

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE MIDDLE DISTRICT OF FLORIDA
 OCALA DIVISION

3 Case No. 5:06-cr-22-Oc-10GRJ

4 January 16, 2008
5 Ocala, Florida

6 UNITED STATES OF AMERICA,

7 Plaintiff,

8 vs.

9 WESLEY TRENT SNIPES,
10 EDDIE RAY KAHN and
 DOUGLAS P. ROSILE,

11 Defendants.

12 _____ /

13
14
15 TRANSCRIPT OF TRIAL PROCEEDINGS
16 BEFORE THE HONORABLE WM. TERRELL HODGES,
 SENIOR UNITED STATES DISTRICT JUDGE, and a Jury

17
18 Appearances of Counsel:

19 For the Government:

20 Mr. Robert E. O'Neill
21 Mr. M. Scotland Morris
 Mr. Jeffrey A. McLellan

22 For Defendant Snipes:

23 Mr. Robert G. Bernhoft
24 Mr. Robert E. Barnes
 Ms. Linda G. Moreno
25 Mr. Daniel R. Meachum
 Ms. Kanan B. Henry

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Appearances of Counsel (continued):

For Defendant Kahn:

- Mr. Eddie Ray Kahn, pro se
- Mr. Michael William Nielsen, standby counsel

For Defendant Rosile:

- Mr. David Anthony Wilson

Reported by: Dennis Miracle, Official Reporter, and
Kelly Owen McCall, Freelance Reporter

P R O C E E D I N G S

(Jury absent.)

THE COURT: Thank you and be seated.

Good morning, counsel.

Are we ready to proceed, Mr. O'Neill?

MR. O'NEILL: Yes, Your Honor, the government is.

THE COURT: Mr. Bernhoft?

MR. BERNHOFT: Yes, Judge, we are. Pursuant to the discussions that we had last afternoon, I wanted to address the issue of Mr. Meachum's reappearance pro hac vice.

The Court has made a determination that in order for Mr. Snipes to have Mr. Meachum reappear as counsel of record in this case at counsel table, that he must waive any ineffective assistance of counsel claim that he may have had or might have with respect to Mr. Meachum.

To the extent that Mr. Snipes needs to do that to have Mr. Meachum reappear and represent him at counsel table in this case, Mr. Snipes waives any such claim.

THE COURT: Mr. Snipes, I think I need to hear that from you. You have discussed this matter, I'm sure, with counsel over the evening?

DEFENDANT SNIPES: Yes, Judge.

THE COURT: All right. It's a moderately complex legal question, but you are obviously an exceptionally intelligent person. You think you have a grasp of what is

1 involved in this issue?

2 DEFENDANT SNIPES: To the best of my understanding,
3 yes, Judge.

4 THE COURT: All right. Mr. Bernhoft says that you
5 are willing to waive or give up now any claim that you earlier
6 made or had in this case about ineffective assistance of
7 counsel in order to have Mr. Meachum rejoin your defense team;
8 is that correct?

9 DEFENDANT SNIPES: That's correct, Judge.

10 THE COURT: Thank you. You may be seated.

11 I will accept that. Mr. Meachum, you are admitted
12 pro hac vice.

13 MR. MEACHUM: Good morning, Your Honor. Thank you
14 very much.

15 MR. BERNHOFT: Thank you, Judge.

16 THE COURT: Now, let's revisit then the matter of
17 who is making opening statement on the defense side.

18 MR. BERNHOFT: Yes, Your Honor. We contemplate that
19 Mr. Meachum will do an introductory opening statement,
20 something on the order of ten minutes. And then Mr. Meachum
21 will introduce me, and I will conclude the defense opening
22 statement on behalf of Mr. Snipes. I cannot conceive that we
23 would go more than 60 minutes in the aggregate.

24 THE COURT: That's perfectly acceptable.

25 All right. We will proceed. Marshal, seat the

1 jury, please.

2 THE COURT SECURITY OFFICER: All rise.

3 (Jury present.)

4 THE COURT: Thank you. Be seated, please, members
5 of the jury, and good morning to you.

6 I appreciate your promptness. And as I said
7 yesterday, I think it was during one of the recesses or at the
8 end of the break, promptness during the course of this trial
9 is extremely important on the part of everybody involved
10 because each one of us is an essential link in the proceeding.

11 And, if you are not here, then at the very least
12 it's going to cause a delay until we get it straightened out,
13 so I appreciate your attention to being prompt. And,
14 obviously, you have been and I am sure will continue to be,
15 and I appreciate that.

16 Now, the first order of business, as I explained
17 yesterday, as we get started in the trial this morning, is for
18 me to now ask the clerk to administer to you your oath as
19 jurors in this case so that you are formally impaneled under
20 the law and authorized to decide the matter.

21 THE DEPUTY CLERK: Will you please stand, raise your
22 right hand.

23 (Jury sworn.)

24 THE COURT: Thank you. Be seated, please.

25 Members of the jury, you have now been sworn as the

1 jury to try this case. By your verdicts, you will decide the
2 disputed issues of fact. I will decide on questions of law
3 that arise during the course of the trial. And before you
4 retire to deliberate together and decide the case at the end
5 of the trial, I will instruct you again on the rules of law
6 that you must follow and apply in reaching your decision.

7 Because you will be called upon to decide the facts
8 of the case, you should give careful attention to the
9 testimony and evidence presented for your consideration during
10 the trial, but you should keep an open mind and should not
11 form or state any opinion about the case, one way or the
12 other, until you have heard all of the evidence and have had
13 the benefits of the closing arguments of the lawyers, as well
14 as my instructions to you on the applicable law.

15 During the trial, you must not discuss the case in
16 any manner among yourselves or with anyone else, and you must
17 not permit or attempt to -- permit anyone to attempt to
18 discuss it with you or in your presence.

19 And in so far as the lawyers are concerned, as well
20 as others whom you may come to recognize as having some
21 connection with the case, you are instructed that, in order to
22 avoid even the appearance of impropriety, you should have no
23 conversation whatever with those persons while you are serving
24 on the jury.

25 You must also avoid reading any newspaper articles

1 that might be published about the case now that the trial has
2 begun, and you must also avoid listening to or observing any
3 broadcasts, news program on either television or radio or on
4 the Internet, because of the possibility that some mention
5 might be made of the case during such a broadcast now that the
6 trial is in progress.

7 The reasons for these cautions, of course, lies in
8 the fact that it will be your duty to decide the case only on
9 the basis of the testimony and evidence presented during the
10 trial without consideration of any other matters whatever.

11 From time to time during the trial, I may be called
12 upon to make rulings of law on motions or objections made by
13 the lawyers. You should not infer or conclude from any ruling
14 I might make or anything I might say that I have any opinions
15 on the merits of this case, one way or the other.

16 And if I sustain an objection to a question that
17 goes unanswered by the witness or if I sustain an objection
18 that goes to an exhibit, you should not speculate on what the
19 answer might have been or what the exhibit might have shown,
20 nor should you draw any inferences or conclusions from the
21 question or the exhibit.

22 During the trial it may be necessary for me to
23 confer with the lawyers from time to time out of your hearing
24 concerning questions of law or procedure that require
25 consideration by the Court alone. On some occasions, you may

1 be excused from the courtroom as a convenience to you and to
2 us while I discuss such matters with the lawyers.

3 I will try to limit such interruptions as much as
4 possible, but you should remember at all times the importance
5 of the matter you are here to determine and should be patient,
6 even though the case may seem to go slowly. I will make every
7 effort to expedite the trial whenever possible.

8 Now, in order that you might understand at the
9 beginning of the case the nature of the decisions you will be
10 asked to make and how you should go about making them, I would
11 like to try to give you some preliminary instructions
12 concerning some of the rules of law that will apply. Of
13 course, the preliminary instructions I will give you now will
14 not cover all of the rules of law applicable to this case.

15 As stated before, I will instruct you or explain to
16 you fully the applicable law at the end of the trial, just
17 before you retire to deliberate upon your verdicts, and will
18 probably restate at that time some of the rules that I want to
19 tell you about now. In any event, you should not single out
20 any one instruction alone as stating the law, but should
21 consider all of my instructions as a whole.

22 As you were told during the process of your
23 selection, an indictment in a criminal case is merely the
24 accusatory paper which states the charge or charges to be
25 determined at the trial, but it is not evidence against the

1 defendant or anyone else.

2 Indeed, the defendant has entered a plea of not
3 guilty and is presumed by the law to be innocent. The
4 government has the burden of proving a defendant guilty beyond
5 a reasonable doubt; and if it fails to do so, you must find
6 that defendant not guilty.

7 Proof beyond a reasonable doubt is proof of such a
8 convincing character that you would be willing to rely and act
9 upon it without hesitation in the most important of your own
10 affairs.

11 Because the government has the burden of proof, it
12 will go forward and present its testimony and evidence first.
13 After the government finishes or rests what we call its
14 case-in-chief, the defendant may call witnesses and present
15 evidence, if he wishes to do so.

16 However, you will remember that the law does not
17 require a defendant to prove his innocence or produce any
18 evidence at all, and no inference whatever may be drawn from
19 the election of a defendant not to testify in the event he
20 should elect.

21 As you listen to the testimony, you should remember
22 that you will be the sole judges of the credibility or
23 believability of each witness and the weight to be given to
24 his or her testimony.

25 In deciding whether you believe or disbelieve any

1 witness, you should consider his or her relationship to the
2 government or to the defendant; the interest, if any, of the
3 witness in the outcome of the case; his or her manner of
4 testifying; the opportunity of the witness to observe or
5 acquire knowledge concerning the facts about which he or she
6 testified; the candor, fairness and intelligence of the
7 witness; and the extent to which the witness has been
8 supported or contradicted by other credible evidence. You
9 may, in short, accept or reject the testimony of any witness
10 in whole or in part.

11 Now, you will notice that the court reporter is
12 making a complete stenographic record of all that is said
13 during the trial, including the testimony of the witnesses in
14 case it should become necessary at a future date to prepare
15 printed transcripts of any portion of the trial proceedings.

16 Such transcripts, however, will not be prepared, if
17 at all, and will not be printed in sufficient time or
18 appropriate form for your review during your deliberations and
19 you should not expect to receive any transcripts. You will be
20 required to rely upon your individual and collective memory
21 concerning what the testimony was.

22 On the other hand, any papers and other tangible
23 exhibits received in evidence during the trial will be
24 available to you for study during your deliberations. Do not
25 be concerned if an exhibit is not shown to you when it is

1 received in evidence because, as I said, you will get to see
2 it and inspect at the end of the case all of the exhibits that
3 are received in evidence.

4 Now, because transcripts will not be available, you
5 will be permitted to take notes during the trial, if you want
6 to do so. And the clerk will, if she hasn't already provided
7 you, provide you with notebooks and pens or pencils for each
8 of you. On the other hand, of course, you are not required to
9 take notes, if you do not wish to do so. That will be left
10 entirely up to you, individually.

11 If you do decide to take notes, be careful not to
12 become so involved in note-taking that you become distracted
13 from the ongoing proceedings. Don't try to summarize all of
14 the testimony. Instead, limit your note-taking to specific
15 items of information that might be difficult to remember
16 later, such as dates, times, amounts, measurements, identities
17 or relationships.

18 But remember that you must decide upon the
19 credibility or believability of each witness and you must,
20 therefore, observe the demeanor and the appearance of each
21 witness while testifying. Note-taking must not distract you
22 from that task.

23 Also, your notes should be used only as aids to your
24 memory. And whether you take notes or not, you should rely
25 upon your own independent recollection or memory of what the

1 testimony was and should not be unduly influenced by the notes
2 of other jurors. Notes are not entitled to any greater weight
3 than the recollection or impression of each juror as to what
4 the testimony was.

5 Now, as you know from the explanation that I gave
6 during the course of your selection, it is charged in this
7 case in Count One of the indictment that the defendants
8 engaged in an unlawful conspiracy to defraud the United States
9 by impeding, impairing or obstructing the Internal Revenue
10 Service in assessing and collecting the revenue.

11 Under the law, a conspiracy is a combination or
12 agreement of two or more persons to join together in an
13 attempt to accomplish some unlawful purpose. It's a kind of
14 partnership in criminal purposes.

15 And willful participation in such a scheme or
16 agreement, followed by the commission of an overt act by one
17 of the conspirators is sufficient to complete the offense of
18 conspiracy, even though the ultimate criminal object of the
19 conspiracy is not accomplished or carried out.

20 In order to establish the offense of conspiracy as
21 charged in Count One of the indictment, the government must
22 prove beyond a reasonable doubt each of the following specific
23 facts:

24 First, that two or more persons in some way or
25 manner came to a mutual understanding to try to accomplish a

1 common and unlawful plan as charged in the indictment;
2 secondly, that the defendant, knowing the unlawful purpose of
3 the plan, willfully joined in it; third, that one of the
4 conspirators during the existence of the conspiracy knowingly
5 committed at least one of the methods or overt acts described
6 in the indictment; and, four, that such overt act was
7 knowingly committed at or about the time alleged in an effort
8 to carry out or accomplish some object of the conspiracy.

9 In addition to the alleged conspiracy offense, the
10 indictment also charges certain so-called substantive
11 offenses; namely, in Count Two, the knowing and willful filing
12 of a false or fraudulent claim against the government in
13 violation of Title 18, United States Code, Section 287, and,
14 in Counts Three through Eight against the Defendant Snipes
15 alone, that the defendant willfully failed and refused to file
16 income tax returns that he was required by law to file for the
17 tax years 1999 through 2004, respectively.

18 In order to establish the offense charged in Count
19 Two, the government must prove beyond a reasonable doubt each
20 of the following specific facts:

21 First, that the defendant knowingly presented to an
22 agency of the United States a false and fraudulent claim
23 against the United States, as charged in the indictment;
24 secondly, that the false or fraudulent aspect of the claim
25 related to a material fact; and, third, that the defendant

1 acted willfully and with knowledge of the false and fraudulent
2 nature of the claim.

3 In order to establish the offenses charged in Counts
4 Three through Eight, the government must prove beyond a
5 reasonable doubt each of the following essential elements:

6 First, that the defendant was required by law or
7 regulation to make a return of his income for the taxable year
8 charged; second, that the defendant failed to file a return at
9 the time required by law; and, third, that the defendant's
10 failure to file a return was willful.

11 The term "knowingly," as that term is used in the
12 indictment and in these instructions, means that the act was
13 done voluntarily and intentionally, and not because of mistake
14 or accident.

15 The word "willfully," as that term is used in the
16 indictment and in these instructions, means that the act was
17 committed voluntarily and purposely with the specific intent
18 to do something the law forbids. That is to say with bad
19 purpose either to disobey or disregard the law.

20 Good faith is a complete defense to the charges in
21 the indictment since good faith on the part of the defendant
22 is inconsistent with intent to defraud or willfulness, which
23 is an essential part of the charges.

24 The burden of proof is not on the defendant to prove
25 good faith, of course, because the defendant has no burden to

1 prove anything. The government must establish beyond a
2 reasonable doubt that the defendant acted with specific intent
3 to defraud or willfulness, as charged in the indictment.

4 So with respect to the issue of willfulness, a
5 defendant would not be willfully doing wrong if, before taking
6 any action with regard to the alleged offense, the defendant
7 consulted in good faith an attorney whom the defendant
8 considered competent; made a full and accurate report to that
9 attorney of all material facts of which the defendant had the
10 means of knowledge; and then acted strictly in accordance with
11 the advice given by that attorney.

12 Whether the defendant acted in good faith for the
13 purpose of seeking advice concerning questions about which the
14 defendant was in doubt, and whether the defendant made a full
15 and complete report to the attorney, and whether the defendant
16 acted strictly in accordance with the advice received are all
17 questions for you to determine.

18 Similarly, with regard to the issue of fraudulent
19 intent, one who expresses an honestly held opinion or an
20 honestly formed belief is not chargeable with fraudulent
21 intent, even though the opinion is erroneous or the belief is
22 mistaken. And, similarly, evidence which establishes only
23 that a person made a mistake in judgment or an error in
24 management or was careless does not establish fraudulent
25 intent.

1 On the other hand, an honest belief on the part of a
2 defendant that a particular transaction was sound and would
3 ultimately succeed would not, in and of itself, constitute
4 good faith as that term is used in these instructions, if, in
5 carrying out that venture, the defendant knowingly made false
6 and fraudulent representations to others with the specific
7 intent to deceive them.

8 Now, we will begin the trial at this time by
9 affording to the lawyers for each of the parties an
10 opportunity to make opening statements to you in which they
11 may explain the issues in the case and summarize the facts
12 they expect the evidence will show.

13 After all the testimony and evidence has been
14 presented, the lawyers will then be given another opportunity
15 to address you at the end of the trial and to make their
16 summations or final arguments in the case.

17 The statements that the lawyers make now, as well as
18 the arguments they present to you at the end of the trial are
19 not to be considered by you either as evidence in the case,
20 which comes only from the witnesses and the exhibits, or as
21 your instruction on the law, which will come only from me.

22 Nevertheless, these statements or arguments are
23 intended to help you understand the evidence as it comes in,
24 the issues or disputes that you will be called upon to decide,
25 as well as the positions taken by both sides. So I ask, as I

1 know you will, that you now give to the lawyers your close
2 attention as I recognize them in just a moment, each in turn,
3 for the purpose of making an opening statement.

4 Now, you have already been provided by the clerk, as
5 I mentioned before, note pads and writing instruments with
6 which to take notes, if you choose to do so. We have also
7 prepared for each of you --

8 Madam Clerk, do you have them available, the jury
9 notebooks?

10 THE DEPUTY CLERK: Yes, they are right here.

11 THE COURT: A notebook for each of you for reference
12 during the course of the trial that includes, at least
13 initially, a copy of the preliminary instructions on the law
14 that I have just given to you, that you may wish to refer to
15 to refresh your recollection concerning those matters,
16 especially in the early part of the trial.

17 And also what we call a redacted or edited copy of
18 the indictment is included in the notebook. The indictment
19 contains certain allegations or statements that are not
20 contained in the abbreviated copy that we have given you at
21 this point, the purpose of the edited or abbreviated copy
22 being to give you a frame of reference for the essential
23 elements or the essential facts that the government must prove
24 as to each count beyond a reasonable doubt before a defendant
25 may be convicted of those particular counts, as explained in

1 my preliminary instructions.

2 It will be determined later, after the evidence has
3 been presented, the extent to which other portions of the
4 indictment will be included for your final perusal in
5 determining the case.

6 And there is some notebook paper, in addition to the
7 pads that you have already been given, to use in taking notes.
8 Now, I will ask, as these are distributed to you --

9 You can go ahead, if you will, Madam Clerk, and
10 distribute the notebooks to the jurors.

11 While counsel are making their opening statements,
12 members of the jury, please focus your attention upon their
13 statements. Make notes if you wish to, but do not try to go
14 back and read the instructions or the indictment at this time.
15 You will have your opportunity during recesses or the like to
16 do that, as you may wish.

17 At the moment, please give your attention, as I know
18 you will, to counsel. All right. Thank you.

19 Are you ready to proceed, Mr. O'Neill?

20 MR. O'NEILL: Yes, Your Honor.

21 THE COURT: You may address the jury and make
22 opening statement for the United States.

23 MR. O'NEILL: Thank you, Your Honor.

24 THE COURT: And you may turn that lectern.

25 MR. O'NEILL: Thank you, sir.

1 May it please the Court, Judge Hodges, counsel,
2 ladies and gentlemen of the jury.

3 Good morning. I would like to take this opportunity
4 to reintroduce myself, knowing full well that Judge Hodges had
5 done it earlier. My name is Robert O'Neill, and I am an
6 assistant -- well, I'm with the U. S. Attorney's Office here
7 in the Middle District of Florida. And together with Scot
8 Morris and Jeff McLellan, we will be presenting the evidence
9 in this case on behalf of the United States of America.

10 You know, I think you picked up already enough that
11 trials come in parts and there is various segments to a trial.
12 We have already gone through the first part, which was jury
13 selection, and you saw firsthand how Judge Hodges methodically
14 and painstakingly sought to ask questions to ensure that we
15 have a fair and impartial jury, a jury that did not come in
16 here with preconceived notions or preconceived prejudices or
17 sympathies.

18 Instead, we wanted people with a clean slate that
19 would judge this case absent prejudice, absent sympathy, and
20 determine this case based on the facts that come out in the
21 trial within the confines of these four walls.

22 His Honor has instructed you that the burden of
23 proof is on the United States. Therefore, I have the honor
24 and privilege of addressing you first. And it is true, the
25 burden of proof is upon us.

1 And the burden of proof is a term of art, like many
2 terms of art you are going to hear during the course of this
3 trial. And it is not my province or balliwick to define those
4 terms to you. That is for the Judge. We all have our own
5 roles, and the Judge instructs you on the law. He has told
6 you, though, that the burden of proof is on the government
7 beyond a reasonable doubt. And he will instruct you on that
8 meaning. He has done already to some degree.

9 I would merely state to you that it is not a proof
10 beyond all doubt or to a mathematical certainty, which, of
11 course, would be an impossible burden, and one the government
12 could never sustain.

13 Because the proof beyond a reasonable doubt standard
14 is the standard that applies in every courtroom on every level
15 in the United States of America, whether it be Federal or
16 State. It is the burden of proof that is required in order to
17 find a defendant guilty. And, again, it is a term of art.

18 His Honor also mentioned to you another standard or
19 bulwark within our constitutional jurisprudence, and that is
20 the presumption of innocence.

21 As the defendants sit here, before you have heard
22 any evidence, before the case starts, they are presumed
23 innocent. And that innocence stays with them until the
24 government proves beyond a reasonable doubt their guilt of the
25 offenses charged.

1 It is sometimes thought of in various legal
2 commentators and attorneys who use various analogies on the
3 presumption of innocence, many times it's thought of as sort
4 of a cloak that hangs over them. And it is incumbent upon the
5 government, upon the United States to pull that cloak off.

6 How does the government do that? It is through the
7 introduction of evidence, the evidence in this case.

8 Now, evidence comes in various forms, ladies and
9 gentlemen, and I would just like to briefly explain what you
10 are going to see and what you are going to hear.

11 Evidence will come first from witnesses. And many
12 of you have seen this on television shows and heard about
13 this, and, if you were a juror, you have seen this.

14 A witness comes into court, testifies in the witness
15 chair and gives an oath. It's subject to direct examination
16 and then it's subject to cross-examination. And you, as the
17 judges of the fact, judge that person's credibility,
18 believability, as His Honor has just told you.

19 You determine whether you believe that person,
20 whether what they are saying makes sense to you, whether it
21 squares with your common sense, whether it's believable, and
22 whether it's credible. And you are the judges in that
23 capacity, making that determination.

24 And that's the first general category of evidence.
25 The second general category of evidence would be

1 documentation. And in this case, I am afraid to tell you
2 there is going to be a lot of documentation. There are going
3 to be a lot of records, a lot of paper.

4 Now, one of the good things is we do have a computer
5 system so whatever documents go into evidence, we will be able
6 to show you. As His Honor instructed, don't be worried about
7 seeing every piece of documentation because, once they go into
8 evidence, they are part of the province of the jury and go
9 back to the jury during your deliberative process. So you
10 will have a chance to see them, but there will be a lot of
11 documents.

12 And these are documents that were made during the
13 times in question, during the course of this case. And you
14 will get to see them.

15 What type of documents? Financial records, you will
16 see a lot of financial records, specifically about the
17 personal affairs of Defendant Snipes, moneys he made, income.
18 There will be a lot of government documents, what we might
19 call public documents under seal, documents that are kept by
20 agencies such as the Internal Revenue Service; tax returns,
21 indicating whether tax returns have been filed.

22 You will also have or see what we will call
23 nondocuments. Kind of an odd way to say it, but where
24 documents don't exist, sort of the non-file. And the IRS will
25 keep that, as well. They have records when a tax return is

1 not filed. So you will see a lot of documents like that.

2 You will also hear about an entity, and we will talk
3 about it in a second, called the American Rights Litigators or
4 Guiding Light of God's Ministries, which is the name that it
5 changed to.

6 And that was an organization that was run by the
7 defendant, Eddie Kahn, and associated with the Defendant
8 Douglas Rosile, and of which the Defendant Wesley Snipes
9 became a member. And that's an organization that was located
10 here in Lake County, which is why we are here today, ladies
11 and gentlemen, in court in Ocala within the Middle District of
12 Florida, because these activities occurred in Lake County.

13 And you will hear about this organization, and that
14 this organization, its focus was to thwart the process of the
15 IRS, to defraud the IRS, to come up with bogus tax returns for
16 its members. That's what it is. You will see the
17 documentation. You don't have to take my word for it. It
18 will all come out during the trial.

