THE CIRCUMSTANCES UNDER WHICH YOU HAD THE
23 OPPORTUNITY TO CHECK AND SEE IF THERE WAS A POCKET IN THE
24 VEHICLE?

25 A. THE VEHICLE WAS BEING KEPT AT KYLE HENRY'S APARTMENT AND I

[VOLUME 10 - 10/5/93]

1 KNEW IT WAS THERE.

2 Q. AND DID YOU KNOW THE COMBINATION TO THE POCKET?

3 A. I DID LEARN THE COMBINATION TO THE POCKET.

4 Q. AND CAN YOU TELL US GENERALLY WHERE YOU GOT THAT
5 INFORMATION FROM?

6 A. I GOT IT FROM AN AGENT UP IN MEMPHIS, TENNESSEE, IDAVID
7 MCGRIFF.

8 Q. DID YOU VIDEOTAPE EFFORTS TO GET INTO THAT POCKET?

9 A. YES, SIR, I DID.

10 Q. WHO WAS YOUR COSTAR IN THIS VIDEOTAPE?

11 A. SPECIAL AGENT BILL SALINSKI.

12 MR. MOYE: YOUR HONOR, IF THE COURT PLEASE, I THINK
13 WE HAVE THE VIDEOTAPE. IT IS GOVERNMENT EXHIBIT 135, AND I
14 BELIEVE MR. SALINSKI HAS IT IN THE VCR. WE WERE JUST TESTING
15 IT EARLIER.

16 BY MR. MOYE:

17 Q. MS. WHIPPLE, I HAND YOU GOVERNMENT EXHIBIT 135, AND ASK
18 YOU IF THIS IS THE VIDEOTAPE YOU MADE?

19 A. YES, SIR.

20 Q. WHEN DID YOU MAKE THE TAPE?

21 A. OCTOBER 30TH, 1991.

22 MR. MOYE: YOUR HONOR, I TENDER 135 FOR THE PURPOSE
23 OF PLAYING IT.

24 THE COURT: ANY OBJECTIONS?

25 MR. ROSEN: YOUR HONOR, WE OBJECT TO THE VIDEO AS THE

1 VEHICLE THAT DID NOT BELONG TO ALEX GRACIA.

2 THE COURT: ANY OTHER OBJECTION?

3 I WILL OVERRULE THE OBJECTION.

4 MR. MOYE: UNLESS THE COURT HAS OBJECTION, YOUR
5 HONOR, WE WERE GOING TO LEAVE THE MACHINE OVER WHERE IT IS
6 LOCATED.

7 THE COURT: WHEREVER IS ALL RIGHT WITH ME. MR.
8 MORRISON, IF YOU WANT TO ATTEND THE MOVIE, YOU CAN MOVE OVER.

9 (WHEREUPON, THE ABOVE-REFERENCED VIDEOTAPE
10 WAS PLAYED TO THE COURT AND JURY.)

11 THE COURT: WEREN'T YOU GOING TO SHOW HOW IT OPENED
12 UP? TURN IT OFF UNLESS THEY WANT TO SEE THE REST.

13 BY MR. MOYE:

14 Q. MS. WHIPPLE, BESIDES THE VIDEOTAPES WAS THERE ANYTHING
15 ELSE IN THE AUTOMOBILE?

16 A. YES, SIR.

17 Q. WHAT WAS IN THE POCKET?

18 MR. ROSEN: I OBJECT ON THE GROUNDS OF RELEVANCE.

19 THE COURT: I LET IT IN SOLELY TO SHOW HOW THAT THING
20 WORKED.

21 MR. MOYE: ALL RIGHT, YOUR HONOR.

22 THE COURT: THE JURY HEARD SO MUCH ABOUT IT, IT'S
23 PROBABLY AN AID TO THEM IN SEEING HOW IT WORKED.

24 BY MR. MOYE:

25 Q. MS. WHIPPLE, IN THE COURSE OF YOUR DEALINGS WITH KYLE

[VOLUME 10 - 10/5/93]

1 HENRY, DID YOU GIVE HIM INSTRUCTIONS REGARDING HOW HE SHOULD
2 FUNCTION IN FULFILLING THE ACTIVITIES THAT HE WAS BEING
3 CONTRACTED FOR?

