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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS  
TOPEKA, KANSAS

2003 FEB 11 1:24

UNITED STATES OF AMERICA, )  
----- Plaintiff, )  
vs. )  
WILLIAM L. PICKARD and )  
CLYDE APPERSON, )  
----- Defendants. )

Case No.  
00-40104-01/02

TRANSCRIPT OF VOLUME I OF THE TESTIMONY OF  
GORDON TODD SKINNER HAD DURING TRIAL  
BEFORE  
HONORABLE RICHARD D. ROGERS  
and a jury of 12  
on  
January 28, 2003

APPEARANCES:

For the Plaintiff: Mr. Gregory G. Hough  
Asst. U.S. Attorney  
290 Federal Building  
444 Quincy Street  
Topeka, Kansas 66683

For the Defendant: Mr. William Rork  
(Pickard) Rork Law Office  
1321 SW Topeka Blvd.  
Topeka, Kansas 66612

For the Defendant: Mr. Mark Bennett  
(Apperson) Bennett, Hendrix & Moylan  
5605 SW Barrington Court S  
Topeka, Kansas 66614

Court Reporter: Kelli Stewart, CSR, RPR  
Nora Lyon & Associates  
1515 South Topeka Avenue  
Topeka, Kansas 66612

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THEREUPON, the preceding motion and Rule 17B hearing were not ordered transcribed)

THE COURT: All right. Mr. Hough, you may call your next witness.

MR. HOUGH: Thank you, Your Honor. The prosecution calls Gordon Todd Skinner.

GORDON TODD SKINNER,  
called as a witness on behalf of the Government, was sworn, and testified as follows:

DIRECT-EXAMINATION

BY MR. HOUGH:

Q. Sir, would you please state your name.

A. Gordon Todd Skinner.

Q. What is the correct spelling of your last name, sir?

A. S-K-I-N-N-E-R.

Q. Sir, you appear today to testify pursuant to an agreement with the Government; is that correct?

A. Yes.

Q. Would you please tell us your understanding of that agreement.

A. I entered into an agreement with the Department of Justice, main justice, D.C., negotiated by

1 my attorney, Thomas D. Haney, who negotiated it  
2 with John Roth, for immunity of producing  
3 evidence of an LSD lab and such, and that I  
4 would be immunized from those such items.

5 Q. Okay. And that immunity would mean no  
6 prosecution as a result--

7 MR. RORK: Excuse me, Your Honor. I  
8 would object to his characterization what-- he  
9 can ask this witness what it was.

10 MR. BENNETT: Same objection, Your  
11 Honor.

12 THE COURT: Overruled.

13 Q. (BY MR. HOUGH) That would mean that you would  
14 not be prosecuted as a result of giving  
15 truthful and complete information and testimony  
16 regarding the entire matter.

17 A. That's correct.

18 Q. And it would be an umbrella that would cover  
19 the conspiracy, the possession, distribution,  
20 manufacture of the LSD. Correct?

21 MR. RORK: Again, Your Honor, I would  
22 ask that he not ask leading and suggestive  
23 questions. He can ask what his understanding  
24 was.

25 MR. BENNETT: Same objection.

1 THE COURT: I will overrule your  
2 objection. It's perfectly proper.

3 Q. (BY MR. HOUGH) You can answer.

4 A. Yes.

5 Q. It would also include a failure to file income  
6 tax returns and money laundering, those types  
7 of things?

8 A. Yes.

9 Q. Sir, did the Government seek out your  
10 cooperation in this matter?

11 A. No.

12 Q. And you indicated that you and your attorney  
13 approached the Department of Justice. Where  
14 specifically?

15 A. Not to be difficult, which time?

16 Q. The ultimate agreement.

17 A. In Washington, D.C.

18 Q. Okay. You can move that microphone around so  
19 you don't have to keep leaning into it, if  
20 you-- to get comfortable. And when was it that  
21 the agreement with Washington was executed, if  
22 you recall?

23 A. October 19th of the year 2000.

24 Q. Subsequently, then, the Court recognized that  
25 immunity agreement. Correct?

1 A. Yes.

2 Q. I will show you Government's Exhibit 800. Do  
3 you recognize that?

4 MR. RORK: Excuse me, Your Honor. I  
5 think the prior question was subsequently the  
6 Court recognized that agreement, and I don't  
7 know if that was what the Government meant to  
8 ask him.

9 MR. HOUGH: That's correct.

10 MR. RORK: Well, the Government is  
11 the one that gave the agreement. Judge, I  
12 would object to the form of that question. I  
13 don't think the Court can adopt any agreement,  
14 that's for the jury to decide.

15 THE COURT: The Court has looked at  
16 the agreement.

17 MR. HOUGH: Yes.

18 THE COURT: You may go ahead.

19 Q. (BY MR. HOUGH) Do you recognize that?

20 A. Yes.

21 Q. And is that the order recognizing the  
22 agreement?

23 A. Yes.

24 Q. Subsequently, then, you were interviewed by the  
25 DEA. Correct?

1 A. Yes.

2 Q. And in that regard, they made you sign a  
3 confidential source agreement, did they not?

4 A. Yes.

5 Q. Let me show you Government's Exhibit No. 801.  
6 Do you recognize that?

7 A. Yes.

8 Q. And is that the confidential source agreement  
9 that you entered into with the DEA?

10 A. Yes.

11 MR. RORK: Judge, I would just note  
12 that he's handed me what's been marked as  
13 Exhibit No. 800 and I haven't seen it. It was  
14 just filed evidently today at 11:59, I would  
15 hand to Mr. Bennett.

16 MR. HOUGH: It was the purpose of  
17 handing it to them, Judge.

18 Q. (BY MR. HOUGH) Now, sir, what was your motive,  
19 your incentive for offering your cooperation to  
20 the Department of Justice?

21 A. I was under the impression, I'm still not  
22 clear, that a murder had been committed within  
23 the organization. For three years this murder  
24 had been discussed and I had been arguing  
25 against it. I was asked to provide a weapon

1 for \$50,000, I refused. I was asked to be  
2 involved in a kidnapping, I refused. I was  
3 asked to be involved in drugging the person to  
4 knock them out so they could be kidnapped and  
5 then transported to a country like Guatemala.  
6 Numerous information was given to me and I kept  
7 saying, "We do not murder." And this  
8 specifically was being carried out with William  
9 Leonard Pickard, Junior. And I fought with him  
10 extensively on this issue. And sometime during  
11 May--

12 Q. Of what year?

13 A. Of the year 2000. He either indicated, and  
14 I'll explain why I'm not for sure, that the  
15 person was killed or was going to be killed.

16 Q. And who was this person?

17 A. This person was a long-term associate of what  
18 we refer to as the ET man.

19 Q. And--

20 A. The ET man is the ergotamine tartrate or any  
21 precursor that is unique that goes to the  
22 manufacturing of LSD.

23 Q. And what exactly was it about the ET man that  
24 caused Mr. Pickard to want him dead?

25 A. No, no, it was the associate of the ET man, not



1 the ET man, to be dead. His associate had  
2 cooperated either in Oregon or Washington or  
3 both states and was-- numerous people, quote,  
4 were going away to prison for life. But the  
5 main concern of Pickard's was that if the ET  
6 man's associate was able to get him indicted,  
7 that this would be a significant problem for  
8 the source of ET. And this would ultimately be  
9 a source problem for the organization. And  
10 there is tremendous amounts of evidence that  
11 this murder story had been going on and on and  
12 on. This isn't the only thing that brought in  
13 my cooperation.

14 Q. What were the other issues that you had?

15 A. I was fed up with the fact that the downstream  
16 people were getting life terms and extremely  
17 harsh terms, and no money was being cycled back  
18 into their defense. I was also concerned that  
19 we were selling this item, because the  
20 organization was not supposed to be profiting  
21 this heavy from this particular item.

22 Q. The organization, did it have a name, does it  
23 have a name?

24 A. According to Pickard, he claims that he was at  
25 the time heavily involved in the Brotherhood of

1 Eternal Love. From the lineage of my  
2 understanding of the system, it seems to be  
3 correct.

4 Q. And Pickard that you're referring to, is he in  
5 the courtroom here today?

6 A. Yes. William Leonard Pickard is the man  
7 sitting there.

8 MR. HOUGH: For the record, Your  
9 Honor, the witness has identified the  
10 Defendant, who acknowledged such.

11 THE COURT: Yes, sir.

12 Q. (BY MR. HOUGH) And what was it-- strike that.  
13 The ET man, his problems had arisen and were  
14 pending where did you say?

15 MR. RORK: Your Honor, I object that  
16 this misquotes the evidence. He said it was  
17 the ET man's associate that had the problem.

18 MR. HOUGH: The ET man's associate  
19 was cooperating against the ET man. I'm asking  
20 now, Judge, for the location that that was  
21 occurring.

22 THE COURT: Yes, I understood that.

23 MR. HOUGH: Thank you, sir.

24 A. It was either Washington state, Oregon state or  
25 both.

1 Q. (BY MR. HOUGH) And prior to this, had there  
2 been any indication that anyone involved in the  
3 organization was acting as a confidential  
4 informant or a snitch, or was this the first  
5 time?

6 A. This was the first time that I had heard of a  
7 situation like that. But we're going back the  
8 three years that we've been arguing about this.

9 Q. Okay.

10 A. Or two-and-a-half years.

11 Q. So with that point of reference, the  
12 information you've just provided this jury, you  
13 decided to - with your attorney - approach the  
14 Justice Department?

15 A. Yes, I-- yes.

16 Q. You indicated that there were efforts prior to  
17 reaching Washington, D.C., what exactly did  
18 that consist of?

19 A. Well, this is a strange story, but I called  
20 different districts and called them and said,  
21 "I have a problem." I went to pay phones and  
22 used calling cards because I didn't want it  
23 tracing back to me until I could get some sort  
24 of dialogue going. And I specifically called  
25 in Washington, D.C., and spoke to a U.S.

1 Attorney who was over the danger-- who was  
2 involved in the dangerous drug section of his  
3 particular thing. I made a mistake, it turned  
4 out he was a U.S. Attorney of Washington, D.C.,  
5 not from the Attorney General's Office, but I  
6 didn't realize that. And he basically laughed  
7 and said, "I don't have time for you."

8 MR. RORK: Judge, I object to what he  
9 said, unless they're going to bring him here  
10 and we can cross examine him.

11 MR. HOUGH: Judge, this is offered as  
12 a preliminary matter to show how he wound up in  
13 Washington, D.C., with an attorney.

14 MR. BENNETT: Judge, it's still  
15 hearsay and I would join in Mr. Rork's  
16 objection.

17 THE COURT: Well, just-- do not say  
18 what he said, just--

19 A. Okay. I'm sorry. I-- I said I have what I  
20 believe is the world's largest LSD conspiracy,  
21 we have some significant problems, and I would  
22 like to try to work out something with the  
23 Government. And I, unfortunately, used the  
24 word transactional immunity, which no longer  
25 exists, and he laughed at me and-- I'm sorry.

1 That's it. I can't say what he said, so--

2 Q. Okay.

3 A. I then also, to finish your question, called  
4 the U.S. Attorney's Office in Northern  
5 California because I thought they would have a  
6 better understanding. It was in San Francisco.  
7 And I got a duty agent who left me on hold  
8 forever. And effectively, no-- no one believed  
9 the story.

10 Q. Subsequently, then, as I understand your  
11 testimony, you contacted Tom Haney. And  
12 ultimately the agreement was entered and the  
13 order signed earlier today. Correct?

14 A. That's correct.

15 Q. Now, prior to--

16 THE COURT: Mr. Hough, why don't you  
17 tell who Tom Haney is. We know, but I'm sure  
18 the jury doesn't.

19 Q. (BY MR. HOUGH) You indicated earlier in your  
20 testimony that you had an attorney. That  
21 attorney is who?

22 A. Thomas D. Haney.

23 Q. And he--

24 A. He's from Topeka.

25 Q. Okay. And you had a relationship with Mr.

1 Haney regarding a legal matter that was  
2 resolved in this court. Correct?

3 A. That's correct.

4 Q. And let's take a moment and discuss that and  
5 some other types of matters, okay? You have  
6 had legal problems in the past. Correct?

7 A. This is true.

8 Q. The-- one of those would be a misdemeanor  
9 conviction in this court relative to possession  
10 of an Interpole identification badge; is that  
11 correct?

12 A. True.

13 Q. Are you aware that it has been alleged that you  
14 have written counterfeit checks to Mr. Pickard?

15 A. Yes. True, sorry.

16 Q. Now, did you file bankruptcy in '92 in  
17 Oklahoma?

18 A. Yes, the Northeastern District.

19 Q. Anything unusual about that bankruptcy filing,  
20 to your knowledge?

21 A. Other than the size of it, which there was  
22 nothing unusual except for I ended up with two  
23 debts that I could not discharge.

24 Q. To your knowledge, were there any allegations  
25 of fraud?

1 A. No.

2 Q. Presently, are there some charges pending in  
3 Potawatomie County District Court?

4 A. Yeah. I want to go back and answer that  
5 question.

6 Q. Okay. Go ahead.

7 A. Prior to this event, I had never heard-- and I  
8 mean the last few years, that there was some  
9 problem with this. In the last few years,  
10 there's been people tell me that there was some  
11 allegations of fraud. But prior to 19 let's  
12 say-- or the year 2000, I had never heard  
13 anything remotely involving fraud with that  
14 bankruptcy.

15 Q. Okay. Strike my prior question, please. Are  
16 there charges presently pending against you in  
17 Potawatomie County, Kansas?

18 A. Yes.

19 Q. That's relative to allegations of theft of  
20 stereo speakers?

21 A. True.

22 Q. You're represented by an attorney there?

23 A. True.

24 Q. In addition to that, in June of 2002, did you  
25 represent yourself to-- to be a doctor in the

1 State of Washington?

2 A. Yes.

3 Q. And in that regard, prescribe drugs without a  
4 license?

5 A. Yes. They were unscheduled, not scheduled  
6 drugs.

7 Q. Okay. Is there presently pending a dispute  
8 between you and Mr. Haney such that he does not  
9 represent you anymore?

10 A. Yes.

11 Q. And is that dispute over attorney's fees?

12 A. Yes.

13 Q. Anything else?

14 A. No, not that I know about.

15 Q. Okay. Is there an incident regarding--

16 A. I'm sorry. I-- I may-- I may have been a named  
17 defendant in his lawsuit where he fell over the  
18 fence and broke his ankle. I'm not for sure.  
19 You (sic) could have been a named defendant on  
20 that.

21 Q. And that was in your property-- or at your  
22 property in Wamego?

23 A. That was at the missile base in Wamego. So,  
24 yeah, I'm sorry. And besides legal fees, there  
25 could be I'm a named defendant in that, I just



1 don't know.

2 Q. Okay. And was there an issue relative to a  
3 boat that wound up in the Cayman Islands?

4 A. Yes.

5 Q. Where was that-- was that legal matter filed?

6 A. Yes, in-- I don't know the district, but it  
7 would have been approximately New Orleans,  
8 Louisiana.

9 Q. Someone sued you over a boat?

10 A. Yes.

11 Q. And did they receive judgment against you as a  
12 result of that?

13 A. Yes.

14 Q. Had you used any aliases or any  
15 misrepresentations in acquiring that?

16 A. Yes, yes.

17 Q. Was that in the Eastern District of Louisiana?

18 A. I can't tell you.

19 Q. Okay. Have you in the past described yourself  
20 to the security staff at a casino as a  
21 representative of the Billionaire?

22 A. No.

23 Q. Did you ever represent to your neighbors in  
24 Wamego that you were the largest land owner in  
25 Arizona?

1 A. No.

2 Q. Have you in the past used alias names?

3 A. Yes.

4 Q. And can you tell us what those are and when you  
5 used them and why?

6 A. The when can be difficult, but I will do my  
7 best. I will start with the lesser ones.

8 James Young I used approximately sometime in  
9 '86, '87, '88. Let's see. Charles Fletcher,  
10 approximately those same years, had a driver's  
11 license with that name on it. Gerard Terrence  
12 Finnegan, P.C. Carroll. And then aliases that  
13 are my actual name would be Gordon Todd Roth  
14 Skinner. And there's still confusion if that's  
15 my legal name right now or not.