19 And you will see a lot of that documentation
20 because, as part of the government's investigation in this
21 case, a search warrant was conducted of the premises. And a
22 search warrant, as you will hear, is a duly authorized warrant
23 by a sitting Federal judge, who authorizes investigators to go
24 in and conduct a search of the buildings.

25 And once that is conducted by the agents, then we

1 get the documents and the documents will be here for you to
2 see. And you will see what American Rights Litigators or
3 Guiding Light of God Ministries was. And I am using both
4 names because it changed its name during the term of this case
5 from ARL to GAG.

6 But, again, Mr. Kahn, you will hear, was associated
7 with that, Mr. Rosile was associated with that, and Mr. Snipes
8 became a member of that.

9 And that is the second broad sort of category of
10 documentation or evidence which is documentation. We call it
11 documentary evidence.

12 The third and final sort of one is what we in the
13 law would call "stipulations," but it is just simply
14 agreements. If the government and the defense agrees on a
15 certain matter, there is no need proving it to you. We will
16 just agree to that. You might or might not see stipulations
17 in this case. You just never know as the trial progresses.

18 But that is the broad sort of ranges of evidence
19 that you are going to hear and see in this case.

20 Now, it is incumbent upon the United States to take
21 that evidence that's going to be submitted to you and prove
22 the charges in this case.

23 His Honor has told you there are eight charges in
24 this case. Count One is a conspiracy, and it charges all
25 three defendants: Defendant Snipes, Defendant Kahn and

1 Defendant Rosile.

2 And as he said -- and we will get into this during
3 the evidence -- a conspiracy is sort of a partnership in
4 crime. It is what's called an unlawful agreement.

5 And what, in essence, the agreement here was is that
6 the Defendant Snipes, Kahn and Rosile unlawfully agreed to
7 defraud the United States of the revenue that it was due by
8 not filing taxes, by filing bogus and fraudulent
9 documentation, by thwarting the process of collecting that
10 revenue. That's Count One.

11 Count Two -- and we will talk about it -- is what is
12 called a false claim against the United States. And it is a
13 very specific -- the conspiracy count, you will see, will
14 cover a great range of things.

15 Count Two is much more specific, and it occurs on a
16 certain date when Mr. Kahn and Mr. Rosile, through the
17 American Rights Litigators on behalf of Mr. Snipes, filed a
18 false claim for back taxes.

19 You will hear Mr. Snipes had filed his 1997 tax
20 return, but, years later, wanted back the money and taxes he
21 had paid. And we will talk about that in a second. So that
22 was filed with the IRS and it is what's called a false claim.

23 The Third through Eight counts are only as to the
24 Defendant Snipes alone and do not involve the other
25 defendants. And those are the failure to file for the tax

1 years 1999, 2000, 2001 and so on, because he did not file tax
2 returns in those years.

3 And those are the charges. And so it's incumbent on
4 the government to take the evidence in this case and prove
5 those charges.

6 Let's turn to those cases. Well, let's turn to the
7 facts of this case. And I would ask if we could put up on the
8 board what we have presented as a timeline. And it is a sort
9 of just a summary chart; not evidence. The evidence will,
10 again, come from witnesses and documentation. But this is a
11 summary to give you an idea of what the government will be
12 proving.

13 And while you are looking at that, let me go
14 backwards in time a little for you, which will bring us right
15 up to that timeline.

16 I expect that the evidence will show that in the
17 1990s that Defendant Snipes was a taxpaying member of this
18 government, of this country -- excuse me -- and he paid his
19 taxes. He had hired tax professionals, a company you will
20 hear called Starr & Company -- "Starr" has two r's -- out of
21 New York City.

22 And these people provided tax advice to him, did his
23 taxes, tax preparation, and eventually did even more for him;
24 became a sort of an agent for him, paying his bills and the
25 like.

1 And you will hear from individuals at Starr &
2 Company. For instance, in 1993, 1994, 1995, all through the
3 nineties, Mr. Snipes has them file his taxes. And we will
4 show you those taxes. I fully expect them to be entered into
5 evidence. This occurs through 1998.

6 Now, as you all know, your 1999 tax is always due --
7 owing the next year, just like in a couple of months we will
8 all have to pay 2007.

9 Something happens in 2002 -- I mean in 2000, excuse
10 me -- the year 2000, and that stops the payment of taxes. And
11 you will see -- and I will try -- I have a copy here to look
12 at. It might be very difficult for you to make out everything
13 on that board.

14 But the very first box shows January 8th of '00,
15 2000, Snipes pays Kahn a 2,000-dollar consulting fee.

16 What's happened here is two things. While Defendant
17 Snipes is joining Defendant Kahn, he is now not providing
18 information to his tax advisors in New York. They are going
19 to want to start putting together his 1999 tax return. And in
20 order to do so, they need his personal information, just like
21 everybody in this room.

22 Common sense tells you -- you know how to fill out
23 your tax returns. You have got to get your information and
24 provide it. They are not getting that information. Why?
25 Defendant Snipes is now joining this group.

1 And you will see in March or April, in the box,
2 March 2nd in 2000, Defendant Snipes joins Defendant Kahn's
3 American Rights Litigators here in Lake County, Florida.

4 And then shortly thereafter, Mr. Kahn has a
5 conversation with the tax advisors in New York in which he
6 tells them Mr. Snipes is not required to file taxes. Why? He
7 asserts something called an 861 position.

8 You will hear more about this from witnesses, but it
9 is a bizarre, gibberish kind of idea that people in America
10 don't have to pay taxes on income derived in America. It only
11 applies to certain foreign-based income.

12 That is going to be what he tells the people at
13 Starr & Company. The Starr & Company professionals denounce
14 that, say that doesn't make any sense. But that's the
15 position of Defendant Kahn.

16 As a result of that, you will see in April of that
17 year, as the tax return is due and owing, it is not filed. An
18 extension is sought by Starr & Company because they are still
19 trying, during this period of time, of figuring out whether
20 tax is due, what Mr. Snipes is doing.

21 Then you will see right below it, Mr. Snipes at this
22 point files a claim for a 1996 refund of four million dollars.
23 He had filed his income taxes in 1996, as we said, through
24 Starr & Company, had paid approximately four million dollars
25 in taxes, and now wants that back. So he files an amended

1 return seeking that based on this 861 position. And this
2 return is filed by or prepared at the American Rights
3 Litigators.

4 Now we flip over to June. And you will see in June,
5 the Defendant Kahn gives a private seminar for the Defendant
6 Snipes in California.

7 And then there starts a series -- and you are going
8 to see a lot of this documentation. The IRS sends the
9 Defendant Snipes a warning that his previous filing is
10 frivolous.

11 The Defendant Snipes writes to his tax advisors,
12 claiming his income is not subject to Federal tax. The owner
13 or proprietor of Starr & Company calls Defendant Snipes, and
14 says, in June: Hey, hey, hey, you are going to have to pay
15 your taxes. This 861 position doesn't make sense.

16 He doesn't get anywhere, he will tell you, with
17 Defendant Snipes, so he terminates Defendant Snipes as a
18 client, and writes a letter in the latter part of June 2000.

19 The extension goes up until October that year, but
20 on that time, the Defendant Snipes fails to file his 1999 tax
21 returns. Instead, in October of that year, he signs an
22 affidavit of incompetency, claiming he does not understand the
23 tax laws.

24 Again, these documents that he is filing with the
25 IRS you are going to see, you are going to have an opportunity

1 to peruse and review.

2 And then what's he do? This is the first time you
3 are going to hear of this type of document. In November, he
4 sends a one-million-dollar Bill of Exchange to the secretary
5 of the Treasury with an IRS payment voucher.

6 A "Bill of Exchange" is, again -- this document not
7 worth the paper it's printed on. It looks like a check to
8 some degree, but not really. And it looks like it might be
9 payment or something -- you will get to see it -- but it's
10 printed on a printer at the American Rights Litigators, and it
11 is always accompanied with a payment voucher to the IRS,
12 saying: Hey, we just paid you.

13 So in November of 2000, he sends this
14 one-million-dollar Bill of Exchange, this nonsense document to
15 the IRS.

16 I would like to go into 2001 at this point and tell
17 you what transpires in 2001. In January then of 2001, he
18 sends -- "he" being the Defendant Snipes, in case you can't
19 read the chart very well -- sends a 12-million-dollar Bill of
20 Exchange to the Secretary of Treasury, again with an IRS
21 payment voucher, as though he has paid 12 million dollars.
22 Again, it is a fraudulent, frivolous document that has no
23 legal significance whatsoever.

24 In April of that year, he renews his ARL membership.
25 So, again, he is rejoining the American Rights Litigators, the

1 organization run by the Defendant Eddie Kahn.

2 And then on April 14th of that year, when your tax
3 return is normally due, he files a claim for a 1997 refund of
4 7.3 million dollars, prepared at the American Rights
5 Litigators by the Defendant Rosile.

6 Remember, the Starr & Company all through the
7 nineties has prepared his taxes. And you will see those
8 taxes. They have the usual, you know, going down, getting
9 your income, your adjusted gross income, your deductions, your
10 exemptions, going through the whole thing. You will get to
11 see it all.

12 But in 1997, he paid a considerable amount of taxes,
13 several million dollars. He now is filing something with the
14 government, saying: I want that money back.

15 And that, ladies and gentlemen, is the genesis
16 behind Count Two, that is the false claim against the United
17 States asking for this, re-doing it. In essence, he is saying
18 he had no income in that year, he has no income, he is not
19 required to file, so he should get his money back.

20 And you will see on the 16th, just two days later,
21 he fails to file his 2000 tax return.

22 Then we go into September, and there is an IRS
23 letter to the Defendant Snipes and an attorney associated with
24 American Rights Litigators, requesting his 1999 tax return
25 that has not been filed.

1 And, again, in October there is an IRS letter to
2 Defendant Snipes and the attorney associated with American
3 Rights Litigators, requesting that 1999 tax return.

4 And then we go into 2002. And in March of that
5 year, the Defendant Snipes renews his American Rights
6 Litigators membership. And then we have here, in April he
7 fails to file his 2001 tax return now. Again, he is not
8 filing his tax returns.

9 But at that time, he signs, in April of 2000, a ten
10 million dollar plus movie agreement on a movie called "Blade
11 II." Apparently, there was a trilogy and there were three
12 separate ones; "Blade I," "Blade II," "Blade III." And I
13 expect you will hear testimony about that.

14 In May of that year, an IRS special agent, Cameron
15 Lalli, who was introduced to you, reads the Defendant Snipes
16 his rights and he informs him he's the subject of a criminal
17 investigation. No longer just trying to get back the money.
18 He is now the subject of a criminal investigation for not
19 filing his taxes.

20 And yet a couple of months later, the Defendant
21 Snipes sends a one-million-dollar Bill of Exchange again to
22 the Secretary of Treasury with an IRS payment voucher. Again,
23 this is just a false, frivolous document being filed on his
24 behalf to the Treasury.

25 Now we go to the year 2003. In March of that year,

1 he once again renews his ARL membership. We know this, again,
2 from the search warrant. We have got all the documents. They
3 will be introduced into evidence for you, I fully expect.

4 In April, he fails to file his 2002 tax return.

5 In September, he signs a ten million dollar plus
6 agreement on "Blade III," the movie.

7 And in November of that year, he sends a letter to
8 an IRS special agent, challenging that agent's authority to
9 criminally investigate him, saying he has no authority to do
10 that and he cannot investigate.

11 Then we go to 2004. At the beginning of that year,
12 he sends yet another letter challenging the authority of the
13 criminal agent to criminally investigate him concerning taxes.

14 And then in February of that year -- it's not on
15 this timeline -- the search warrant is executed at the offices
16 of what had been American Rights Litigators and is now Guiding
17 Light of God Ministries.

18 And you will hear about that, and the agents who
19 took part in that will testify as to the execution of the
20 search warrant, as to what documents were seized, as well as
21 both in paper form and also in electronic form. Because many
22 times people have computers and the search is also conducted
23 that way. And you will hear from the agent who conducted the
24 search in that capacity.

25 In April, the Defendant Snipes fails to file his

1 2003 income tax return. Now, in May, he sends filing
2 statements for 1999 and 2000 to the IRS; not tax returns, but
3 filing statements. You will see them.

4 Again, what they are, what they mean, you will be
5 the judges of that. You will have an opportunity to see. Of
6 course, this is way after he knows he is the subject of a
7 criminal investigation, and they espouse much antitax
8 rhetoric, as you will see.

9 In July of that year, he sends multiple notices of
10 entry of default documents to the IRS. Again, you will see
11 them. You will be asking yourselves whether they are nonsense
12 or not.

13 And at the end, in July, he sends -- Snipes sends
14 a -- excuse me. The IRS sends to the Defendant Snipes
15 frivolous correspondence response. They are telling him this
16 stuff is frivolous.

17 In 2005, Mr. Snipes again fails to file his 2004
18 income tax return, and he sends a filing statement for tax
19 year 2005 to the IRS in August. Again, you will have an
20 opportunity to see it. It, obviously, is not a tax return.
21 It is just some sort of statement by Mr. Snipes.

22 2006, you will see that the Defendant Snipes sends a
23 legal notice of resignation of compelled Social Security
24 trustee to the IRS. Again, we will show it to you. It has no
25 legal significance.

1 And in December of that year, he sends a filing of
2 amended return and tax statement to the IRS. Although the
3 title seems to imply some sort of tax return, you will see for
4 yourselves, ladies and gentlemen, it is not a tax return.

5 So you can see in all those years, Mr. Snipes did
6 not file his income tax returns as required by law.

7 Now -- and this is what I am talking about applies
8 to Counts Three through Eight for failing to file. I would
9 like to show you his income briefly, and turn to 1999. And
10 you will see that even though Mr. Snipes did not in those
11 years file income tax returns, he did make income, which is
12 something we are going to have to prove. And that's why we
13 are showing it.

14 In 1999, for instance, he made -- total income to
15 Mr. Snipes was in excess of ten million dollars. That was
16 from some movies, some partnership incomes, interest incomes,
17 dividend incomes, some capital gains. And that's why the
18 financial documents have to go into evidence, to show that he
19 needed to file, based on this income.

20 Now, you will hear the filing requirements and they
21 vary. As you know in your own common experiences and daily
22 life experiences, each year the IRS minimum requirement goes
23 up a little. And so for some of these years, it starts at
24 7,200, and then it goes up a little. If you are single, if
25 you're married, filing jointly, it is higher; if you are

1 married, filing separate, it is lower. And the witnesses will
2 talk about that. Suffice to say, the amounts I am telling you
3 are way in excess of the minimum filing requirements.

4 So in 1999, he makes in excess of ten dollars.
5 That's total income to Defendant Snipes.

6 In 2000, again, from a movie and from partnership
7 income, interest income, dividend income, capital gains, he
8 makes in excess of two million dollars; according to the
9 chart, \$2,331,054.41. And he did not file an income tax
10 return.

11 In 2001, there is a total from movies, royalties and
12 residuals of over 17 million dollars. But of that, total
13 income to Wesley Snipes \$1,462,762.23.

14 Go on to the year 2002, you will see here total
15 income for Mr. Snipes at the bottom, \$5,806,740.98.

16 2003, total income just about 4,500,000 dollars.

17 2004, total income slightly over 13-and-a-half
18 million dollars.

19 And, again, all of that will come through through
20 the financial documents, which have been gone through, and
21 that's how we determine these numbers.

22 And, finally, ladies and gentlemen, for these Counts
23 III through Eight, I will show you a final chart, which shows
24 the filing history for Mr. Snipes.

25 And you will see, as we go along the top part of the

1 chart, the years 1993 to 1998 are the years where he is
2 utilizing a tax preparer. His taxes are being filed. And you
3 will see on each, there's a column adjusted gross income,
4 taxable income, tax liability, what he paid.

5 And you will see in '93, he paid 1.1 million. And I
6 am just rounding it off here; 1994, 1.8 million; 1995
7 2.7 million; 1996, 4 million; 1997 7.3 million; 1998, no, but
8 none were due. That was a tax return. You will see it. You
9 can see at the top, he did not have any income that year.

10 And then you will notice in Counts Three through
11 Eight, along the bottom, there is no tax return filed in '99,
12 2000, 2001, 2002, 2003, 2004, despite the incomes made as I
13 have told you.

14 Ladies and gentlemen, that in very broad strokes is
15 the what the United States intends to prove in this case.
16 Again, it is not through what the lawyers say and it's not
17 through what you may hear outside this courtroom. It is
18 within the four walls of this courtroom. It is the witnesses
19 presented here, it is the documentation that comes in, and
20 that the Judge rules is admissible evidence. And that's what
21 you are going to see.

22 In judging this evidence -- and His Honor has told
23 you you are judges, you are judges of the fact -- you use your
24 common sense, your good judgment. Because the one thing that
25 a jury brings to each trial is its common sense and its good

1 judgment. Some people think lawyers might not have that, but
2 jurors clearly have the common sense. And that's how you
3 judge this.

4 Listen to the evidence, look at the documentation.
5 At the end of this case, I will have an opportunity to speak
6 to you again. And at that time, on behalf of the United
7 States of America, I will ask you to find the Defendants
8 Snipes, Kahn and Rosile guilty as charged. Thank you very
9 much for your kind attention.

10 MR. BERNHOFT: Your Honor, may we have a brief
11 recess so we can set up our items in the well?

12 THE COURT: All right. I think that's appropriate,
13 counsel. In order to avoid interrupting other counsel,
14 members of the jury -- we have been here some time -- let's
15 pause for our morning break.

16 As I think I said yesterday and the day before
17 during the process of jury selection, I do try to pause during
18 the day at least once in the morning, once in the afternoon
19 for a recess, and we will do that now. And you may withdraw
20 to the jury room and we will take a 15-minute break.

21 (Short recess was taken.)

22 (Jury present.)

23 THE COURT: Thank you. Be seated, members of the
24 jury, please.

25 MR. MEACHUM: May I, Your Honor?

1 THE COURT: Mr. Meachum, you may address the jury.

2 MR. MEACHUM: Thank you, Your Honor.

3 Judge Hodges, members of the court staff, members of
4 the United States Attorney's Office.

5 Ladies and gentlemen of the jury, I guess when I
6 think about how we talk about what an opening statement is, I
7 guess it would be a table of contents of a book. By the end
8 of this trial, you'll know the title of that book. But in any
9 table of contents it's supposed to tell you what you're going
10 to read, what the chapter's about.

11 So before I start, I would like to just address the
12 table of contents that my friend and brother at the Bar, Bobby
13 O'Neill, told you about what the government will show.
14 There's a couple of things.

15 They will present evidence and testimony and paper;
16 that's correct. And they will talk about ARL litigators or
17 Guiding Light Ministries. That's correct. But what he didn't
18 say and what the documents won't say and what the evidence
19 won't prove is that Wesley Snipes was an officer, director,
20 employee, accountant, or attorney for any accounting firm or
21 law firm that he hired.

22 When I was listening to Bobby talk -- and that's no
23 disrespect because he is my friend -- he used the term "fee."
24 Fee. That's something that you pay. You pay a fee for
25 something.

1 There's an old saying that I used to remember as a
2 little boy from American Express: Never leave home without
3 it. Commonsense and life experiences, I am imploring you,
4 don't ever leave home without it while you are hearing this
5 case.

6 There are a lot of documents. There are a lot of
7 documents. They, once again, talk about ARL and Guiding Light
8 Ministries. But of the thousands of documents that you will
9 see, Wesley Snipes is one amongst thousands of clients -- let
10 me say that again -- thousands of clients that they serviced.

11 Now, there's an old Southern saying -- I'm a
12 Southern boy -- every goodbye ain't going and every hello
13 ain't coming. So look at the evidence. Don't be overwhelmed
14 by the numbers. But look at the evidence.

15 I just want to talk to you a few moments about
16 Wesley Snipes. Wesley Snipes has never had any intention to
17 defraud the government. He has never been a conspirator. He
18 has never, ever been a tax protester. And he's never, ever
19 been a cheat.

20 I'll tell you what he is. Like all of us, he is an
21 American citizen who asked questions. Why did he ask
22 questions? Because he wanted to do the right thing. Even in
23 the advice that he had been given, he wanted to make sure that
24 he complied with the law. He has never, ever defrauded
25 anyone.

1 I'd like to take a moment and talk to you about
2 Wesley Snipes, the person, the human being. He's the grandson
3 of the late, great Ruth May Dukes. He calls her Nana. He
4 used to love to fish.

5 He's the son of Wesley Rudolph Snipes, a 30-year
6 veteran of the Air Force, and the son of Maryann Long Snipes,
7 a hardworking divorced parent.

8 He is the oldest child of three. He's Bridget's
9 brother. He's Wesley's brother, yes. And I want to make sure
10 that you understand that. His father's name is Wesley. His
11 name is Wesley, and his brother's name is Wesley.

12 He is the husband of Nikki and a father, a devoted
13 father, of five children.

14 Wesley and his family lived in New York City in
15 Lower Manhattan up until the tragedies of 9-11 that not only
16 destroyed his home but almost killed him.

17 You know, ladies and gentlemen, what I want to say
18 to you this morning about Wesley Snipes is, he is the epitome
19 of the American dream. He's the boy who went off and made
20 good and started in humble beginnings. He is what America is
21 all about.

22 Don't be fooled about what this case is about. Let
23 me tell you what our evidence will show this case is about.
24 It's about breaches. It's about broken confidences. It's
25 about unethical practices. It's about betrayal of trust,

1 betrayal of trust of those individuals that he paid a fee for
2 to provide services, both financially and legally, a fee, a
3 fee that the government used.

4 My colleague Bob Bernhoft will tell you about these
5 breaches, but what I want to do is to make you aware of the
6 person. You see, ladies and gentlemen, Wesley Snipes is more
7 than a movie star. Wesley Snipes is more than a celebrity.
8 He is a human being, born in your midst more than 45 years ago
9 in Central Florida.

10 His mother, like many at that time, decided to
11 relocate to the Northeast. She took a two-year-old son,
12 Wesley, and a one-year-old daughter, Bridget, and lived in
13 South Bronx and worked several jobs, one of which was a
14 teacher's aide, in a one-bedroom apartment.

15 It's interesting. I want you to know by the time
16 Wesley Snipes was ten years old, he had moved five times, five
17 times.

18 But in all of that he was blessed to have talent,
19 talent that was recognized, and he was allowed and accepted in
20 the world renown school of performing arts for high school
21 students.

22 But to his dismay, in the tenth grade, just as he
23 was being called to audition for a play, his mother said, We
24 have to move back to Orlando. You see, his mother, like many
25 Southern mothers and just good mothers period, started to

1 realize that the Bronx was not the proper place to raise a
2 family. So she was trying to protect Wesley and her kids.

3 But when he moved back to Florida, he was so
4 talented and so motivated that Wesley established a theater of
5 arts training program that students in Central Florida benefit
6 from today.

7 You know, I want you to know that there's
8 contributions that Wesley has made in his absence to this
9 community, and they are still benefiting from that 15, 20
10 years later.

11 As soon as he graduated from Jones High School,
12 Wesley went where? Back to the place that his mother said he
13 had to leave, back to New York.

14 But he went there with a purpose; he went there with
15 a goal. You see, he got a scholarship to go to the State
16 University of New York. We refer to it as SUNY. They've got
17 a lot of different campuses, but he went to the Purchase
18 campus where he obtained a bachelor of arts.

19 His career started and -- and some of you know that
20 you have seen him as an actor in Blade or Art of War, but
21 Wesley was a dancer and singer, a dancer and singer. You
22 might have seen him even in videos of "Bad" by a guy by the
23 name of Michael Jackson. He was in the group of Michael
24 Jackson dancing on "Bad."

25 But early on he realized that his passion and his

1 true talents was in acting. By the time that Wesley Snipes
2 was 25, he had been on Broadway twice, had made appearances on
3 soap operas called "All My Children," and started to work with
4 some of the industry's largest and most-popular actors at that
5 time by the name of Matt Dillon, one of the members of what
6 used to be known as the Brat Pack.

7 But, yes, like all of us who come from those
8 beginnings, he wanted to go back to Florida and move Nana and
9 his mother and brother in a house, because he made it, not the
10 house that he lived in, but a house that he could move his
11 mother and -- his mother live in a 900-square-foot home.

12 Wesley is now acting and making money, so he wanted
13 to move Nana in a house where she could fish on a dock, in a
14 house where his mother was not cramped and can be proud -- not
15 his house, his family's home.

16 With the rise of his artistic success, his
17 dependency on those who provided professional services grew.
18 You see, unlike us who work and we're home every day and
19 sometimes we travel, this man leaves his family and his home
20 sometimes for six, seven months at a time.