4 A. YES, SIR.

5 Q. WHAT DID YOU TELL HIM?

6 A. I EXPLAINED -- AT ONE POINT WHEN WE MOVED HIM INTO THE
7 APARTMENT -- YOU WANT ME GO BEFORE THE APARTMENT?

8 Q. CERTAINLY.

9 A. INITIALLY I TOLD HIM TO CONTACT ME EVERY TIME THAT HE WAS
10 CONTACTED BY ONE OF THE PEOPLE THAT WE WERE INVESTIGATING, TO
11 CONTACT ME AND LET ME KNOW WHAT KIND OF TRANSACTION WAS GOING
12 TO OCCUR. IF THERE WAS A CASH TRANSACTION, WE MADE AN
13 AGREEMENT THAT HE WAS GOING TO USE THE SERVICES OF HIS NORMAL
14 BANK, THAT THERE WOULD BE NO EFFORT NOT TO CREATE THE PROPER
15 DOCUMENTS AT THE BANK, THAT IN FACT THOSE DOCUMENTS WERE TO BE
16 FILLED OUT, AND THAT HE MAINTAIN CONTACT WITH ME ABOUT ALL OF
17 HIS DEALINGS WITH THE DEFENDANTS IN THIS CASE.

18 Q. MS. WHIPPLE, WITH REGARD TO THE DOCUMENTS, DID YOU MAKE
19 CONTACT WITH MALVALENE VAUGHN AT HOME BANK?

20 A. YES, SIR, I DID.

21 Q. DID YOU AND SHE MAINTAIN CONTACT THROUGHOUT THE ACTIVITIES
22 OF MR. HENRY?

23 A. YES, WE DID.

24 Q. SHOWING YOU GOVERNMENT'S 195, I THINK IT IS A THROUGH Z,
25 AND ASK YOU WHAT THOSE ARE?

1 A. COPIES OF CURRENCY TRANSACTION REPORTS COMPLETED BY HOME
2 BANK FOR TRANSACTIONS CONDUCTED BY KYLE HENRY WHEN THOSE CASH
3 TRANSACTIONS EXCEEDED \$10,000.

4 Q. WERE THESE DONE PURSUANT TO YOUR INSTRUCTIONS TO BOTH MR.
5 HENRY AND YOUR AGREEMENT WITH MS. VAUGHN?

6 A. YES, THEY WERE.

7 MR. MOYE: YOUR HONOR, I TENDER GOVERNMENT EXHIBITS
8 195-A THROUGH Z.

9 THE COURT: ANY OBJECTION?

10 LET THEM IN.

11 MR. MOYE: MAY I HAVE JUST A MOMENT, YOUR HONOR?

12 THE COURT: ALL RIGHT.

13 MR. MOYE: THANK YOU, MS. WHIPPLE.

14 I HAVE NO FURTHER QUESTIONS ON DIRECT EXAMINATION.

15 THE COURT: MR. MORRISON.

16 CROSS-EXAMINATION

17 BY MR. MORRISON:

18 Q. MS. WHIPPLE, I WILL QUESTION YOU FROM HERE, IF I COULD.
19 YOU WENT AND YOU SEARCHED A LOCATION THAT WAS KNOWN AS HIGH
20 REALTY OFFICE?

21 A. YES, SIR.

22 Q. WHEN YOU GOT THERE YOU SAID GEORGE WAS THERE?

23 A. YES, SIR. IN FACT, I FOLLOWED MR. HIGH OVER TO THAT
24 LOCATION.

25 Q. AND WHEN YOU GOT THERE, DID HE HELP POINT OUT WHERE THE

1 DIFFERENT THINGS WERE STORED AND LOCATED?

2 A. YES, SIR.

3 Q. AND HE WAS COOPERATIVE WITH YOU WHILE YOU WERE SEARCHING?

4 A. WHAT HE DID WAS HE IDENTIFIED PRIMARILY WHOSE DESK WAS
5 WHOSE AT THAT LOCATION.

6 Q. AND THEN YOU BEGAN TO LOOK AT ALL THE INDIVIDUAL FILES?

7 A. THAT IS CORRECT.

8 Q. I DON'T WANT TO GO OVER EACH ONE OF THEM LIKE MR. MOYE
9 DIDN'T GO OVER THEM, BUT YOU HAD INTRODUCED INTO EVIDENCE ALL
10 THE FILES YOU SEIZED AT HIS OFFICE?