16 Q. Why?

17 A. Because the State of Oklahoma only represents  
18 me-- only considers my name as Gordon Todd Roth  
19 Skinner, because when I got divorced my wife  
20 did not-- my ex-wife did not correctly fill out  
21 the paperwork to change our names back to the  
22 previous unhyphenated position. So that's a  
23 confusing issue. And then another alias that  
24 would be close to my name would be Todd Roth,  
25 that came-- a credit card came through her, and

1           they just dropped the Skinner, which was a  
2           surprise, and I just carried the credit card  
3           around. There are more aliases, I have to  
4           think about them, so--

5           Q. We can come back.

6                         MR. RORK: Judge, I would ask that he  
7           be allowed to finish his answer. He asked for  
8           time to think about it.

9                         MR. HOUGH: Well, Judge, it's an  
10          issue that we can come back to.

11                        THE COURT: Well, you-- you go ahead  
12          and handle it the way you want to.

13                        MR. HOUGH: Thank you, Judge.

14          Q. (BY MR. HOUGH) What was the purpose at the  
15          time of using these aliases?

16          A. In the-- okay, first of all, my Gordon Todd--  
17          all the Roth, Skinner-Roth stuff was nothing  
18          but just normal life procedures. It was just--  
19          you know, because I wanted my children to have  
20          hyphenated names so that there would not be a  
21          patriarchial lineage there. Beyond that, the  
22          rest of the names were used so that no one  
23          would know who I was when I was doing anything  
24          illegal or anything that I didn't want to be  
25          traced, and to move through areas without the

1 Government or anyone being able to follow me.

2 Q. Did all or part of that occur during the course  
3 of the conspiracy that you're required to  
4 testify about pursuant to this agreement?

5 A. No. Most of those names were all used in the  
6 period of the '80s.

7 Q. Okay.

8 A. With the exception of this Roth, Skinner-Roth,  
9 I used that prior to my marriage in '92.

10 Q. Okay. Sir, what is your understanding of what  
11 will happen to you in the event that you tell  
12 lies to this jury in this trial?

13 A. I would probably be prosecuted to the fullest  
14 and get the maximum time that would be under  
15 the guidelines.

16 Q. Pursuant to your agreement, do you intend to  
17 tell the truth now?

18 A. Absolutely.

19 Q. Will you tell us, please, were you, in fact,  
20 part of a conspiracy to manufacture and  
21 distribute LSD?

22 A. Absolutely.

23 Q. And did at least part of that occur in the  
24 State of Kansas?

25 A. Yes.

1 Q. And can you tell us, sir, who else was involved  
2 with you in this conspiracy in the State of  
3 Kansas?

4 A. Okay. Apperson, Clyde Apperson, otherwise  
5 referred to as "C", William Leonard Pickard.  
6 And then there would be people that knew about  
7 it late in the game who would have been  
8 technically involved in the conspiracy as-- for  
9 example, if someone is driving the get-away  
10 car, under the new laws or the new  
11 interpretation, they, too, are part of the  
12 conspiracy. These would be people like Michael  
13 Hobbs, Gunnar Guinan, Lupe, my father.

14 Q. To the extent that they knowingly participated  
15 in a conspiracy, if at all?

16 A. They were-- knowingly, but very late in the  
17 game knowingly.

18 Q. Okay.

19 A. Only under emergency situations.

20 Q. Now, you indicated, sir, Mr. Apperson also  
21 known as "C". Is he in the courtroom today?

22 A. Yes, he is.

23 Q. Would you point to him and identify him by  
24 describing what he's wearing for the record?

25 A. Well, he's wearing a dark suit, but he's

1 hunkered down, he has glasses on and he's--  
2 there he goes and he's got a tie on.

3 MR. HOUGH: For the record, Your  
4 Honor, the witness has correctly identified the  
5 Defendant, who sat up from his hunkered  
6 position once the-- the witness mentioned that.

7 THE COURT: Yes, sir.

8 Q. (BY MR. HOUGH) What role did you specifically  
9 play within the conspiracy?

10 A. It's complicated. I was involved in money  
11 laundering, I was involved in trying to locate  
12 places that the labs would be at, I was  
13 involved in making decisions of where money was  
14 to go for what we, quote, called charitable  
15 operations. I was also involved with  
16 communications decisions, I was involved with  
17 making decisions of security issues. Quote,  
18 Pickard referred to me as a-- I have the  
19 worldwide security for the Brotherhood of  
20 Eternal Love, end quote. I was the document  
21 keeper, to the best of my knowledge. I looked  
22 and would make decisions that had to do with  
23 was this a good decision, was this going to  
24 cause a problem, constantly sifting through  
25 errors of seizure-- I mean, errors of where we

1 would have risk problems. Trying to keep us  
2 abreast of legal problems that would occur.  
3 Also interfacing with just general public  
4 people that we were dealing with.

5 Q. What was the duration of your involvement in  
6 this conspiracy to manufacture LSD?

7 A. Well, you-- you know, if you mean from the  
8 first time I knew that it was going on.

9 Q. Active participation by you in the conspiracy.

10 A. Well, I'm not trying to weasel on this, what  
11 I'm trying to do is-- active participation, in  
12 one way I feel that a call came in to me on an  
13 800 number for a precursor, and that would be  
14 very early on, but I did not produce the  
15 precursor, nor did I-- nor was I very happy  
16 about the call.

17 Q. Would that have been essentially your first  
18 knowledge of the conspiracy generally?

19 A. No, no. My knowledge--

20 Q. When did that occur?

21 A. Sometime in '95, '96, through-- I think '96  
22 through Alfred Savinelli.

23 Q. Okay.

24 A. And it was code named at that time the Swimming  
25 Pool Project.

1 Q. And then when do you believe that you were  
2 actively involved? For about how long prior  
3 to--

4 A. Well, I would like to-- without butting in  
5 front of you, I'm sorry. Finish.

6 Q. When would be your belief that you were  
7 actively involved doing the things that you  
8 just testified were your role in the  
9 conspiracy?

10 A. Well, it's like, you know-- you know, if you  
11 want to-- what is it, cook a frog and not let  
12 it know that you're slowly turning up the  
13 temperature, so-- boil frog, sorry. So  
14 gradually the involvement became greater and  
15 greater, so--

16 Q. And started when?.

17 MR. RORK: Well, Judge, if he would  
18 actually let him finish his answer instead of  
19 cutting him off when he doesn't say something  
20 he wants.

21 MR. HOUGH: Judge, I--

22 THE COURT: Watch it. Go ahead.

23 A. The first thing that would have been is that  
24 I-- at the-- there was an ethnobotany  
25 conference at the Palace of Fine Arts. It was



1 the first time I physically ever saw William  
2 Leonard Pickard. And he walked up to me and  
3 asked me to launder \$50,000, and I said I would  
4 consider it or something like that. So that  
5 would be part of the conspiracy.

6 Q. That occurred when and where?

7 A. I believe-- I believe it was-- and this has  
8 been an issue that I've seen before, November  
9 of 1996. I mean, I'm doing my best on this.

10 Q. Okay.

11 A. But I had had a phone call prior to that with  
12 him identifying himself as Carlos, and I was  
13 told that the phone call would be coming in.

14 MR. BENNETT: Well, now, Judge, I'm  
15 going to object to what he was told, that's  
16 hearsay. Deprives us of the right to cross  
17 examine whoever told him whatever was told to  
18 him.

19 MR. HOUGH: Based upon the Court's  
20 ruling at the James hearing, this would be  
21 admissible, Judge.

22 MR. RORK: Well, Judge, he's talking  
23 about a ruling. If it's something that he said  
24 Mr. Pickard said or Mr. Apperson said, I have  
25 no problem. If it's not, I would like to have

1 it identified.

2 THE COURT: Well--

3 MR. HOUGH: These are co-conspirator  
4 statements, Judge.

5 THE COURT: Overruled.

6 Q. (BY MR. HOUGH) You may continue.

7 A. I was informed that a man by the-- with-- would  
8 be using the code name Carlos would be calling  
9 me looking for a chemical precursor that I  
10 could obtain either through Sigma Aldrich,  
11 let's just call it Sigma Aldrich, they're  
12 merged effectively. And I had the ability to  
13 get chemicals from Sigma Aldrich. What I was  
14 surprised was that he said it on my 800 line  
15 and I was in shock, so I cut the phone call off  
16 and never returned anything about that.

17 Q. And that occurred approximately when?

18 A. I-- I can't tell you, I'm sorry.

19 Q. You indicated that you were involved with Mr.  
20 Apperson and Mr. Pickard in this LSD  
21 conspiracy, sir. Can you describe for the  
22 jury, please, what each of their respective  
23 roles within the conspiracy were?

24 A. I've got a question. Can I also-- this is  
25 probably improper. Can I give the time of

1           when-- since it's in my mind, of when I met  
2           "C", and then give that?

3           Q.   That's fine.   When did you meet Mr. Apperson?

4           A.   It would be-- it would be of record the date  
5           Leonard asked me to give "C" \$50,000 and all  
6           the name he gave me was "C".   And he had to  
7           leave town, he was at the Pan Pacific Hotel in  
8           San Francisco.   50,000 was handed over to me.  
9           It was not my room, but it had been paid for.  
10          I decided that I didn't want to transport the  
11          cash, which it turns out to be interesting, and  
12          I shoved it up into a furniture piece that was  
13          a piece of decor in the room.   And then I left.

14                   And the next morning I had to come back,  
15          I went to my girlfriend's house, I came back,  
16          but it was good that I didn't carry the money  
17          because I discovered that I had broke some sort  
18          of regulation of traveling on the highway in  
19          the San Francisco area.   And I was in the  
20          carpool lane and it said two-seater only or  
21          something, and I was in a two-seater car.   And  
22          I ended up getting a \$450 ticket, which is a  
23          matter of record, that day.

24                   I did get to the hotel and then I was  
25          late and I was saying to my girlfriend this is

1 going to be a disaster because "C", according  
2 to Leonard, is very prompt. And this is not  
3 good. And I said here I got pulled over, you  
4 know, a ridiculous situation. It turns out  
5 that "C" was on that elevator with me. And the  
6 only way that we knew each other was that we  
7 both got off on the same floor. And I entered  
8 the room and gave him the \$50,000 in cash and  
9 he left.

10 Q. What was your understanding of the purpose of  
11 giving Mr. Apperson \$50,000 cash?

12 A. Leonard just asked me to do it. It was  
13 probably a-- he specifically didn't say what it  
14 was. I mean, it was just owed to "C". I mean,  
15 if he did say, I can't remember.

16 Q. Okay. This Pan Pacific Hotel is located where?

17 A. San Francisco.

18 Q. And the approximate date, if you recall?

19 A. I-- I can't recall. We would have to go back  
20 to the record and look at tickets and hotel  
21 receipts.

22 Q. Do you recall the approximate year?

23 A. '98.

24 Q. Okay. Other than "C", do you know Mr. Apperson  
25 to go by any other alias names?

1 A. I've never heard any last names. There was  
2 something about a Bill, but nothing more than  
3 that.

4 Q. Do you know Mr. Pickard to use other alias  
5 names?

6 A. Yes.

7 Q. Would you describe for the jury what those are,  
8 please?

9 A. Bruce Niemi was one of them.

10 Q. Bruce Nieme?

11 A. Yes. Maxwell.

12 Q. Let's stop with Bruce Niemi. Do you know  
13 whether or not there is an actual person named  
14 Bruce Niemi?

15 A. There is a couple of people named Bruce Niemi,  
16 but there's an actual person that I know named  
17 Bruce Niemi.

18 Q. And did you ever have any conversations with  
19 Mr. Pickard about why he used the name Bruce  
20 Niemi?

21 A. Yes.

22 Q. Describe those for us, please.

23 A. Approximately the same height, gray hair,  
24 approximately the same age. But there was a  
25 problem that Pickard didn't like, and that's

1           that they had two different eye colors, and he  
2           was worried about that with ID.

3           Q.   And this Bruce Niemi that is actually a person  
4           is-- does what?

5           A.   Well, he's now a professor-- I don't know what.  
6           He is a teacher at a college, but he was a  
7           state representative of the State of Oklahoma.

8           Q.   Okay.  Now, you indicated Mr. Apperson to use  
9           the alias of Bill and you never knew the last  
10          name?

11          A.   Never.  When I say never, I never knew it  
12          during-- up until the year 2000 or-- you know,  
13          November of 2000 or whatever.

14          Q.   Let me show you what's been caused to be marked  
15          and admitted as Government's Exhibit 121 and  
16          identified as an identification card of Mr.  
17          Apperson bearing the name Bill Martin on Cherry  
18          Avenue, San Jose, California, phone number and  
19          a badge number.  Do you recognize the  
20          photograph as that of someone you know?

21          A.   Yes, that's Clyde.

22          Q.   Clyde?

23          A.   Apperson.

24          Q.   Okay.  The man you know as "C"?

25          A.   "C".

1 Q. Did you ever know him to carry this false  
2 identification?

3 A. No. I've never seen this until this moment.

4 Q. Okay. I'm sorry to have interrupted you.

5 Other than Bruce Niemi, you mentioned James  
6 Maxwell as a name that Mr. Pickard used. Were  
7 there others?

8 A. I believe John Connor, but Connor was  
9 definitely the last name. There were other  
10 names, and I'm going to have to think about  
11 them. I'm sorry, we'll have to go back and  
12 visit that.

13 Q. Okay.

14 A. There were plenty of names.

15 Q. Now, you briefly touched on your first time  
16 that you met Mr. Pickard. Can you tell us,  
17 beginning upon the first meeting with Mr.  
18 Pickard, how your relationship with him evolved  
19 into your involvement in this conspiracy?

20 A. It was a very slow evolution. And during that  
21 time that I first met him, it was just a social  
22 gathering. We were staying-- there was a group  
23 of us who did not want to stay in the town for  
24 the ethnobotany conference, it was quite large.

25 Q. And that town is what?

1 A. San Francisco. And we stayed in a small town  
2 on the coast called Stinson Beach at a place  
3 called San Sushi, Jerry Garcia's old home. And  
4 we used to have meetings there.

5 Q. What kind of meetings?

6 A. Oh, they would be meetings-- this specific  
7 meeting had a kind of a positive and a negative  
8 to it. We-- extensive discussion was going on  
9 about the fact that Nicky Sand had been busted  
10 up in Vancouver in an MDMA, LSD, DMT lab. And  
11 there were a lot of pale white faces at this  
12 house.

13 Q. Who all was at the house and party to the  
14 discussion that you recall?

15 A. I mean, there was Joel Kramer, his wife, Diana.  
16 There was Ganga.

17 Q. Ganga who?

18 A. Ganga White. There was-- Leonard was there.

19 Q. Leonard?

20 A. Pickard.

21 A. Alfred Savinelli. There were some chemists out  
22 of Dave Nichols' lab. There was a D.M.  
23 Turner, I can't remember his real name, he has  
24 since died, he was there. Bill Wynn. Of  
25 course myself. There were other people staying



1           there, they just were not involved in those  
2           conversations. And there may be-- as I go on,  
3           I can remember some other people that were  
4           involved in that conversation.

5           Q. And the individual that they were talking about  
6           was who?

7           A. He is considered one of the prominent and  
8           highest members of the Brotherhood of Eternal  
9           Love, and he goes way back with the  
10          Brotherhood. And he had been a fugitive for 15  
11          years or more, I believe, I'm roughly guessing  
12          this. And he was a famed LSD chemist on top of  
13          just a famed chemist.

14          Q. When did you get into the Brotherhood of  
15          Eternal Love?

16          A. Well, I'm never for sure if I was in there,  
17          because I'm not for sure which branch, if-- if  
18          Pickard had the authority. But it would be  
19          through Pickard that I would have been in that.

20          Q. And who is the Brotherhood of Eternal Love?

21          A. Well, originally it was a large organization  
22          that came out of the late '60s, early '70s.  
23          And it's a-- the function was to produce--  
24          well, they had-- they had hashish operations  
25          back then, marijuana operations and psychedelic

1 operations. The psychedelic operations would  
2 have been LSD, mescaline, MDA, unfortunately  
3 DOB or something-- I'm sorry, DOM, which was  
4 nicknamed STP, which was a disaster.

5 Q. Why was it a disaster?

6 A. Well, a famed chemist made it and another  
7 chemist copied it and they got the dose wrong.  
8 And about-- and I can be totally wrong, but at  
9 least 1,200 people showed up in the San  
10 Francisco area in about a 12-hour period in  
11 emergency rooms. It was a-- it was very harsh.  
12 And this was in the early '70s, as I remember.

13 Q. And the drugs basically that were the subject  
14 of the Brotherhood of Eternal Love would be  
15 psychedelics, hallucinogens?