21 He is a person who has become totally dependent on
22 the financial and legal services of others.

23 Don't be led in this case about betrayals by Wesley
24 Snipes. You see, Wesley Snipes is the one who has been
25 betrayed by many, by many, not all sitting at defendants'

1 table today. He has been taken advantage of by many, not all
2 named in this Indictment.

3 My name is Danny Meachum, and I want to thank you,
4 all of you. You don't know me, but I'm looking at you and
5 you'll see my face for days to come.

6 I want to thank you for your sacrifices. You see,
7 when you sit as a juror in a case like this, it's a sacrifice.
8 But I want to humbly request that you listen to this case
9 intently.

10 You have a very difficult job, ladies and gentlemen.
11 You have a job that you have to sift through the thousands of
12 documents that the government will show you.

13 There's an old saying that we have in law school:
14 If you throw enough stuff against the wall, maybe sometimes it
15 will stick. But I have confidence in you that you won't let
16 it stick because you will look at all of it.

17 This is probably the only time in your life that
18 your vote really counts. Your vote, your 12 votes, really
19 count.

20 I know that you're committed to doing what's fair.
21 I come from a town just like this. I grew up with people like
22 you, and I know that they're fair and they want to do the
23 right thing. I am convinced, when you do the right thing, you
24 will acquit Wesley Snipes and send him back home to his
25 family.

1 Thank you very much.

2 MR. BERNHOFT: Your Honor, may I proceed?

3 THE COURT: Mr. Bernhoft?

4 MR. BERNHOFT: Thank you, Dan.

5 Your Honor, counsel, ladies and gentlemen of the
6 jury. Dan has provided some background, some historical
7 background, on Wesley Snipes, who he is as a man. And now
8 we're going to turn to talking about some of the core issues
9 in this case.

10 The most important issue you will be called upon to
11 decide in this case based on the Court's instructions on the
12 law is this: Did Wesley Snipes -- did he lie to the IRS? Did
13 Mr. Snipes intend to deceive the IRS and act with a bad
14 purpose to disobey the law? That is the fundamental issue in
15 this case, and this is the core issue upon which you must
16 decide.

17 THE COURT: Mr. Bernhoft, try to stand at the
18 lectern, if you will, please.

19 MR. BERNHOFT: Yes, sir.

20 THE COURT: Since I've interrupted, let me also
21 remind counsel of the Local Rule that requires that we use
22 surnames rather than given names in referring to co-counsel or
23 others.

24 MR. BERNHOFT: Yes, Your Honor. Thank you.

25 I tend to wander, so we'll fix at the podium here.

1 Now, what the evidence is going to show is this.
2 Everybody wants to know what Wesley Snipes did. What
3 Mr. Snipes did is he sent letters to the IRS, dozens of
4 letters and document packages. And in those letters and
5 document packages he asked questions about his tax
6 obligations.

7 The evidence will show that he was intending to
8 comply with the law by asking the IRS questions. He asked,
9 What tax does the law make me liable for, and what form does
10 the law require me to file to pay that tax? Basic,
11 straightforward questions that every American is entitled to
12 get an answer on. And the evidence will show that there was
13 absolutely no meaningful response from the Internal Revenue
14 Service.

15 Mr. Snipes did not just engage in trying to get
16 answers from the IRS through written correspondence, the
17 evidence will show that he asked for sit-downs. Wesley Snipes
18 went to the IRS, and he asked to sit down, a sit-down with the
19 IRS to resolve these civil tax controversies. He asked for
20 interviews, conferences, and appeals with IRS and got none of
21 it.

22 So these weren't just letters asking questions; he
23 stood ready and was prepared to sit down with the IRS with his
24 advisors and work it out. Open the law books, open the law
25 books, show me the law that imposes this particular tax, and

1 look at the law books, show it to me, tell me what form the
2 law requires me to file to pay that tax.

3 Now, there's -- there's -- there's more in terms of
4 what the evidence will show about what Mr. Snipes was doing,
5 and that's what you're called upon to decide here.

6 You've heard some of the preliminary instructions
7 from Judge Hodges, and he's talked about these critical facts
8 about acting with a specific bad purpose to break the law,
9 deception, trickery, deceit.

10 And our view of the evidence -- and we respectfully
11 submit that your fair view of the evidence -- will show that
12 these attempts by Mr. Snipes to get his questions answered
13 through not just letters but through requesting sit-downs with
14 the government, sit-downs with the IRS, will demonstrate that
15 he was attempting to comply with the law. He wasn't hiding;
16 he wasn't debating.

17 Another important fact that's going to come into
18 evidence is that Wesley Snipes told the IRS that he stood
19 ready to pay any and all tax that the law made him liable for
20 and to file any form the law required him to file to pay that
21 tax.

22 He went right to the IRS and said, Let's open up the
23 law books. I'm getting conflicting views from all these tax
24 advisors. You show me what tax I got to pay, what form I got
25 to file. Maybe you owe me money; maybe I owe you money. And

1 at the end of the day we'll work this out in a civilized
2 fashion.

3 In these efforts the evidence will show that
4 Mr. Snipes actually went to the IRS, and he corresponded and
5 he said, Audit me. Perform an audit on me. And he sent the
6 letter in requesting what the IRS calls a "field examination."
7 Now, that's IRS parlance for an audit, A-U-D-I-T.

8 So here's a man, the evidence will show, that not
9 only writes letters to the government asking questions about
10 his tax obligation, requests interviews, appeals and
11 conferences, but he also asks for an IRS audit. He stands
12 ready to file and pay. Sit down with me and show me what I
13 got to do.

14 This is not a case where the IRS came knocking on
15 Mr. Snipes' door and Wesley ran to the back room and hid in
16 the closet. Wesley Snipes directly engaged the IRS. He
17 knocked on their door, and they did not answer.

18 The evidence will also show that along the way
19 Mr. Snipes followed IRS published forms, rules and procedures
20 to get his questions answered.

21 Thank you.

22 Now, one of the things that you should keep in mind
23 as you view the documents and as you listen to the testimony
24 of witnesses and as you carefully, thoughtfully and
25 conscientiously deliberate on the evidence in this case is

1 that this is a criminal case. As the Court has indicated and
2 as my learned brothers at prosecution table have also
3 indicated, this is a criminal case. This is not a civil tax
4 case.

5 Your verdict in this case will have nothing to do
6 with whether the IRS can collect tax money from Wesley Snipes,
7 nothing whatsoever. This is a criminal tax case. Your
8 verdict will have nothing whatsoever to do with that.

9 And at the end of this case, when you deliberate on
10 the evidence -- and we respectfully suggest to you that you
11 return the only verdict the evidence permits, not guilty on
12 all counts -- be clear that the IRS will be able to pursue
13 Mr. Snipes for every penny of tax they believe he owes, and at
14 that point Mr. Snipes will have his day in federal civil tax
15 court, and the chips are going to fall where they may. Your
16 verdict has no effect on that.

17 This is about whether Mr. Snipes acted with a
18 specific criminal intent, whether he was deceptive, whether he
19 was trying to trick the IRS, whether he was trying to act with
20 a specific bad purpose to disobey the law.

21 Now, one of the other important issues in this case
22 is something that we call "venue." And you, the jury, will be
23 called upon to decide where Mr. Snipes made his permanent home
24 between the years 2000 and 2005. This is an important issue
25 in this case.

1 Now, at the end of this case the Court is going to
2 instruct you on the facts that you should consider when making
3 this very important determination.

4 This is particularly important for Counts Three
5 through Eight of the Indictment, the alleged willful failure
6 to file tax returns. And keep in mind that the mere failure
7 to file a tax return is not a crime; it must be willful. And
8 we'll talk a bit about what this concept of willfulness means.

9 So turning to venue, it's a legal -- as Mr. O'Neill
10 said, there's some terms of art here. This is a legal term.
11 In practical terms, it means, Where did Wesley Snipes make his
12 permanent home between 2000 and 2005?

13 And this is one place in the law where the law has a
14 very powerful logic, because the facts you will consider are
15 the ordinary but important things that we all do where we
16 live.

17 Now, the evidence will show that one of Mr. Snipes'
18 companies, a company called Amen Ra Films, purchased a home in
19 Windermere, Florida, which is outside of Orlando. And
20 Mr. Meachum, my esteemed co-counsel, referred to this home.

21 That was purchased sometime in 1993 or thereabouts.
22 It was purchased by one of Mr. Snipes' companies, and his
23 grandmother lived there. That's what the testimony and
24 evidence will show.

25 It's not unusual for international artists, people

1 that have obtained some measure of celebrity, that they will
2 purchase such a home for the family members who remain behind.
3 And as you heard Mr. Meachum talk about, Wesley Snipes left
4 some of his family behind to pursue his acting and art career
5 in New York.

6 And once he left as a sophomore in high school and
7 went back to New York, the evidence will show that New York
8 City, New York, and then after his home was tragically
9 destroyed in the terrorist attacks during 9-11, he moved his
10 family to what East Coast people call the New York suburbs,
11 right across the bridge in New Jersey. What the evidence will
12 show is that that's where Mr. Snipes made his permanent home
13 between 2000 and 2005.

14 The evidence will also show that Mr. Snipes had a
15 Florida driver's license, and the evidence will show that he
16 renewed that driver's license, and he continues to renew it.

17 But as you noticed during jury selection and what we
18 call voir dire, many of the jury venire had moved from other
19 places other than Florida, and one can certainly have a
20 driver's license any -- in any one of the states and drive in
21 any one of the others. So that will be evidence. There's a
22 home there bought by one of Mr. Snipes' companies, and there's
23 a Florida driver's license.

24 What the evidence will also show is Wesley Snipes
25 never lived there; his grandmother lived there.

1 There will be testimony and evidence that during
2 this ten-year period Mr. Snipes might have stayed there when
3 he was visiting family for somewhere between 45 and 60 days.
4 He didn't live there. His wife and children never lived
5 there. His children did not attend school there.

6 And none of the other ordinary but important things
7 that we do where we live -- they didn't do any of that there.
8 Their dentists weren't there. Their doctors weren't there.
9 They didn't do their dry cleaning there -- the small stuff --
10 but important stuff in determining venue, where was his
11 permanent home. Wife and kids didn't live there. He didn't
12 live there. Kids didn't go to school there. None of that.
13 Wesley Snipes' home, as the evidence will show, was in
14 New York or the New Jersey suburbs after the 9-11 attacks.

15 Now, Mr. Snipes had a second home. He had a second
16 home in the suburbs of Los Angeles that's near Hollywood, the
17 center of the entertainment and art business. And he also had
18 a home there that was convenient to him when he was doing
19 business there in Hollywood. But it wasn't Windermere,
20 Florida; he just didn't live there. So please pay careful
21 attention to the testimony and the evidence on the critical
22 venue issue.

23 Now, I wanted to talk a little bit about the Court's
24 preliminary jury instructions. And as the Court has
25 indicated, you have a binder with these preliminary jury

1 instructions, and you'll have opportunity during recess to
2 take a look at those. And, of course, these are only
3 preliminary. The Court will instruct and give final
4 instructions on the law at the end of this case.

5 There's several important things to keep in mind
6 about the jury instructions. Now, you have to view the jury
7 instructions as a whole. You don't ignore certain parts of
8 them and look at others. But I want to direct your attention
9 to a couple of critical areas of that.

10 With respect to this alleged conspiracy, one of the
11 elements upon which the government bears the burden of proof
12 beyond all reasonable doubt is that the defendant, knowing the
13 unlawful purpose of the plan, willfully joined it.

14 We're going to take a look at the word
15 "willfulness." The word willfully as that term is used in the
16 Indictment and these instructions means that the act was
17 committed voluntarily and purposely, with the specific intent
18 to do something the law forbids. Bad purpose, specific
19 intent, deceit, trickery, deception. And the government bears
20 the burden of proving that that's what all of this was about,
21 that Wesley Snipes went right to the IRS for answers to
22 important questions asking for a sit-down, asking to be
23 audited -- not too many people ask for an audit -- and all
24 that stuff constitutes some secret conspiracy that was engaged
25 in with the specific intent to break the law and, further,

1 that what he was doing he thought was illegal. That's the
2 government's burden. And that's why, when I first spoke to
3 you here, I said that was the core issue in this case.

4 Did Wesley Snipes lie to the IRS? Did he deceive
5 the IRS with the specific intent to act in violation of the
6 law, or was he engaged in a good-faith attempt to get answers
7 to important questions? And did his offer to stand good and
8 pay any tax and to file any form -- what does that say about
9 what he was doing? You'll be called upon to judge that.

10 Now, I want to step back very briefly, with your
11 permission. You've already -- Dan Meachum has been up here,
12 spoke about Wesley Snipes. He's my co-counsel in this case.
13 To his immediate left is attorney Kanan Henry. This is
14 attorney Linda Moreno assisting us at counsel table as
15 co-counsel. Attorney Robert Barnes, he is also our
16 co-counsel.

17 Now, as the government mentioned, there's going to
18 be a lot of documents in this case, and Bret Tollefson is
19 going to assist us lawyers in keeping track of the documents.

20 Your Honor, I would also like to thank the
21 government at this point for allowing us to use Chris and the
22 digital operation. We're going to try and make this
23 presentation of evidence as smooth as possible.

24 Now, let's take a look at what some of the testimony
25 and evidence will show. Bret's going to come up here and he

1 is going to put this board on the easel for you to look at.

2 Thank you, Bret.

3 Now, let's talk about problems with Starr & Company.
4 Starr was a big, fancy, hotshot tax management, career
5 management and money management firm in New York. But as
6 Mr. Meachum talked about, Wesley Snipes is an international
7 artist, and he had to focus himself and did focus himself on
8 his art.

9 And when his career started to blossom and he
10 started to realize the fruits of his hard work, he talked to
11 some respected friends of his, and they referred him to Starr
12 & Company in New York for career management, tax management,
13 and financial management.

14 Now, one of the things Starr & Company did for
15 Mr. Snipes and recommended to him was that he place his assets
16 in various foreign trusts and overseas investments. And this
17 is during the period 1991 to 1997. There were no tax issues
18 at this time, so to speak, and, indeed, Starr placed
19 investments overseas and used foreign trusts, and they put
20 those investments with companies like Goldman Sachs,
21 Blackstone. These are New York firms that specifically
22 specialize in handling overseas investments.

23 Now, Starr's client list read like a who's who of
24 the entertainment, art and sports world. Among the clients of
25 Starr were Goldie Hawn, people like Tom Brokaw, and Sylvester

1 Stallone, who was a close friend and colleague of Mr. Snipes.

2 So that goes on, and things go along pretty well.

3 Mr. Snipes does not have any specialized education in tax or
4 accounting. He's an artist; he's a creative man.

5 And, you know, we kind of look at our artists a
6 little bit differently, don't we? You know, sometimes we look
7 at Hollywood and we shake our heads a little bit and say, a
8 little crazy out there. Maybe it is. But then these artists
9 put that amazing vision on the big screen and our jaws drop
10 and we say wow, how did they do that?

11 So he invested his faith, confidence and trust in
12 Starr, and they managed his tax, his finances and his money.

13 Now, in 1997 and 1998, an issue arises with
14 Mr. Snipes and the Starr folk about mismanaging the payments
15 on this Windermere-Orlando property we've talked about. And
16 this is in dispute. This happens during this period.

17 And as this period goes on, we look at the upper
18 right-hand box in 1998, and Wesley Snipes loses money. And I
19 saw a little surprise, I think, on some of your faces when
20 Mr. O'Neill was talking about that one year.

21 In 1999 a full accounting is performed, and it's
22 demonstrated that Wesley Snipes lost \$757,000 in the previous
23 year. So the accounting is done in 1999. They do an
24 accounting for 1998, and he loses three quarters of a million
25 dollars.

1 Also during this period Wesley Snipes discovers that
2 the Starr folk obligated him without his consent or knowledge
3 to a \$2 million unauthorized loan, and this became a subject
4 of hot dispute. This is not a new story -- artists, athletes,
5 being taken advantage of and embezzling money from clients.
6 And that was the allegation here.

7 During this time it's also discovered by Wesley
8 Snipes that his good friend and colleague, Sylvester Stallone,
9 has concerns about Starr, and ultimately Sylvester Stallone
10 sues Starr & Company in a civil lawsuit. Now, that lawsuit
11 was settled, and we believe there's going to be some testimony
12 here in court on the record, on oath, about what that was all
13 about. But Sylvester Stallone accuses Starr of back dealing,
14 improperly paid commissions, and fraud. And he sues them for
15 it.

16 So now Mr. Snipes has a problem. He's used these
17 advisors for many years, and they say Wesley signed a tax
18 return. There's that little yellow sticker, sign on the line.

19 So he starts looking around. Mr. Snipes starts
20 looking around for options. He's got a problem with a \$2
21 million unauthorized loan. He lost money, three-quarters of a
22 million dollars, in 1998. He's obviously concerned.

23 And then, of course, the Stallone situation
24 crystallizes, the testimony and evidence will show, this
25 concern that Mr. Snipes had.

1 Thank you, Bret.

2 Now, here we have the board. Snipes goes to the IRS
3 for answers. And this is the transition period that
4 Mr. O'Neill talked about. We're going to talk a little bit
5 more about that, because we believe there's a little more to
6 the evidence than that.

7 Someone at ARL -- and Mr. Snipes gets a referral, of
8 course. Artists have a whole bunch of people around them all
9 the time looking for a piece of that business. He's an
10 artist, but he's also a business enterprise. And it's big
11 money. And there are people that want a piece of that action.
12 They want a piece of his back. They want a piece of that hard
13 work.

14 So he's approached, he's referred, and the first
15 issue that comes up is not tax; it's about privacy issues.
16 Mr. Snipes has had problems with some very aggressive
17 stalkers. He's got a wife and children. And this is one of
18 those cases where's although in many respects Mr. Snipes is
19 just like everybody else around here -- you know, he's a
20 husband, father, brother, son; he's a breadwinner; he's got to
21 do the things that we all have to do -- this is a little bit
22 of a burden that most of us don't have to deal with.

23 And he's told that they have some domestic trusts
24 that can be utilized for privacy concerns and for security
25 concerns, and so that's -- that's the initial contact between

1 Mr. Snipes and ARL, American Rights Litigators.

2 And while they are having their first conference,
3 ARL, their lawyers and CPAs and the ARL people, also tell
4 Mr. Snipes that Starr gave him bad advice, bad tax advice.
5 And that was no surprise to Mr. Snipes. He was willing to
6 entertain that. Starr was mismanaging his money, losing him
7 money, getting sued by Sylvester Stallone for fraud, back
8 dealing, illegal commission payments, et cetera. So this was
9 something that he was willing to entertain, bad tax advice.

10 Now, ARL touts its team of tax professionals,
11 attorneys, accountants, CPAs, and enrolled agents. Now, an
12 enrolled agent is a tax practitioner that is certified by the
13 IRS to practice before the IRS and represent taxpayers. They
14 have to take a bunch of courses, take a test in Washington,
15 D.C.

16 Now, some of those enrolled agents aren't attorneys,
17 but they can actually practice as attorneys representing
18 taxpayers before IRS. So we've got attorneys, certified
19 public accountants, and enrolled agents.

20 And he -- this is touted to him. One of the first
21 ARL attorneys that is rolled out for Mr. Snipes is an attorney
22 named Ray Pope. Mr. Pope has a spectacular pedigree,
23 graduated top of his law class, what we call Order of the
24 Coif, a special designation. He's certified to practice in
25 Federal Court.

1 And he also has a personal resume that would give
2 one confidence. He's a Sunday school teacher and deacon in
3 his Baptist church.

4 So Mr. Snipes takes a look at that, and he's willing
5 to entertain ARL's tax advice. He's not fired Starr yet.
6 We're going to get to this. You're going to get to see the
7 letter, June 29, 2000, that the prosecution has indicated says
8 Starr fired Snipes. Pinpoint that letter; take a look at it.
9 Starr didn't fire Snipes in that letter. What Starr did is
10 wished Wesley Snipes good luck. They said, Good luck in your
11 new tax endeavors with those folks. We don't agree. We don't
12 agree with them. But, hey, by the way, could we keep managing
13 your foreign investments through Goldman Sachs and Blackstone?
14 Come on. ARL, you know -- you got the Starr folk. Wesley
15 Snipes was an extremely valuable property, and the letter --
16 you can take a look at it and you -- you decide for yourselves
17 whether anybody fired anybody in that letter.

18 The other thing ARL showed to Mr. Snipes was actual
19 IRS refund checks that their procedures had gotten for
20 clients. And they say, Mr. Snipes, the IRS owes you money,
21 and they show him actual refund checks. There are a battery
22 of attorneys, CPAs and enrolled agents.

23 So Mr. Snipes, April 2000, upper right-hand corner,
24 third box from the left -- Wesley Snipes goes directly to the
25 IRS for answers, and he follows published IRS procedures,

1 published procedures, authorized and approved.

2 So what does he do? He's got a couple of questions.
3 Do you owe me money? Do I owe you money? He talks to the ARL
4 people and they say, Look, you paid \$4.3 million in 1996 in
5 tax. You didn't have to pay it. And you paid \$7.3 million in
6 tax in 1997, and you didn't have to pay that either.

7 And for the first time in Wesley Snipes' life, tax
8 advisors open up the books. They open up the holy books
9 there, the tax law. They crack the books, and they give him
10 court cases, statutes, regulations, and code sections.

11 They say, Look, our CPAs and lawyers and our
12 enrolled agents -- this is the deal, and it's supported by the
13 law. And he becomes extremely intrigued with this idea that
14 there's actual law that you can have recourse to and figure
15 out what's going on.

16 Of course, he hadn't read all that stuff. I doubt
17 that any human being in the United States of America has.

18 The government talked about an affidavit of
19 incompetency, and that's actually one of the alleged
20 affirmative acts of the conspiracy. And what Wesley Snipes
21 said in this affidavit of incompetency was, I don't get that
22 stuff. I don't understand that. Sit down with me. Audit me.
23 I stand ready to pay and file. That's what the evidence will
24 show.

25 So he files a claim for refund. What does that

1 claim for refund look like? First of all, he uses published
2 IRS forms; we call them red-flag forms. He filed a 1040X.
3 Some of you may have seen a 1040X. This is the IRS form that
4 you fill out to file claim for refund. And the IRS' own
5 published website says there's billions of dollars of
6 unclaimed refunds, and they say the reason people don't get
7 them is they don't file the claims for refund.

8 Well, they said file that claim for refund, and he
9 uses red-flag forms. Attached to the 1040X -- and you'll see
10 these forms -- is a Form 8275. This is a special red-flag
11 form. When a taxpayer wants to take a position that's
12 controversial, they attach that 8275 behind the 1040X, and
13 they tell the IRS, This is controversial. You'll probably
14 disagree with the position, but I'll be able to get an
15 adjudication ultimately in a civil tax court about whether I'm
16 right. But it's a red flag. It's a special form designed to
17 tell the IRS that this is a controversial position.

18 Remember what we talked about -- trickery, deceit, a
19 specific intent to violate the law -- he went right to the
20 IRS, used their own forms and the 8275.

21 What other red flags were there? His name is Wesley
22 Snipes. That's a pretty big red flag. And the claims he was
23 making were 4.3 million and \$7.3 million, respectively, 1996
24 and 1997 -- special attention for these forms.

25 And you'll be called upon to decide whether those

1 were acts of some secret conspiracy to defraud the IRS and,
2 with respect to Count Two, the false claim, whether doing that
3 is a willful, intentional attempt on Mr. Snipes' part to act
4 to violate the law. You'll be called upon to determine that,
5 on the IRS' own forms, 1040X, 8275.

6 And then there's a big narrative on the 8275 that
7 will explain in detail the position that Mr. Snipes is taking
8 based on the advice of the ARL CPAs, attorneys, and enrolled
9 agents.

10 Now, June 2001, Wesley Snipes, for taxes that
11 haven't been paid for years in which either little tax has
12 been paid or no tax has been paid, he says, Do I owe you
13 money? And he sends a letter to the IRS chief counsel. The
14 IRS chief counsel is the top lawyer in the IRS. He pays a
15 fee, a \$275 fee, and he's asking for a tax status
16 determination. He's going right to the IRS, directly to the
17 IRS, filing their fees -- their forms saying, Tell me what my
18 tax status is.

19 A funny thing happens when he files that. The
20 national chief counsel kicks it back down to the local
21 district director's office. They say, We can't deal with
22 that. We can't give you a tax status determination letter.
23 The evidence will show this.