11 A. YES, SIR.

12 Q. YOU HAVE HAD A CHANCE TO LOOK OVER ALL THESE FILES?

13 A. NO, SIR. THOSE ARE PROBABLY NOT ALL THE FILES THAT WE
14 TOOK. BUT THOSE FILES, ONCE THEY WERE SEIZED THAT DAY, WERE
15 TURNED OVER TO SPECIAL AGENT BILL SALINSKI AND REVIEWED AND AN
16 ANALYSIS OF THOSE RECORDS WAS CONDUCTED BY MR. SALINSKI.

17 Q. YOU HAVE NOT ACTUALLY TAKEN THE TIME TO LOOK AT ALL OF
18 THESE FILES?

19 A. NOT ALL OF THEM. I HAVE LOOKED AT SOME OF THEM.

20 Q. HOW MANY, APPROXIMATELY, HOW MANY FILES DID YOU SEIZE?

21 A. I COULD MORE LIKELY TELL YOU THE NUMBER OF BOXES WE
22 SEIZED.

23 Q. HOW MANY BOXES?

24 A. I THINK THERE WERE MAYBE EIGHT BOXES.

25 Q. HOW MANY BOXES WERE LEFT?

[VOLUME 10 - 10/5/93]

- 1 A. I AM SORRY?
- 2 Q. HOW MANY BOXES DID YOU NOT SEIZE?
- 3 A. WELL, WE DIDN'T PLACE THEM IN BOXES, WE LEFT THEM IN THE
4 FILE CABINET, SO I AM NOT REALLY SURE.
- 5 Q. WOULD IT BE BROADLY SPEAKING A FAIR STATEMENT TO SAY THERE
6 WERE A WHOLE LOT MORE FILES LEFT THERE AFTER YOU LEFT THAN
7 THERE WERE THAT YOU SEIZED?
- 8 A. PROBABLY SO.
- 9 Q. NOW, YOU MET AND TALKED WITH KYLE HENRY ON SEPTEMBER 26TH,
10 1990?
- 11 A. YES, SIR.
- 12 Q. AND HOW LONG DID YOU MEET WITH HIM ON THAT DAY?
- 13 A. MAYBE FOR 45 MINUTES.
- 14 Q. AND WAS THAT HOW LONG ENOUGH FOR YOU TO GET A GOOD FEELING
15 FOR HIS CULPABILITY AS FAR AS WHETHER OR NOT HE HAD DONE
16 ANYTHING WRONG?
- 17 A. I FELT SO AT THAT TIME.
- 18 Q. DID YOU ASK HIM ABOUT HIS BACKGROUND, HOW LONG HE HAD BEEN
19 IN THE CAR BUSINESS?
- 20 A. NOT EXTENSIVELY. I DID NOT GO BACK TO 1984 WITH HIM, BUT
21 I DID DISCUSS WITH HIM HIS TRANSITION FROM BAMBI LEASING TO
22 BROKERING ON HIS OWN.
- 23 Q. DID HE TELL YOU HE HAD DONE FOUR OR FIVE OR MAYBE SIX OR
24 SEVEN OR EVEN AS MANY AS EIGHT -- I'M NOT SURE WHAT HE
25 TESTIFIED TO, BUT DID HE TELL YOU ABOUT THE CASH TRANSACTIONS

[VOLUME 10 - 10/5/93]

1 HE HAD DONE BEFORE THE ONE YOU DISCOVERED?

2 A. I DON'T BELIEVE I ASKED HIM ABOUT ANY OTHER CASH
3 TRANSACTIONS. SO I DON'T BELIEVE HE TOLD ME ABOUT ANY.

4 Q. AND AFTER YOU WERE THROUGH TALKING WITH HIM, YOU CONCLUDED
5 THAT HE SIMPLY DIDN'T KNOW ENOUGH OR WAS NOT AWARE ENOUGH OR
6 HAD NOT BEEN INFORMED THAT IT WAS NECESSARY TO FILE A CASH
7 TRANSACTION REPORT WHEN YOU HANDLED A TRANSACTION OF OVER
8 \$10,000?