16 A. With also hashish--

17 MR. RORK: Judge, excuse me. Your  
18 Honor, that misstates the evidence. He said  
19 marijuana, hashish, and then we went into  
20 psychedelics. So I would ask that the question  
21 not misstate the evidence.

22 MR. HOUGH: The witness, of course,  
23 can answer appropriately to that question,  
24 Judge.

25 THE COURT: Go ahead.

1 A. I was getting ready to say a lot of funding at  
2 that time came from hashish and marijuana.

3 Q. (BY MR. HOUGH) Okay. And then what was your  
4 next step into the involvement in the  
5 conspiracy?

6 A. Where I would say that I-- I accidentally ran  
7 into Leonard at the hotel named the Mandarin.

8 Q. Approximately when?

9 A. February of '97. It was-- he was there for a  
10 talk being given by Alexander T. Shulgin.

11 Q. Who is that?

12 A. He is a famed chemist who had a Schedule I  
13 license, who I also know, who's written many  
14 books and is given of the position of creating  
15 the most different analogs and psychedelics,  
16 quote, entheogens, quote-- or slash tactigens  
17 (spelled phonetically) in the world.

18 Q. A Schedule I license for the jury's benefit is  
19 what?

20 A. It allows you to do research under very tight  
21 parameters with items that the Government has  
22 put into a category that says there is no  
23 medical use or legitimate use. And they cannot  
24 be written as prescription items. I.e., a  
25 Schedule I item could be THC, but I don't want

1 to use that one, it would be better to use  
2 something like PCP-- no, let's get off of that  
3 one. Let's go to-- well, we'll just say LSD,  
4 psilocyn, psilocybin, mescaline would be a  
5 Schedule I. While Schedule IIs could be items  
6 like cocaine, you know, methamphetamine.  
7 Another Schedule I would be heroin. And then  
8 you have Schedule IIIs and Schedule IVs. I.e.,  
9 Schedule III would be something like  
10 Alprazolam.

11 Q. Mr. Sulgin also has an affectionate nickname?

12 A. Sasha.

13 Q. Okay.

14 A. But you have to remember that there has been  
15 some confusion because when Sasha's name is  
16 used, there has been some confusion because  
17 there's another Sasha that is in the worldwide  
18 family as we would call it.

19 Q. Okay. Tell us, then, about the-- the situation  
20 at the Mandarin that you had started to tell us  
21 about. What occurred there?

22 A. I accidentally ran into Leonard on the elevator  
23 coming up. I think I was-- I was coming up  
24 from being down at the front desk and he was  
25 carrying a little roller suitcase behind him,

1 and we just were amazed to see each other. I  
2 was-- I was not going to go to the meeting  
3 because I didn't want that many DEA people to  
4 see me. He had the guts to go to it, which was  
5 pretty gutsy. And he went to the meeting and  
6 we then talked. But in this bag he claimed to  
7 have \$700,000 in cash. And he actually did  
8 have what looked like a large amount of cash  
9 that he was wheeling along like you would take  
10 your dirty clothes. I mean, it was pretty  
11 humorous, sir.

12 Q. You indicated--

13 A. That's the way he dealt with cash.

14 Q. We'll get to more of that in a little bit. You  
15 indicated that it was gutsy for him to go to a  
16 meeting with DEA people there. Why?

17 A. Because Leonard has had-- is a known chemist to  
18 the Government, and--

19 MR. RORK: Your Honor, may we have  
20 a-- instruct the Government. I would like to  
21 approach the bench.

22 THE COURT: All right. You may do  
23 so.

24 (THEREUPON, the following  
25 proceedings were held at the bench and

1 outside of the hearing of the jury).

2 MR. RORK: My objection, if the Court  
3 please, I believe that Mr. Hough had told me  
4 this morning he was going to follow your order  
5 in limine and approach the bench before he got  
6 into any areas you ruled were excluded. And  
7 what specifically is excluded is Mr. Pickard's  
8 prior criminal conviction or any information  
9 about that. And I don't think this witness-- I  
10 want to make sure, one, that Mr. Hough has  
11 instructed him not to talk about the facts of  
12 that case or anything relating to it in  
13 violation of your motion in limine. That's my  
14 concern.

15 MR. HOUGH: Judge, I hadn't asked him  
16 about the conviction. My understanding of his  
17 testimony was that he was not going to mention  
18 the conviction. We're aware of the Court's  
19 order regarding that. And the one thing that I  
20 can do, while we are all here to save time in  
21 approaching later, would be to ask him  
22 follow-up questions to get to his knowledge of  
23 the prior convictions now to establish the  
24 relationship of the parties and his  
25 understanding of his co-conspirator's

1 experience and background in manufacturing LSD.  
2 So to save time in coming up here later, I  
3 would ask the Court's permission to ask him  
4 questions about that now.

5 MR. RORK: Judge, I'm not prepared to  
6 argue that right now. I came up here about  
7 this witness and to make sure he was admonished  
8 initially so we didn't get to slipping things  
9 in, like we did with Mr. Sorrell. That way  
10 there won't be any question. For him to say  
11 I'm going to ask about his knowledge and  
12 background is just another way of attempting to  
13 get by your order in limine. That's my  
14 concern.

15 MR. HOUGH: Judge, the relationship  
16 of the parties within a conspiracy is a  
17 completely different matter than the collective  
18 knowledge of officers in a criminal  
19 investigation. The Government is entitled in  
20 the Pinkerton conspiracy case to establish the  
21 relationship of the parties and their knowledge  
22 one of the other and their understanding of the  
23 experience one of the other in fulfilling the  
24 role within the context of the conspiracy.  
25 That's very well established law.

1 THE COURT: Okay. Well, all of you  
2 remember my orders, and I'm sure you're  
3 remembering this. And this man is admonished  
4 what to put in and what not to put in. So I  
5 will-- if that was an objection, I've done what  
6 you want to do. Now, let's continue.

7 MR. HOUGH: Judge, we would ask the  
8 Court-- the Court's order was that we approach  
9 before getting into that.

10 THE COURT: Yes.

11 MR. HOUGH: I can get into that now  
12 as opposed to approaching the bench later this  
13 afternoon, just to streamline this thing, and  
14 have him testify about it now while we're on  
15 notice that it's coming, which is my request  
16 now, unless you want repeated bench conferences  
17 this afternoon.

18 THE COURT: Well, this is agreeable  
19 to the Court. Put it in the way you think you  
20 need to put it in. And you can object to what  
21 you want to object to. But I'm not worried  
22 about the bench conference.

23 MR. RORK: Well, Judge, I object to  
24 any reference in any manner, in any fashion of  
25 Mr. Pickard's prior conviction or the facts and



1 events around that, period. For the state--  
2 Government to try to get into it now and say  
3 it's part of a known conspiracy-- this  
4 conspiracy is charged from a date in 1998 to  
5 November of 2002, the information deals with  
6 the laboratory equipment at Wamego, it doesn't  
7 deal with something that happened 15 years  
8 earlier. It deals with what he did here. And  
9 the Government's efforts to try and get in his  
10 knowledge of Mr. Pickard as a chemist or making  
11 LSD is just a backdoor way of trying to get  
12 inflammatory and prejudicial evidence whose  
13 probative value-- prejudicial value outweighs  
14 the probative value to allow any of that to get  
15 in here.

16 If that's a conspiracy, he can talk about  
17 all the deeds, all the acts, all the things  
18 they did with this equipment. But to try and  
19 bring in prior equipment I think is a violation  
20 of Mr. Pickard's right-- his right to  
21 confrontation, his right to have that evidence  
22 brought in. That's impeachment evidence,  
23 that's not dealing with the facts of his  
24 credibility. Just like Mr. Skinner's evidence  
25 of the Huleback death isn't admissible, as has

1           been ruled by you. It's similar-type behavior.  
2           It's not a conviction, it's not relevant here  
3           in this proceeding, other than to inflame the  
4           jury. And I believe its prejudicial value  
5           outweighs its probative value.

6           MR. HOUGH: Judge, I'm sorry--

7           MR. BENNETT: I would just join in --  
8           in that. You're talking about a conspiracy  
9           during a particular period of time, that's  
10          what's been pled in the Indictment and it's  
11          been amended twice to expand it. But it would  
12          be our position that this man's testimony  
13          should be restricted to that-- that-- the  
14          conspiracy that's on trial here in this matter.

15          MR. HOUGH: Judge, those arguments  
16          ignore 404(b) and they ignore the concept of a  
17          Pinkerton historical conspiracy, which is what  
18          this is.

19          THE COURT: Yes.

20          MR. BENNETT: Judge, we've never  
21          received any notice of any intent to-- on  
22          404(b).

23          MR. HOUGH: Mr. Rork did.

24          MR. BENNETT: Well, I didn't.

25          MR. RORK: And I don't have it in

1 front of me.

2 MR. HOUGH: It's not 404(b) as to Mr.  
3 Apperson, it is as to Mr. Pickard.

4 MR. BENNETT: Well, then that's  
5 another--

6 THE COURT: Well, gentlemen, I want  
7 each side to try their own case and I-- I'm not  
8 going to allow you gentlemen to tell him how to  
9 try his case and he tell you how to try your  
10 case.

11 MR. BENNETT: Judge--

12 THE COURT: And backgrounds and  
13 history is-- is not bad in this, we--  
14 eventually we're going to get into the  
15 conspiracy for the time. But how they got  
16 together and how they knew each other, there's  
17 nothing wrong with that.

18 MR. RORK: Well, Judge, to say they  
19 knew each other because they manufactured LSD  
20 in the past is getting into evidence that we  
21 object to. That's not telling him how to try  
22 his case. We're trying to ask that his case be  
23 tried within the bounds of evidence. We came  
24 up here for one objection and the Government  
25 goes to somewhere else. I would ask that you

1 order him to go on to other matters. At the  
2 afternoon break I can look at the 404(b) notice  
3 and have your order and the motion and argue  
4 and you can constructively rule on it then. He  
5 can go to other matters now. But to just open  
6 the door to let him in and then have me stand  
7 up and object, which you continually deny them  
8 which is your right, is it looks like to the  
9 jury I am trying to hide something. And what  
10 I'm trying to do is make sure this case is  
11 tried within the rules of evidence. That's the  
12 problem I have.

13 MR. HOUGH: Your ruling was correct  
14 and we would ask to be able to proceed and get  
15 this case tried.

16 THE COURT: Yeah, I cannot see that  
17 we're opening the door at this time. So I'm  
18 going to overrule your objection. You may go  
19 ahead.

20 MR. HOUGH: Thank you.

21 MR. RORK: I will just note my  
22 continuing objection then.

23 THE COURT: Yes, yes, yes.

24 (THEREUPON, the bench conference  
25 was concluded and the following

1 proceedings were held within the hearing  
2 of the jury).

3 Q. (BY MR. HOUGH) Were there other reasons that  
4 in your estimation it was gutsy, other than  
5 that one that you just gave us?

6 A. There was little reason for him to have gone,  
7 he should have sent a person to gather the  
8 information, to pay respect to Sasha, Alexander  
9 T. Shulgin. He was in the middle of large  
10 operations. It did turn out to be a problem  
11 that he went, even he-- I don't know if I'm  
12 allowed because it would be hearsay, so I can't  
13 say what he said, or I can?

14 Q. "He" is who?

15 A. Pickard.

16 Q. What he told you--

17 A. Okay.

18 Q. What?

19 A. He told me a contact report was filled out and  
20 that he was followed by some sort of undercover  
21 agent, and he described where they were even  
22 parked at. And he said, "Be careful, I've  
23 brought heat to us accidentally."

24 Q. Okay. So what else happened as a result of  
25 this situation at the Mandarin?

1 A. Well, he did not want to put the bill on his  
2 credit card, and it was-- he asked me to pay  
3 his bill and I did.

4 Q. What was the total of that bill?

5 A. 6,700 or 6,800, sorry, I can't remember.

6 Q. And again, this was sometime in February of  
7 '98?

8 A. I hope.

9 Q. And did you ever get reimbursed by Mr. Pickard  
10 for that?

11 A. Yes. He sent me an envelope that was  
12 intercepted, via Federal Express, by the Tulsa  
13 narcotics squad. And I got this call and I  
14 really didn't know, I was-- I was-- did not  
15 take it as a joke. I was thinking some friend  
16 of mine or enemy of mine had sent me something  
17 through the mail, and I was-- instructed Bill  
18 Wynn to call every possible person and say,  
19 "Did anything come in the mail?" Because I was  
20 very upset. When Bill came back and said I've  
21 contacted the known-- the usual suspects and  
22 nothing happened, I then said, "I'm going to go  
23 claim the package."

24 Q. And did you?

25 A. I did.

1 Q. And did you get the money out of the package?

2 A. Well, yeah. It became quite a tug-of-war  
3 between Federal Express, the narcotics squad  
4 and myself, because it-- the entire story was  
5 misrepresented to me by the Tulsa narcotics  
6 squad. They said it was a box and the drug  
7 dogs had picked it up. When it was eventually  
8 turned over to me, it was a very thin envelope.  
9 And Federal Express said, "We don't want any  
10 part of this," because it turns out I said,  
11 "I'm going to shut down my account corporately  
12 with you, Fed-Ex, for participating in this  
13 lie." They then told the narcotics squad,  
14 "Take this package outside of here, we do not  
15 want any part of it."

16 I then told the narcotics squad I would  
17 not put my hands on it, because I didn't trust  
18 him, because I didn't want fingerprints. I had  
19 him open the package, dump out the money, and I  
20 then claimed the money. He was shocked that I  
21 claimed the money.

22 Q. This was \$5,000 approximately?

23 A. It was exactly \$5,000.

24 Q. And later did you recoup the additional 1,700?

25 A. In person.

1 Q. And describe that.

2 A. In Taos, New Mexico.

3 Q. Describe that incident with Mr. Pickard.

4 A. Leonard came by Alfred's house and I said, "By  
5 the way, that bill was like \$6,700 and with  
6 this was 5,000--"

7 Q. Alfred who?

8 A. Savinelli. Who has a house and a business in  
9 Taos, New Mexico. And Leonard got the 1,700 or  
10 1,800 out and gave it to me and said sorry.

11 And I said, "Here's the bigger problem," and I  
12 showed him the narcotics squad card, I showed  
13 him the envelope, I told him about the problem  
14 and I said, you know, "Don't do this anymore."

15 Q. As a result--

16 A. And, in fact, I also said I'm not-- because it  
17 took this, you're going to have to front me  
18 money out if I pay your bills.

19 Q. And did Mr. Pickard, in fact, front you money  
20 from that point forward?

21 A. Yes.

22 Q. How much and in what form?

23 A. Always in cash. It could be different  
24 denominations. It could have been different  
25 currencies and I don't remember amounts of less



1 than 50,000. Usually 100,000. But I could be  
2 wrong. I mean, it was usually 50 to 100,000 or  
3 more.

4 Q. And when you say "fronted," describe for the  
5 jury what that means to be fronted money and  
6 why that's done and what it means.

7 A. He gives me--

8 MR. RORK: Judge, I object to saying  
9 he fronted me money and why that's done. I  
10 want him to testify he fronted me money and why  
11 he did it here.

12 MR. HOUGH: Well, Judge, if he wants  
13 that done, he can certainly ask it on cross.

14 THE COURT: It's overruled. Go  
15 ahead.

16 A. Cash would be given to me. And there were  
17 multiple accounts, and one account was to pay  
18 incidental bills for me electronically and,  
19 therefore, the cash--

20 Q. (BY MR. HOUGH) Why were there bills  
21 electronically?

22 A. Electronic money doesn't show a trail up to  
23 FINCEN and to the Treasury Department and to  
24 all the bank regulation organizations, which we  
25 were very-- trying to fly under the radar.

1 Q. "We" is who?

2 A. It would be Pickard, myself, Apperson and such.  
3 Savinelli. And we were-- I could be at this--  
4 we were experts at flying underneath that  
5 radar. And I handled electronic money.

6 Q. Okay. In addition to that, the money-- the  
7 being fronted money in the context of the  
8 conspiracy meant what?

9 A. Well-- again, okay. There-- there was an  
10 account to pay things that were just ongoing  
11 bills, and then there was different types of  
12 money that was given to me that may have been  
13 fronted or may have been in arrears for actual  
14 other types of items.

15 Q. Such as?

16 A. For example, if we were going to buy a large  
17 ticket item, he would accumulate money in an  
18 account with me, but this would be a different  
19 account and it would be handled differently.