24 District director Teresa Franklin -- she finds the
25 local district director, and she says, You know, I can't deal

1 with this either. They kick it around back and forth all over
2 the place.

3 And finally they say, Look, we can't tell you
4 whether you're required to file a tax return until you file
5 the return. Welcome to the wacky world of the IRS. We can't
6 tell you whether you're supposed to file a return until you
7 file the return.

8 Frustrating experience. The evidence will show a
9 lot of frustration with the bureaucratic apparatus of the IRS.

10 Now, very briefly I want to talk about, what was the
11 IRS' response? The prosecution has talked about letters from
12 the IRS to Mr. Snipes. You'll see these letters. I'm not
13 going to go through them now. You'll see them in evidence.
14 We'll talk about them in close.

15 The majority of the letters are what we call
16 computer-generated letters. The IRS has files -- you hear
17 about these files called master files, and the IRS keeps a
18 master file on each and every tax-paying American with
19 detailed information about every single thing related to your
20 tax finances. And we'll talk about this a little bit later,
21 and these will come into evidence. These transcripts are
22 coded, so you have to have an IRS decoding manual to figure
23 out what most of it means.

24 So they boot that around and finally say, We can't
25 tell you whether you're supposed to file a return until you

1 file it.

2 With respect to the refund claim, here's where the
3 failures are, and the evidence will show that. There are
4 specific published IRS procedures that they are supposed to
5 follow when somebody files a claim for refund and when
6 somebody files a request for a tax status determination. None
7 of that was done.

8 Computer-aided -- computer-generated little letters
9 are sent to Mr. Snipes saying, Hey, we haven't heard from you
10 in a while. You haven't filed a return. Then they say, If
11 you don't believe you're required to file a return, let us
12 know why. These are generated by computer.

13 There is one letter in there where the IRS sent this
14 frivolous notice to one of Mr. Snipes' tax advisors, and that
15 will come into the record. And the record will show that ARL
16 responded to each and every IRS letter. And there weren't
17 that many -- three, four, five. You can take a look at them
18 for yourselves and figure out whether they contain answers to
19 questions. So no real answers from IRS.

20 With respect to the refund claim, here's how it
21 goes. You're going to see some published IRS tax procedures.
22 The IRS is supposed to send a notice of disallowance saying we
23 disagree with your refund claim. Then you get a conference if
24 you don't like it. Then you get a civil appeal if you don't
25 like it. And ultimately you get into Tax Court where a

1 Federal Judge determines who owes who money.

2 Never sent that. Never sent the notice of
3 disallowance. Instead, they send this frivolous notice to his
4 lawyer saying, We don't like your questions. We don't think
5 you're serious.

6 He thought he was being serious. Mr. Snipes thought
7 he was being serious. The evidence will show that he was
8 being serious. So no notice of disallowance, no conferences,
9 no appeals, no Tax Court.

10 Now, with respect to this box over here, June 2001,
11 this is the tax status determination letter. They are
12 specific procedures there.

13 At the end of the day, when you ask for one of
14 these, they are supposed to send you a preliminary letter, and
15 ultimately we get a notice of deficiency.

16 Now, there's some substantive tax law we're talking
17 about here, and it can get complicated. But this is basic
18 stuff -- the IRS' obligations to do certain things when
19 taxpayers use published IRS forms and approved IRS procedures,
20 and none of that was done.

21 So they send that preliminary letter, then a notice
22 of deficiency, and that's your ticket to Tax Court. Oh, joy.

23 But the evidence will show Mr. Snipes wanted his
24 ticket to Tax Court, and that's where an independent judge
25 gets to determine who owes who money; chips fall where they

1 may. No notice of deficiency.

2 So between March 2000 and May 2002 -- Bret,
3 please -- Snipes sends around about 21 document packages and
4 letters to the IRS requesting answers, and what he gets is no
5 hearings, no conferences, no audits, no appeals, no
6 disallowance of claim -- that's right over here on the
7 refund -- and no notice of deficiency so he can go to Tax
8 Court. Nothing. Zero. A computer-generated letter saying we
9 don't like your questions; you're not being serious with us.

10 Thank you, Bret.

11 Now, as the prosecution talked about, about
12 May 2002, one of Snipes' lawyers is contacted by the IRS, and
13 the IRS says, We want to talk to Wesley Snipes. He was
14 looking forward to that. He had been waiting for six years,
15 the evidence will show.

16 So his lawyer and Mr. Snipes get on the phone, and
17 it's an IRS Criminal Investigation Division special agent.
18 Wesley Snipes is sending letters seeking a sit-down for six
19 years, and the first time the IRS reaches out and tries to
20 talk to him, they give him the Miranda warning, and they tell
21 him, Anything you do can be used against you. That's that
22 Miranda warning. Mr. Snipes takes that seriously, and so does
23 his lawyer.

24 Now, if he files a 1040 at that point, it's used
25 against him as evidence of guilt; doesn't file a 1040, that's

1 used against him for a failure to file -- a classic problem.

2 He's got a problem now, and he's getting frustrated.
3 There's a lot of frustration here. You'll see that in the
4 testimony and the evidence.

5 Let me tell you something. You know, you're going
6 to see all these letters. You're going to see these document
7 packages, all sent to the IRS, the vast majority of them with
8 the advice and upon the consultation of the ARL tax attorneys,
9 CPAs and enrolled agents, and you know what? You're going to
10 look at these letters, and you might find that these letters
11 contain very unusual beliefs, beliefs that you don't hold.
12 That's not a crime. It's not a crime to hold unusual beliefs.
13 Not a crime.

14 I mean, you might even think that some of this stuff
15 borders on being a little bit crazy, but crazy ain't a crime
16 either. If it were, half of Hollywood would be in prison.
17 It's not a crime.

18 The government has the burden of proving that
19 Mr. Snipes acted with a specific intent to trick, defraud,
20 deceive, break the law.

21 Here's what the testimony and evidence will show
22 what he did. So he asked the special agent why he's under
23 criminal investigation. You know, something real interesting
24 happens in May 2004. Wesley Snipes -- we talked about these
25 IRS master files. And he sends what we call a Freedom of

1 Information Act request, a FOIA.

2 And you get to have your master file. You all can
3 get one, too, if you want. And there Mr. Snipes sees a code
4 that says MFR-01. And you'll see evidence about this.

5 Now, it's all in code, most of it. Your name,
6 address, phone number, Social Security Number is in there.
7 But everything else is coded. So the advisors at ARL show
8 Mr. Snipes the IRS decoding manual. It's called a Document
9 6209. And there's also a Pocket Transaction Guide. And when
10 you get your FOIA request and you get your master file,
11 there's this handy little Pocket Transaction Guide that will
12 briefly tell you what all the codes mean. Very exciting day.

13 Now, MFR-01. The code book says to Snipes -- it
14 shows Wesley Snipes that MFR-01 means return not required to
15 be mailed or filed -- further confirmation to Mr. Snipes that
16 the boys at ARL, the attorneys, the CPAs and the enrolled
17 agents, maybe they got the X Files of tax.

18 You know, we talk about things being too good to be
19 true. We buy a lottery ticket. Is it too good to be true
20 that we win? Sure it is.

21 But that's what he saw. So what he does is goes
22 right back to the IRS, directly back to the IRS for answers.
23 He writes them a letter. He says, You all gave me my master
24 file, and there's a code in there that says MFR-01. And your
25 decoding manual says return not required to be mailed or

1 filed. Is that right? Is that correct? No answer from the
2 IRS. No answers, no response.

3 And then something really interesting happens. The
4 evidence will show that around July 2004 the IRS is shredding
5 Wesley Snipes' documents. You will see testimony and evidence
6 on this. The IRS is shredding Wesley Snipes' documents. I
7 suppose the prosecution can explain that. But the IRS' own
8 records -- their own records as part of the master file and
9 subsidiary files -- in plain language say documents shredded,
10 shredding documents. A lot of frustration here. A lot of
11 frustration.

12 You'll be called upon to decide whether this
13 sequence of events, whether his letters, his requests for an
14 audit, his declaration to the IRS that he stood ready to pay
15 any and all tax he owed if they would just sit down with him
16 and crack the books -- you'll be called upon to decide what
17 that meant.

18 Will the government sustain its burden of proof
19 beyond all reasonable doubt that these were acts of some
20 secret conspiracy to defraud the government? Secret
21 conspiracies are engaged in secret, not by going to the
22 government with letters asking for audits.

23 The judge has talked a little bit about good faith,
24 reliance on counsel, relying on attorneys, accountants and
25 CPAs. There's going to be a ton of evidence about that. But

1 at the end of the day the core decision for you is whether
2 Wesley Snipes acted to deceive the IRS with a specific intent
3 to break the law and that he believed in his heart, in
4 Mr. Snipes' heart and mind -- it isn't what you think. You
5 don't have to agree with his beliefs. You might sit back and
6 say, I wouldn't have done it that way; that was unwise, maybe
7 even a little crazy. Don't tug on Superman's cape when he
8 comes at you. That's not what you're called upon to decide.

9 You're called upon to decide what was in Wesley
10 Snipes' heart and mind, what he thought, based on the
11 testimony and evidence. This is the core, critical issue in
12 this case.

13 2006, Mr. Snipes is filming overseas, and the
14 Indictment is unsealed while he's filming overseas. And he
15 voluntarily returns to America to stand trial. The
16 government, IRS response -- Indictment.

17 The testimony and evidence will show that Wesley
18 Snipes did not believe that asking the IRS questions and
19 seeking answers to resolve the conflicting tax advice he was
20 getting about what he was supposed to pay and what he was
21 supposed to file -- the evidence will show that he didn't
22 believe that that was a secret conspiracy to trick or deceive
23 the IRS.

24 Similarly, the testimony and evidence will show that
25 for that refund claim, Wesley Snipes -- he didn't believe that

1 sending published IRS red-flag forms to the IRS and seeing if
2 they owed him money was a willful, deceptive, intentional
3 fraud about the government.

4 What he thought was, if they denied his claim, he
5 would end up in federal civil court and the chips would fall
6 where they may.

7 And it's not a question for you to determine whether
8 Wesley Snipes failed to file proper returns for a particular
9 period of years. The question for you is whether he willfully
10 failed to file those returns, based on the testimony and
11 evidence about MFR-01 codes, and the answers that he gets from
12 the IRS is -- it's a Mirandazation. It's about his intent;
13 it's about what he believed in his heart and mind.

14 And, ladies and gentlemen, I have every confidence
15 that when all of the testimony and evidence is in and based on
16 your careful deliberation, you'll return the only verdict that
17 that evidence allows, and that is not guilty on each and every
18 count of the Indictment.

19 Thank you for your patience and your time.

20 THE COURT: Mr. Wilson, did you care to make an
21 opening statement?

22 MR. WILSON: Yes. Thank you, Your Honor.

23 May it please the Court, counsel.

24 Ladies and gentlemen of the jury, my name is David
25 Wilson. I'm proud and privileged today to stand before you

1 and represent Douglas Rosile.

2 Doug, stand up, please. Thank you.

3 Today's one of the two times that I get to talk
4 directly to you about this case. It's a very important time,
5 and I'm going to try to do my best to briefly and succinctly
6 tell you what this case is about and what the evidence will
7 show as it relates to Doug Rosile.

8 Now, as you've heard and obviously, there are three
9 individuals who are named in this Indictment. Three men stand
10 accused by the government. It's important for you to
11 understand that each of these gentlemen is being tried himself
12 individually. In essence, there are three trials being
13 conducted here today. And in this opening, as in every other
14 point in the trial, I speak for Mr. Rosile. I'm his attorney.

15 There's going to be a huge amount of evidence in
16 this case. Most of it -- the vast majority of it -- will not
17 even apply to Mr. Rosile.

18 As you saw in the government's opening with all the
19 boxes, Mr. Rosile made only, in essence, a cameo appearance.
20 He was in one box.

21 Sometimes I may cross-examine a witness on the stand
22 simply to determine and to show that the evidence that he is
23 testifying about has nothing to do with Doug Rosile.

24 When you hear witnesses, when you receive evidence,
25 when you see documents, ask yourself, who does this evidence

1 apply to? Does it apply to Doug Rosile? What will be shown
2 is the vast majority of it will not apply to Doug Rosile.

3 My job is to represent Mr. Rosile, so what I'm going
4 to do is talk about the evidence in this case as it relates to
5 him.

6 Now, as you've been told by the Judge, my esteemed
7 colleagues, Mr. Meachum, Mr. Bernhoft, and my very worthy
8 adversary, Mr. O'Neill, this is the opening statement of the
9 trial. The purpose of the opening statement is not to tell
10 you what the evidence is. The documents and the witnesses
11 will do that. If the lawyers tried to do that, we'd be here
12 an awfully long time.

13 So what is an opening statement? Ladies and
14 gentlemen, an opening statement is like preparing someone for
15 a trip that they have never taken before. You try to get them
16 oriented to various signs in the road, certain landmarks so
17 that as they take the trip and they see these signs and
18 landmarks, they understand where they are, where they have
19 been, and where they are going.

20 My purpose today is to give you a preview of the
21 evidence that will be presented as it relates to Mr. Rosile.

22 If you don't remember anything else I say in the
23 next few minutes, please remember this: The evidence will not
24 show that Douglas Rosile conspired or agreed with anyone to
25 defraud or cheat the United States of America, the Internal

1 Revenue Service, or any other governmental agency.

2 What the evidence will show is that Mr. Kahn had a
3 company called American Rights Litigators, ARL, as you've
4 heard. This company employed numerous individuals --
5 accountants, attorneys, and people who prepared tax returns.

6 Now, this company, ARL, advocated a certain position
7 regarding the government's authority to assess and collect
8 income tax, referred to as the 861 argument, the details of
9 which I'm not going to go into.

10 However, there are perhaps thousands of people who
11 believe the legitimacy of this position and became members or
12 customers of American Rights Litigators, as Mr. Snipes did.

13 Doug Rosile briefly worked for ARL as a tax
14 preparer. He did so on a time -- on a part-time basis
15 preparing amended tax returns for its customers. That's it.

16 ARL would furnish Mr. Rosile with the information
17 necessary to prepare an amended tax return. He would do that.
18 He would then give the return back to ARL, and that would be
19 the end of it as far as Mr. Rosile was concerned, as far as
20 his involvement, and for this he would be paid a flat fee. It
21 wasn't much. And ARL would pay him a commission based upon
22 any amounts that were actually refunded to the customers or
23 clients or members of ARL for the returns that Mr. Rosile did.

24 Mr. Rosile rarely, if ever, had any direct contact
25 with the customers or members of ARL himself. In fact, before

1 yesterday he never met Mr. Snipes.

2 Now, let's talk about the returns that Mr. Rosile
3 prepared. You're going to see some of them. The government
4 has told you the evidence will show that these amended returns
5 were fraudulent or done with the intent to defraud the
6 United States, the government and the IRS, and I respectfully
7 disagree.

8 What the evidence will show is that Mr. Rosile
9 prepared these returns, these amended tax returns, and to
10 these returns he attached an IRS document. It's been called a
11 red-flag letter. He raised the red flag. And he attached
12 another letter telling the IRS exactly what he was doing. He
13 told them, I'm preparing this return on the basis of this 861
14 argument or 861 theory. And if you disagree with me, I'm
15 requesting a hearing in front of a judge. If you contend that
16 I'm wrong, I request an administrative hearing in front of a
17 judge. That's it. The evidence is going to show that
18 Mr. Rosile told the IRS exactly what he was doing in black and
19 white.

20 The evidence will show that the numbers and figures
21 that he used in preparing these amended tax returns were given
22 to him by ARL. He used the numbers that he was furnished. He
23 didn't fudge the numbers. He didn't erase an eight and put a
24 five. He didn't change anything. He used the numbers and
25 figures he was given, furnished by ARL, for the tax return

1 demonstrating -- his position was that -- or ARL's position,
2 the taxpayer's position, was that they had no tax liability,
3 and they sent it off to the IRS.

4 Whether they were correct or incorrect is not what
5 you're being asked to decide. It's not what the evidence is
6 about. What the evidence is about is whether the intention on
7 the part of Doug Rosile when he -- when he prepared these
8 returns -- he didn't file them -- he prepared it; he signed
9 it -- was his intention to defraud the government by trickery,
10 deceit? The evidence is going to show that it wasn't.

11 Now, ladies and gentlemen, over the next couple of
12 days, if not weeks, you're going to be presented with a lot of
13 evidence, a lot. And what I'm going to ask you to do, as you
14 have been asked before, is to keep an open mind, to fairly
15 evaluate the evidence that you see and you're provided in this
16 case, to give Mr. Rosile a fair trial, to give the government
17 a fair trial. That's one thing we all agree on in this
18 courtroom, all the lawyers, that everyone involved in the case
19 should get a fair trial, whether it's Mr. Rosile, Mr. Snipes,
20 Mr. Kahn, the United States government.

21 So what we're going to ask you to do is keep an open
22 mind, evaluate the evidence. At the end of the case you
23 decide what the facts are. You've decided what the facts are,
24 and the Judge is going to give you the law. You apply those
25 facts to the law as the Judge gives them to you and render

1 what is going to be a fair verdict, and that's what Mr. Rosile
2 is asking for. Mr. Rosile is asking for a fair verdict in
3 this case. What Mr. Rosile believes is that the fair verdict
4 in his case, after all the evidence is considered, is not
5 guilty. Thank you.

6 THE COURT: Mr. Kahn, you have the opportunity to
7 make an opening statement, if you wish to do so. What's your
8 pleasure?

9 DEFENDANT KAHN: I have a statement, yes, sir.

10 THE COURT: Pardon?

11 DEFENDANT KAHN: I do have a statement.

12 THE COURT: All right.

13 MR. BERNHOFT: Your Honor, could I respectfully
14 request a brief sidebar?

15 THE COURT: Very well.

16 MR. BERNHOFT: Thank you, sir.

17 AT SIDEBAR:

18 MR. NIELSEN: Mr. Kahn wishes to come up.

19 THE COURT: Sure.

20 DEFENDANT KAHN: Yes, sir.

21 MR. BERNHOFT: Your Honor, I'm very concerned that
22 the jury is seeing a co-defendant not participating in the
23 trial and reading statements into the record. He's going to
24 produce a taint against Mr. Snipes and against the other
25 co-defendants. I would respectfully move to sever these

1 defendants.

2 In the alternative, this could be done outside the
3 hearing of the jury. This won't have anything to do with the
4 determination of guilt or innocence whatsoever. Mr. Kahn's
5 statements are statements regarding the jurisdiction and
6 authority of the Court. They are purely legal matters, and
7 the jury wouldn't be entitled to consider them, in all events.

8 THE COURT: Well, it's anticipatory, I think,
9 Mr. Bernhoft. I don't have any idea what Mr. Kahn is about to
10 say.

11 MR. BERNHOFT: Once those bells are rung, Judge, you
12 can't unring them.

13 THE COURT: Sure you can. It's easy to do in most
14 instances. The jury has more integrity than anybody in the
15 courtroom. If --

16 MR. BERNHOFT: I agree. Nevertheless...

17 THE COURT: All right. Well, I'll deny the motion
18 to sever. I heard that. We'll hear what Mr. Kahn has to say.

19 Now, if you're making an opening statement,
20 Mr. Kahn, it should be limited to what you expect the evidence
21 to show or not show in the trial of this case and not other
22 matters. You understand?

23 DEFENDANT KAHN: I will tell you what I was going to
24 say.

25 THE COURT: No. You can tell the jury. And if

1 there's objection, I'll pass on it and direct you accordingly.

2 DEFENDANT KAHN: All right.

3 IN OPEN COURT:

4 DEFENDANT KAHN: Ladies and gentlemen, I have a
5 short statement to make here. I'm going to read it. It's
6 because of the reasons listed in my statement of -- for the
7 record of January 14 in which I stated that it's my belief
8 based on Judge Hodges' oath of office and appointment
9 affidavit that he's not an Article III Judge which I have a
10 right to have adjudicate any case against me. Therefore, I
11 did not accept Judge Hodges' --

12 MR. BERNHOFT: I object.

13 DEFENDANT KAHN: -- offer --

14 MR. BERNHOFT: I must respectfully object.

15 THE COURT: When you address the Court, stand up,
16 Mr. Bernhoft.

17 MR. BERNHOFT: Yes, sir.

18 THE COURT: Well, I'll sustain that objection,
19 Mr. Kahn.

20 As I just explained at sidebar, and to the members
21 of the jury, the function of an opening statement is for
22 counsel and the parties to have an opportunity to address what
23 they expect the evidence will show or not show in the case, as
24 you've heard. And I don't believe that this relates to
25 evidence that will be presented. As you just said, Mr. Kahn,

1 you have made that statement and that point a part of the
2 record.

3 If you have some statement you wish to make to the
4 jury concerning the evidence to be presented, you may.

5 DEFENDANT KAHN: Well, no, sir, I don't. I was just
6 going to explain to them why I'm not participating in the
7 trial.

8 THE COURT: Well, I think you've done that.

9 DEFENDANT KAHN: Then I --

10 THE COURT: I will explain to the jury -- you
11 correct me if I'm wrong -- you have announced that you will
12 not be participating because you do not believe that the Court
13 has jurisdiction to proceed with this matter against you.

14 DEFENDANT KAHN: Yes, sir, that's exactly what I was
15 saying.

16 THE COURT: Okay.

17 DEFENDANT KAHN: And that's what I wanted to explain
18 to them.

19 THE COURT: All right. They understand that, then.

20 DEFENDANT KAHN: All right. Thank you.

21 THE COURT: And, members of the jury, that then
22 completes the opening statements of counsel. The next phase
23 of the trial that we will now enter is the calling of
24 witnesses and the presentation of testimony and evidence for
25 your consideration by the United States during the

1 government's case-in-chief.

2 It's 14 minutes to 12:00. It seems to me this is an
3 appropriate place to stop for an early lunch break. We could
4 barely get a witness sworn before we would come to the lunch
5 hour. So we'll stop for lunch until -- let's make it 1:15,
6 and we will commence with the testimony and evidence this
7 afternoon.

8 Please remember, as I know you will now since this
9 is our first break after the trial itself has begun, that you
10 should be careful to avoid any conversations or discussions
11 with others during this or any other recess.

12 And by the way, those of you who do regularly
13 subscribe to newspapers at home and wish to have newspapers
14 available to you to read during breaks in these proceedings,
15 if you will notify the clerk concerning the newspaper that you
16 would like to have, we will try to see that one is obtained
17 each morning and is edited to remove any reference that might
18 be made in the paper to this case; and then you'll have your
19 newspaper to read at your leisure and avoid the likelihood of
20 being exposed through that process to anything having to do
21 with the case.

22 How many of you would like to take advantage of that
23 opportunity? Anybody? Nobody.

24 Well, if you change your mind, let us know and we
25 can provide newspapers for you in the jury room.

1 We will recess for lunch until 1:15.

2 (The luncheon recess was taken.)

3 (Jury present.)

4 THE COURT: Thank you. Be seated, please, members
5 of the jury.

6 Mr. O'Neill, are you ready to call your first
7 witness?

8 MR. O'NEILL: Yes, Your Honor. I believe Mr. Morris
9 is taking this witness.

10 THE COURT: Mr. Morris.

11 MR. MORRIS: Your Honor, at this time the United
12 States would call Brian Tucker.

13 *** BRIAN TUCKER was sworn
14 by the Deputy Clerk ***

15 THE DEPUTY CLERK: Please have a seat.

16 Would you state your name, and spell your last name
17 for the record.

18 THE WITNESS: My name is Brian Tucker. My last name
19 is spelled T-u-c-k-e-r.

20 MR. MORRIS: Thank you, Your Honor.

21 BRIAN TUCKER,
22 having been duly sworn, testified as follows:

23 DIRECT EXAMINATION

24 BY MR. MORRIS:

25 Q Mr. Tucker, how are you employed?

1 A I am employed by the Internal Revenue Service, criminal
2 investigation.

3 Q How long have you been so employed?

4 A I've been employed by the Internal Revenue Service
5 criminal investigations since June of 2005.

6 Q Prior to that time, how were you employed?

7 A I was in public accounting for approximately eight years,
8 and I worked for a number of public accounting firms.

9 Q Would you tell us briefly about your educational
10 background and your training.

11 A I received a bachelor's of science degree from the State
12 University of New York at Albany, and I also stayed there and
13 received a master's of science degree in taxation.

14 Q Special Agent Tucker, are you one of the case agents
15 that's been assigned to this case?

16 A No, sir.

17 Q What have your duties or responsibilities been with regard
18 to this case?

19 A When this case became close to trial, I was assigned to
20 assist with trial preparations.

21 Q Would you tell us about some of the duties that you
22 performed in helping prepare for trial.

23 A I assisted with the witness coordination, and I also
24 assisted obtaining certifications for business records.

25 MR. MORRIS: Your Honor, may I get some of the

1 government's exhibits and approach the witness?