9 A. HE TOLD ME HE WAS NOT FAMILIAR WITH THE 8300 FORM.

10 Q. AND YOU BELIEVED HIM?

11 A. YES, SIR, I DID.

12 MR. MORRISON: THANK YOU.

13 THE COURT: MR. ABBOTT?

14 CROSS-EXAMINATION

15 BY MR. ABBOTT:

16 Q. MS. WHIPPLE, BRIEFLY, THE RECORDS THAT YOU TOOK DURING
17 EXECUTION OF YOUR SEARCH WARRANT, ARE ESSENTIALLY BUSINESS
18 RECORDS?

19 A. THAT IS CORRECT.

20 Q. WITH RESPECT TO MR. KYLE, DO I UNDERSTAND THAT THE
21 TRANSACTION THAT YOU WERE CONCERNED ABOUT WAS ONE IN WHICH YOU
22 BELIEVED THAT THE PROCEEDS HAD COME FROM A DRUG DEALER; IS THAT
23 CORRECT?

24 A. YES, SIR.

25 Q. THAT'S WHAT GOT YOU ON TO HIM?

[VOLUME 10 - 10/5/93]

1 A. ACTUALLY I WAS JUST -- I WAS REQUESTED BY ANOTHER AGENT.
2 I WAS NOT VERY FAMILIAR WITH THEIR CASE, JUST THAT THEY WERE
3 INVESTIGATING SOMEONE FROM MEMPHIS WHO HAD PURCHASED SOME CARS
4 IN ATLANTA, AND ASKED ME -- THEY ASKED ME TO GO OUT AND
5 INTERVIEW THE SALESPeOPLE REGARDING THE MANNER OF THE SALES.
6 IN OTHER WORDS, WAS IT PURCHASED WITH CASH.

7 Q. BUT THERE IS NO QUESTION IN YOUR MIND TODAY THAT THAT
8 TRANSACTION HAD TO DO WITH PROCEEDS THAT CAME FROM A DRUG
9 DEALER; ISN'T THAT TRUE? IT WAS DRUG PROCEEDS?

10 A. THAT IS TRUE.

11 Q. I UNDERSTAND YOU TO SAY YOU DID NOT ASK HIM ABOUT ANY
12 OTHER CASH TRANSACTIONS?

13 A. NO, SIR.

14 Q. DID YOU KNOW HE WAS EXPERIENCED IN HIS BUSINESS? DID YOU
15 TAKE SOME BACKGROUND OF WHAT HE HAD DONE IN THE PAST?

16 A. I DON'T RECALL THAT I ASKED HIM VERY MUCH ABOUT HIS
17 BACKGROUND. I WAS ASKING SPECIFICALLY ABOUT TWO PARTICULAR CAR
18 DEALS.

19 Q. THE PEACHTREE FINANCIAL SERVICES YOU HAVE TALKED ABOUT
20 WITH YOUR UNDERCOVER AGENT, MS. BELL, WHERE WAS IT LOCATED?
21 WHAT WAS THE LOCATION?

22 A. IT WAS LOCATED IN THE FIRST ATLANTA TOWER, DOWNTOWN.

23 Q. WAS THERE A CONNECTION BETWEEN PEACHTREE FINANCIAL
24 SERVICES AND THE LEASING OF THE HOUSE ON BEECHWOOD ROAD?

25 A. YES, SIR.

1 Q. WHAT WAS THAT CONNECTION?

2 A. THE CONNECTION WAS THAT PEACHTREE FINANCIAL SERVICES
3 LEASED THAT BEACHWOOD ROAD HOUSE FOR MR. GRACIA.

4 Q. SO EITHER THEY OR SHE, MS. BELL, WAS ACTUALLY THE AGENT?

5 A. YES, SIR.

6 Q. AND ISN'T IT TRUE THAT AT THIS PARTICULAR TIME WHEN THE
7 BEECHWOOD HOUSE, BEECHWOOD ROAD HOUSE WAS LEASED, THAT THE
8 CASCADE ROAD HOUSE WAS FOR SALE?