20 Q. What types of large ticket items?

21 A. Well, we were going to buy a house in Santa Fe.

22 Q. For what purpose?

23 A. To put an LSD lab in it.

24 Q. What period of time are we talking about there?

25 A. '99.

1 Q. Okay. Now--

2 A. I believe it was called the Sandosky (spelled  
3 phonetically) house.

4 Q. Why was it called that?

5 A. It was the name of the physicist that had it  
6 built. I could be wrong about the name.

7 Q. Now, can you describe for the jury, please--  
8 you described your role. Describe for the  
9 jury, please, Mr. Pickard's role and then Mr.  
10 Apperson's role within the context of this  
11 conspiracy.

12 A. Mr. Apperson's role was to-- he was basically  
13 the setup and tear-down man.

14 Q. Meaning what?

15 A. Set up a lab. If there was a problem and we  
16 were going to have an inspection, which was  
17 always a problem, from the-- there were  
18 notorious stories about the Aspen lab always  
19 having been-- to be torn down and reset back  
20 up. The Santa Fe lab I think had to have it  
21 done a few times. It-- say like you rented a  
22 house and the landlord said, "We want to come  
23 through and look at it," well, you obviously  
24 have to tear down the LSD lab because it causes  
25 problems, and then you set it back up, so-- and

1 so mainly "C"'s role at that point early on was  
2 set up and tear down within this conspiracy. A  
3 little bit later it graduated on to some money  
4 laundering operations, maybe. I'm not fully  
5 aware of that. And also, it involved hiring  
6 smurfs.

7 Q. And a smurf is what?

8 A. A person that goes out and launders money for  
9 you by buying small amounts of money orders,  
10 wires small amounts of money and keeps you  
11 underneath this FINCEN elaborate treasury  
12 mechanism to catch illegal narcotics money and  
13 all illegal money, whether it's narcotics or  
14 not.

15 Q. Okay. And did Mr. Apperson, first of all--

16 A. Also--

17 Q. -- graduate beyond that?

18 A. He did help with the chemistry, but-- but  
19 within this conspiracy, that was limited. He  
20 also was-- was responsible for building any  
21 sort of mechanical item or repairing anything  
22 within the lab or to disguise the lab's area or  
23 to do work within the lab for ventilation, for  
24 water coming in, electrical and so on.

25 Q. Okay. And Mr. Pickard's role within the

1 conspiracy was what?

2 A. To obtain the precursors and to mainly  
3 synthesize the LSD.

4 Q. And what do you mean, for the jury's benefit,  
5 synthesizing LSD?

6 A. Well, you start with some sort of erigot  
7 derivative, let's say, i.e., Ergotamine and  
8 tartrate, and then you use different chemicals  
9 and you then come to lysergamide and then you  
10 take the lysergamide and you use some different  
11 operations and you end up with LSD. And this  
12 is a very critical process for yields and this  
13 is one of the things that Leonard claimed to be  
14 really good at was high yields and it seems  
15 that he was one of the best in the world, if  
16 not the best for high yield, large batch.

17 Q. Large batch?

18 A. Which is quite -- quite a feat technically.

19 Q. And a large batch would consist of about what?

20 A. Anything -- well, you know, in the regular  
21 world I mean anything above ten grams was a  
22 large batch, but by our standards 500 grams and  
23 up, I mean, you know-- you know, a couple of  
24 kilograms accumulated. And one of the things  
25 that Leonard had done was he had made a jump

1 from the best yield of around 24 percent to a  
2 claimed yield of 44 percent, which is quite a  
3 scientific feat.

4 Q. Did he indicate to you or anyone in your  
5 presence how that was done?

6 A. Well, a few stories to explain this. He said  
7 because of my refusal to get the precursor from  
8 Sigma Aldrich, it sent him in a different  
9 direction for a recipe formula, chemical thing.  
10 And because of that delay, he was able to come  
11 up with a standard that would give him high  
12 yields of -- I can go into explaining what the  
13 yield problem is, if you want me to.

14 Q. To the extent that you understand it, please  
15 do?

16 A. Okay. The first thing is the conversion from  
17 whatever your ergot source is, and let's say  
18 that's -- that ergot is going to have a certain  
19 amount of lysergamide that will be in its  
20 density that can be available. That will then  
21 give you lysergamides that you can work into  
22 LSD. And you start with-- that conversion  
23 gives you X amount of a yield.

24 The next step is a very touchy-- and this  
25 is where-- very specific properties, this must

1 be done virtually in the dark because of a  
2 problem called -- and I'm not -- I'm not going  
3 to say the word correctly, impromazation  
4 spelled phonetically), and because of a problem  
5 with light, full spectrum light. And I'll  
6 explain both problems. So you have to have  
7 shielded tubes and some processes have to  
8 effectively be done completely in the dark.

9 Q. Have you seen this done?

10 MR. RORK: Judge, excuse me, I would  
11 ask that he be allowed to finish his answer and  
12 that the Government quit cutting him off.

13 THE COURT: I thought he had finished  
14 his answer.

15 MR. HOUGH: Yes, Judge.

16 Q. (BY MR. HOUGH) Have you seen this done?

17 A. No, not the entire process.

18 Q. Are you capable yourself of making LSD?

19 A. No.

20 Q. Who do you know -- actually know that has that  
21 knowledge and ability?

22 A. Dave Nichols, Sash Shulgin, Carl Nichols. I'm  
23 just going from the reports, maybe you don't.  
24 I just read reports, sorry. Leonard Pickard.  
25 Sorry.

1 Q. Okay. But you yourself are not capable of  
2 that.

3 A. No. I'm sorry, Tim-- Tim, the DEA chemist.

4 Q. McKibben.

5 A. Yeah.

6 Q. Now --

7 A. Actually, I've got to go back. Carl can make  
8 -- did a one specific thing is all I've ever  
9 read, I'm sorry.

10 Q. Relevant to this conspiracy, the members of  
11 which you are aware, who could make LSD, who  
12 can cook it?

13 A. The only one would be Leonard Pickard.

14 Q. Okay. Now, did you ever have any conversations  
15 with Mr. Pickard specifically regarding his  
16 prior experience in manufacturing LSD?

17 A. Yes.

18 Q. And did those conversations include information  
19 about prior experiences cooking the drug?

20 A. Yes.

21 Q. And did what he told you about that add to your  
22 belief that he was actually capable and could  
23 do this prior to you witnessing it?

24 A. I would like to answer it. Originally, the  
25 first money that was given to me really made me



1 suspicious that this may have been a hashish  
2 and marijuana operation because of the money  
3 all reeked of pot or marijuana, but that's --  
4 was later rapidly -- that was dissuaded and I  
5 didn't believe that anymore.

6 Q. How --

7 A. Yes, from a technical standpoint, the  
8 procedures of where he would talk about I saw  
9 LSD and valuma-- L-U-N-- L-U-M-I LSD and the  
10 procedures that he used and the ways that he  
11 talked about how he did this. There were some  
12 things that not very many people on the planet  
13 would have known.

14 Q. Did he specifically indicate to you an  
15 experience in Mountain View?

16 A. Yes.

17 Q. That added to your belief that he was real  
18 about this?

19 A. He used to refer to himself as the poster child  
20 for the California -- I don't-- the bureau of  
21 narcotics of California, I don't know what  
22 their real name is, sorry. It's whatever would  
23 be like the DEA only state version of  
24 California, and he referred to himself as the  
25 poster boy for a very large bust by those terms

1           that occurred in Mountain View, California.

2           Q.   And what did he tell you about that?

3           A.   He said --

4                       MR. RORK:   Your Honor, excuse me.   If  
5           the Court, please, may we approach, Judge?

6                       THE COURT:   Yes, you may.

7                       MR. RORK:   Prior ruling.

8                               (THEREUPON, the following proceedings  
9           were held at the bench and outside of the  
10          hearing of the jury).

11                       MR. RORK:   Judge, in light of your  
12          prior ruling, I will let the matter go on,  
13          because you said let the Government try the  
14          case the way they want to.   When Mr. Skinner  
15          doesn't give the answer the Government wants to  
16          violate the order and Motion in Limine, they  
17          ask it a different way.   They also got in that  
18          he knew how to do certain things, and that may  
19          have been within the-- (reporter interruption)  
20          that may have been within his knowledge.   And  
21          now he's talking about Mountain View, giving  
22          evidence again of a specific instance of  
23          conduct.   That's the exhibit that you ruled was  
24          inadmissible.   That's the exhibit that you  
25          ruled the evidence and the maintenance of, the

1 LSD laboratory was not to be talked about.  
2 That's the exhibit and the information that you  
3 ruled in the case would not be admissible into  
4 evidence. I need to be sure I find the right  
5 order. And again, he's bringing in Mr.  
6 Pickard's prior conviction and the nature of  
7 the conviction, the fact that he had been  
8 convicted in California, the fact that he had  
9 made the LSD in California. The Mountain View  
10 search is the same evidence in your previous  
11 order you said would not be admissible. And I  
12 believe the Government has now substantially  
13 violated your rule and which it said should be  
14 excluded in this case. I don't know if I  
15 grabbed the right order, Judge, I've got the  
16 November 27th.

17 MR. HOUGH: Judge, there is -- we  
18 went over this the last time we were up here.  
19 We thoroughly discussed it at the last time we  
20 were at the bench and the Court ruled that this  
21 witness could testify regarding his knowledge  
22 and his conversation with his co-conspirators  
23 regarding this issue. So I don't understand --  
24 unless Mr. Rork has some new thing to add, this  
25 is a rehash regarding the matter the Court has

1 already ruled on at the bench the last time we  
2 were here ten minutes ago.

3 MR. RORK: And, Judge, when we were  
4 at the bench ten minutes ago, he went back out  
5 there and he didn't talk about his conviction,  
6 he said read back the question. And the  
7 question he read back was, quote, "Mr. Pickard  
8 was known to be a chemist to the DEA." That's  
9 not inflammatory in and of itself in light of  
10 the ruling. But then go back now and list  
11 specific facts about the conviction is in  
12 violation of your order. There's been no  
13 evidence at this point in time that Mr. Pickard  
14 has been convicted of manufacturing LSD,  
15 there's been no indication in this regard that  
16 he was known -- that would in any way have  
17 facilitated this conspiracy. It's outside the  
18 conspiracy, Judge. It's not in furtherance of  
19 the conspiracy. And again, you've already  
20 ruled its probative value outweighs its  
21 prejudicial value. And we would touch upon  
22 when Mr. Skinner testified, depending upon what  
23 you let in-- excuse me, Mr. Pickard testified.  
24 Mr. Pickard hasn't testified, Judge, and to let  
25 it in in the case in chief I would argue is a

1 violation of the previous order. I don't have  
2 it with me. If you wouldn't mind taking the  
3 afternoon break at this time, I can get it so I  
4 can again argue it more constructively than try  
5 to write and look for the motion while the  
6 Government is asking questions.

7 MR. HOUGH: Judge, I understand-- I  
8 think we can all agree that Mr. Rork doesn't  
9 like it, but the fact remains that the Court  
10 has ruled it's admissible and we will ask that  
11 we be allowed to proceed with Mr. Skinner's  
12 testimony of his conversation with Mr. Pickard  
13 to and including Mr. Pickard's statements to  
14 Mr. Skinner and other co-conspirators about the  
15 Mountain View lab and his past experience  
16 there.

17 THE COURT: Well, we're not saying  
18 anything about convictions at all now, are you?  
19 You're not going--

20 MR. HOUGH: I ultimately will  
21 indicate that Pickard bragged about the  
22 conviction and that that formed at least part  
23 of the basis for the conversations early on and  
24 Pickard telling him about his prior experience  
25 manufacturing LSD.

1 MR. RORK: Judge, that's in light of  
2 the motion they filed with you. That  
3 allegation isn't in anything that you ruled on  
4 before. In fact, it's just now been said for  
5 the first time. That's why I wanted to get the  
6 order.

7 MR. HOUGH: Judge, we went over this  
8 the last time we were up here. It's the --  
9 it's admissible to show Mr. Skinner's knowledge  
10 of his co-conspirators, conversations among the  
11 co-conspirators relative to the conspiracy and  
12 statements made during the course thereof are  
13 admissible, whether it's regarding prior crimes  
14 is not limited. In this case, this conviction  
15 is for LSD manufacturing in Mountain View,  
16 California. This conspiracy was regarding an  
17 LSD manufacturing, Mr. Pickard was the cook  
18 there. He bragged about it to Mr. Skinner and  
19 other co-conspirators during the course of this  
20 conspiracy. And it's admissible.

21 THE COURT: Well, I will take a break  
22 now and I'll go back and go through these  
23 orders and see. Each side has a great ability  
24 to enlarge upon what I -- what I have ruled on,  
25 and it brings things in that kind of surprise

1 me, but I will go look at this again.

2 MR. BENNETT: Before you do that,  
3 Judge, I just would like to -- in view of this  
4 and is -- what is being attempted and what is  
5 occurring, I want to renew my motion to sever  
6 for the reason that this is -- has nothing to  
7 do with Mr. Apperson and its -- its spillover  
8 is -- is very damaging in my opinion to -- or  
9 will be damaging in the eyes of the jury. So I  
10 -- I understand the Court's ruled on the motion  
11 to sever, but I just wanted--

12 THE COURT: Up until this time,  
13 Apperson has been in it. But maybe we're  
14 getting into something where he's not into it  
15 at all.

16 MR. HOUGH: Judge, we will proffer  
17 the witness would testify Mr. Apperson's  
18 awareness of and conversation about this  
19 conspiracy with Mr. Skinner and in his  
20 presence. In fact, Skinner will testify that  
21 Mr. Apperson was, in fact, present from time to  
22 time in the Mountain View lab, that Mr.  
23 Apperson told his wife -- strike that. Mr.  
24 Apperson's wife read about Pickard's arrest in  
25 the paper and Apperson told Skinner that when

1 that occurred, his wife rolled over and slapped  
2 him and knocked him out of bed and that  
3 Apperson, Pickard and Skinner were all laughing  
4 about that incident. So it's relative to all  
5 three men; Apperson, Pickard and Skinner,  
6 relative to the manufacture and agreement,  
7 conspiracy to manufacture and distribute LSD.

8 THE COURT: All right. Well, I will  
9 -- we'll take a recess and we'll come back.

10 (THEREUPON, the following.

11 proceedings were held before the jury).

12 THE COURT: Ladies and gentlemen,  
13 let's take a 15 minute recess at this time, and  
14 then we'll come back and hear further  
15 testimony.

16 (THEREUPON, a short recess was had after  
17 which the following proceedings were had before  
18 the jury).

19 THE COURT: Would the attorneys  
20 please approach the bench and I'll --

21 (THEREUPON, the following proceedings  
22 were held at the bench and outside the hearing  
23 of the jury).

24 MR. HOUGH: Judge, if I might, so  
25 the record is clear, and I articulated this



1. poorly earlier, but the information that Mr.  
2 Skinner would be offering is intrinsic evidence  
3 in the form of 404(b). And it's our position  
4 that offered in this form it is admissible as  
5 intrinsic independent of 404(b). But in  
6 addition to that, for the reasons we previously  
7 articulated, it is also admissible pursuant to  
8 404(b).

9 THE COURT: All right. We've gone  
10 through our orders and we've ruled on certain  
11 things, other things we did not rule on. And  
12 the things we did not rule on were things that  
13 we said we would take up at trial and -- and  
14 rule on as we went along during trial. So far  
15 I do not find that you are violating any of my  
16 orders, so you can go ahead and -- and put it  
17 in. And I understand that, this is testimony,  
18 it started out to show why he got into the  
19 conspiracy and how he got -- how he met Pickard  
20 and all of this, and this is pretty much  
21 information on that. We're going to allow you  
22 to go into it.

23 MR. HOUGH: Thank you, Your Honor.

24 MR. RORK: Judge, I need to show for  
25 the record that in your Order No. 217 filed

1 November 26th, 2002, you went through the  
2 arrest record of Mr. Pickard, you specifically  
3 talked about this 1988 conviction and you said,  
4 quote, "The 1998 arrest is much too old under  
5 Tenth Circuit law, even though it involves  
6 possession of an LSD lab." You then went over  
7 other factors and you said given the defenses  
8 of Mr. Pickard and what may come out for a  
9 public authority defense, you may at trial  
10 reconsider it. You then went down and said  
11 under Rule 609 these convictions, again, they  
12 were over ten years old and you needed to make  
13 a finding that the probative value outweighs  
14 its prejudicial effect. And you said you would  
15 address that at trial.