2 THE COURT: Surely. And when you are dealing with
3 exhibits, Mr. Morris, and for the benefit of all counsel, you
4 may approach the witness without requesting permission, if it
5 is to deal with an exhibit.

6 MR. MORRIS: Thank you, Your Honor.

7 BY MR. MORRIS:

8 Q Special Agent Tucker, I have just handed you what's been
9 marked for identification as Government's Exhibits 1-1, 1-2
10 and 1-3. Would you look at the records inside of those
11 folders and tell me if you recognize them?

12 A I do recognize them.

13 Q With regard to Government's Exhibit 1-1, what is that
14 exhibit?

15 A This exhibit is a Division of Driver's License transcript
16 of driver's record from the State of Florida for Wesley Trent
17 Snipes.

18 Q Has that document been certified as a public document?

19 A Yes, it has.

20 MR. MORRIS: Your Honor, at this time we would offer
21 into evidence Government's Exhibit 1-1.

22 MR. BARNES: Object, Your Honor, under hearsay
23 grounds.

24 THE COURT: I will overrule that objection and,
25 hearing none other, will receive it in evidence.

1 BY MR. MORRIS:

2 Q With regard to Government's Exhibits 1-2 and 1-3, what are
3 those exhibits?

4 A These exhibits are driver's license information from the
5 State of Florida for Wesley Snipes.

6 Q Are they certified?

7 A Yes, they are certified.

8 MR. MORRIS: Your Honor, we would offer into
9 evidence Government's Exhibits 1-2 and 1-3.

10 MR. BARNES: Same objection, Your Honor.

11 THE COURT: All right. And I will make the same
12 ruling, and receive both in evidence.

13 MR. MORRIS: Thank you, Your Honor. And may we
14 publish the exhibits to the jury?

15 THE COURT: Very well.

16 MR. MORRIS: Would you please publish Exhibit 1-1.
17 Could we please focus in on the upper left-hand corner of that
18 document.

19 BY MR. MORRIS:

20 Q Mr. Tucker, would you read the information contained in
21 that box.

22 A The first name, Wesley; middle or maiden, Trent; last,
23 Snipes.

24 Q What is the address specified there?

25 A 9711 Deacon Court, Windermere, Orange, 34786-8942.

1 Q And can we focus on the top of the document in the middle,
2 please.

3 What does that say?

4 A State of Florida.

5 Q Please continue.

6 A Department of Highway Safety and Motor Vehicles, Division
7 of Driver License, Transcript of Driver Record.

8 Q And in the box right immediately below that, what is the
9 date of issuance?

10 A Date issued is July 15th, 2004.

11 Q And what is the expiration date?

12 A The expiration date is July 31, 2010.

13 THE COURT: Would you please publish Exhibit 1-2.

14 BY MR. MORRIS:

15 Q Focusing in on the information in the middle of the page,
16 would you read what date this driver's license transaction
17 occurred on?

18 A This occurred on August 20th of 1997.

19 Q And what is the name and address specified there?

20 A Wesley Trent Snipes, 9711 Deacon, Windermere, Florida,
21 34786.

22 Q And what is the date of issuance?

23 A The issue date is August 20th, 1997.

24 Q And what is the expiration date?

25 A The expiration date is July 31st of 2004.

1 Q And would you publish Government's Exhibit 1-3, please.

2 Special Agent Tucker, is this a similar record?

3 A Yes, sir.

4 Q With a different transaction date?

5 A Yes, sir.

6 Q What's the transaction date?

7 A The transaction date is July 15th of 2004.

8 Q What's the name and address?

9 A Wesley Trent Snipes, 9711 Deacon Court, Windermere,
10 Florida, 34786-8942.

11 Q What's the date of issuance on this record?

12 A July 15th, 2004.

13 Q What's the date of expiration?

14 A July 31st, 2010.

15 Q Thank you. I am handing you what's been marked for
16 identification as Government's Exhibits 2-1 through 2-4.
17 Would you look at those and tell me if you recognize those,
18 please.

19 A I recognize these documents.

20 Q Generally speaking, what are those documents?

21 A These are real estate documents filed with the comptroller
22 of Orange County, Florida for Wesley Snipes.

23 Q Do they pertain to land records?

24 A Yes, sir.

25 Q Are they certified copies?

1 A Yes, sir, they are certified.

2 MR. MORRIS: Your Honor, we would offer into
3 evidence Government's Exhibits 2-1, 2-2, 2-3 and 2-4.

4 MR. BARNES: We object, Your Honor, on Rule 402,
5 403, and hearsay, Your Honor.

6 THE COURT: Well, I will overrule those objections,
7 the latter one under Rule 803(8), I think, given the
8 identification of the witness. Each of those exhibits is
9 received in evidence.

10 Go ahead, Mr. Morris.

11 MR. MORRIS: Thank you, Your Honor.

12 May we publish 2-1.

13 BY MR. MORRIS:

14 Q Mr. Tucker, if we could look at the top part of that
15 document, would you read the title of that document.

16 A "Declaration of Allodium Freehold Title Land Patent, Deed
17 at Common Law."

18 Q Would you read the first paragraph?

19 A "I, Wesley Trent Snipes, a Article Four, Section Two
20 Citizens of the Republic, State of Florida, and member of the
21 De jure Sovereign Body, as ordained and established by we, the
22 people."

23 Q And would you read the next sentence.

24 A "Therefore, be it known to all men that I am entitled and
25 am claiming all of my common law rights and protection,

1 guaranteed by the Constitution of the State of Florida,
2 Republic, and the Constitution of the United States of
3 America. I do declare by this document to one and all, under
4 penalties of perjury, to be the lawful assign of Franklin
5 Sheen, patentee of land patent, May 23rd, 1891, Number 14183."

6 Q Please continue.

7 A "We, as his assigns, are claimant and sole owners of the
8 following allodial property, paid for by my labor, to wit,
9 Federal land patents and map showing boundary survey being
10 duly recorded in the county Clerk's Office of Record Book 16,
11 Page Number 118 to 130, recorded 8/12/93, attached as
12 exhibits, and by reference made a part hereof, do declare our
13 rights as assigns of the United States land patent as
14 described above to the segregated of the parcel of the
15 original land patent as follows, viz."

16 Q Can we please go down to the next paragraph. Do you see
17 the line, several lines down below that says "more commonly
18 known as"?

19 A Yes, sir.

20 Q What's the address that's specified as "more commonly
21 known as"?

22 A 9711 Deacon Court, Windermere, Florida, 34786.

23 Q Skipping down to the paragraph that begins "This
24 property," would you read that first sentence.

25 A "This property is mine to hold and to have to myself and

1 to my posterity or assigns without conditions or restriction
2 pursuant to United States Land Patent 141183, issued to
3 Franklin Sheen on May 23rd, 1891 by the United States Bureau
4 of Land Management as the original land patent holder."

5 Q Thank you. And going down to near the bottom of the
6 document, is there a name under the signature block?

7 A Yes, sir.

8 Q What's the name written under the signature block?

9 A Wesley Trent Snipes.

10 Q Now, are there attachments to that document that you just
11 read from?

12 A Yes, sir.

13 Q Going to the next page, please, would you read the title
14 of that document.

15 A "Satisfaction of Mortgage."

16 Q And going on to the next document, would you read the
17 title of that document.

18 A Quitclaim deed.

19 Q And would you read the top part of that document,
20 beginning "this quitclaim deed."

21 A "This quitclaim deed, executed this 12th day of August
22 A.D. 1993 by Amen Ra Films, Inc., first party to Wesley
23 Snipes, whose post office address is 9711 Deacon Court,
24 Windermere, Florida, 34786.

25 Q And going down to the signature block area, would you read

1 that, please.

2 A Amen Ra Films.

3 Q Excuse me. On the right-hand side, what does the
4 signature block say?

5 A It says Amen Ra Films, comma, Inc., by Wesley Snipes,
6 Wesley Snipes, President, 9711 Deacon Court, Windermere,
7 Florida, 34786.

8 Q And going to the next page, please, would you read the top
9 portion of that document, beginning with "This warranty deed."

10 A "This warranty deed, made the 26th day of March A.D. 1992,
11 by Raymond T. Coudriet and Jalinda Coudriet, his wife,
12 hereinafter called `the Grantor,' to Amen Ra Films, Inc.,
13 whose post office address is 9711 Deacon Court, Windermere,
14 Florida, 34786, hereinafter called `the Grantee.'"

15 Q Thank you. Referring back up to the top, would you tell
16 us again what the date of that warranty deed is, the line that
17 says "This warranty deed made."

18 A "This warranty deed made the 26th day of March A.D. 1992.

19 Q And going back to the previous page, please, what is the
20 date of this quitclaim deed going from Amen Ra Films to Wesley
21 Snipes?

22 A Executed this 12th day of August A.D. 1993.

23 Q Thank you. May we publish Government's Exhibit 2-2.
24 Focusing in on the heading there, would you read the heading
25 please, Mr. Tucker.

1 A "Affidavit of Asseveration and Revocation of Power."

2 Q And would you read the body of that first paragraph there.

3 A "This is to certify that I, Wesley Trent Snipes, am a free
4 and natural person living under the common law, having assumed
5 among the powers of the earth the separate and equal station
6 to which the laws of nature's God entitles me in order to
7 secure the blessing of liberty to myself and my posterity and
8 in order to reacquire the birthright as a member of the
9 sovereign body to asseverate and revoke all feudatory
10 contracts with the Federal government and its agencies and
11 with the State of Florida and its agencies, so help me God."

12 Q And going down, would you read the next line on the
13 signature block, please.

14 A Dated this 21st of February in the year of our Lord 2003.

15 Q What does the signature block say?

16 A Wesley Trent Snipes, Sui juris.

17 Q Please continue.

18 A "Citizen of the State of Florida, care of 9711 Deacon
19 Court, Windermere, Florida, State, non-domestic postal zone
20 34786."

21 Q Going up to the top of the document, in the upper
22 right-hand corner, what does that stamp indicate?

23 A That stamp indicates that this was filed with the
24 comptroller of Orange County, Florida on March 4th of 2003.

25 Q Is Orange County in the Middle District of Florida?

1 A Yes, sir.

2 Q May we publish Government's Exhibit 2-3. The upper
3 right-hand corner, is there another stamp from the Orange
4 County office?

5 A Yes, sir.

6 Q And would you read the title of this document.

7 A "Declaration of Homestead."

8 Q Please read the next line and that paragraph beginning "I,
9 Wesley Trent Snipes."

10 A "United States of America Homestead Act of 1862. I,
11 Wesley Trent Snipes, taking up dwelling at 9711 Deacon Court,
12 Windermere, Florida, Orange County, desire to avail himself of
13 the benefit of the provisions of the United States of America
14 Homestead Act of 1862, Section Four, and the Constitutions of
15 the United States and the State of Florida, and all laws
16 exempting property as a homestead from forced sale under any
17 process of law, or liable for the satisfaction of any debt
18 contracted prior to the issuance of the original land patent,
19 make this statement describing the real property declared to
20 be exempt, situated in the County of Orange, Florida, State."

21 Q And going down a couple of lines, about four lines to the
22 line beginning "commonly known as," would you read that,
23 please.

24 A "Commonly known as 9711 Deacon Court, Windermere, Florida,
25 34786."

1 Q And in the signature area, who is listed as the
2 homesteader?

3 A Wesley Trent Snipes.

4 Q Thank you. And may we publish Government's Exhibit 2-4.
5 Looking up at the top right-hand corner, is there a stamp from
6 Orange County?

7 A Yes, sir.

8 Q And would you read the title of this document and who it
9 says it is prepared by.

10 A "Declaration of National De jure Domicile, Floridian,
11 prepared by Wesley Trent Snipes, 9711 Deacon Court,
12 Windermere, republic of the Florida."

13 Q And would you read the first paragraph, please.

14 A "I, Wesley Trent Snipes, hereby make this Declaration of
15 National De Jure Domicile of the Florida Republic that I am
16 filing in the Orange County official records department for
17 the purpose of establishing my Florida state nationality in
18 accordance with the United States government printing office
19 style manual 2000, Chapter 5, page 73 5.23, in designating
20 natives of the several states, the following forms will be
21 used: Floridian."

22 Q And would you read the next paragraph, please.

23 A "I hereby declare on this day that I have my national de
24 jure domicile in the Florida Republic since 1977, and have
25 from the day of June 27th of 1977 to this date maintained the

1 place of my national de jure domicile in the County of the
2 Orange, Florida State, Republic. I am currently deed holder
3 to the house and on the land as described below."

4 Q And skipping down below several lines, do you see -- would
5 you go down further, please -- do you see an address specified
6 there?

7 A Yes, sir.

8 Q Please read that.

9 A 9711 Deacon Court, Windermere, Republic of Florida.

10 Q And would you read the next paragraph.

11 A "Which house I recognize and intend to have and maintain
12 as my permanent home court and national de jure domicile. And
13 if I have or obtain another house or houses in some other
14 national state or states, I hereby declare that the
15 above-described house in the Florida Republic constitutes my
16 predominant and principal house, and that intend to continue
17 it permanently as such."

18 Q Going to the next page, please, would you look at the
19 signature block there. Can you make out the signature there
20 as it appears to you?

21 A Wesley Trent Snipes.

22 Q And down below, do you also see a similar signature?

23 A Yes, sir.

24 Q Showing you what's been marked for identification as
25 Government's Exhibit 2-5. Do you recognize that, sir?

1 A Yes, I do.

2 Q What is that?

3 A This is a Second Amended Verified Complaint for damages in
4 the case of SST Sterling Swiss Trust, 1987 A.G., and Wesley
5 Snipes versus --

6 Q Who is the party that it's against?

7 A New Line Cinema Corporation.

8 Q Are there other parties listed, as well?

9 A Yes, sir.

10 Q And what date is that filed?

11 A It's filed on August 22nd of 2005.

12 Q And is that a certified court document?

13 A Yes, sir.

14 Q Would you look on the back of the document. Is there a
15 certificate or a seal?

16 A Yes, sir.

17 MR. MORRIS: Your Honor, at this time we would offer
18 Government's Exhibit 2-5.

19 THE COURT: Any objection?

20 Hearing none, I will receive it in evidence.

21 MR. MORRIS: Thank you, Your Honor.

22 May we publish 2-5, please, the first page.

23 BY MR. MORRIS:

24 Q I think you have talked about some of this information,
25 but let's highlight it quickly, Special Agent Tucker. In the

1 upper right-hand corner, is there a file date stamp there?

2 A Yes, sir.

3 Q It is a little faint on the screen, but can you read that
4 date that's in the file stamp?

5 A Filed Clerk, U.S. District Court, August 22nd, 2005.

6 Q And then going down to the middle of the page, what court
7 was this filed in? In the middle of the page, do you see
8 "United States District Court"?

9 A United States District Court, Central District of
10 California.

11 Q And on the left-hand side, would you read again the
12 parties.

13 A SST Sterling Swiss Trust, 1987 A.G., a trust formed under
14 the laws of Switzerland, and Wesley Snipes, Plaintiffs, versus
15 New Line Cinema Corporation, a California corporation; New
16 Line Productions, Inc., a California corporation; Avery Pix,
17 Inc., a California corporation; ABC Corporation, XYZ
18 Partnership, and Does One through and including 50, whose
19 identities are unknown to Plaintiffs, Defendants.

20 Q Flipping to the second page of that document, do you see
21 near the bottom a section entitled "Parties"?

22 A Yes, sir.

23 Q Do you see a paragraph numbered (5)?

24 A Yes, sir.

25 Q Would you read that paragraph, please.

1 A "Plaintiff Snipes is a natural person and is a citizen and
2 resident of the State of Florida."

3 Q Thank you. Going to page 38 of that document, which is
4 Bates Number WS-17359, and up at the top, do you see the
5 verification paragraph there?

6 A Yes, sir.

7 Q Could you read that, please.

8 A "Wesley Snipes states that he is a Plaintiff in the
9 above-entitled action, and that he has read the foregoing
10 Second Amended Complaint, knows the contents thereof, and that
11 the same is true and correct, except as to those matters
12 therein stated on information and belief and as to those
13 matters he believes them to be true and correct, under penalty
14 of perjury under the laws of the United States of America,
15 executed on August 18th, 2005."

16 Q And what is the name under the signature line there?

17 A Wesley Snipes, Steward.

18 Q Thank you.

19 MR. MORRIS: Your Honor, may I confer quickly with
20 counsel.

21 THE COURT: You may.

22 "Conference between counsel."

23 BY MR. MORRIS:

24 Q Special Agent Tucker, I would now like to show you a
25 number of exhibits that I will refer generically to as bank

1 records. The First is Government's Exhibit 5.

2 I am sorry. Let me go in order. Would you look through
3 that box, please, and tell me the numbers of the Government's
4 exhibits that are contained within that box.

5 A 3-1, 3-2, and 3-3.

6 Q And would you describe for us what those records are.

7 A These documents are bank records from Bank of America.

8 Q And have they been certified by a records custodian for
9 Bank of America?

10 A Yes, they have been certified.

11 Q And, again, what are the exhibit numbers, 3-1 through 3-
12 what?

13 A 3-1, 3-2 and 3-3.

14 MR. MORRIS: Your Honor, at this time we would offer
15 those into evidence.

16 THE COURT: Any objection?

17 MR. BARNES: No objection, Judge.

18 THE COURT: All right. I will receive in evidence
19 3-1, -2 and -3.

20 BY MR. MORRIS:

21 Q Contained within that box, are also 3-4, -5, -6, -7, -8
22 and -9, Special Agent Tucker?

23 A Yes, sir.

24 MR. MORRIS: Your Honor, we would also offer those
25 into evidence at this time.

1 THE COURT: Which exhibits, Mr. Morris?

2 MR. MORRIS: 3-4 through 3-9, Your Honor.

3 THE COURT: 3-4 through -9 are offered. Any
4 objection to those?

5 MR. BARNES: No objection, Judge.

6 THE COURT: They are all received.

7 BY MR. MORRIS:

8 Q Special Agent Tucker, I would like to now show you three
9 boxes of documents marked as Government's Exhibit 4-1 with
10 various subparts. Would you tell us what exhibits are in that
11 box, please.

12 A These are business records from J. P. Morgan Chase.

13 Q And what are the exhibit numbers?

14 A 4-1, 4-2.

15 Q Would you look at that box and tell me what exhibit that
16 is and what those are.

17 A These documents are a continuation of business records
18 from J. P. Morgan Chase. The exhibit numbers are 4-3.

19 Q Showing you the next box of documents. Will you look
20 through those quickly, and tell me if those are the
21 continuation of the J. P. Morgan documents and what exhibit
22 numbers they are.

23 A These documents are a continuation of business records
24 from J. P. Morgan Chase, Exhibit Numbers 4-4, 4-5, 4-6, 4-7,
25 4-8, 4-9, and 4-10.

1 Q Have all of those records been certified by a records
2 custodian from J. P. Morgan?

3 A Yes. It was included in the first box.

4 MR. MORRIS: Your Honor, at this time we would offer
5 Government's Exhibits 4-1 through 4-10.

6 MR. BARNES: No objection, Judge.

7 THE COURT: Each is received.

8 BY MR. MORRIS:

9 Q Special Agent Tucker, going back briefly to Government's
10 Exhibit 3-1 through 3-9, are all of those exhibits, those bank
11 records from Bank of America, do they pertain to either Wesley
12 Snipes or an entity related to him?

13 A I believe so.

14 Q Based on your review of those records, briefly?

15 A Yeah, it was -- yes. Yes, sir.

16 Q And with regard to Government's Exhibits 4-1 through 4-10,
17 same question. Do they appear to relate to Wesley Snipes or
18 an entity related to him?

19 A Yes, sir.

20 Q Now showing you what's been marked as Government's Exhibit
21 5, what is that, please?

22 A These are business records from Colonial Bank.

23 Q Are they certified by a records custodian from Colonial
24 Bank?

25 A Yes, sir.

1 MR. MORRIS: Your Honor, we would offer Government's
2 Exhibit 5.

3 MR. BARNES: No objection, Judge.

4 THE COURT: It's received.

5 BY MR. MORRIS:

6 Q Showing you what's been marked for identification as
7 Government's Exhibit 6, Government's Exhibit 7. Would you
8 tell us what those are, please.

9 A Exhibit 6 are business records from Lazard Asset
10 Management.

11 Q Do they relate to Wesley Snipes?

12 A Yes, sir.

13 Q And how about Number 7?

14 A Exhibit 7 are business records from UBS Financial
15 Services.

16 Q Do they relate to Wesley Snipes?

17 A Yes, sir.

18 Q Are those each certified by records custodians for the
19 respective entities?

20 A Yes, sir.

21 MR. MORRIS: Your Honor, we would offer them into
22 evidence at this time.

23 MR. BARNES: No objection, Judge.

24 THE COURT: 6 and 7 you are offering, Mr. Morris?

25 MR. MORRIS: Yes, Your Honor.

1 THE COURT: Both are received.

2 BY MR. MORRIS:

3 Q Now I place before you a box containing several exhibits
4 that have been marked for identification. Would you look at
5 those and tell us what the exhibits are and briefly describe
6 what they are.

7 A Exhibit 8 are business records from American Express.

8 Q Do they pertain to Wesley Snipes?

9 A Yes, sir.

10 Q And Exhibit 9?

11 A Exhibit 9 is business records from United Talent Agency.

12 Q Do they pertain to Wesley Snipes?

13 A Yes, sir.

14 Q Exhibit 10?

15 A Exhibit 10 is business records from Undisputed
16 Productions, Millennium Films.

17 Q Do they pertain to Wesley Snipes?

18 A Yes, sir.

19 Q And Exhibit 11?

20 A Business records from Axium International Services.

21 Q Do they pertain to Wesley Snipes?

22 A Yes, sir.

23 Q Exhibit 12, please.

24 A Business records from Paramount Pictures Corporation.

25 Q Pertaining to Wesley Snipes?

1 A Yes, sir.

2 Q Exhibit 13, please. Can you tell us what Exhibit 13 is.

3 A Business records from Goldman Sachs.

4 Q Do they pertain to Wesley Snipes?

5 A Yes, sir.

6 Q Would you tell us what Exhibit 14 is.

7 A Business records from Miramax Films.

8 Q Pertaining to Wesley Snipes?

9 A Yes, sir.

10 Q Would you tell us what Exhibit 15 is, please.

11 A Business records from Cast & Crew.

12 Q Do they pertain to Wesley Snipes?

13 A Yes, sir.

14 Q And Exhibit 16?

15 A Business records from New Line Cinema.

16 Q Do they pertain to Wesley Snipes?

17 A Yes, sir.

18 Q Are all of those records that you have gone through, have

19 they all been certified by a records custodian for the

20 respective businesses?

21 A Yes, sir.

22 MR. MORRIS: Your Honor, at this time we would offer

23 Government's Exhibits 8 through 16.

24 MR. BARNES: No objection, Judge.

25 THE COURT: They are each received.

1 BY MR. MORRIS:

2 Q I am now showing you a box containing a number of
3 exhibits. I would like you to look first at Government's
4 Exhibits 17 through 28 that have been marked for
5 identification. If you could please go through and identify,
6 specify the exhibit, and describe what the records are.

7 A Exhibit 17 are business records from 20th Century Fox Film
8 Corporation. Exhibit 18 are business records from the Cinema
9 Guild, Inc. Exhibit 19 are business records from
10 Entertainment Partners. Exhibit 20 are business records from
11 SPE Corporate services, Inc.

12 Exhibit 21 are business records from Walt Disney Company.
13 Exhibit 22 are business records from the William Morris
14 Agency. Exhibit 23 are business records from Consolidated
15 Artists Payroll Services. Exhibit 24 are business records
16 from MTV Networks.

17 Exhibit 25 are business records from Elizabeth Singer and
18 Associates. Exhibit 26 are business records from Warner
19 Brothers Entertainment, Inc. Exhibit 27 are business records
20 from Mobius International, Inc. Exhibit 28 are business
21 records from Lions Gate Entertainment.

22 Q Thank you. With regard to all of those exhibits that is
23 Government's Exhibits 17 through 28, have they all been
24 certified by a records custodian from the respective
25 businesses?