9 A. I AM NOT SURE EXACTLY WHEN THE CASCADE ROAD HOUSE WENT UP
10 FOR SALE.

11 MR. ABBOTT: IF I MAY APPROACH THE WITNESS, YOUR
12 HONOR?

13 THE COURT: ALL RIGHT.

14 BY MR. ABBOTT:

15 Q. LET ME SHOW YOU WHAT PURPORTS TO BE THE TRANSCRIPT OF YOUR
16 GRAND JURY TESTIMONY, AND ASK THAT YOU LOOK AND IDENTIFY IT AND
17 SEE IF THAT IS CORRECT OR NOT.

18 A. YES, SIR.

19 Q. COULD I ASK YOU TO LOOK AT THE TOP OF PAGE 27 VERY
20 BRIEFLY, AND READ IT TO YOURSELF AND LOOK BACK UP AT ME WHEN
21 YOU ARE DONE? ARE YOU FAMILIAR WITH IT?

22 A. YES, SIR.

23 Q. DOES THAT REFRESH YOUR RECOLLECTION THAT THE CASCADE ROAD
24 HOUSE WAS UP FOR SALE DURING THE TIME PERIOD WHEN THE BEECHWOOD
25 ROAD HOUSE WAS LEASED?

1 MR. MOYE: I OBJECT, YOUR HONOR. I PRESENTED IT TO
2 THE COURT, BUT THAT IS TAKING THINGS GROSSLY OUT OF CONTEXT.

3 THE COURT: YOU CAN --

4 MR. ABBOTT: THAT'S NOT TRUE.

5 THE COURT: YOU CAN GO INTO IT AND GIVE IT TO THE
6 JURY.

7 THE WITNESS: I BELIEVE MY TESTIMONY AT THE TIME WAS
8 I WAS RELATING AN INTERVIEW I HAD WITH SOMEBODY WHO SAID THEY
9 WERE GOING TO THE BEECHWOOD HOUSE BECAUSE AT THE TIME THE
10 CASCADE ROAD HOUSE WAS UP FOR SALE. BUT AT THE TIME THE
11 BEECHWOOD HOUSE WAS LEASED, I AM NOT SURE THAT THE CASCADE ROAD
12 HOUSE WAS UP FOR SALE. I JUST DON'T KNOW. I KNOW THAT PERSON
13 I WAS RELATING TO IN MY GRAND JURY TESTIMONY HAD TOLD ME HE WAS
14 GOING TO THE BEECHWOOD HOUSE AT SOME POINT BECAUSE THE CASCADE
15 ROAD HOUSE WAS UP FOR SALE.

16 BY MR. ABBOTT:

17 Q. ALL RIGHT. IS IT TRUE THAT YOUR INVESTIGATION REVEALED
18 THAT DURING THE TIME THE CASCADE ROAD HOUSE WAS UP FOR SALE,
19 THERE WERE NO TRANSACTIONS GOING ON THERE?

20 A. I DON'T KNOW -- I DON'T KNOW FOR SURE THERE WERE NO
21 TRANSACTIONS GOING ON AT CASCADE ROAD AFTER THE BEECHWOOD HOUSE
22 WAS SECURED. I KNOW MR. HENRY STATED HE WENT TO THE CASCADE
23 ROAD HOUSE AFTER THE TIME MR. GRACIA HAD OBTAINED THE BEECHWOOD
24 HOUSE.

25 Q. MR. HENRY DIDN'T GO THERE FOR ANY KIND OF COCAINE

1 TRANSACTION, DID HE?

2 A. NO, SIR.

3 Q. DO YOU KNOW OF ANY COCAINE TRANSACTIONS THAT OCCURRED AT
4 THE CASCADE HOUSE WHILE IT WAS UP FOR SALE?

5 A. I DON'T RECALL SPECIFICALLY, NO.

6 MR. ABBOTT: THOSE ARE MY QUESTIONS.

7 THE COURT: MR. ROSEN.

8 CROSS-EXAMINATION

9 BY MR. ROSEN:

10 Q. FIRST I WANT TO ASK YOU ABOUT THE VIDEO. THAT WAS A HONDA
11 ACCORD, WAS IT NOT?

12 A. YES, SIR.

13 Q. THAT HONDA ACCORD BELONGED TO LADARIUS PATRICK?

14 A. YES.

15 Q. IT ALWAYS BELONGED TO LADARIUS PATRICK, RIGHT?

16 A. AT ONE TIME DURING THIS INVESTIGATION HE, I BELIEVE,
17 TITLED IT OVER TO ANOTHER NAME. BUT DURING THE COURSE OF THIS
18 INVESTIGATION, I BELIEVE THAT BELONGED TO MR. PATRICK THE WHOLE
19 TIME.