16 Judge, we filed for the record back in  
17 2001 a motion for discovery of Rule 404(b)  
18 evidence. We filed on August 2nd, 2001, an  
19 objection to admission of evidence and  
20 indicated what the Government's letter said.  
21 They never filed anything. You issued your  
22 order on November 26th, 2002. Which only  
23 today, January 28th, 2003, now the Government  
24 tries to offer you different reasons why they  
25 want it in. And again, your order was that

1 the-- because of Pickard's public authority  
2 defenses, it would be revisited. The  
3 Government's notice wasn't that it was why they  
4 got together or how they got together, they're  
5 asking this witness about things-- he's asking  
6 to brag about these convictions and whether  
7 he's bragging about them or not, and that's  
8 never been told to us. It's never been  
9 disclosed to us, it's never been brought up.  
10 It's-- the first time we know about it is in  
11 the questioning of this witness. So we would  
12 ask that if you're going to deny the motion for  
13 a mistrial and again the motion not to let--  
14 not to go into it, we would ask for a  
15 continuance for time to develop evidence of  
16 this witness and the statements he's now making  
17 for the very first time on a case that's been  
18 pending since November 5, 2000. And we think  
19 its prejudicial value is outweighed by the  
20 probative value to get into this.

21 It's the same thing, Judge, you wouldn't  
22 let in the information about the death of Mr.  
23 Hulebak and those charges, and it's not good  
24 enough for the prosecution. We just object.  
25 We need time to develop-- we need time to

1 investigate and develop this.

2 MR. HOUGH: Well, Judge, there are  
3 several issues. Number one, defense counsel  
4 has been provided with all the reports of Mr.  
5 Skinner's statements, number one. Number two,  
6 404(b) notice was given at -- well, if they had  
7 made the request, we disclosed the 404(b).  
8 Additionally, the Court analyzed the 404(b) and  
9 the Court also analyzed the issue as it relates  
10 to cross-examination of Mr. Pickard. And then  
11 the fourth issue was the issue of intrinsic  
12 evidence. The Government does not have to give  
13 notice such like 404(b) to use intrinsic  
14 evidence. However, the evidence came in the  
15 form-- the highway ^^ and the disclosure came  
16 in the form of disclosure of the reports and  
17 they got all the reports. Everything that's  
18 been written of the interviews of Mr. Skinner  
19 they've been provided with. So these motions  
20 that they're raising now we would ask the Court  
21 to reaffirm its ruling it gave when we walked  
22 in the door and deny these motions and let's  
23 proceed.

24 MR. RORK: And, Judge, I just -- I  
25 have no reports that say Mr. Skinner ever

1           bragged -- Mr. Pickard ever bragged to Mr.  
2           Skinner about these convictions. I have no  
3           reports that say Mr. Pickard said these  
4           convictions are what got him into the  
5           conspiracy. All I have is reports that says  
6           Mr. Skinner was aware of Mr. Pickard's criminal  
7           history, period.

8                   THE COURT: Well, I've reviewed all  
9           of those things you just went through there and  
10          to see if there's anything that's binding. And  
11          I cannot tell what witnesses are going to  
12          testify to when I make rulings or how it comes  
13          in, the different circumstances that come  
14          around. So I'm going to -- to allow you to go  
15          ahead and let's go ahead and put this evidence  
16          in.

17                   MR. RORK: And just so it won't be  
18          disruptive, I want it noted for the record that  
19          that's a definitive ruling, so I don't have to  
20          make continuous objections like I'm trying to  
21          hide something.

22                   THE COURT: Either way.

23                   MR. RORK: That's fine.

24                   (THEREUPON, the bench conference was.  
25          concluded and the following proceedings

1                   were held within the hearing of the  
2                   jury).

3                   THE COURT:   You may continue, Mr.  
4                   Hough.

5                   MR. HOUGH:     thank you.

6                   Q.   (BY MR. HOUGH)   Mr. Skinner, before the break,  
7                   we were talking about an incident that you had  
8                   had a conversation with Mr. Pickard and/or Mr.  
9                   Apperson about-- regarding Mountain View.  
10                  Would you describe that for the jury?

11                  A.   One of the things that Leonard said was he said  
12                  that there was even microphones in the trees  
13                  and he said it was a really bad situation.  He  
14                  said it was lucky that Clyde didn't get busted  
15                  because Clyde had been there not many hours or  
16                  days before.  Clyde's story to me about it was  
17                  that his wife -- they're in the bed and his  
18                  wife picks up the newspaper, reads it and she  
19                  elbows him and effectively knocks the wind or  
20                  knocks him out of the bed.  And they used to  
21                  laugh about that quite a bit.  And he said that  
22                  if she ever found out that he was involved in  
23                  this operation again, she would --

24                  MR. BENNETT:  Well, now, Judge, I'm  
25                  going to object to what Mrs. Apperson said.

1           That's clearly hearsay.

2                         THE COURT: Yeah, I will sustain the  
3           objection. Go ahead.

4           Q. (BY MR. HOUGH) Did Mr. Clyde Apperson, this  
5           Defendant, communicate to you what his wife had  
6           told him?

7           A. Yes.

8           Q. What did Mr. Apperson communicate to you was  
9           told to him?

10                        MR. BENNETT: Same objection, Your  
11           Honor, it's just --

12                        MR. HOUGH: It's his co-conspirator's  
13           statement.

14                        MR. BENNETT: -- hearsay.

15                        THE COURT: They're doing it now on  
16           co-conspirator statements, go ahead.

17           A. That she said that if he was ever involved in  
18           this or ever hung out with Leonard, it would be  
19           a very bad situation, I don't remember exactly,  
20           an elaborate mechanisms for payment and why he  
21           was gone had to be created. He was working --

22           Q. "He" being who?

23           A. Clyde Apperson. When he would leave the area,  
24           he would have to say I'm working on a project  
25           for, i.e., Native Scents, with some of their

1 heavy equipment or machinery or whatever or I'm  
2 going to do a project with robotics or  
3 something like that.

4 Q. And what exactly was the incident in Mountain  
5 View specifically that the three of you, Mr.  
6 Apperson, Mr. Pickard and yourself, discussed,  
7 what was that incident?

8 A. There was a -- equivalent to a container that  
9 was large like a shipping container that was on  
10 a piece of property that Leonard had an LSD lab  
11 in. And it was busted by the Bureau of  
12 Narcotics Control, BNC I believe is what it's  
13 for, California, and this turned into a fiasco,  
14 because it wasn't properly identified what it  
15 was. A man went in there, he got heavily  
16 exposed, quote, had severe damage, had to go to  
17 the hospital and maybe have a long-term damage  
18 from it.

19 Leonard was convicted, I believe is what  
20 he said, but there was some sort of a civil  
21 action that he filed, I don't remember what it  
22 was, but he was convicted and went to jail.

23 Q. Okay. Did this group always just manufacture  
24 LSD?

25 A. Do you mean Clyde Apperson and Leonard Pickard?



1 Q. Correct, to your knowledge.

2 A. No -- well, do you mean direct knowledge or  
3 from things they told me?

4 Q. From either what Mr. Apperson and Mr. Pickard  
5 told you during the life --

6 A. Okay.

7 Q. -- of your involvement in their conspiracy or  
8 that you had independent knowledge of.

9 A. All right. Things that they told me was that  
10 they -- Leonard used to say that at one time he  
11 was the largest producer of MDA and he had  
12 produced tremendous amounts of it, in excess of  
13 500 kilograms, maybe 1,000 kilograms. He said  
14 it wasn't very profitable for the long term,  
15 but it -- he lived in Hollywood and lived in  
16 the nicest areas of LA, but he wasn't making  
17 the kind of return he wanted from that.

18 They also made mescaline. Clyde was,  
19 quote, a better mescaline chemist than Leonard  
20 was. Leonard did not refute that. It -- even  
21 Clyde would describe how they-- in the early  
22 days they would take bed sheets and squeeze  
23 down at certain chemical processes. They also  
24 told a humorous story about how these --  
25 they're sitting-- in the early whatever period

1 they're sitting with a lab in a warehouse, the  
2 door's open because it's hot. I believe they  
3 both said they were smoking pot. The police  
4 show up, they figure it's all over. The police  
5 get out of their car and say have you seen this  
6 robber or burglar or a strange person, and they  
7 said no, and the police left with all of this  
8 laboratory equipment going. And they never had  
9 a problem from it. They said that's just one  
10 of the many funny stories that happened to  
11 them.

12 Q. And did they tell you how it evolved out of the  
13 MBA (sic) and mescaline into LSD?

14 A. No, it was MDA.

15 Q. MDA?

16 A. Yeah.

17 Q. I'm sorry.

18 A. Well, first of all, Leonard was supposed to --  
19 Leonard said that he was a protege of Nicky,  
20 and he actually got busted with -- before -- at  
21 this time it was not illegal to -- he had the  
22 lab but there was no residue, it was a clean  
23 lab, it was a cellular operation that the  
24 brother had created. And in case Nicky went  
25 down or someone went down, they had a backup

- 1 lab to go to. Leonard had one of these--  
2 somehow he got busted with one of the backup  
3 labs, but they couldn't get a conviction, if  
4 the story is true at all, because there was no  
5 residue, it was all fresh glassware. Now it  
6 would be a problem under the current laws.
- 7 Q. And describe for us, if you will, how they told  
8 you, Mr. Apperson and Mr. Pickard, how it  
9 evolved out of that into LSD.
- 10 A. Well, they -- first of all, they said mescaline  
11 just yielded almost no money, they couldn't  
12 make money off of mescaline, and --
- 13 Q. And did they describe what that meant?
- 14 A. Enough money to justify the risk, the time,  
15 similar type of a situation like that. In  
16 other words, there's a lot of work for a low  
17 amount of profit.
- 18 Q. Low amount of profit being what?
- 19 A. I don't know, I mean--
- 20 Q. Okay.
- 21 A. I don't know the percentages, I didn't talk to  
22 them about it. But -- but the LSD operations  
23 would come and go as far as profitability, but  
24 Leonard said that this was the biggest ride for  
25 this last take-off because he finally got much

1 higher yields due to very specific control in  
2 the manufacturing process. And they said this  
3 -- that this was the big giant cash flow cow  
4 they had been waiting for.

5 Q. Were you involved in that manufacturing process  
6 yourself?

7 A. Well, technically as a -- they would have me  
8 move equipment up and down flights of stairs  
9 and such, but as far as was I in the lab making  
10 it, no.

11 Q. And can you describe for the jury, please --

12 MR. RORK: Excuse me, Your Honor.  
13 He's asked this witness if he was involved and  
14 he's asked him about all of these conspiracy  
15 things, and this witness says, well, as far as  
16 moving it, no, and then he's allowed to testify  
17 about all of these things that other people he  
18 says. He should be allowed to continue about  
19 the other things he did other than just moving  
20 it so I object to him not letting him finish  
21 his answer, 1, and, 2, letting him define his  
22 answer to just be physically and not what he  
23 conspiratorially supposedly did.

24 MR. HOUGH: Objection. If there's a  
25 question Mr. Rork would like to ask the

1 witness, cross examination is the mechanism.

2 MR. RORK: Judge, this is an  
3 objection. I ask that Mr. Hough properly  
4 follow the decorum.

5 THE COURT: Well, let him go ahead  
6 and finish his answer, if he thought that he  
7 didn't.

8 Q. (BY MR. HOUGH) Were you finished with the  
9 answer, sir?

10 A. I think so.

11 Q. Now, would you describe, please, for the jury  
12 your understanding from Mr. Apperson and Mr.  
13 Pickard when the LSD lab started and its  
14 movements, when and why, prior to arriving in  
15 Kansas?

16 A. Okay. This is the -- this is after he gets out  
17 of jail and he is -- does a little stint as a  
18 Buddhist monk and they --

19 MR. BENNETT: Judge, I'm going to  
20 object to this unless he describes who he is.

21 MR. SKINNER: Leonard Pickard.

22 THE COURT: All right. Go ahead.

23 Q. (BY MR. HOUGH) Go ahead, sir.

24 A. Leonard Pickard after he gets out of jail.

25 MR. RORK: That's not responsive to

1 the question. He asked him what did he do as a  
2 result of this charge here, and he's talking  
3 now about a time period fifteen, 20 years ago.

4 MR. HOUGH: Judge, nonresponsive is,  
5 as a rule, an objection reserved to the  
6 questioner.

7 THE COURT: Correct. Go ahead.

8 A. So what happens is is that I could be very  
9 wrong about this early stage because I wasn't  
10 there, so I'm going through --

11 Q. (BY MR. HOUGH) I'm asking you what they  
12 communicated to you.

13 A. Right. Well, Pickard said that he got into  
14 Dave Nichols' lab.

15 Q. And Dave Nichols is who?

16 A. He has a Schedule I license at Perdue and he is  
17 a famous LSD researcher.

18 Q. Okay.

19 A. At the molecular design. He's also made  
20 psilocybin or psilocyn for Rick Strassman for  
21 FDA and DEA approved human studies, which ties  
22 into this story later on down.

23 Leonard says he got into the lab and he  
24 was able to make 66 grams, the number was  
25 strange that he remembered that, I could be

1 wrong, and that started booting up the cash  
2 flow once again. And this -- I don't know the  
3 year that it happened. And then the next  
4 movement from there I believe was the Aspen  
5 lab.

6 Q. And describe that as it was communicated to  
7 you.

8 A. Yeah, he had a Russian lady who had a Russian  
9 passport, of which I presented the evidence,  
10 and she rented a house in Aspen, Colorado. And  
11 they, being Clyde and Leonard, put a lab in  
12 there and they got a lot of the -- oh, the  
13 standard chemicals and glassware from Native  
14 Scents and/or Alfred Savinelli and other places  
15 being-- the precursor being like from the ET  
16 man, and they started this lab there.

17 One of the problem was that the rent was  
18 I think 15,000 a month, and the house was  
19 falling apart and Clyde was constantly having  
20 to tear down the lab and-- while the workers  
21 would come in and put it back up and such and  
22 such. Then the lab moved from there -- by the  
23 way, there's a -- some evidence-- I know when  
24 the lab was moved up there and it was in a  
25 white van, I believe, that belonged to Hugo De

1           Lahave, however you say his name, sorry. I  
2           know Hugo for some time.

3           Q. Do you know the spelling of his name?

4           A. I'm sorry, I can't spell it. I could probably  
5           do it if you gave me a little time.

6           Q. Okay.

7           A. And Hugo is a friend of Alfred and was a friend  
8           of mine. And Hugo moved the lab. I didn't  
9           know he moved part of the lab or part of the  
10          precursor without knowing this.

11          Q. As communicated to you by Mr. Pickard and  
12          Apperson and Savinelli?

13          A. That's correct.

14          Q. Okay.

15          A. And when I told this to Hugo later, he was very  
16          upset. They then had this lab in-- things were  
17          kind of getting going cash-wise and there was  
18          money going around. Savinelli was absorbing  
19          quite a bit of cash at this point because he  
20          needed to get paid back. Then for whatever  
21          reason, the time duration, the mess with the  
22          house, they moved the lab down to Santa Fe.

23          Q. Was there some discussion between you, Mr.  
24          Apperson and Mr. Pickard about an appropriate  
25          time for the lab to be set up at one location?



1 A. They did not like to go past two years.

2 Q. Okay.

3 A. They thought that was too long in one spot.

4 Q. And can you describe, then, the next stop into  
5 Santa Fe?

6 A. Yep, they moved a -- a lab into Santa Fe, and  
7 one of the things they liked about that was  
8 that the precursor source was closer to the  
9 lab, the precursor source being Native Scents,  
10 not only the precursor -- all of them, but some  
11 of them. And also, they had a great place to  
12 dispose of the trash in Taos, which was a very  
13 risky proposition for them. Just trash  
14 disposal is risky.

15 Q. Describe that.

16 A. Well, first of all, you have very toxic items.  
17 Second of all, it's evidence and you've got to  
18 have somewhere disposing it and having someone  
19 watch it being disposed to make sure that it  
20 doesn't get carted off and somehow ends up in  
21 the authority's hands or ends up hurting  
22 someone accidentally.

23 Q. And is that the type of a thing that can, in  
24 fact, occur with the waste products of LSD, to  
25 your knowledge?

1 A. Absolutely.

2 Q. And what kind of harm can result?

3 A. Well, severe seizures-- in high doses severe  
4 seizures. Plus then all the normal exposure to  
5 just being exposed to hexsane, methylene  
6 chloride, just the normal exposure to these--  
7 to waste chemicals, you know. Those are not  
8 what we call things you want to hang out with,  
9 you know.