1 A Yes, sir.

2 Q And do all of them relate to Wesley Snipes?

3 A Yes, sir.

4 MR. MORRIS: Your Honor, we would offer them into
5 evidence at this time.

6 MR. BARNES: No objection.

7 THE COURT: That's -- what numbers did you offer,
8 Mr. Morris?

9 MR. MORRIS: Government's Exhibits 17 through 28.

10 THE COURT: All right. Received in evidence.

11 MR. MORRIS: Thank you, Your Honor.

12 BY MR. MORRIS:

13 Q Going next to Government's Exhibit 29, do you see that
14 Mr. Tucker?

15 A Yes, sir.

16 Q What is that?

17 A Business records from Carbone and Faasse, Attorney at Law.

18 Q What do they pertain to?

19 A Real estate records.

20 Q Pertaining to a purchase of a house?

21 A Yes, sir.

22 Q Do those records relate to Wesley Snipes?

23 A Yes, sir.

24 Q Have they been certified by the records custodian for
25 Carbone and Faasse?

1 A Yes, sir.

2 MR. MORRIS: Your Honor, we would offer Government's
3 Exhibit 29 into evidence.

4 MR. BARNES: No objection.

5 THE COURT: Government's Exhibit 29 is received.

6 BY MR. MORRIS:

7 Q Mr. Tucker, would you look at Government's Exhibit 30,
8 please. Would you describe that for us, please.

9 A These are corporate records from the State of Florida for
10 Amen Ra Films, Inc.

11 Q Are they certified?

12 A Yes.

13 Q And would you look at the next exhibit, Number 31, please,
14 and describe those for us.

15 A These are corporate records for Amen Ra Films, Inc. from
16 the State of New York.

17 Q And are those certified?

18 A Yes, sir.

19 MR. MORRIS: Your Honor, at this time we would offer
20 Government's Exhibits 30 and 31.

21 MR. BARNES: No objection, Your Honor.

22 THE COURT: 30 and 31 are received.

23 BY MR. MORRIS:

24 Q Would you look at Government's Exhibit 32 that's been
25 marked for identification, please, Mr. Tucker. Would you

1 describe that for us, please.

2 A These are corporate records for Kymberlyte Production
3 Services, International, Inc. from the State of Nevada.

4 Q Have they been certified?

5 A Yes, sir.

6 MR. MORRIS: Your Honor, we would offer Government's
7 Exhibit 32 at this time.

8 MR. BARNES: No objection, Your Honor.

9 THE COURT: It's also received.

10 BY MR. MORRIS:

11 Q Would you look at the next exhibit, please, Mr. Tucker,
12 Number 33.

13 A These are corporate records from the State of California
14 Franchise Tax Board.

15 Q And what persons or entities do they relate to?

16 A They relate to Kymberlyte Production Services, Amen Ra
17 Films, Inc., and Wesley Trent Snipes.

18 Q Have those records been certified?

19 A Yes, sir.

20 MR. MORRIS: Your Honor, at this time we would offer
21 those into evidence.

22 MR. BARNES: Your Honor, we would object on 402,
23 403, 404, and hearsay grounds.

24 THE COURT: What was the last you said, Mr. Barnes?

25 MR. BARNES: Yes, Your Honor. Hearsay would be the

1 last one.

2 THE COURT: What do you say to that? These are
3 corporate records, not public records, as I understood the
4 witness. Well, let me correct myself.

5 These are State of California records, Agent Tucker?

6 THE WITNESS: Yes, sir. They are records --

7 THE COURT: Certified by a state agency?

8 THE WITNESS: Certified by the Franchise Tax Board
9 from the State of California, Your Honor.

10 THE COURT: I will overrule the objection and
11 receive it in evidence under 803(8).

12 MR. MORRIS: Thank you, Your Honor.

13 THE COURT: With respect to the other objection, I
14 will treat it as a motion to strike, which can be renewed and
15 argued subsequently if it isn't connected up as to relevancy
16 and materiality.

17 Go ahead, Mr. Morris.

18 MR. MORRIS: Thank you, Your Honor.

19 BY MR. MORRIS:

20 Q Would you look at Government's Exhibit 34, please, and
21 tell us what that is.

22 A This is a certificate of marriage for Wesley Trent Snipes
23 and Nakyung Park from the State of New Jersey.

24 Q Is it certified?

25 A Yes, sir.

1 MR. MORRIS: Your Honor, we would offer Government's
2 Exhibit 34 into evidence.

3 MR. BARNES: No objection, Your Honor.

4 THE COURT: It's received.

5 BY MR. MORRIS:

6 Q Special Agent Tucker, would you look at Government's
7 Exhibit 35 that's been marked for identification. Would you
8 tell us what that exhibit is.

9 A This is an order in the case of the United States of
10 America, Plaintiff, versus Eddie Ray Kahn, Defendant, in the
11 United States District Court for the Northern District of
12 Texas, Dallas Division.

13 Q Has that been certified by the clerk?

14 A Yes, sir.

15 MR. MORRIS: Your Honor, we would offer Government's
16 Exhibit 35.

17 MR. BARNES: Objection, Your Honor, on 402, 403,
18 404; and we would renew the motion that Attorney Bernhoft
19 raised previously at side-bar earlier.

20 THE COURT: What is the date of that order, Agent
21 Tucker?

22 THE WITNESS: Your Honor, this was signed this 9th
23 day of October 1986.

24 THE COURT: I will reserve ruling on that one until
25 I can hear from counsel, Mr. Morris.

1 MR. MORRIS: Thank you, Your Honor.

2 Your Honor, the next exhibits that I intend to
3 offer, Government's Exhibit 37 and 38, are the subject of a
4 motion in limine filed on behalf of Mr. Rosile.

5 THE COURT: Thank you, Mr. Morris. Why don't you
6 lay the predicate without disclosing the content of the
7 exhibit, and then I will reserve ruling on that, as well,
8 until I can hear further from counsel.

9 MR. MORRIS: Thank you.

10 Special Agent Tucker --

11 THE COURT: Excuse me. As to these exhibits,
12 Mr. Wilson, I take it the objection does not go to
13 authenticity, or does it?

14 MR. WILSON: No, the objection does not go to
15 authenticity, Judge.

16 THE COURT: See if you can lay your predicate and I
17 will reserve ruling, Mr. Morris.

18 BY MR. MORRIS:

19 Q Special Agent Tucker, are Government's Exhibits 37 and 38
20 records of a public agency?

21 A Yes, sir.

22 Q Do they relate to Defendant Douglas Rosile?

23 A Yes, sir.

24 Q Have they been certified by a records custodian for those
25 respective agencies?

1 A Yes, sir.

2 MR. MORRIS: Your Honor, we would offer them into
3 evidence.

4 THE COURT: I will reserve ruling.

5 MR. MORRIS: Thank you, Your Honor.

6 May I have a brief moment, Your Honor?

7 THE COURT: You may.

8 MR. MORRIS: Your Honor, I would now like to publish
9 a select number of exhibits from the records that have already
10 been admitted.

11 BY MR. MORRIS:

12 Q From Government's Exhibit 4-1, if we could publish,
13 please, Bates WS-04902. And would you enlarge that, please.
14 Thank you.

15 Special Agent Tucker, this is a record, Government's
16 Exhibit 4-1, from J. P. Morgan Chase Bank for a Wesley Trent
17 Snipes with a certain account number; is that correct?

18 A Yes, sir.

19 Q And what is this particular document, again referred to by
20 Bates Number WS-04902.

21 A This is a check drawn on the account at J. P. Morgan
22 Chase, payable to Eddie Kahn, signed by Wesley Snipes.

23 Q And can you make out the date?

24 A I can't make out the date from here, no, sir.

25 Q Showing you a hard copy of that exhibit.

1 A The date is January 8th, 2000.

2 Q And what is the amount of the check?

3 A 2,000 dollars.

4 Q And, again, who is the payee, the person being paid?

5 A Eddie Kahn.

6 Q And can you make out the signature?

7 A Wesley Snipes.

8 Q And do you see the memo section of the check?

9 A Yes, sir.

10 Q What does it say?

11 A Consultant fee.

12 Q Thank you. Now, going to Government's Exhibit 7 --

13 MR. WILSON: I am sorry, Your Honor. What was the
14 Bates number of that document, please?

15 MR. MORRIS: Your Honor, may I respond to counsel?

16 THE COURT: Surely, you may. Go ahead, Mr. Morris.

17 MR. MORRIS: That's WS-04902.

18 MR. WILSON: And that was from 4-1?

19 MR. MORRIS: Yes.

20 MR. WILSON: Thank you.

21 BY MR. MORRIS:

22 Q We are going now to the document with the Bates number
23 immediately preceding that. That is WS-04901. Would you look
24 at the top part of that document, Special Agent Tucker, and
25 tell me what this record is. Is this also a record of J. P.

1 Morgan?

2 A Yes, sir.

3 Q And would you tell us what that first line states under
4 "check paid"?

5 A Check Number 505, date paid January 18, amount 2,000
6 dollars.

7 Q And at the very top, would you read the name of the
8 account holder?

9 A Wesley Snipes.

10 Q And going back to the previous exhibit or the previous
11 page, I should say, what's the check number on that check?

12 A Check Number 505.

13 Q Thank you. Going now to Government's Exhibit 7, which are
14 UBS Financial Services records, if you could publish, please,
15 page WS-12924. Do you see that, Special Agent Tucker?

16 A Yes, sir.

17 Q What is this?

18 A Business records from UBS Payne Webber.

19 Q And, specifically, what is this page?

20 A It is an account application and agreement for
21 organizations, businesses and ERISA plans.

22 Q And looking down to the middle of the page, do you see the
23 listed account holder?

24 A It's hard to read from here, sir.

25 Q Do you see it now?

1 A Yes, sir.

2 Q What's the account holder?

3 A Kymberlyte Production Services, International, Inc.

4 Q Going down to the bottom portion on the left-hand side
5 under "financial information," do you see the annual income
6 listed?

7 A Yes, sir.

8 Q What does it say?

9 A One million plus.

10 Q Do you see the net worth listed?

11 A Yes, sir.

12 Q What's that?

13 A Ten million plus.

14 Q And going to the next page of the document, which is Bates
15 WS-12925, in the upper left-hand corner, do you see who is
16 listed as the principal officer or trustee?

17 A Yes, sir.

18 Q Who is that?

19 A Dr. Wesley T. Snipes.

20 Q And going two more pages in that document to Document
21 Number WS-12927, going down the bottom portion of the document
22 on the left-hand side, do you see a signature line there?

23 A Yes, sir.

24 Q And can you make out the signature?

25 A Yes, sir.

1 Q Who does it appear to be signed by?

2 A Dr. Wesley T. Snipes, President.

3 Q Thank you. Going now to Government's Exhibit Number 30 --

4 MR. MEACHUM: Your Honor, could I just see that
5 exhibit just once more, please?

6 THE COURT: You may.

7 MR. MEACHUM: I just wanted to look at the signature
8 line.

9 MR. MORRIS: The previous one?

10 MR. MEACHUM: Yes, please.

11 Thanks, Scot. Go ahead. I just wanted to see it.
12 I'm sorry.

13 BY MR. MORRIS:

14 Q Again going to Government's Exhibit 30, what you described
15 as the Florida corporate records for Amen Ra Films, that's
16 Bates Number WS-17043. Special Agent Tucker, is that the
17 certificate page that you referred to earlier?

18 A Yes, sir.

19 Q And what does it say in the first paragraph?

20 A "I certify the attached is a true and correct copy of the
21 complete file of Amen Ra Films, Inc., a corporation organized
22 under the laws of the State of Florida, filed on January 8,
23 1992, as shown by the record of this office."

24 Q And going to the next page of the document, the next page,
25 please, do you see that page?

1 A Yes, sir.

2 Q Would you read the title?

3 A "Articles of Incorporation of Amen Ra Films, Inc."

4 Q Would you read the first paragraph and the first line
5 after that first paragraph.

6 A "We, the undersigned, being desirous of associating
7 ourselves together for the purpose of becoming a corporation
8 for profit under the laws of the State of Florida, do make,
9 authorize" -- or is that subscribe -- "subscribe and
10 acknowledge these articles of incorporation, pursuant to the
11 Chapter 607 of the Florida General Corporation Act and other
12 applicable provisions of the corporation law of the State of
13 Florida and acts amendator thereof and supplemental thereto.
14 First, the name of the corporation, Amen Ra Films, Inc."

15 Q Going to the next page of the document, please, do you see
16 Paragraph 6 --

17 A Yes, sir.

18 Q -- referring to the initial board of directors?

19 A Yes, sir.

20 Q And what is the name and address specified as the initial
21 board of directors?

22 A The name is Wesley Snipes, the address is 18888 Century
23 Park East, 18th floor, Los Angeles, California, 90067."

24 Q And going down immediately below that, do you see the
25 signatures of the incorporators?

1 A Yes, sir.

2 Q What's the name of the first incorporator?

3 A Jonathan D. Kaufelt.

4 Q Now, the next page in that document -- I'm sorry. The
5 next page, Page Number WS-17053, do you see Mr. Kaufelt's name
6 listed on the upper left-hand portion of this document?

7 A Yes, sir.

8 Q And at the very top, does it specify that this is the
9 letterhead of a law firm?

10 A Yes, sir.

11 Q And if we could blow that up, please, and go down, what's
12 the address of this law firm?

13 A 18888 Century Park East, 18th floor, Los Angeles,
14 California, 90067-1788.

15 Q Is that the same address that was specified on the
16 immediately preceding document we just showed?

17 A Yes, sir.

18 Q Going now to Government's Exhibit 31, Bates Number
19 WS-17059, is this the certification page for the records
20 pertaining to the New York corporate records for Amen Ra
21 Films?

22 A Yes, sir.

23 Q And would you read that, please.

24 A "I hereby certify that the records of this department show
25 that Amen Ra Films, Inc., a Florida corporation, filed an

1 application for authority to do business in the State of New
2 York on August 2nd, 1995."

3 Q Please continue.

4 A "Said authority was annulled by proclamation by the
5 Secretary of State on June 26th, 2002, pursuant to the tax
6 law. And so far as I indicated by the records of this
7 department, said corporation is no longer authorized to do
8 business under the laws of the State of New York."

9 Q Thank you. Going now to Government's Exhibit 33, Bates
10 Number WS-15239. Is this the first page of the records from
11 the State of California Franchise Tax Board?

12 A Yes, sir.

13 Q And who are the entities or persons listed that this
14 pertains to?

15 A Kymberlyte Production Services, Amen Ra Films, Inc., and
16 Wesley Trent Snipes.

17 Q Under the heading Kymberlyte Production Services, would
18 you read what it says.

19 A "I have been unable to locate information on Kymberlyte
20 Production Services. Therefore, no documents are being sent
21 to you at this time."

22 Q Under the heading Amen Ra Films, Inc., would you read that
23 first sentence, please.

24 A "Our records indicate that Amen Ra Films, Inc. filed
25 California corporate returns for income years ending 1994

1 through 1998."

2 Q Under the heading Wesley Trent Snipes, would you read the
3 first line, please.

4 A "Our records show that Mr. Snipes filed California
5 non-resident tax returns for tax years 1994 through 1998."

6 Q And would you read the next paragraph?

7 A "Based on income information received by the Franchise Tax
8 Board, we issued a notice of proposed assessment against
9 Mr. Snipes for his 2000 and 2001 tax years."

10 Q Thank you. Going now to Government's Exhibit 34, Bates
11 Number WS-18571, would you tell us what this document is
12 again.

13 A It's a certificate of marriage from the State of New
14 Jersey for Wesley Trent Snipes and Nakyung Park.

15 Q What is the date of marriage?

16 A March 17th, 2003.

17 MR. MORRIS: Thank you.

18 May I have a moment, Your Honor?

19 THE COURT: You may.

20 MR. MORRIS: Your Honor, I am now at the point where
21 I would intend to offer -- to publish documents that --
22 exhibits rather than you previously reserved ruling on from
23 Government's Exhibits 35, 37 and 38.

24 THE COURT: Well, I don't think 38 has been
25 identified, but I assume it's a certified public record.

1 MR. MORRIS: Yes, Your Honor. And I may not have
2 made the record clear. 37 and 38 are similar certified public
3 records pertaining to Mr. Rosile.

4 THE COURT: I understand.

5 Well, we are coming up on the time I would normally
6 stop for an afternoon break. Members of the jury, perhaps we
7 can accomplish two things at once, while we discuss these
8 exhibits with counsel and you are taking a break. So let's
9 pause for a 15-minute recess.

10 (Jury absent.)

11 THE COURT: Be seated, please.

12 Let me see copies of these three exhibits. You
13 haven't mentioned 36. What's the government's intention about
14 your identified Exhibit 36?

15 MR. MORRIS: We do not intend to offer that at this
16 time.

17 THE COURT: All right. Let me see 35, 37 and 38.

18 MR. MORRIS: These are my own copies, Your Honor.

19 THE COURT: What is the basis of your offer of
20 Exhibit 35, Mr. Morris?

21 MR. MORRIS: 803(8), Your Honor, certified public
22 record. And the basis -- I'm sorry.

23 THE COURT: Well, but -- well, go ahead.

24 MR. MORRIS: The basis for which we offer the
25 certified judgment pertaining to Mr. Kahn is to show his

1 knowledge of the tax laws. He previously was put on notice
2 effectively -- it's hard to imagine a more effective way that
3 somebody could be put on notice to have been previously
4 convicted of the very type of offense that is at issue here.

5 THE COURT: Well, he is not charged in this case
6 with failure to file, right?

7 MR. MORRIS: That's correct, Your Honor. The
8 conspiracy charge that he is charged with asserts as one of
9 the manner and means of the conspiracy the intent to impair,
10 impede and defeat the IRS through the non-filing of tax
11 returns.

12 THE COURT: Well, I understand that, but I am -- at
13 least at this early stage of the case, until I can determine
14 with greater comfort the need of the government for this item
15 of proof, I am inclined to sustain the objection to it under
16 Rule 402 and 403, which I understood to be a part of counsel's
17 objection.

18 I would overrule the objection with respect to
19 hearsay. It does appear by inherent indicia to be an
20 authentic public record, but it seems to me it has a greater
21 potential for prejudice than probative value at the moment.
22 And I will sustain the objection to it without prejudice to
23 its being re-offered subsequently.

24 What do you say to these other exhibits, 37?

25 MR. MORRIS: 37 and 38 are similar, Your Honor. One

1 is an order from the Board of Accountancy for Ohio; the other,
2 an order from the Board of Accountancy of Florida. Both
3 relate to the revocation of Mr. Rosile's CPA licenses in those
4 respective states.

5 They are certified public documents, admissible
6 under 803(8). Those are specific allegations that are part of
7 the indictment, and they are being offered for at least two
8 purposes, Your Honor.

9 It has been clearly made -- stated in opening
10 statement that there is a reliance defense by Mr. Snipes
11 relying on advisors. And those would include Mr. Rosile, who
12 he alleges prepared his 1997 amended tax return, the subject
13 of Count II.

14 And, therefore, his -- Mr. Snipes' reliance on
15 Mr. Rosile is colored and affected by Mr. Rosile's status as
16 to whether he is one of the parties that Mr. Bernhoft
17 specifically mentioned in his opening statement who is capable
18 of representing someone before the IRS; an attorney, a CPA or
19 an enrolled agent.

20 THE COURT: What exhibit, what government exhibit
21 represents the amended return described in Count II?

22 MR. MORRIS: If you will give me just one moment,
23 Your Honor.

24 THE COURT: That's Question One. And Question Two
25 is whether Mr. Rosile's name appears on that exhibit as a

1 preparer or in some other capacity.

2 MR. MORRIS: It does. In answer to Number Two, it
3 does.

4 THE COURT: Well, then what do you say to that,
5 Mr. Barnes?

6 MR. BARNES: Yes, Your Honor. There is no
7 foundation that my client had any notice of this disbarment of
8 Mr. Rosile. So that would be the objection from our grounds.

9 I know Mr. Wilson has his own independent grounds
10 for objection.

11 MR. MORRIS: Your Honor, if I could just respond to
12 your first question. It is proposed Government's Exhibit 64-1
13 and 64-2 that are the amended tax return for 1997, bearing
14 Mr. Rosile's signature as preparer.

15 And, Your Honor, if I might also, the other aspect
16 of why we're offering this is, with regard to Mr. Rosile, his
17 former status as a CPA shows his knowledge of the tax laws.

18 And, therefore, any good faith defense that he may
19 have or willfulness defense that he may have would be affected
20 by his own business history, professional credentials and the
21 like.

22 THE COURT: Well, I am inclined to reserve ruling on
23 both of these documents, 37 and 38, but solely on the ground
24 of Rule 402 and 403 at this point.

25 The other grounds for objection I would overrule

1 based upon the face of the documents. But you have got a 402
2 and 403 issue to contend with there as the evidence develops I
3 think, Mr. Morris. And then you can revisit that when you
4 think that you have overcome that problem.

5 MR. MORRIS: Yes, Your Honor.

6 THE COURT: All right. Let's take a --

7 MR. MEACHUM: Your Honor, before we break, could I
8 get a point of clarification from the Court, please?

9 THE COURT: Yes.

10 MR. MEACHUM: I made note that the witness for the
11 government read certain documents. And I wanted to raise
12 under Rule 106 the theory of completeness. It says in that
13 rule that it should be done --

14 THE COURT: Mr. Meachum --

15 MR. MEACHUM: Meachum. I understand, Your Honor.

16 THE COURT: What do you understand?

17 MR. MEACHUM: Well, I understand that you are having
18 a hard time pronouncing my last name, and it can't be
19 difficult.

20 THE COURT: Well, I apologize for that.

21 MR. MEACHUM: That's okay.

22 THE COURT: I have a good friend whose name is Ralph
23 Meakum (phonetic), and that's the reason for it.

24 The problem, Mr. Meachum, is that with respect to
25 this witness, under Rule 5.03(b)(8) of the local rules, I can

1 hear only from Mr. Barnes.

2 MR. MEACHUM: I understand.

3 THE COURT: We will take a ten-minute break.

4 (Short recess.)

5 (Jury present.)

6 THE COURT: Thank you. Be seated, please, members
7 of the jury.

8 All right. Mr. Morris, you may continue.

9 MR. MORRIS: Thank you, Your Honor.

10 BY MR. MORRIS:

11 Q. Special Agent Tucker, other than your involvement with
12 getting the records that we've just gone through certified
13 and, of course, your ability to be able to look at records and
14 read the records and determine at least what they pertain to,
15 do you have any personal detailed knowledge of the contents of
16 the records that have just been admitted?

17 A. No, sir.

18 MR. MORRIS: No further questions?

19 THE COURT: Mr. Barnes?

20 MR. BARNES: Yes, Your Honor.

21 CROSS-EXAMINATION

22 BY MR. BARNES:

23 Q. The Florida records that you reviewed, you don't know who
24 prepared those records, is that correct?

25 A. I don't know which records you're pertaining to, sir.

1 Q. Okay. The -- of all the records you reviewed, you don't
2 know who prepared the underlying documents and records, is
3 that correct?

4 A. I know that I got those records certified from the
5 custodian of records of the represented financial institution
6 or entity, sir.

7 Q. Okay. So, for example, like the homestead declaration,
8 you know that the records were certified, but you don't know
9 who prepared the homestead declaration itself, is that
10 correct?

11 A. No, sir, I do not know who prepared the homestead
12 declaration, but I know that --

13 Q. The only homestead declaration that you identified is a
14 homestead declaration from February of 2003, is that correct?

15 A. I do not know without looking at the document, sir.

16 Q. Is that the only homestead declaration that you have or
17 you identified from the State of Florida records?

18 A. There was only one homestead declaration that I
19 identified, sir.

20 Q. Okay.

21 MR. BARNES: May I pull up that exhibit?

22 BY MR. BARNES:

23 Q. What date do you see at the top right-hand corner under
24 Orange County, Florida?

25 A. March 4, 2003.

1 Q. And that's the date as listed as when it was received and
2 recorded?

3 A. Yes, sir.

4 Q. And that's the only homestead exemption you have?

5 A. Yes, sir.

6 Q. So you have no homestead exemption for prior to March of
7 2003?

8 A. Not to my knowledge, sir.

9 Q. Do you have any documents that show the homestead
10 exemption request was granted?

11 A. Not to my knowledge, sir.

12 MR. BARNES: Pull up 1-1. Could you highlight the
13 top right-hand side? Thank you.

14 BY MR. BARNES:

15 Q. What date is the Florida driver's license listed as
16 originally issued?

17 A. March 1, 1978.

18 Q. Thank you.

19 Did you review any tax return documents or 1099 documents
20 as to what address was listed on those documents for
21 Mr. Snipes' residence?

22 A. No, sir.

23 Q. Did you look at the underlying bank documents to see
24 whether -- on the checks what address was listed for
25 Mr. Snipes on those bank checks?