20 Q. THE FUNCTION OF THE VIDEO IS JUST TO SHOW ENTRY INTO A
21 POCKET?

22 A. YES, SIR.

23 Q. NO SPECIFIC POCKET, JUST A POCKET. IT WAS AN
24 INSTRUCTIONAL TAPE FOR THE JURY; IS THAT RIGHT?

25 A. SPECIFICALLY THE POCKET --

1 Q. IN THAT CAR?

2 A. YES, SIR.

3 Q. APART FROM THAT, YOU ARE AN INTERNAL REVENUE SERVICE
4 AGENT; IS THAT CORRECT?

5 A. YES, SIR.

6 Q. YOU AND MR. SALINSKI ARE BOTH INTERNAL REVENUE SERVICE
7 AGENTS, RIGHT?

8 A. YES, SIR.

9 Q. AND YOUR INVOLVEMENT IN THIS WHOLE PROCEEDING HAS TO DO
10 WITH MONEY; IS THAT RIGHT?

11 A. PRIMARILY.

12 Q. YOUR INVESTIGATION PERTAINS TO THE MONEY END OF THESE
13 PROCEEDINGS?

14 A. WE PRIMARILY WERE RESPONSIBLE FOR THE FINANCIAL PART OF
15 THIS CASE. WE WERE WORKING WITH A JOINT TASK FORCE AND
16 ASSISTED IN ALL OF THE INVESTIGATION.

17 Q. BUT THE FUNCTION OF YOUR INVOLVEMENT PERTAINS TO MONEY,
18 THOUGH, FINANCIAL TRANSACTIONS; IS THAT CORRECT?

19 A. PRIMARILY, YES.

20 Q. YOU TESTIFIED ABOUT LAUREN BELL AND THIS STORE FRONT THAT
21 WAS ESTABLISHED; IS THAT CORRECT?

22 A. THAT IS CORRECT.

23 Q. AND WHAT I BELIEVE YOUR TESTIMONY IS, IS THAT MY CLIENT
24 WANTED TO RENT A HOUSE, AND KYLE HENRY INTRODUCED HIM TO
25 ANOTHER INTERNAL REVENUE SERVICE AGENT UNBEKNOWNST TO HIM, AND

1 SHE HELPED HIM RENT THE HOUSE; IS THAT CORRECT?

2 A. THAT IS CORRECT.

3 Q. AND HE GAVE HER SOME MONEY AND THE MONEY WAS FOR RENT FOR
4 A TWO-YEAR PERIOD; IS THAT CORRECT?

5 A. FOR A ONE-YEAR PERIOD.

6 Q. EXCUSE ME, FOR A ONE-YEAR PERIOD. SO HE PAID THE RENT TO
7 HER AND SHE WAS ACTING AS HIS AGENT; IS THAT CORRECT?

8 A. YES.

9 Q. NOW, IN THAT INSTANCE WOULD MR. GRACIA HAVE BEEN REQUIRED
10 TO FILE A 8300 FORM?

11 A. NO, SIR.

12 Q. WHEN HE BOUGHT A CAR FROM KYLE HENRY, IF HE PAID MR. HENRY
13 IN CASH, WOULD HE BE RESPONSIBLE TO FILE ANY 8300 FORM?

14 A. NO, SIR.

15 Q. YOU'VE BEEN INVOLVED IN THIS INVESTIGATION, I BELIEVE YOU
16 SAID, FOR TWO AND A HALF YEARS?

17 A. ABOUT THAT, YES.

18 Q. AND YOU CERTAINLY WANT TO -- YOU WANT TO SEE IT THROUGH
19 AND YOU CERTAINLY HAVE AN INTEREST IN HOW THIS INVESTIGATION
20 TURNS OUT, DO YOU NOT?