10 Q. And describe for us to your knowledge based on  
11 your personal knowledge, observation and as  
12 communicated to you by Mr. Apperson and Mr.  
13 Pickard, the events relative to the lab in  
14 Santa Fe?

15 A. Okay. Well, first of all, the Santa Fe lab was  
16 a successful lab from the standpoint of the  
17 overhead was much lower. They felt they had a  
18 safer firewall, meaning that they had a family  
19 or a couple that owned the house that didn't  
20 live in the United States, they had a good  
21 cutout. A cutout is a person, who rents  
22 something who doesn't know what they're doing  
23 theoretically, that rented the house. And  
24 their overhead for that house wasn't 15,000  
25 plus all the bills, but it was a couple of

1           thousand dollars, plus whatever you kicked to  
2           the man that's the cutout.

3           Q.    Okay.

4           A.    And so they had a successful lab.  But in that  
5           lab they had -- not they -- Leonard had at  
6           least one or maybe two accidents of where he  
7           crashed enormous amounts, broke enormous  
8           amounts, of LSD or some form close to the end  
9           product on himself.

10          Q.    Did Mr. Apperson and/or Mr. Pickard communicate  
11          with any specificity what had occurred to you?

12                   MR. BENNETT:  Judge, I -- I'm going  
13          to object to the form of the question.  He's  
14          putting it to the witness "Did Mr. Apperson or  
15          Mr. Pickard."  I think we're entitled to know  
16          which individual provided what information.  So  
17          I object to the form of the question.

18                   MR. HOUGH:  Your Honor, with all due  
19          respect, the objection is premature because the  
20          answer to this question is yes or no.  If the  
21          answer is yes, the next question is who was it.  
22          And then the third question is, what did they  
23          tell you.

24                   MR. BENNETT:  Well, there hasn't been  
25          any "who was" in any of these questions up to

1 now, Judge.

2 THE COURT: Well, you're correct.  
3 Try to proceed in that -- with that line of  
4 questioning.

5 MR. HOUGH: Thank you.

6 Q. (BY MR. HOUGH) Did one or the other or both  
7 describe the specific incidents of the spills  
8 in the lab?

9 A. Yes, both Leonard and Clyde.

10 Q. And what did --

11 A. Leonard's description --

12 Q. Tell us what each of them told you.

13 A. Leonard said that his -- his worry was -- on at  
14 least one of the spills that he was really  
15 specific about. He had a hot tub and he said  
16 he was really medically worried with that kind  
17 of exposure. He went and jumped in the hot  
18 tub. He said the odd thing was he got no  
19 effect, which is really remarkable, and -- or  
20 close to no effect. And he said he thought  
21 there was a chance he had died when it hit him  
22 because it was such a massive dose.

23 The other thing is, he said, once he  
24 realized he wasn't going to die, he said, "All  
25 of this work and," he said, "my knees got

1 wobbly, when I realized I was physically all  
2 right, that I had just lost all that money  
3 because it was a huge amount that was broken."  
4 Apperson was upset because he said this was an  
5 unnecessary mistake and he said no matter how  
6 hard you cleaned, it just kept coming out of  
7 the bricks, with the Saticillo tile or whatever,  
8 and just kept coming out and coming out and the  
9 house was severely contaminated in this spot,  
10 so much so that when -- when I was brought in  
11 to bring the team to help shut this lab down  
12 and eventually take possession of it and move  
13 it to Kansas, that the employee that we used,  
14 he was named Lupe, because he was an excellent  
15 worker with tile, marble. He had worked for me  
16 extensively. He went in there and I would give  
17 specific -- I gave him specific instructions, I  
18 did not want this man exposed to a chemical, I  
19 did not want any problems. I wanted to -- and  
20 Apperson said he had thoroughly cleaned it and  
21 all he needed was these brick chipped out and  
22 replaced. Lupe got severely dosed and, as I  
23 understand, as of a year-and-a-half ago still  
24 has complaints about the damage that he had  
25 received. He also went off wondering when he

1 got returned to the house so that -- that's --  
2 that's the basic story there. And as I  
3 understand, they never fully got it cleaned up.

4 Q. And "being dosed" means what?

5 A. Exposed to LSD.

6 Q. And it would have the hallucinogenic  
7 consequences you previously testified about?

8 A. Yes, but -- but in those dose levels it could  
9 be something beyond that. You could have  
10 physical tremors and you could have extreme  
11 vasoconstriction going on throughout the body.  
12 It's a strong, strong vasoconstrictor in large  
13 amounts.

14 Q. Can you tell us what time period, to your  
15 knowledge and based on your involvement, that  
16 this lab was up and running in Santa Fe?

17 A. Let's just basically say '98, '99.

18 Q. Okay. And then tell us who did what, when  
19 relative to Santa Fe from the time it was moved  
20 from Aspen to Santa Fe to the time that it was  
21 broken down?

22 A. Mainly Leonard was involved because I would see  
23 him in the area on a regular basis. I'd go  
24 over to Taos and Leonard would pop up and say  
25 hello. I -- we did -- I saw quite a bit of C

1 in the final tear-down.

2 Q. C is who?

3 A. Meaning Clyde Apperson. We all stayed in -- I  
4 have hotel bills to prove it, and we stayed in  
5 an area which I did not know was so close to  
6 the lab, because I was not even privy to where  
7 the lab was actually at because I really didn't  
8 care until the very end. I was brought in  
9 because we had a disaster in how they loaded a  
10 trailer up.

11 Q. And describe that for us.

12 A. Well, the trailer was loaded with the forward  
13 part being way too heavy and we needed to move  
14 it and it required myself and Mike Hobbs coming  
15 there and, you know, dealing with this. While  
16 we had walkie-talkies to make sure we used a  
17 car caravan in case a police pulled it over,  
18 that-a-way one car could take off and get the  
19 police off of the trailer. That's how we moved  
20 things and we moved it to -- I may be just  
21 running on, I'll stop there.

22 Q. Now, as far as take down the lab, you  
23 previously testified Mr. Apperson was always  
24 involved in the set-up and take-down of the  
25 lab.

1 A. Not always, mostly, usually.

2 Q. And were you aware of what his fee was to do  
3 that?

4 A. Well, there was a different kind of fee. I  
5 think the fee had to be negotiated down in  
6 Aspen because it was such a disaster how many  
7 times they had to take it up and put it down.  
8 But on a major set-up, initial brand new house,  
9 100,000 just starting off. But if it was  
10 internally like the landlords are coming  
11 through, it was a \$50,000 fee.

12 Q. Okay. And the lab was moved from Aspen to  
13 Santa Fe in approximately when?

14 A. I can't tell you.

15 Q. And to your knowledge, the best of your  
16 recollection as you sit here now, it was  
17 operational in Santa Fe when?

18 A. Up to let's say September of '99.

19 Q. Okay. Who made the decision to move out of the  
20 location in Santa Fe?

21 A. Well, it was a complicated decision, but  
22 basically Clyde and myself, through a series of  
23 accidents, actually, was able to convince  
24 Leonard to move that lab out of New Mexico.  
25 Some things had happened. The Government had



1           effected a bust against a religious group, a  
2           spiritual group, called the UDV, and that meant  
3           there was more eyes on that. Alfred Savinelli  
4           was tangentially involved.

5           Q. And this was in Santa Fe?

6           A. The bust was in Santa Fe.

7           Q. Okay.

8           A. And -- but that wasn't the bigger problem. The  
9           bigger problem was that in one day we ran into  
10          three people that knew Leonard, and I said and  
11          C said, and we said that's enough. I mean, to  
12          run into three people in one day that you know,  
13          Santa Fe is too small. Those three people I'm  
14          going to do the best I can to remember. One  
15          was the carpenter who was the cutout who rented  
16          the house. The other one was -- (pause)

17          Q. Do you recall his name?

18          A. No, I'm sorry. Ungeleider's wife gave  
19          Ungeleider and the third person I'll have to  
20          remember, I'm sorry.

21          Q. And then about what time was this that that  
22          event occurred and the decision was made to  
23          dismantel and move?

24          A. Well, no. Dismanteling was going down no  
25          matter what because Alfred had said this lab is

1 moving from that house. He said the game is  
2 over. Alfred Savinelli and Leonard were having  
3 a significant battle, some threats were made  
4 and such and such. Some sort of story like "If  
5 this lab isn't moved, I'm going to go down  
6 there and burn it to the ground," something  
7 about an ice pick through the heart. These  
8 kind of statements were made from Alfred to  
9 Leonard.

10 Q. And why was, to your knowledge, Mr. Savinelli  
11 upset?

12 A. He felt that Leonard was getting too sloppy.  
13 Leonard had left a gas burner on at Alfred's  
14 house without the flame going, and he said, "If  
15 he's doing this here, what's he doing in the  
16 lab. The whole lab could blow up and I'm going  
17 to go to prison for life."

18 Q. What was the purpose of the gas burner going at  
19 Savinelli's place?

20 A. I mean, it was just -- they were making food,  
21 boiling water or something. I mean, it wasn't  
22 -- I have no idea, it was just-- it was in the  
23 kitchen.

24 Q. Something innocuous?

25 A. Yes, but it -- Alfred said it was a disaster in

1 his opinion. He said, "If this is the trend,  
2 I'm worried."

3 Q. Okay.

4 A. Alfred said he was sick of the pressure and he  
5 couldn't handle the pressure anymore of having  
6 that much exposure.

7 Q. Then what was the next step in the process?

8 A. Well, the lab was going to be torn down and  
9 moved out of that house and theoretically we  
10 were supposed to buy another house, and we had  
11 located a house.

12 Q. Where was it?

13 A. It was in Santa Fe. But due to these extra  
14 little problems that occurred, I recommended  
15 and C said let's get out of here. And we all  
16 took an airplane sometime around Thanksgiving  
17 of '99 and looked at a site in Kansas.

18 Q. Who all went?

19 A. I believe it was Trace Kliphuis, myself,  
20 Leonard and Clyde.

21 Q. Who's Trace Kliphuis?

22 A. A girlfriend-slash-wife of Leonard's, I don't  
23 know the legal status.

24 Q. And that was -- is she still to your knowledge  
25 or was that a --

1 A. I don't know.

2 Q. Okay. And why come to Kansas?

3 A. It was an unused state.

4 Q. What do you mean?

5 A. They had not been through here.

6 Q. "They" who?

7 A. Clyde and Leonard. They were really nervous of  
8 going west, west was not good. They said that  
9 there were a lot of problems. They wanted more  
10 areas where things were desolate where they  
11 could drive one --

12 MR. BENNETT: Well, Judge, I'm going  
13 to object again because he's again referring to  
14 the two defendants together. Again I ask the  
15 Court instruct Mr. Hough or the jury to specify  
16 who's -- or to the witness to specify who he's  
17 talking about.

18 THE COURT: Try to do that, please.

19 Q. (BY MR. HOUGH) In referring to "they," can you  
20 tell us did they both or one or the other make  
21 those comments?

22 A. In this case both of them, because they liked  
23 desolated areas, they liked areas that they  
24 could drive long distances and see if someone  
25 was following them.

1 Q. So when you say "they" in the context of your  
2 testimony --

3 A. Clyde Apperson and William Leonard Pickard,  
4 Junior

5 Q. And they both -- these two defendants  
6 communicated these things to you, correct?

7 A. Correct.

8 Q. Okay. Continue then.

9 A. So then we -- we were supposed to go to Tulsa  
10 and --

11 Q. Why?

12 A. Because it was Thanksgiving and I needed to  
13 pick my children up in the airplane, it was a  
14 private airplane, and I was going to have  
15 Thanksgiving with my children in Topeka or I  
16 was going to see them in Tulsa or something.  
17 But the weather was incredibly bad, and we made  
18 the decision on the runway on a cellular phone,  
19 due to tornados which was unusual, at that time  
20 it was unusual to have them that late in the  
21 season in Tulsa, so we changed our destination.  
22 After the flight plan had been made by the  
23 pilot, we said take us to Topeka and we landed  
24 in Topeka.

25 Q. Then what happened?

1 A. It was a rough landing, also there was bad  
2 weather there, too. Then we went to Manhattan,  
3 Kansas, and --

4 Q. "We" being who?

5 A. Trace Kliphuis, myself, William Leonard Pickard  
6 and Clyde Apperson, and they stayed at --

7 Q. "They" being who?

8 A. Clyde Apperson, Trace Kliphuis, Leonard and  
9 maybe myself, I can't remember because I had a  
10 place to stay. But I believe we went to the  
11 Marriott or the Fairfield Inn, I think it was  
12 the Fairfield Inn, and I've shown the receipts  
13 to prove we were there.

14 And Leonard never went out to the base.  
15 He left the decision to Clyde, the -- what I  
16 refer to the Ellsworth, Salina, or Ellsworth  
17 base, which is an Atlas F, which is vertical,  
18 not horizontal. And he said it's up to Clyde  
19 and you, and if Clyde gives the approval, then  
20 this is where the lab will be. We made a bet  
21 because he didn't believe that there would be a  
22 place that he could have a lab where he could  
23 not see a neighbor. And -- and indeed that  
24 effectively was all -- it turns out at night  
25 you could see some sort of a shining light

1            somewhere, so -- the bet was a draw.

2            Q. Did you have -- now, you testified that during  
3            this time you had a place to stay. Describe  
4            that.

5            A. It was either Kansas Missile Base, Atlas E.

6            Q. And during the time alleged in the Indictment,  
7            did you own property in Kansas?

8            A. Well, I mean, a trust-owned property in Kansas.

9            Q. Okay. And that was your trust for your  
10           benefit.

11           A. No, I wasn't the beneficiary of the trust.

12           Q. Did you control the property then in Kansas?

13           A. Effectively I was in control.

14           Q. Okay. When was it you obtained the property?

15           A. I believe legally '96. I took possession of it  
16           before we actually -- five to six months before  
17           it was paid for I took possession of it.

18           Q. And that was when?

19           A. '95 -- late '95, '96, sometime in that area.

20           It was a phase-in where, you know, we were  
21           moving in, the other person was moving out.

22           Q. And what was the purpose of obtaining it?

23           A. We were going to put a robotic spring factory  
24           in there.

25           Q. And describe why you would want a robotic

1           spring factory?

2           A. Well, first of all, I'd like to -- okay. I'd  
3           like to describe why that facility would be  
4           good for that, and then I'll back up to that  
5           question just because it's fresh in my mind.  
6           Is that all right?

7           Q. That's fine.

8           A. There were three-foot solid incredibly level  
9           floors built in the horizontal bases. And the  
10          temperature stability was amazing in them. It  
11          took tremendous amounts of BTUs to just move  
12          the temperature a few degrees, and this gave  
13          for-- extremely stable conditions for  
14          manufacturing springs of which my family, going  
15          up to my mother's side, is heavily involved  
16          with, there's many spring companies in the  
17          family.

18          Q. Gardener springs?

19          A. It was my mother's spring company and there's a  
20          bunch more spring companies that are owned by  
21          other uncles, aunts and cousins. But we were  
22          in the process of setting the new world  
23          standard for high precision quality springs.  
24          We were buying these experimental robots from  
25          Japan, and we were moving to a new grade of



1 wire that was experimental that was made by  
2 Suzuki, made by-- there was a German  
3 corporation, Bird, Berg.

4 And any variation in temperature or  
5 humidity would change the behavior of that  
6 spring as it was being manufactured, so I  
7 needed somewhere I could control. Plus in the  
8 spring manufacturing process, a dust is thrown  
9 off sometimes and I wanted to have air  
10 filtration so I could meet the new OSHA  
11 standards.

12 Q. What kind of springs are we talking about?

13 A. Mainly we were specializing at this facility in  
14 high precision extension springs.

15 Q. And those have what type of a use or purpose?

16 A. They are for pulling. You'll see them on  
17 windshield wipers, you'll see them on a kick  
18 stand of a motorcycle. But this particular  
19 plant was making them for robotic use and high  
20 precision engine use, high precision mechanical  
21 use where you had to have very high  
22 predictability. You had to be very, very  
23 accurate. The concept worked, by the way?

24 Q. So did the business actually operate in the  
25 Wamego, Kansas, area?

1 A. Significantly.

2 Q. During what period of time?

3 A. Well, we had a phase-in to where we had it--  
4 kind of where it was working in '96. Then in  
5 '97 and then by '98-- '97, '98 it was heavy in  
6 operation and it proved to be a success.