1 A. No, sir. I did no detailed analysis of the documents.

2 Q. The Bank of America records, you got that from the
3 certified custodian, correct?

4 A. Yes, sir.

5 Q. And that bank account is not in the state of Florida,
6 correct?

7 A. No, sir.

8 Q. And the J.P. Morgan Chase bank records, you received those
9 from the custodian of records, correct?

10 A. Yes, sir.

11 Q. And those accounts are also not located in the state of
12 Florida, correct?

13 A. I do not know, sir.

14 Q. The Colonial Bank records, you received those from the
15 custodian as well?

16 A. Yes, sir.

17 Q. And the Colonial Bank records also were not received or
18 obtained from a custodian in the state of Florida, correct?

19 A. No. The custodian was not in the state of Florida. No,
20 sir.

21 Q. The Lazard Asset Management records, the custodian -- you
22 obtained those records from the custodian as well?

23 A. Well, to clarify, I -- the -- most of the business records
24 were previously obtained during the investigation, and my duty
25 was to obtain a certification so...

1 Q. Okay. In reviewing the certification or any other
2 documents, the -- all of those records are not from the state
3 of Florida, is that correct?

4 A. I do not know, sir.

5 Q. You did not review them to find out?

6 A. No, sir.

7 Q. And you did not identify any voting records where
8 Mr. Snipes registered to vote in the state of Florida,
9 correct?

10 A. I did not; that's correct, sir.

11 Q. And you did not write -- you did not identify what
12 property records exist in the state of New York concerning
13 Mr. Snipes, correct?

14 A. No, sir.

15 Q. And you did not identify what records exist for Mr. Snipes
16 concerning property records in the state of California,
17 correct?

18 A. No, sir.

19 MR. BARNES: Would you pull up WS-12925? Could you
20 highlight the top left-hand corner? Thank you.

21 BY MR. BARNES:

22 Q. What street address is listed for Mr. Snipes on the UBS
23 Paine Webber account?

24 A. 100 Van Dam Street, Suite Number 4.

25 Q. And what city?

1 A. New York, New York, 10013.

2 MR. BARNES: Would you pull up Exhibit 29? Could
3 you go to the next page or -- go to the next page.

4 BY MR. BARNES:

5 Q. These are the property records you obtained from the state
6 of New Jersey, is that correct, or from the attorney's office
7 regarding a property transaction?

8 A. These are the records from Carbone and Faasse.

9 Q. It involves a residence of Mr. Snipes in the state of
10 New Jersey, correct?

11 A. Yes, sir.

12 MR. BARNES: Pull up Exhibit 34.

13 BY MR. BARNES:

14 Q. This is the marriage certificate for Mr. Snipes, correct?

15 A. Yes, sir.

16 Q. And what city is located on there?

17 A. Hackensack City.

18 Q. What county?

19 A. Bergen County.

20 Q. And what state is that in?

21 A. That's in the state of New Jersey, sir.

22 Q. The records that you reviewed involve a lot of financial
23 transactions, is that correct?

24 A. I did not review the records, sir, but I certified there
25 are a lot of records that contain financial transactions; yes,

1 sir.

2 Q. And all of these records involve U.S. institutions or U.S.
3 government or public agencies of states or of the
4 United States government?

5 A. I do not know.

6 Q. Okay. Mr. Snipes did nothing to interfere, impede with
7 any -- you have no record that Mr. Snipes did anything to
8 impair or impede the effort to obtain those records, is that
9 correct?

10 A. That's correct, sir.

11 MR. BARNES: May I have a brief moment, Your Honor?

12 THE COURT: You may.

13 (Pause.)

14 MR. BARNES: No further questions, Your Honor.

15 THE COURT: Mr. Wilson?

16 MR. WILSON: Yes, Your Honor. Thank you.

17 CROSS-EXAMINATION

18 BY MR. WILSON:

19 Q. Agent Tucker, good afternoon. I just have a question or
20 two for you.

21 A. Good afternoon, sir.

22 MR. WILSON: Ma'am, would you please pull up
23 WS-4902.

24 BY MR. WILSON:

25 Q. Agent Tucker, you previously testified about this

1 particular check written by Mr. Snipes in the amount of
2 \$2,000, correct?

3 A. Yes, sir.

4 Q. Okay. And you identified the person to whom the check was
5 made payable, is that right?

6 A. Yes, sir.

7 Q. Okay. Would it be fair to say that the payee of that
8 check was not Doug Rosile?

9 A. Yes, sir.

10 Q. Okay. And would it be, likewise, fair to say that the
11 payee of that check was not American Rights Litigators?

12 A. Yes, sir.

13 Q. Okay. Thank you.

14 MR. WILSON: No further questions, Your Honor.

15 THE COURT: Any redirect, Mr. Morris?

16 MR. MORRIS: Would you please show Exhibit 1-2?

17 REDIRECT EXAMINATION

18 BY MR. MORRIS:

19 Q. Agent Tucker, do you recall this document?

20 A. Yes, sir.

21 Q. What does it show the date that Mr. Snipes was originally
22 issued a driver's license in the state of Florida?

23 A. August 20 of 1997.

24 Q. And what is the expiration date on this particular
25 transaction?

1 A. July 31 of 2004.

2 Q. So this record shows that he had a driver's license from
3 '97 to 2004, correct?

4 A. Yes, sir.

5 Q. In the state of Florida?

6 A. Yes, sir.

7 Q. Listing an address of 9711 Deacon Court, Windermere,
8 Florida?

9 A. Yes, sir.

10 MR. MORRIS: Would you please show Exhibit 1-3?

11 BY MR. MORRIS:

12 Q. This is apparently a renewal that occurred on 7-15-2004,
13 is that correct?

14 A. Yes, sir.

15 Q. And it shows an issuance date of driver's license for
16 Mr. Snipes, same address, issuance date of July 15, 2004,
17 correct?

18 A. Yes, sir.

19 Q. And it shows the expiration date to be a date in the
20 future, July 31, 2010?

21 MR. BARNES: Objection, Your Honor, leading.

22 THE COURT: Sustained. Avoid leading, Mr. Morris.

23 MR. MORRIS: Yes, Your Honor.

24 BY MR. MORRIS:

25 Q. What's the expiration date that's listed?

1 A. July 31, 2010.

2 Q. Thank you.

3 MR. MORRIS: And would you show Government's Exhibit
4 2-4, please?

5 BY MR. MORRIS:

6 Q. Would you look in the second paragraph, please?

7 MR. MORRIS: Could we enlarge that?

8 BY MR. MORRIS:

9 Q. Would you read that, please?

10 A. "I hereby declare on this day that I have had my national
11 de jure domicile in the Florida republic since 1977 and have
12 from the day of June 27 of 1977 to this date maintained the
13 place of my national de jure domicile in the county of the
14 Orange, Florida state republic. I am currently deed holder to
15 the house and on the land as described below."

16 Q. And what is the address described below?

17 MR. MORRIS: Please go down further.

18 THE WITNESS: 9711 Deacon Court, Windermere,
19 Republic of Florida.

20 BY MR. MORRIS:

21 Q. Please read the next paragraph.

22 MR. BARNES: Objection, Your Honor. This has all
23 been asked and answered.

24 THE COURT: I don't think that was published
25 specifically. I'll overrule that objection.

1 Go ahead, Mr. Morris.

2 BY MR. MORRIS:

3 Q. Please read that paragraph.

4 A. "Which house I recognize and intend to have and maintain
5 as my permanent home, port and national de jure domicile. And
6 if I have or obtain another house, or houses, in some other
7 national state or states, I hereby declare that the
8 above-described house in the Florida republic constitutes my
9 predominant and principal house and that I intend to continue
10 it permanently as such."

11 MR. MORRIS: If you could go up to the top of the
12 document, please, in the upper right-hand corner.

13 BY MR. MORRIS:

14 Q. What date was that filed?

15 A. May 23, 2005.

16 MR. MORRIS: And the next page, please.

17 BY MR. MORRIS:

18 Q. And who does it appear to be signed by?

19 A. Wesley Trent Snipes.

20 Q. Thank you.

21 MR. MORRIS: No further questions.

22 THE COURT: Anything further of the witness,
23 counsel?

24 MR. BARNES: No, Your Honor.

25 MR. WILSON: No, Judge.

1 THE COURT: Thank you, Agent Tucker. You may step
2 down.

3 THE WITNESS: Thank you, Your Honor.

4 THE COURT: Next witness, Mr. Morris.

5 MR. MORRIS: Yes, Your Honor. Thank you.

6 The United States at this time calls Raymond Thomas
7 Coudriet.

8 *** RAYMOND THOMAS COUDRIET, SR.,

9 was sworn by the Deputy Clerk ***

10 THE DEPUTY CLERK: Please have a seat.

11 Please state your full name, and spell your last
12 name for the record.

13 THE WITNESS: My full name is Raymond Thomas
14 Coudriet. The last name is spelled C-O-U-D-R-I-E-T. And
15 that's senior. I have a son the same name.

16 MR. MORRIS: May I proceed, Your Honor?

17 THE COURT: You may.

18 MR. MORRIS: Thank you.

19 RAYMOND THOMAS COUDRIET, SR.,

20 being duly sworn, testified as follows:

21 DIRECT EXAMINATION

22 BY MR. MORRIS:

23 Q. Mr. Coudriet, where do you live?

24 A. I live in Orange County, in suburbs of Orlando.

25 Q. Do you currently have an occupation?

1 A. I'm a retired homebuilder.

2 Q. What did you do before that?

3 A. I was an engineer at Chrysler for 17 years and then became
4 a homebuilder for 35 years.

5 Q. When you were a homebuilder, where did you build homes?

6 A. Lake Nona Country Club, Isleworth Country Club, Bay Hill
7 Country Club, Metro West Country Club.

8 Q. What vicinity are those areas in?

9 A. All of them are in the southwest portion of Orlando,
10 except the Lake Nona Country Club; that's by the international
11 airport.

12 Q. In Orlando?

13 A. In Orlando, uh-huh. Yes.

14 Q. Have you ever met Wesley Snipes?

15 A. Yes, I have met him one time.

16 Q. What was the occasion for meeting him?

17 A. The occasion was he was purchasing my personal residence
18 in Isleworth Country Club.

19 Q. Would you describe what Isleworth Country Club is like?

20 A. It's 370-some lots of very exclusive homes, currently
21 ranging up to 15 million each. A lot of celebrities and
22 stars, sports figures.

23 Q. What was the address of the home that you sold to
24 Mr. Snipes?

25 A. 9711 Deacon Court, Windermere, Florida.

1 Q. What was the purchase price, if you recall?

2 A. \$1,050,000.

3 Q. When did you sell the home to Mr. Snipes?

4 A. 1992, I think about March.

5 MR. MORRIS: Would you please publish Government's
6 Exhibit 2-1, Bates number WS-18002?

7 BY MR. MORRIS:

8 Q. Mr. Coudriet -- I know it's a little hard; we're going to
9 have the lights adjusted in just a moment --

10 A. No, I can read it.

11 Q. -- do you recognize this document?

12 A. That's the warranty deed to Amen RA Films, Incorporated,
13 from my wife and myself.

14 Q. So this is the deed transferring the property you just
15 discussed?

16 A. Yes, to Amen -- I guess that's how you pronounce it --
17 Amen, R-A, RA, Films.

18 Q. But you said that this house was sold to Mr. Snipes.

19 A. Yes.

20 Q. Are you aware of why the deed was titled in the name of
21 Amen RA Films?

22 A. It was requested of me to go -- to allow it to be put into
23 that. At the time I was told that Wesley was going to be
24 getting a divorce and would like to have it in the company
25 name.

1 Q. Okay. Did you have occasion to talk to Mr. Snipes about
2 that?

3 A. The one time when we were walking through the house with
4 the realtor and discussing, you know, how the house looked and
5 what was going to happen, and so on, he wanted to know if I
6 had any problem with having it in the company name, and I
7 couldn't see any problem with that that made any sense to me,
8 as long as it was sold. That's what I was mainly looking at.

9 Q. And did he tell you why he wanted it in the company's
10 name?

11 A. As I mentioned, he said he was planning on getting a
12 divorce and that he would just as soon not have that be part
13 of the issue.

14 Q. Thank you.

15 MR. MORRIS: Those are my questions.

16 THE COURT: Mr. Barnes?

17 MR. BARNES: Yes, Your Honor.

18 CROSS-EXAMINATION

19 BY MR. BARNES:

20 Q. Did Mr. Snipes tell you that he planned on purchasing the
21 home so that family that he had in the area could live there?

22 A. No, he did not. As a matter of fact, he -- after at least
23 a couple of years it was still vacant.

24 Q. It was vacant for several years?

25 A. A couple of years, at least. Being a builder I used to

1 see it vacant. He wanted me to move out in 30 days, and I
2 did. And then two years later it's still empty. That's the
3 only reason I paid attention to it.

4 Q. Oh. Okay. So there were several years in which he was
5 not there?

6 A. At least two.

7 Q. And at some point around 2004 he no longer lived there as
8 well, is that correct?

9 A. Yes, I believe that's -- yes, I think that's right.
10 Uh-huh.

11 Q. Did you ever meet Ruth May Dukes?

12 A. I don't recognize that name.

13 Q. Okay. Did you ever meet any of Wesley's family?

14 A. No, I didn't.

15 Q. Okay. Did you ever go over to the house much when
16 somebody actually was there?

17 A. Yes. I -- on occasion, I believe that it was Wesley's
18 mother that would be on the back boat dock fishing. And I
19 never introduced myself, but that's the only time I really
20 ever saw anybody there.

21 Q. Okay.

22 MR. BARNES: One moment, Your Honor.

23 (Pause.)

24 MR. BARNES: No further questions.

25 MR. WILSON: No questions, Your Honor.

1 THE COURT: Any redirect, Mr. Morris?

2 MR. MORRIS: No, Your Honor.

3 THE COURT: Thank you, Mr. Coudriet. You may step
4 down, sir.

5 Mr. McLellan?

6 MR. McLELLAN: The government calls Paul Crowley.

7 *** PAUL CROWLEY was sworn by the Deputy Clerk ***

8 THE DEPUTY CLERK: Please have a seat.

9 Please state your full name, and spell your last
10 name for the record.

11 THE WITNESS: Paul Crowley, C-R-O-W-L-E-Y.

12 PAUL CROWLEY,

13 being duly sworn, testified as follows:

14 DIRECT EXAMINATION

15 BY MR. McLELLAN:

16 Q. Mr. Crowley, how are you employed?

17 A. I work for the Internal Revenue Service out of Andover,
18 Massachusetts.

19 Q. And in what capacity?

20 A. I am the court witness coordinator.

21 Q. And how long have you been working for the IRS in that
22 capacity?

23 A. Just over three years.

24 Q. And what are your responsibilities in that job?

25 A. I am responsible for certifying the records from the

1 Internal Revenue Service and testifying to those documents as
2 needed.

3 Q. Is it part of your duty to be familiar with the records of
4 the IRS?

5 A. Yes.

6 Q. Were you requested to prepare records of tax filings and
7 associated documents in this case?

8 A. Yes, I was.

9 Q. How did you go about doing that?

10 A. Well, a request would come in; and based on the request, I
11 would do a search by the Taxpayer Identification Number,
12 whether it be the Social Security Number or the Employer
13 Identification Number.

14 Q. Are these searches conducted in IRS computer systems?

15 A. Yes, they are. I can access the computer locally at my
16 terminal, and I search across the entire IRS database.

17 Q. Do you have in front of you Government's Exhibits 39-1
18 through 39-6?

19 A. Yes, I do.

20 Q. And what are those documents?

21 A. These are copies of Form 1040s for various years for
22 Wesley Snipes.

23 Q. Did you identify these documents as part of requested
24 searches in this case?

25 A. Yes.

1 MR. McLELLAN: The United States moves that Exhibits
2 39-1 through 39-6 be received into evidence.

3 MR. BARNES: No objection, Your Honor.

4 THE COURT: Each is received.

5 MR. McLELLAN: Please publish 39-1.

6 BY MR. McLELLAN:

7 Q. Mr. Crowley, just generally, what is this document?

8 A. This is a Form 1040, U.S. individual income tax return for
9 1993.

10 Q. Okay. And whose name appears at the top of that income
11 tax return?

12 A. Wesley Snipes'.

13 Q. Okay. And taking a look at the second page of that
14 document, if you will, what entity appears as the paid
15 preparer for this return?

16 A. The firm's name is Starr & Company.

17 Q. What's the address there?

18 A. 350 Park Avenue, New York, New York.

19 Q. Directing your attention to the first page again, in the
20 upper right-hand corner, what Social Security number appears
21 there?

22 A. The number listed is [REDACTED].

23 Q. Okay. Now, if you will, take a look at Line 31 at the
24 bottom of that return. What is that line?

25 A. That is the adjusted gross income.

1 Q. Okay. And what figure appears for adjusted gross income
2 on that line for 1993?

3 A. \$3,309,142.

4 Q. Okay. Let's take a look at the second page of the return
5 again, I believe Line 60, total tax payments.

6 A. That's correct. The -- did you want the number from
7 there?

8 Q. Yes. What figure is there?

9 A. \$1,149,741.

10 Q. Okay. And can you make out the name of the signature next
11 to where it says "sign here"?

12 A. It appears to be Wesley Snipes.

13 Q. Okay. And what's given as the occupation there?

14 A. Actor.

15 Q. Okay. Directing your attention to the next exhibit,
16 Number 39-2, what is that document?

17 A. This is a Form 1040, U.S. individual income tax return for
18 1994.

19 Q. And taking a look at the second page of the document,
20 whose -- if you can make out who -- who appears to have signed
21 the return next to "sign here"?

22 A. It appears to be Wesley Snipes.

23 Q. And what entity is listed as the paid preparer?

24 A. Starr & Company at 350 Park Avenue, New York, New York.

25 Q. Okay. Again, to the first page, the adjusted gross income

1 line, what figure appears there?

2 A. That's Line 31 again: \$5,161,345.

3 Q. Okay. And taking a look at the second page of the return
4 at Line 60...

5 A. Line 60, that's the total tax payments.

6 Q. And what figure appears there?

7 A. \$1,964,468.

8 Q. Please take a look at the next exhibit, Exhibit 39-3.
9 What is that document?

10 A. This is a Form 1040, U.S. individual income tax return for
11 1995.

12 Q. Okay. Whose name appears at the top of it?

13 A. Wesley Snipes'.

14 Q. And who appears to have signed it on Page 2?

15 A. Wesley Snipes.

16 Q. Again, the paid preparer entity, please?

17 A. Starr & Company, 350 Park Avenue, New York, New York.

18 Q. Okay. And on Line 31, what is the total adjusted gross
19 income at the bottom of Page 1, please?

20 A. That figure is \$7,298,579.

21 Q. Okay. On the second page, at Line 61, please, what is the
22 figure for the total tax payments?

23 A. That is \$2,791,932.

24 Q. Okay. Taking a look at Government's Exhibit 39-4, what is
25 that?

1 A. This is a Form 1040, U.S. individual income tax return for
2 1996 for Wesley Snipes.

3 Q. Okay. And on the second page of that return, who appears
4 to have signed next to where it says "sign here"?

5 A. It appears to be Wesley Snipes.

6 Q. Okay. And, again, the -- which entity appears as the paid
7 preparer?

8 A. Starr & Company, 350 Park Avenue, New York, New York.

9 Q. Okay. On the first page of that return, at Line 31, I
10 believe, what figure appears there for adjusted gross income?

11 A. \$13,387,378.

12 Q. And taking a look at Page 2 on Line 58, please...

13 A. That's the total tax payments of \$4,103,645.

14 Q. Okay. Please direct your attention to Government's
15 Exhibit 39-5. What is that document?

16 A. This is a U.S. individual income tax return, Form 1040,
17 for 1997 for Wesley Snipes.

18 Q. And taking a look at the second page, who appears to have
19 signed it as -- next to the "sign here"?

20 A. That appears to be Wesley Snipes.

21 Q. And who was the paid preparer?

22 A. Starr & Company, 350 Park Avenue, New York, New York.

23 Q. Okay. And just above that, can you make out the -- the --
24 the filing date next to the -- next to the signature that
25 appears to be Wesley Snipes'?

1 A. That looks like October 15, 1998.

2 Q. Okay. On the front page of the return, Page 1, at
3 Line 32, what's the adjusted gross income?

4 A. \$19,238,192.

5 Q. And on the second page, at Line 53, in the middle there,
6 what appears as the total tax?

7 A. The total tax is \$7,360,746.

8 Q. Okay. A little bit below that at Line 60, what -- what --
9 what is that line?

10 A. That is the total payments.

11 Q. What figure appears there?

12 A. \$7,180,574.

13 Q. Okay. And then below that, at Line 64, what -- what is
14 represented by Line 64?

15 A. This is the amount due with the return of \$180,181.

16 Q. Okay. On that page next to where it says "sign here" and
17 just above where the signature appears to be saying Wesley
18 Snipes, can you please read the first sentence of that
19 declaration?

20 A. It reads: "Under penalties of perjury, I declare that I
21 have examined this return and accompanying schedules and
22 statements; and to the best of my knowledge and belief, they
23 are true, correct and complete."

24 MR. McLELLAN: Taking a look at the -- for purposes
25 of projection, it's -- it's Bates range WS-00236.

1 For purposes of the exhibit, it's -- I believe it's
2 the second page from the end of the exhibit.

3 BY MR. McLELLAN:

4 Q. Okay. What is that document?

5 A. This is a Form W-2 for Wesley Snipes for 1997.

6 Q. Okay. And who is the employer listed at, I believe, Box
7 C?

8 A. Box C lists Amen RA Films, Incorporated.

9 Q. Okay. Now, what is the Employer's Identification Number
10 for Amen RA Films on here?

11 A. That would be listed in Box B, 581973093.

12 Q. Okay. And in Box 1, what appears as the figure for wages,
13 tips and other compensation?

14 A. \$16 million.

15 Q. Okay. And at Box 2, what appears for federal income tax
16 withheld?

17 A. \$4,309,720.08.

18 Q. Directing your attention to Government's Exhibit 39-6,
19 please, what is that document?

20 A. This is a Form 1040, U.S. individual income tax return for
21 1998 for Wesley Snipes.

22 Q. Okay. And taking a look at the second page, who appears
23 to have signed it next to where it says "sign here"?

24 A. It appears to be Wesley Snipes.

25 Q. Okay. And the paid preparer, who would that be?

1 A. The --

2 Q. The name of the company.

3 A. The firm's name is Starr & Company, 350 Park Avenue,
4 New York, New York.

5 Q. Okay. Is there a date there by the preparer?

6 A. There is.

7 Q. What does it say?

8 A. October 5, 1999.

9 Q. Okay. Taking a look at the first page of the return, at
10 the very bottom, Line 33, for adjusted gross income, what
11 figure appears there?

12 A. There's a negative figure, \$757,264.

13 Q. Okay. And at Line 56, a figure for total tax for that
14 year?

15 A. Zero.

16 MR. McLELLAN: Begging the Court's indulgence. This
17 is a large delivery.

18 (Pause.)

19 BY MR. McLELLAN:

20 Q. Now, please take a look and see if you have before you
21 Government's Exhibits Numbers 40-1 through 51-3.

22 A. I do.

23 Q. Okay. Taking a look at Government's Exhibits 40-1 through
24 40-4, would you please identify those documents?

25 (Pause.)

1 A. These are documents relating to Bedrock Capital Partners.

2 Q. Okay. And what is Exhibit 40-1?

3 A. 40-1 is a true copy of the original Form 1065, U.S.
4 partnership return of income for Bedrock Capital Partners.

5 Q. What is Exhibit 40-2?

6 A. 40-2 is a true copy of a business master file online
7 transcript, BMFOLT, captioned Bedrock -- I'm sorry -- B-E-D-R,
8 tax Form 1065 for the tax year 2000.

9 Q. What is Exhibit 40-3?

10 A. This is a true copy of a business master file online
11 transcript, BMFOLR, captioned B-E-D-R, for tax Form 1065 for
12 the tax year 2000.

13 Q. And what is Exhibit 40-4?

14 A. 40-4 is a certificate of assessments, payments and other
15 specified matters for U.S. partnership return of income, Form
16 1065, captioned Bedrock Capital Partners, for the tax year
17 2000.