21 A. MY INTEREST IS PRESENTING EVIDENCE THAT I DEVELOPED OR
22 CAME ACROSS DURING THE COURSE OF THIS INVESTIGATION.

23 Q. ARE YOU TELLING US THAT YOU HAVE NO INTEREST ONE WAY OR
24 THE OTHER WHAT THE RESULTS OF THIS CASE IS?

25 A. I AM NOT SURE IF I QUITE UNDERSTAND YOUR QUESTION.

[VOLUME 10 - 10/5/93]

1 Q. DOES IT MATTER TO YOU IF THE DEFENDANTS ARE FOUND GUILTY
2 OR NOT GUILTY?

3 A. IT MATTERS TO ME WHETHER THE EVIDENCE IS PRESENTED THAT WE
4 OBTAINED DURING THE COURSE OF THIS INVESTIGATION.

5 Q. DO YOU BELIEVE YOU HAVE AN INTEREST IN HOW THIS CASE WORKS
6 OUT AND THE RESULTS OF THIS CASE?

7 MR. MOYE: YOUR HONOR, THE QUESTION HAS BEEN ASKED
8 AND ANSWERED. IT'S A MATTER OF ARGUMENT, AND I OBJECT.

9 THE COURT: I WILL LET HIM ASK ONE MORE TIME IF HE
10 WANTS TO.

11 MR. ROSEN:

12 Q. YOU BELIEVE YOU HAVE ANSWERED ME ALREADY?

13 A. I THINK WHAT YOU'RE ASKING ME IS WHETHER I CARE ABOUT
14 WHETHER THEY ARE FOUND GUILTY OR NOT?

15 Q. YES, OKAY.

16 A. I THINK THAT IS FOR THE JURY TO DECIDE, NOT FOR ME. I AM
17 JUST HERE TO PRESENT EVIDENCE.

18 MR. ROSEN: I HAVE NOTHING ELSE.

19 THE COURT: MR. AXAM?

20 MR. AXAM: I HAVE NO QUESTIONS OTHER THAN I AM SURE
21 MS. WHIPPLE WANTS JUSTICE TO BE DONE, THAT IS THE INTEREST YOU
22 HAVE?

23 THE WITNESS: CERTAINLY.

24 MR. AXAM: THAT'S THE ONLY QUESTION I HAVE.

25 THE COURT: DOES THE GOVERNMENT HAVE ANYTHING ELSE?

1 MR. MOYE: I DON'T BELIEVE SO AT THIS TIME, YOUR
2 HONOR.

3 THE COURT: MS. WHIPPLE, YOU CAN STAND DOWN.
4 (WHEREUPON, THE WITNESS WITHDREW FROM THE
5 WITNESS STAND.)

6 MR. MOYE: CALL MR. SALINSKI.

7 THE COURT: ASK MR. SALINSKI TO COME AROUND.

8 WILLIAM C. SALINSKI,

9 BEING FIRST DULY SWORN, WAS EXAMINED AND TESTIFIED AS FOLLOWS:

10 THE CLERK: BE SEATED, PLEASE, AND STATE YOUR NAME
11 FOR THE RECORD.

12 THE WITNESS: WILLIAM C. SALINSKI.

13 DIRECT EXAMINATION

14 BY MR. MOYE:

15 Q. MR. SALINSKI, HOW ARE YOU EMPLOYED?

16 A. I'M A SPECIAL AGENT WITH THE INTERNAL REVENUE SERVICE.

17 Q. HOW LONG HAVE YOU BEEN SO EMPLOYED?

18 A. I HAVE BEEN A SPECIAL AGENT FOR APPROXIMATELY FIVE YEARS.

19 I HAVE BEEN WITH THE INTERNAL REVENUE SERVICE FOR NINE YEARS.

20 Q. PRIOR TO BECOMING A SPECIAL AGENT, HOW WERE YOU EMPLOYED
21 BY THE INTERNAL REVENUE SERVICE?

22 A. AS A REVENUE AGENT.

23 Q. CAN YOU JUST BRIEFLY TELL US WHAT THE DIFFERENCE IS?

24 A. A REVENUE AGENT IS RESPONSIBLE FOR CIVIL INVESTIGATIONS
25 AND BASICALLY DETERMINING THE AMOUNT OF TAX THAT A PERSON OWES.