7 Q. And you indicated that you could stay there.

8 A. I had living quarters on one side of the  
9 facility.

10 Q. Would you describe for the jury what this  
11 property was and what it was like.

12 A. It was an Atlas E missile base, which is a  
13 horizontal missile base, which is a very  
14 shallow underneath-the-ground missile base,  
15 unlike a Titan One missile base or an Atlas F  
16 missile base. And because it's horizontal it  
17 had a lot of square foot-- a lot of square foot  
18 usable space. You could get a semi-truck in  
19 it, you could move forklifts in and out easily  
20 and also you had tremendous volume because you  
21 had very high ceilings. These were very  
22 unusual structures.

23 Q. Let me show you what's been caused to be marked  
24 Government's Exhibits 1 through 6 and admitted  
25 into evidence in this case, identified as the

1 location in or near Wamego, Kansas, at six--  
2 16795 Say Road. I will show you Government's  
3 Exhibit No. 1, the intersection of Columbian  
4 and Say Road. Do you recognize that general  
5 area?

6 A. Yes.

7 Q. And Exhibit 2, which has been admitted into  
8 evidence here and described as the entryway  
9 driveway up into the property.

10 A. Yes, I recognize it.

11 Q. And Exhibit 6, finally, which has been  
12 identified as an overall view of the property.  
13 Do you recognize that?

14 A. Yes.

15 Q. And can you describe for us, please, what went  
16 on in a business sense from the point in time  
17 of the acquisition of the property, where the  
18 business occurred?

19 A. Oh, yeah. Well--

20 Q. And -- and just for your benefit, you can --

21 A. Yes, I know I can touch.

22 Q. -- touch, okay.

23 A. Okay. This building didn't exist. This is  
24 what we refer to as the Lester Building. This  
25 building is an original Quonset hut built by

1 the military. This is the road that goes  
2 down-- that semi-trucks and forklifts could go  
3 up or out of. And this right here, which is  
4 not a very clear picture, is a 40-ton door that  
5 opens up 20 by 20 approximately. And then  
6 underneath this shield here is a long what we  
7 call the missile bay, and from both sides you  
8 could have forklifts load and unload. But over  
9 to this side here, is a huge room that was the  
10 room that we temperature controlled stable, air  
11 filtered and manufactured springs.

12 Q. Okay. Now--

13 A. And now I'll show you --

14 Q. Please.

15 A. I may be bothering you. This area here is  
16 where the underground loading quarters were at.  
17 And this area here has a tunnel connecting the  
18 two things. And there's a door here. I made a  
19 mess of this.

20 Q. Okay. Now, you indicated that this building  
21 here, the Lester Building, wasn't there at the  
22 time. When did that get built?

23 A. I don't know when it got built, but basically  
24 Gardener had said we need above-ground storage  
25 for different items. This was originally

1 another Quonset hut, so it's identical to the  
2 -- the cement slab underneath it is identical  
3 to the cement slab here. And I had it built, I  
4 don't know when. I really was remote -- this  
5 was -- the other employees were making the  
6 decisions, I just appropriated and said yes, we  
7 will pay for it. And Gardener had requested  
8 it.

9 Q. At some point in time in the statement to Agent  
10 Nichols, did you indicate that that Lester  
11 Building was purchased with drug proceeds?

12 A. Yes, but that was a -- not the intent. The  
13 intent was Gardener asked for it. Gardener was  
14 supposed to pay for it, but Gardener moved out  
15 and I was left with a judgment and bargaining  
16 my way out of a problem with a building I  
17 didn't need.

18 Q. Okay.

19 A. And I did pay for it with drug proceeds.

20 Q. Proceeds from what drug?

21 A. Well, actually -- well, only proceeds from  
22 large amounts of cash that Leonard gave me.

23 Q. Okay. That were generated from this LSD  
24 operation?

25 A. I assume, I can't make that connection on that

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1           because I didn't watch that, so I can't answer  
2           yes. I assumed.

3           Q. And what is the basis of that assumption?

4           A. Well, that's where all the money came from and  
5           -- you know, there was beaucoups of it, so --

6           Q. At what point in time did the location at 16795  
7           Say Road in Wamego stop being the spring  
8           business?

9           A. It was -- it phased out in a three-month period  
10           approximately, but really a two-month period,  
11           let's say, in April '99. From then they  
12           started being phased out until June, I think  
13           everything was gone, with the exception of  
14           there was some equipment still there up until a  
15           year ago that was like forklifts and stuff that  
16           belonged to Gardener. It was eventually just  
17           given away as payment for people who didn't  
18           receive payment for work they did at  
19           maintaining the base.

20          Q. You indicated around Thanksgiving Trace  
21          Kliphuis and you and the two defendants going  
22          to visit the Atlas F location. And we got on  
23          to this discussion of the Wamego property  
24          because you indicated that you had a place to  
25          stay and you weren't certain if you had stayed

1 in the motel with them. Do you recall that?

2 MR. RORK: Your Honor, again, I  
3 object to this witness leading and suggestive  
4 answers or testifying, he can ask him what he  
5 did.

6 MR. HOUGH: Well, Judge, I'm trying  
7 to set the foundation for the next question in  
8 the series.

9 THE COURT: Overruled, go ahead.

10 Q. (BY MR. HOUGH) Can you --

11 A. More importantly I can give you a better  
12 answer. One of the nights I'm sure I stayed  
13 there and one of the nights I don't know. I  
14 just can't remember.

15 Q. Okay.

16 A. So one night I did go to the hotel and stay and  
17 one night I don't know where I stayed and it  
18 would have probably been -- I mean, I would  
19 have preferred to have stayed in Wamego than at  
20 a hotel. It was a nicer area.

21 Q. Now, that trip was, you indicated, Thanksgiving  
22 of what year, '99?

23 A. '99.

24 Q. And tell us what all happened after Mr. Pickard  
25 told you and Mr. Apperson to make the decision.

1           What happened?

2           A.   Clyde and I drove over to the Ellsworth site,  
3           Clyde was happy.  He was concerned with the  
4           vertical problem which ended up being quite a  
5           problem because he -- he thought that it was  
6           going to be like an Atlas E because that's  
7           what, you know, he had seen.

8                   And when he saw that we were talking  
9           about a vertical missile base, he realized we  
10          had some technical problems to overcome.  It  
11          did become a point of contention and some  
12          failures that I did not implement when  
13          requested, I didn't get everything done  
14          correctly.

15          Q.   Such as?

16          A.   I was supposed to put in a hoist and really  
17          should have done it and ended up the three of  
18          of us had to physically move an entire lab down  
19          in there, which doesn't sound that difficult  
20          until you realize that methylene chloride,  
21          5-gallon drums, are incredibly dense, and it  
22          was quite a chore moving the lab down inside of  
23          this vertical missile base.

24          Q.   So then ultimately, was it decided to move the  
25          lab out of Santa Fe into this location?



1 A. As soon as Clyde got back and told Leonard,  
2 Leonard -- I don't even think he went to verify  
3 the story of Clyde's. I think he said if Clyde  
4 likes it, you say it's right, go for it.

5 Q. Then describe for us, if you would, please, the  
6 movement of the lab from Santa Fe to this area.

7 A. Okay. What happened was -- was that after the  
8 pack-down was done, Mike Hobbs was  
9 instructed -- I'm sorry, I was instructed -- we  
10 had decided to rent a house and there's many  
11 numerous rental houses in the Santa Fe  
12 situation of which has been a great deal of  
13 confusion between my communication, the DEA and  
14 everyone else so --

15 Q. Now, you were instructed by who to find the  
16 house?

17 A. Leonard.

18 Q. Okay.

19 A. Okay. And -- but I had employee houses and we  
20 tried to keep the employees from knowing what  
21 in the world was going on.

22 Q. Who are these employees?

23 A. Gunner Guinan, Amber or Indra I can't remember,  
24 I believe I believe it was Amber who was a  
25 girlfriend of Mike's, Mike Hobbs, Lupe, and

1           there may have been another nanny that came and  
2           went. And they stayed in one house, and --

3           Q. In Santa Fe?

4           A. In Santa Fe. And there was two different  
5           houses they stayed in and both of them had a  
6           name. One was the Delgado house which has  
7           become a confusing item because Carl  
8           misunderstood me and thought the Delgado house  
9           was a house where the lab was stored. Another  
10          house I cannot remember the name of and  
11          everyone complained about it and they wanted  
12          out of it. And then I, myself, Emily and  
13          Leonard and Clyde all stayed at Las Companas in  
14          Conseetas (spelled phonetically). And one of  
15          the reasons we always wanted to keep Clyde and  
16          Leonard away from the employees was the hours  
17          were so odd and we didn't want the chance of --  
18          of them -- the employees noticing something was  
19          odd about their behavior.

20          Q. And what was -- how were the hours odd?

21          A. Well, there were long stretches of time where  
22          synthesis where you can't walk away from the  
23          process.

24          Q. And who would be involved in the synthesis?

25          A. In this particular one, Clyde and Leonard were

1 working very hard. They were pumping  
2 production to a new level. In fact, I think it  
3 was the greatest production they had ever  
4 attained, and other than some chemical company  
5 or some pharmaceutical company, it probably is  
6 the record production in the history of mankind  
7 that -- that occurred at that.

8 Q. What was the next move then?

9 A. Okay. So I was instructed to get a house, and  
10 this was a -- a very expensive home and we were  
11 going to back the trailer down and put it into  
12 the garage.

13 Q. What was in the trailer?

14 A. The key essential items of the lab and whatever  
15 chemicals. The unfortunate thing is I'm doing  
16 this from hearsay, I did not look in to it.

17 Q. And who told you?

18 A. Leonard, Clyde. Clyde was explaining how they  
19 made the mistake of misbalancing. The trailer  
20 was bought, I believe by Gunnar Guinan in Home  
21 Depot down in Santa Fe and brought up, and then  
22 that was rejected and we had to go buy another  
23 one. And we then packed that down, a larger  
24 one, and we packed the essential items in  
25 there.

1 Q. Who packed?

2 A. I don't know who packed, it would -- it's an  
3 unknown to me.

4 Q. Okay.

5 A. So there were some repacking that was done and  
6 I was present because some -- some like  
7 ventilation tubes-- the last thing coming out  
8 of the Santa Fe lab came at the end, and that  
9 was thrown in the back of this trailer.

10 Q. By whom?

11 A. Leonard. And Leonard wanted Mike not to see it  
12 so when it was opened up, I was the only one  
13 that saw. That was the first time that I saw  
14 the inside of that trailer.

15 Q. And who obtained that trailer?

16 A. I believe Gunnar Guinan and I believe there's  
17 titles that show that he did it, receipts.

18 Q. And who did the driving of the trailer?

19 A. Okay. Mainly Mike Hobbs.

20 Q. And after it was -- well, strike that. Do you  
21 know who moved it out of the residence in Santa  
22 Fe?

23 A. Oh, yes. Oh, yeah, yeah.

24 Q. Tell us about that.

25 A. I was there because it was a car caravan

1           because we were worried that maybe we were hot  
2           and we wanted to make sure that if that -- and  
3           the bigger problem was that it was -- the -- it  
4           was loaded wrong, the axles had too much of the  
5           weight forward, and it was actually dragging,  
6           and we did the best we could to get a vehicle  
7           that could handle it. But we did still -- if  
8           you hit a bump, and these were some pretty  
9           weird roads we were on, it would just bounce  
10          and it'd cause a lot of problems. We thought a  
11          policeman could pull us over just generally on  
12          this incredibly poorly executed loading of this  
13          trailer.

14          Q. Who all was involved in that, who all was  
15          there?

16          A. Mike Hobbs, myself, I can't remember if Clyde  
17          was involved but Leonard was definitely  
18          involved. And we moved it to the -- the  
19          expensive house is what I refer to it as, \$800  
20          a day. At the expensive house, it was then  
21          going to be put down into the garage and then  
22          Grahm Logan Kendall was going to babysit it,  
23          not ever knowing what it was, and he was just  
24          going to do Internet work there.

25          Q. And how was that --

1 A. I'm sorry, I forgot. Graham has also been  
2 staying at the Delgado house or one of the  
3 homes in Santa Fe, I forgot he was there.

4 Q. Doing what?

5 A. Just enjoying life. He wanted to go on a --  
6 you know, a trip, he likes traveling, so--  
7 (pause)

8 Q. And what was your relationship to him?

9 A. Graham was a tutor of mine in physics and math,  
10 sciences across the board starting around age  
11 13.

12 Q. Okay. And what was your relationship to Mr.  
13 Hobbs, Mr. Guinan and Mr. Lupe?

14 A. Mr. Hobbs had to work at Gardener and then when  
15 -- and -- well, actually Gunnar and Hobbs  
16 worked at Gardener and stayed with me when I  
17 left Gardener. Lupe never worked for Gardener,  
18 he always worked for the land trust or myself.

19 Q. And then how did you all get to Santa Fe?

20 A. Oh, we went there on our vacation is what the  
21 employees were told, and they would be given  
22 little instruction sheets of "go by this and  
23 that." They had no clue what they were doing,  
24 they had no -- there wasn't any suspicion in  
25 their mind. Lupe was the only one who

1 accidentally had a suspicion. And I don't know  
2 what he -- I didn't know until long after how  
3 bad that situation was for him, but -- and then  
4 the -- and then we were -- we were on a  
5 vacation ostensibly, you know, to get away from  
6 this long, hard project of finishing Wamego up,  
7 and so it was a bonus and -- but really what  
8 was going on behind the scenes was a tear-down  
9 of a lab.

10 Q. Okay.

11 A. And we also liked to use this -- this turned  
12 out, we felt so hot that --

13 Q. What do you mean by feeling hot?

14 A. It means that the Government may have been on  
15 to us from any number of angles, that we were  
16 sending off decoy -- we were doing decoy work.

17 Q. Describe that.

18 A. Decoy work means you send a truck and it's  
19 suspicious and it leaves and you try to get a  
20 number of red flags to go off, and if you don't  
21 get pulled over, you're not being watched, and  
22 we did a lot of decoy. I was doing an  
23 incredible amount of decoy work for that  
24 operation to be moved. I was the most nervous  
25 of anyone with that operation.

1 Q. And who was ordering the decoy work occur?

2 A. Myself.

3 Q. And did you do that unilaterally or in  
4 consultation with anyone else?

5 A. I mean, I told Leonard, "I'm doing everything I  
6 can to make sure we're not having a serious  
7 problem here." But I was -- I was basically  
8 unilaterally doing it, and this went on for  
9 months, this decoy work went on for months. I  
10 was very nervous about this.

11 Q. And once the LSD was made, where did it go,  
12 what happened to it?

13 A. Well, this is an odd story. Normally I didn't  
14 -- I mean I knew it went up to Denver, I knew  
15 that it went to Petaluma.

16 Q. Petaluma?

17 A. California.

18 Q. Okay.

19 A. And the buyer was Petaluma Al and went up  
20 there. But there was a lot of sophisticated  
21 routes that it took, there was a specific car  
22 that it took, and the traditional thing was it  
23 went to Denver so they wouldn't know --

24 Q. "They" being who?

25 A. The -- the -- the transporters and the -- the



1           buyer, Petaluma Al, wouldn't know where the lab  
2           was, because if a burning came up-- burning  
3           meaning a bust came up backwards from the  
4           distribution system, we didn't want a situation  
5           of where they say the lab is in this state or  
6           in this city, because that would be too much.  
7           We wanted to keep some confusion there. So  
8           traditionally the crystalline form of LSD or  
9           powder form or this particular end product  
10          form, which we're not talking blotter paper or  
11          any of that stuff, we're talking about -- or  
12          liquid, we're talking concentrated LSD was  
13          made, nearly pure -- not nearly pure, above 70  
14          percent, would go in these vials and they would  
15          go in this specific thing, and Denver was  
16          normally the transporter. And if you look, the  
17          labs are all not far from Denver, and Denver  
18          was a -- and I'm -- I'm doing some guesswork,  
19          I'm interpolating --

20        Q. Don't guess.

21        A. Well, what I mean by guessing is I'm saying  
22          that I believe Denver could -- and Boulder  
23          could have been -- but it was somewhere in that  
24          area, was the normal distribution spot. But  
25          during this Santa Fe breakdown, since the lab

1 was moving, Petaluma Al actually knew that  
2 there was a kilo or more of LSD in Santa Fe.

3 The reason I know that is direct  
4 information because he somehow -- I went to  
5 pick up \$300,000 or something from him and he  
6 said I've got a --

7 MR. BENNETT: Judge, I'm going to  
8 object to what Petaluma Al said.

9 MR. HOUGH: the witness has  
10 identified Petaluma Al as a distributor of  
11 their end product, thus a co-conspirator, thus  
12 a co-conspirator statement.

13 MR. RORK: Well, Judge, if they would  
14 produce Petaluma Al, whatever it is, and  
15 again-- it's the first time we've ever heard of  
16 it, we would like to have him here to cross  
17 examine.

18 MR. HOUGH: Co-conspirator statement,  
19 Judge, it's admissible.

20 THE COURT: I agree. Go ahead.

21 Q. (BY MR. HOUGH) Continue.

22 A. Petaluma Al was -- was out of normal behavior,  
23 because he said, I've "got to have a phone  
24 number for you." When I picked up and I'm  
25 going to guess it was \$300,000 in cash, he

1           said, "We cannot find the LSD in the area that  
2           Leonard told us it was and Leonard is in  
3           Europe." So I had a problem because I didn't  
4           have a cell phone that I thought was clean, and  
5           I really broke with tight protocol and I gave  
6           him my girlfriend's actual land line, which was  
7           a major breach of security. And it was only  
8           because I told him, I said, "You're hard of  
9           hearing," I said, "you just tell me to come up  
10          and visit you, I don't want any conversation on  
11          this phone."

12         Q. Did you -- during the course of your  
13          involvement with Mr. Apperson and Pickard learn  
14          the name of Petaluma Al?

15         A. Just Petaluma Al.

16         Q. Okay. And you talked about security measures.

17         A. I'm sorry. I referred to him as Petaluma Al.  
18          Leonard referred to him as Al. I have to be  
19          very succinct here or very exact. I've never  
20          heard Clyde refer to Al.

21         Q. Okay.

22         A. I have to be fair.

23         Q. Now, you talked about security measures and a  
24          breach of security. Describe for the jury, if  
25          you will, the security measures that were in

1 place within this conspiracy with the  
2 defendants?

3 A. Yes, we had phone systems that continually  
4 rolled. We bought cell phones and we were so  
5 paranoid, for good reason, we were so nervous  
6 that we used calling cards on top of very  
7 expensive prepaid phones. We had very  
8 elaborate methods for-- now all of this is kind  
9 of a joke because you can go get them easy, but  
10 at the time this was a little more difficult.  
11 We had ways of accumulating lots of cell phones  
12 under fictitious names without ever showing ID.  
13 And we spent a great deal of money, it was not  
14 unusual for us to spend two bucks a minute on a  
15 phone call and then we would use a credit card  
16 that was a disposable calling card and that  
17 expense and then as soon as that five-- we  
18 always bought the -- we -- early on when we  
19 were making mistakes, we said it was cheaper to  
20 buy a hundred dollar card. Then we realized  
21 we were leaving a trail, so we went down to  
22 buying five dollar cards, made one phone call  
23 and it was destroyed. We completely  
24 implemented very tight phone communications,  
25 and then there was a level of securities within

1 the phone systems themselves and --

2 Q. Such as?

3 A. The -- the highest level of security would be  
4 this person has a phone that can only call this  
5 person and no other contamination could go on.  
6 And then you drop on down to where you just  
7 have a burn phone where you'd call anywhere and  
8 you'd just throw that phone away. And we had  
9 some elaborate techniques where we would give  
10 phones away to homeless people so if the DEA  
11 got on to this, they'd find a bunch of trivial  
12 phone calls, and we loved giving the phones  
13 down to -- not to -- I'm not being mean, but to  
14 Mexicans, because that really would throw off  
15 because it would look like some sort of weird  
16 marijuana drug conspiracy nonsensical phone and  
17 we'd have like \$100 left.

18 Q. "We" is who?

19 A. "We" being -- well, I mainly gave the phones  
20 away.

21 Q. To whom?

22 A. To -- I would tell Mike go get rid of phones, I  
23 would tell Gunnar go get rid of phones. They  
24 never questioned why we got rid of phones.

25 Q. And who was it that had these secure phones?

1 A. Well, there was a very elaborate coding system  
2 and each -- each of us had symbols so we would  
3 know because we had so many of these phones, we  
4 didn't know whose phone was what so we had  
5 symbols.

6 Q. "We" is who?

7 A. Clyde Apperson, myself, Leonard and then -- and  
8 then the employees would have a lower level of  
9 security phones. And then amongst ourselves  
10 there would be very high level phones and then  
11 there would be phones that were emergency  
12 phones that were one time use only.

13 Q. And what types of things would be discussed on  
14 these emergency phones one time?

15 A. That would be the -- I'll be polite here, we  
16 have a serious problem and it is time to leave  
17 the country or to dismantel and flee.

18 Q. Does that ever occur?

19 A. I've had some pretty serious phone calls  
20 that --

21 Q. From who?

22 A. Leonard.

23 Q. Describe them for us.

24 A. There was a money bust and -- at the Kansas  
25 City Airport and --

1 Q. And tell us when that occurred and who was  
2 involved and what happened.

3 A. Okay. It was -- okay. Natasha Kruglova

4 Q. And who is Natasha Kruglova?

5 A. She -- we originally met her as a front desk  
6 person that worked at the Pan Pacific Hotel,  
7 which was one of our alternative favorite  
8 hotels where we stayed in the penthouses and  
9 took the top floor. And she became a  
10 girlfriend of Leonard's, and she, I believe, is  
11 his legal wife, but I don't know, but they have  
12 a child. Natasha needed school money and --

13 Q. School money for where?

14 A. UCA -- UC and Berkeley. And there was \$27,000  
15 that somehow at the airport got busted, I have  
16 no idea. The story to this day makes no sense  
17 to me.

18 Q. Do you know how she got the \$27,000?

19 A. Well, I can tell you a little bit about it. I  
20 have not seen 20,000 of the 27,000, but I can  
21 give you a pretty good idea. It happens to be  
22 that I had to run through Vegas and I had gone  
23 to the Horseshoe, Bailey's Horseshoe. It was  
24 an odd situation because I put some money up--  
25 I won very rapidly some money and when I got

1           paid, it was the first time I've ever been paid  
2           by a casino where the money looked like it had  
3           just been printed, and every bill was  
4           serializing, you had to literally yank the  
5           bills apart. And I gave \$20,000 of that money  
6           to Leonard when I got to Kansas.

7           Q. Why?

8           A. He -- I owed him the money or something. And  
9           he needed it for her. And I definitely owed  
10          him the money, there was no doubt about that.  
11          There was some rental money that had been  
12          fronted to me in the rental deal imploding  
13          (sic) because the rental person that was going  
14          to be the cutout wouldn't sign the document,  
15          she had an argument with me. And so I owed the  
16          money to Leonard.

17          Q. What time, what period of time?

18          A. When the money was given, when I gave the  
19          20,000 fresh dollar bills?

20          Q. Uh-huh.

21          A. \$100 bills. Sometime February of 2000, January  
22          of 2000.

23          Q. Okay.

24          A. Sorry, you know, it's the best I can do.

25          Q. Okay. And then when was the bust of Ms.



1 Kruglova?

2 A. No, that's what I mean. The bust occurred, I  
3 thought, in February of --

4 Q. Okay.

5 A. -- of 2000. That's my best guess.

6 Q. And it was in -- when in relation to you giving  
7 the money to Leonard?

8 A. Oh, I mean, I gave the money to Leonard and a  
9 day or two later she was busted.

10 Q. Okay. What was she doing --

11 A. The other \$7,000 I was told was from the  
12 conversion of thousand Guilder notes.

13 Q. Who told you that?

14 A. Leonard. And then I had to question both of  
15 them very carefully because --

16 Q. "Both of them" being whom?

17 A. Natasha and Leonard. I was in damage control  
18 mode at that point. He turned the whole  
19 problem over to me and I was -- there was a DEA  
20 agent name given to me. I started  
21 investigating the situation. I had to know,  
22 was he seen. I had to start doing damage  
23 control. It's one of the most shook-up times  
24 I've ever seen Leonard. I was surprised he was  
25 that nervous over that event.

1 Q. Who?

2 A. Leonard.

3 MR. RORK: Excuse me, Your Honor, I  
4 object to this phrase he keeps saying, busted.  
5 And it's Ms. -- improperly misstates a fact not  
6 in evidence and ask the witness not be allowed  
7 to continue making statements with reference  
8 to, quote, a bust which somebody got arrested  
9 which didn't happen. So I ask that he not  
10 misstate the evidence or facts not in evidence.

11 THE WITNESS: I will be more exact.

12 MR. HOUGH: Judge, my understanding  
13 of the testimony was that his communication and  
14 understanding of the situation from Mr. Rork's  
15 client was that Ms. Kruglova got busted. That  
16 was my understanding of the testimony.

17 MR. RORK: Judge, it may be his  
18 understanding but it's not something this  
19 witness has stated.

20 THE WITNESS: I will be more exact,  
21 because I have made a mistake.

22 Q. (BY MR. HOUGH) Can you clarify that for us.

23 A. The money was confiscated, she was not  
24 arrested.

25 Q. Okay. And in your conversations with Mr.

1 Pickard, did either of the two of you refer to  
2 it as a money bust?

3 A. Yes, of course.

4 Q. Okay.

5 A. And -- and we went to -- we went to high-burn  
6 security status. He buried himself into the  
7 Wamego site, vehicle transfers occurred, Gunnar  
8 Guinan went and rented a vehicle for him to get  
9 back out of there. We had to see how much  
10 blow-back was going to occur from this. And we  
11 started digging in. I was willing to take the  
12 up-front position of claiming the money. I was  
13 -- I was positioning ourselves for this, even  
14 though it was going to be a high-risk  
15 probability, there was an unusual circumstance.  
16 This turned out not to be drug money, the  
17 20,000, and I could prove right where it came  
18 from, and I was willing to go claim the money.  
19 And we talked it over and some legal  
20 confrontation or some legal advice was given  
21 and we thought it through and we said forget  
22 it. The reason was not to recover, the 27,000  
23 was nothing, I'm sorry to say that, but that  
24 was nothing. It was to get her name cleaned  
25 up.

1 Q. And why was that important?

2 A. Because she was from the Ukraine, she was a  
3 student, she was over on -- got a lottery Visa.  
4 We did not want her to be deported. He was  
5 very fond of her and he wanted a great deal of  
6 damage control.

7 Q. "He" is who?

8 A. Leonard Pickard wanted a great deal of damage  
9 control done, and I was willing to do whatever,  
10 although I said -- I said, "Given all the rest  
11 of the problems that we have, this is foolish  
12 because the worst that could happen to her is  
13 some minor thing." I said, "The worst that  
14 could happen to us is a total explosion on this  
15 thing."

16 Q. What problems were you having at that time that  
17 you were talking about?

18 A. Well, I -- if you could -- I need some help on  
19 the date so I can -- if you can give me the  
20 actual date the money was confiscated, then I  
21 can tell you just how many problems I was  
22 having.

23 MR. BENNETT: Well, now, Judge, I'm  
24 going to object to the prosecutor providing  
25 information to this witness so this witness can

1 then answer the prosecutor's questions.

2 THE COURT: Well--

3 MR. HOUGH: Judge --

4 THE COURT: -- see if we can show --  
5 see if we can find the date some legitimate  
6 way.

7 MR. RORK: Your Honor, he's entitled  
8 to refresh his recollection and look at some  
9 documents or identify some document, but just  
10 for him to say what it is or provide it, that's  
11 absolutely contrary to the rules.

12 MR. HOUGH: Judge, the witness had  
13 asked me that question. I had not responded to  
14 it so the objections are premature. May I  
15 proceed to question him, please?

16 THE COURT: Yes, you may.

17 MR. RORK: Well, Judge, I object that  
18 it's-- asking questions is an improper way to  
19 refresh recollection, he said he doesn't know.  
20 He can be shown something to help him refresh  
21 his recollection, but he can't be told  
22 something, so I object, it's a violation of  
23 Rule 612.

24 THE COURT: Overruled, go ahead.

25 Q. (BY MR. HOUGH) Within the context of what your

1 memory will allow as you sit here, can you  
2 describe for us, please, the events that were  
3 going on approximately simultaneously with the  
4 bust that you recall?

5 A. Well, I know that I had a problem with the  
6 Secret Service, okay? That I'm for sure about.

7 Q. And we discussed that earlier.

8 A. A little bit, yeah. We didn't -- I knew I had  
9 that problem. What I'm not remembering is had  
10 a suicide been committed. That's my problem  
11 here.

12 Q. Okay.

13 A. I do not think a suicide had been committed,  
14 and -- but I just --

15 Q. You're referring to Tim Schwartz?

16 A. Yes.

17 Q. Now, we'll get more fully to that --

18 A. Great.

19 Q. -- a little later on. So during the period of  
20 time that the money bust occurred, did you ever  
21 recoup that money or -- or what happened --  
22 what was your, Mr. Pickard and Mr. Apperson's  
23 next move?

24 A. Well, we watched -- I got clear that Leonard  
25 had not been seen with her, that she had

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1           correctly -- although the DEA in later  
2           questioning, a different DEA group that was  
3           involved with this, asked me some strange  
4           questions. I'm still to this day concerned  
5           what she said, but I wasn't at the time because  
6           I had no reason to be suspicious of what she  
7           said. I -- from everything that I could gather  
8           after a week, I had determined we didn't have a  
9           serious problem.

10          Q. Okay. So what happened, then, next in the  
11           chronology?

12          A. Well, basically Leonard then got a new  
13           four-wheel drive vehicle, he would only take  
14           four-wheel drive vehicles because he got stuck  
15           in the mud once in a two-wheel and that was a  
16           disaster and happened to Mike and Gunnar and  
17           Lupe and so it's a reality situation. It used  
18           to happen to everyone that went out to that  
19           Ellsworth base except for me, I'm the only one  
20           that never got stuck in the mud.

21                        So he, after he had ducked in and was  
22           fighting in the Wamego site, decided it was  
23           safe to leave, left one night and went to  
24           Ellsworth, I assume.

25          Q. Did he tell you that's where he was headed?

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1 A. I think so.

2 Q. Okay.

3 A. It makes sense. And he went to the lab and we  
4 watched and we saw no problems.

5 Q. Okay.

6 MR. HOUGH: Your Honor, it's 4:30,  
7 this may be an appropriate time to break for  
8 the day.

9 THE COURT: Yes, I think this would  
10 be a good time to break for the day. Ladies  
11 and gentlemen, let's take our break at this  
12 time. And we'll adjourn until 9:30 in the  
13 morning and we'll see you here at that time.  
14 Mr. Bailiff, let's recess the Court. Remember  
15 my admonitions.

16 (THEREUPON, a recess was had after  
17 which the following proceedings were held at  
18 the bench and outside of the hearing of the  
19 jury).

20 MR. RORK: Judge, I would just note  
21 for the record, when we took the last break,  
22 Mr. Skinner visited with Mr. Hough and Mr.  
23 Nichols for the most part talking about things,  
24 and I would just ask again that the case agents  
25 not be allowed to discuss their testimony with



1 this witness tonight during the break and not  
2 be allowed to go over what the questions are  
3 going to be asked tomorrow and that like the  
4 witnesses aren't allowed to be vouched for,  
5 they're not allowed to be gone over what the  
6 testimony would be. And I would just ask that  
7 they not meet and go over the questions.

8 MR. HOUGH: Judge, this circumstance  
9 is no different than any other circumstance  
10 we've ever had in any trial relative to the  
11 relationship between the case agent and this  
12 witness or any other witness. There's nothing  
13 unusual. The Court's addressed it, the Court's  
14 ruled. And at this point the objection should  
15 be overruled and denied and reaffirm your prior  
16 orders.

17 THE COURT: Yeah, I issued a written  
18 order on this and that will take care of it and  
19 I will stay with that.

20 MR. BENNETT: Judge, while we're  
21 here, can we get an idea of how long Mr. Hough  
22 thinks he's going to be tomorrow so we can kind  
23 of prepare?

24 MR. HOUGH: Do you want the--  
25 (reporter interruption).

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MR. BENNETT: I'm serious.

MR. HOUGH: Prepare what?

MR. BENNETT: I'm asking a serious question.

MR. HOUGH: To prepare what?

MR. BENNETT: To prepare the cross examination.

MR. HOUGH: I plan to be all day tomorrow with this witness.

MR. BENNETT: Very simple.

(THEREUPON, the proceedings were adjourned until January 29, 2003,