18 MR. McLELLAN: Your Honor, the government moves that
19 these documents be received into evidence.

20 THE COURT: Down through what exhibit, Mr. McLellan?

21 MR. McLELLAN: I'm sorry. 40-1 through 40-4, the
22 ones the witness has just identified, Your Honor.

23 MR. BARNES: No objection, Your Honor.

24 THE COURT: Each is received.

25 BY MR. McLELLAN:

1 Q. The next ones I would like you to take a look at are
2 Government's Exhibits 41-1 through 41-3.

3 A. These are documents related to Blaam, B-L-A-A-M, Partners.

4 Q. Okay. So what is -- what specifically is 41-1?

5 A. 41-1 is a true copy of an original Form 1065, U.S.
6 partnership return of income, captioned Blaam Partners, for
7 tax year 1999.

8 Q. Okay. What is Exhibit 41-2?

9 A. 41-2 is a copy of Form 1065, U.S. partnership return of
10 income and admin file, captioned Blaam Partners, for tax year
11 1999.

12 Q. And what is 41-3?

13 A. 41-3 is a true copy of original Form 1065, U.S.
14 partnership return of income, captioned Blaam Partners, for
15 tax year 2000.

16 MR. McLELLAN: The government moves that exhibits
17 previously marked 41-1 through 41-3 be received into evidence.

18 MR. WILSON: No objection from Mr. Rosile,
19 Your Honor.

20 THE COURT: Thank you, Mr. Wilson.

21 MR. BARNES: Could I get one more time all of the
22 exhibits they are moving in, Judge?

23 THE COURT: 41-1 through 41-3.

24 MR. BARNES: No objection, Your Honor.

25 THE COURT: Each of those three exhibits is

1 received.

2 BY MR. McLELLAN:

3 Q. Mr. Crowley, directing your attention to Numbers 42-1
4 through 42-3, please identify each in turn.

5 A. 42-1 is a true copy of an original Form 1065, U.S.
6 partnership return of income, captioned Blacap, B-L-A-C-A-P,
7 Partners, for tax year 1999.

8 Q. And 42-2?

9 A. 42-2 is a true copy of original Form 1065, U.S.
10 partnership return of income, captioned Blacap Partners, for
11 tax year 2000.

12 Q. And 42-3?

13 A. 42-3 is a true copy of an original Form 1065, U.S.
14 partnership return of income, captioned Blacap Partners, for
15 2000.

16 MR. McLELLAN: The government moves that exhibits
17 previously marked 42-1 through 42-3 be received into evidence.

18 MR. BARNES: No objection, Your Honor.

19 MR. WILSON: None, Your Honor.

20 THE COURT: Each is received.

21 BY MR. McLELLAN:

22 Q. Mr. Crowley, directing your attention to Number 43, what
23 is that document?

24 A. This is a true copy of the original Form 1120S, U.S.
25 income tax return for an S-corporation, captioned Black Dot

1 Media, Incorporated, for tax year 1999.

2 MR. McLELLAN: The government moves that exhibit
3 previously marked Number 43 be received into evidence.

4 MR. WILSON: No objection, Your Honor.

5 MR. BARNES: No objection, Your Honor.

6 THE COURT: It's received.

7 BY MR. McLELLAN:

8 Q. Now, Mr. Crowley, addressing Numbers 44-1 through 44-4.
9 Please start by identifying 44-1.

10 A. 44-1 is a true copy of the original Form 1065, U.S.
11 partnership return of income, captioned Blackstone Investors
12 Partnership, for the tax year 1999.

13 Q. How about 44-2?

14 A. 44-2 is a true copy of the original Form 1065, U.S.
15 partnership return of income, captioned Blackstone Investors
16 Partnership, for the tax year 2000.

17 Q. 44-3?

18 A. 44-3 is a true copy of the original Form 1065, U.S.
19 partnership return of income, captioned Blackstone Investors
20 Partnership, for 2000.

21 Q. And 44-4?

22 A. 44-4 is a copy of Form 1065, U.S. partnership return of
23 income correspondence, captioned Blackstone Investors
24 Partnership, for tax year 2000.

25 MR. McLELLAN: The government moves that exhibits

1 previously marked 44-1 through 44-4 be received into evidence.

2 MR. BARNES: No objection, Your Honor.

3 MR. WILSON: No objection.

4 THE COURT: Each is received.

5 BY MR. McLELLAN:

6 Q. Now, Mr. Crowley, addressing Numbers 45-1 through 45-3,

7 what is the first of those, 45-1?

8 A. 45-1 is a certificate of assessments, payments and other
9 specified matters for U.S. corporate income tax return, Form
10 1120, captioned Harmony Peace Productions, for tax year 1999.

11 Q. Okay. And Number 45-2, what is that?

12 A. That is a true copy of a business master file online
13 transcript, BMFOLT, captioned H-A-R-M, for tax Form 1120, for
14 the year 1999.

15 Q. And what is Exhibit 45-3?

16 A. 45-3 is a true copy of a business master file online
17 transcript, BMFOLR, captioned H-A-R-M, tax Form 1120, for the
18 tax year 1999.

19 MR. McLELLAN: The government moves that exhibits
20 previously marked 45-1, 2 and 3 be received into evidence.

21 MR. BARNES: No objection, Your Honor.

22 MR. WILSON: No objection.

23 THE COURT: They are received.

24 BY MR. McLELLAN:

25 Q. Mr. Crowley, directing your attention to Government's

1 Exhibit previously marked Number 46, what is that?

2 A. This is a true copy of the original form 1120S, U.S.
3 income tax return for an S-corporation, captioned
4 H-R-M-A-K-I-S, Incorporated, for tax year 1999.

5 MR. McLELLAN: The government moves that exhibit
6 previously marked Number 46 be received into evidence.

7 MR. BARNES: No objection, Your Honor.

8 MR. WILSON: No objection.

9 THE COURT: It's received.

10 BY MR. McLELLAN:

11 Q. Mr. Crowley, I'm going to ask you some specific questions
12 about this document.

13 MR. McLELLAN: I think the Bates pagination is
14 WS-01338.

15 MR. WILSON: I'm sorry. Is this Number 46?

16 MR. McLELLAN: Yes, it is.

17 BY MR. McLELLAN:

18 Q. Mr. Crowley, what name appears on this return?

19 A. The name is H-R-M-A-K-I-S, Inc.

20 Q. Okay. And it's a return for what year?

21 A. 1999.

22 Q. Okay. And taking a look at the date stamp where it says
23 "received IRS," can you make out anything about the date on
24 that stamp?

25 A. It was received at the IRS center at Brookhaven,

1 Holtsville, New York, on March 20 of 2000.

2 Q. Okay. And at the line where it says "please sign here,"
3 who signed there as an officer? Whose name does that appear
4 to be?

5 A. That appears to be Wesley Snipes'.

6 Q. And what is the title?

7 A. President.

8 Q. Okay. Mr. Crowley, directing your attention to Numbers
9 47-1, 2 and 3. What is 47-1?

10 A. This is a certificate of assessment, payments and other
11 specified matters for a U.S. partnership return of income,
12 Form 1065, for Jezebel Kitchen, LLC, for tax year 1999.

13 Q. And how about 47-2?

14 A. 47-2 is a business master file online transcript, BMFOLR,
15 captioned J-E-Z-E, tax Form 1065, for the tax year 1999.

16 Q. And 47-3?

17 A. 47-3 is a business master file online transcript, BMFOLT,
18 captioned J-E-Z-E, tax Form 1065, for tax year 1999.

19 MR. McLELLAN: The government moves that numbers
20 47-1, 2 and 3 be received into evidence.

21 MR. BARNES: No objection, Your Honor.

22 MR. WILSON: No objection.

23 THE COURT: Each is received.

24 BY MR. McLELLAN:

25 Q. Mr. Crowley, directing your attention to 48-1, 2, 3 and 4.

1 Please identify 48-1.

2 A. 48-1 is a certificate of assessments, payments and other
3 specified matters for a U.S. corporation income tax return,
4 Form 1120, for Nile Delta Productions, for the tax year 1999.

5 Q. And what is 48-2?

6 A. This is a true copy of the business master file online
7 transcript, BMFOLR, captioned Nile, N-I-L-E, tax Form 1120,
8 for the tax year 1999.

9 Q. 48-3, what is that?

10 A. This is a business master file online transcript, BMFOLT,
11 captioned Nile, N-I-L-E, tax Form 1120, for the tax year 1999.

12 Q. And 48-4, what is that?

13 A. This is a copy of original Form 1120S, U.S. income tax
14 return for an S-corporation, captioned Nile Delta Productions,
15 Incorporated, for tax year 1999.

16 MR. McLELLAN: The government moves that numbers
17 48-1, 2, 3 and 4 be received into evidence.

18 MR. BARNES: No objection, Your Honor.

19 MR. WILSON: No objection.

20 THE COURT: Each of those four exhibits is received.

21 BY MR. McLELLAN:

22 Q. Mr. Crowley, looking more specifically at Exhibit Number
23 48-4 -- I'm referring to the page that is Bates numbered
24 WS-01445 -- Mr. Crowley, do you see the first page of that
25 return?

1 A. Yes, I do.

2 Q. Okay. What year is that form?

3 A. This is for 1999.

4 Q. Okay. And taking a look at the date stamp received, can
5 you make out anything about that stamp?

6 A. It indicates received at the IRS center at Brookhaven,
7 Holtsville, New York, on April 1, 2000.

8 Q. Okay. And there's a line there for signature of officer.
9 Can you make out who appears to have signed there?

10 A. It appears to be Wesley T. Snipes.

11 Q. And on what date?

12 A. It appears to be February 1 of 2000.

13 Q. And with what title?

14 A. President.

15 Q. Taking a look at the paid preparer line, what entity is
16 the paid preparer?

17 A. Starr & Company, 350 Park Avenue, New York, New York.

18 Q. Okay. Now taking a look at Numbers 49-1 through 49-3, do
19 all three of these pertain to something called Pyramid House,
20 Incorporated?

21 A. Yes, they do.

22 Q. Okay. And what's 49-1?

23 A. This is a certificate of assessments, payments and other
24 specified matters for U.S. corporation income tax return, Form
25 1120, for Pyramid House for 1999.

1 Q. And what is 49-2?

2 A. This is a business master file online transcript, BMFOLR,
3 captioned P-Y-R-A, tax Form 1120, for the tax year 1999.

4 Q. And how about 49-3?

5 A. This is a business master file online transcript, BMFOLT,
6 captioned P-Y-R-A, tax Form 1120, for the tax year 1999.

7 MR. McLELLAN: The government moves that exhibits
8 previously marked 49-1, 2 and 3 be received into evidence.

9 MR. BARNES: No objections, Your Honor.

10 THE COURT: All three are received.

11 BY MR. McLELLAN:

12 Q. Mr. Crowley, please take a look at Number 50. What is
13 that document?

14 A. This is a true copy of the original Form 1120S, U.S.
15 income tax return for an S-corporation, for Royal Guard of
16 Amen RA, Incorporated, for tax year 1999.

17 MR. McLELLAN: And this is paginated as Bates number
18 WS-01388.

19 BY MR. McLELLAN:

20 Q. Does that return bear the signature of an officer?

21 A. Yes, it does.

22 Q. Who does it appear has signed that document?

23 A. It appears to be Wesley Snipes.

24 Q. As -- in what title?

25 A. President.

1 Q. Okay. Is there a "received" stamp on there?

2 A. There is.

3 Q. And can you make out what was the date received at the
4 IRS?

5 A. March 30, 2000.

6 MR. McLELLAN: The government offers exhibit
7 previously marked Number 50 to be received in evidence.

8 MR. BARNES: No objection.

9 MR. WILSON: No objection.

10 THE COURT: It's received.

11 BY MR. McLELLAN:

12 Q. Okay. Mr. Crowley, taking a look at Numbers 51-1, 2 and
13 3, are those all for an entity called -- or pertaining to an
14 entity called the Bus Company, LLC?

15 A. Yes.

16 Q. Okay. And what is 51-1?

17 A. 51-1 is a certificate of assessments, payments and other
18 specified matters for U.S. partnership return of income, Form
19 1065, captioned Bus Company, LLC, Kenan Rubin, member, for tax
20 year 1999.

21 Q. Okay. And what is 51-2?

22 A. 51-2 is a business master file online transcript, BMFOLR,
23 captioned B-U-S-C, tax Form 1065, for the tax year 1999.

24 Q. And how about 51-3?

25 A. 51-3 is a business master file online transcript, BMFOLT,

1 captioned B-U-S-C, tax Form 1065, for the tax year 1999.

2 MR. McLELLAN: The government moves that 51-1, 51-2
3 and 51-3 be received into evidence.

4 MR. BARNES: No objection, Your Honor.

5 THE COURT: Those three exhibits are each received.

6 BY MR. McLELLAN:

7 Q. Mr. Crowley, do you have before you Exhibit previously
8 marked 52-1?

9 A. Yes.

10 Q. What is that document?

11 A. This is a true copy of an original Form 1120S, U.S. income
12 tax return for an S-corporation, captioned Amen RA Films,
13 Incorporated, for tax year 1997.

14 Q. Do you have that return in front of you --

15 A. Yes, I do.

16 Q. -- to Page 1?

17 Who appears to have signed that return?

18 A. The signature of the officer listed appears to be Wesley
19 Snipes.

20 Q. Okay. And taking a look at Line 6 on that return, what
21 figure appears for total income?

22 A. Twenty million nine hundred and thirty-six dollars -- I'm
23 sorry -- nine hundred and thirty-six thousand, three hundred
24 and twenty-eight dollars.

25 MR. McLELLAN: The government offers the exhibit

1 previously marked 52-1 into evidence.

2 MR. BARNES: No objection, Your Honor.

3 MR. WILSON: No objection, Judge.

4 THE COURT: It's received.

5 BY MR. McLELLAN:

6 Q. Mr. Crowley, taking a look at Number 52-2, what is that?

7 A. This is a true copy of an original form 1120S, U.S. income
8 tax return for an S-corporation, and administration file,
9 captioned Amen RA Films, for tax year 1999.

10 MR. McLELLAN: The government offers Exhibit Number
11 52-2 into evidence.

12 MR. WILSON: No objection.

13 MR. BARNES: No objection.

14 THE COURT: It's received.

15 BY MR. McLELLAN:

16 Q. Mr. Crowley, do you have before you Exhibit 53-1?

17 A. Yes, I do.

18 Q. What is that document?

19 A. This is a certification of lack of record.

20 Q. And what information period does it cover?

21 A. This covers tax period 1999.

22 Q. And what information sought does it cover?

23 A. The information sought would be the Form 1040, U.S.
24 individual income tax return.

25 Q. And what's the name of the taxpayer?

1 A. Wesley Snipes.

2 Q. And what is the Taxpayer Identification Number?

3 A. [REDACTED]

4 Q. Did you prepare that document?

5 A. Yes, I did.

6 Q. Did you conduct research in order to be able to prepare
7 that document?

8 A. Yes, I did.

9 Q. What method did you use to conduct this search?

10 A. I do a search at my terminal based on the Social Security
11 Number of this taxpayer, Wesley Snipes, through the Internal
12 Revenue Service databases.

13 Q. Okay. Once you conducted your search, what steps did you
14 take to prepare the certification?

15 A. I actually typed this document and handed it to my boss,
16 David J. Lazarus, for him to sign.

17 MR. McLELLAN: The government offers Exhibit 53-1.

18 MR. BARNES: Your Honor, we have an objection
19 pursuant to Rule 106 for this exhibit and the next ones, all
20 the way through 57-7, and we would move under Rule 106 to
21 introduce the following exhibits already marked as government
22 exhibits: 87-2, 87-10, 87-11, 87-20, 87-21, 87-23, 87-26,
23 87-27, 87-28, 98-2, 106, 126-1 --

24 THE COURT: I didn't understand. 126 what?

25 MR. BARNES: I'm sorry, Your Honor. 126-1, 126-2,

1 126-3, 126-4, 127, 128-1, 128-2, 129-1, 129-2, 130-1, 130-2,
2 130-3, 130-4, 130-5, 130-6, 131-1, 131-2, 132-1, 132-2, 133-1,
3 133-2, 133-3, 133-4, 133-5, 133-6, 133-7, 133-8, 134-1 and
4 134-2, Your Honor.

5 THE COURT: What do you say to that, Mr. McLellan?

6 MR. McLELLAN: Your Honor, I don't think that
7 Rule 106 is intended to cover situations where the adverse
8 party intends to point to documents that would tend to rebut a
9 document. It seems inapplicable, Your Honor.

10 THE COURT: Well, the rule applies not only to the
11 principal document but any other document, it says, or writing
12 which ought in fairness to be considered. I'll have to
13 examine this matter.

14 I take it these documents are marked as government
15 exhibits; you did not intend to offer them?

16 MR. McLELLAN: In general, Your Honor, yes, those
17 are documents we plan to offer. However, the list is so
18 lengthy, it would be difficult to, you know, ascertain exactly
19 our plans with regard to each at this time.

20 THE COURT: Well, if you plan to offer them, I think
21 you might as well -- obviously there's no objection to them --
22 go ahead and admit them. You're still in control of the
23 examination of the witness, and you've not been publishing any
24 of these thus far.

25 MR. McLELLAN: That would be fine with the

1 government, Your Honor.

2 THE COURT: All right. Wait just a moment. You had
3 offered 53-1 and what?

4 MR. McLELLAN: At this time I was just offering
5 53-1, Your Honor.

6 THE COURT: Well, let's see if we can move this
7 along a bit. Which of the exhibits following 53-1 on the
8 government's exhibit list do you intend to offer through Agent
9 Crowley, Mr. McLellan?

10 MR. McLELLAN: One moment, please, Your Honor.

11 (Pause.)

12 MR. McLELLAN: In sequence, Your Honor, all the way
13 through 64-2.

14 THE COURT: From 53-1, which is presently pending,
15 down through 63-2?

16 MR. McLELLAN: I believe so, Your Honor.

17 MR. WILSON: It's 64-2, Your Honor.

18 THE COURT: 64-2? Okay.

19 MR. McLELLAN: I'm sorry, Your Honor.

20 THE COURT: Is there going to be an objection from
21 the defense to any of those exhibits, counsel?

22 MR. WILSON: On behalf of Mr. Rosile, Your Honor,
23 yes, there will be objections to documents that pertain to
24 Mr. Rosile that the government intends to introduce.

25 MR. McLELLAN: Your Honor, perhaps we could break

1 them into groups so that we could address -- there's a --
2 there's a -- there's a sequence that precedes -- it basically
3 runs from Government's Exhibit 53-1, I believe, through
4 Government's Exhibit 58, which these -- these documents
5 pertain to defendant Snipes. Perhaps we could at least
6 address those in the fashion --

7 THE COURT: All right. Let do it incrementally.

8 Will Mr. Snipes have any objection to Government's
9 Exhibits 53-1 through 58, inclusive, on the government's
10 exhibit list, Mr. Barnes?

11 MR. BARNES: No, Judge.

12 THE COURT: Then they are all received in evidence,
13 Mr. McLellan.

14 MR. McLELLAN: Thank you, Your Honor.

15 THE COURT: Just a moment.

16 (Pause.)

17 THE COURT: Mr. Barnes, do all of the exhibits that
18 you enumerated insofar as the Rule 106 motion or application
19 is concerned relate to these exhibits that were just received?

20 MR. BARNES: Yes, Judge.

21 THE COURT: All right. I take it, Mr. Wilson, you
22 don't have any objection to any of those exhibits -- or do
23 you?

24 MR. WILSON: No, Your Honor, we do not.

25 THE COURT: All right. Then all of those exhibits

1 that were enumerated -- government exhibits for identification
2 enumerated by Mr. Barnes a few moments ago beginning with
3 Government Exhibit 87-2 and ending with 134-2 are received in
4 evidence.

5 And you're in control of the presentation of your
6 own case, of course, Mr. McLellan, but we don't have to worry
7 about admitting those exhibits.

8 MR. McLELLAN: Thank you, Your Honor.

9 THE COURT: We're on a roll, members of the jury,
10 with respect to some of this, I think.

11 All right. It's back to you. You may continue,
12 Mr. McLellan.

13 MR. McLELLAN: Thank you, Your Honor.

14 BY MR. McLELLAN:

15 Q. Mr. Crowley, taking a look at Exhibit 53-1, does that
16 represent the results of your search for any tax return Form
17 1040 filed by Wesley Snipes for 1999?

18 A. Yes, it does.

19 Q. What was the result of your search?

20 A. That there were no records found.

21 Q. Does that mean Mr. Snipes did not file a return as far as
22 the IRS is concerned?

23 A. That is correct.

24 Q. Taking a look at 52 -- I'm sorry -- 53-2, does that
25 represent the results of that same type of search but for the

1 period 2000?

2 A. Yes, it does.

3 Q. Did Mr. Snipes file a Form 1040, U.S. individual income
4 tax return for 2000?

5 A. No.

6 Q. Taking a look at Exhibit 53-3, did Mr. Snipes file an IRS
7 individual income tax return Form 1040 for 2001?

8 A. No.

9 Q. 53-4, did Mr. Snipes file a Form 1040, U.S. individual
10 income tax return for 2002?

11 A. No.

12 Q. 53-5, did he file a Form 1040 for 2003?

13 A. No.

14 Q. 53-6, did Mr. Snipes file a Form 1040, U.S. individual
15 income tax return for the period 2004?

16 A. No.

17 Q. 53-7, did he file a U.S. individual income tax return for
18 2005?

19 A. No.

20 Q. Directing your attention to Government's Exhibits 54-1
21 through 54-7, do you have those before you?

22 A. Yes, I do.

23 Q. Okay. Do those records all pertain to an entity called
24 Amen RA Films?

25 A. Yes, they do.

1 Q. And what is the Taxpayer Identification Number of that
2 entity?

3 A. 581-97-3093.

4 Q. Did you conduct searches regarding the tax filing history
5 of this entity?

6 A. Yes.

7 Q. How did you conduct those searches?

8 A. I did a search based on the Employer Identification Number
9 that we just -- that I just entered -- spoke of based on
10 Amen RA Films.

11 Q. Okay. And on these certifications, you have a listing of
12 description of information sought. Could you please read out
13 which forms you were checking for here in this search?

14 A. Form 1041, U.S. income tax return for estates and trusts;
15 Form 1065, U.S. return of partnership income; Form 1120, U.S.
16 corporation income tax return; and Form 1120S, U.S. income tax
17 return for an S-corporation.

18 Q. Okay. And does 54-1 represent the results of your search
19 for those tax forms for the entity Amen RA Films for the
20 period 1999?

21 A. Yes, it does.

22 Q. And what was the result of your search?

23 A. There was no records found.

24 Q. Okay. Did you conduct a parallel search for the period
25 2000?

1 A. Yes, I did.

2 Q. What was the result?

3 A. No records found.

4 Q. Is that represented by Government's Exhibit 54-2?

5 A. Yes, it is.

6 Q. Taking a look at Government's Exhibit 54-3, results for
7 the same entity, the same forms for the period of 2001?

8 A. That's correct.

9 Q. I'm sorry. What were your results?

10 A. The results were no records found.

11 Q. Taking a look at Government's Exhibit 54-4, Amen RA Films,
12 that taxpayer I.D., period of 2002, were there any of these
13 tax forms filed for that entity for 2002?

14 A. No, there were not.

15 Q. 54-5, were any of these forms filed for Amen RA Films for
16 the tax period 2003?

17 A. No, they were not.

18 Q. 54-6, how about for the tax period 2004?

19 A. No, they were not.

20 Q. 54-7, Amen RA Films, those various tax forms for the
21 period 2005, were any filed?

22 A. No.

23 Q. Okay. Directing your attention to Government's Exhibit
24 55-1, 2, 3, 4, all the way through 6, do you have those in
25 front of you?

1 A. Yes, I do.

2 Q. And what are those documents, just generally?

3 A. These are certification of lack of records, in this case
4 Kymberlyte Production Services International, Incorporated.

5 Q. Okay. And did you employ a Taxpayer Identification Number
6 in your search of the IRS records?

7 A. Yes, I did.

8 Q. What was that number?

9 A. 943-37-2002.

10 Q. Okay. Again, were you searching for certain tax forms,
11 whether they were filed in particular tax years for this
12 entity?

13 A. Yes.

14 Q. Okay. And what were the forms that you were checking for
15 here?

16 A. Form 1041, U.S. income tax return for estates and trusts;
17 Form 1065, U.S. return of partnership income; Form 1120, U.S.
18 corporation income tax return.

19 Q. Okay. For the tax period 2000, did Kymberlyte Production
20 Services International, Incorporated, file any of these forms?

21 A. No, they did not.

22 Q. Okay. Is that represented by Exhibit 55-1?

23 A. Yes, it is.

24 Q. Okay. 55-2, did you check for the same filings for
25 Kymberlyte Production Services International, Incorporated,

1 for 2001?

2 A. Yes, I did.

3 Q. Were there any?

4 A. No, there were not.

5 Q. And 55-3, Kymberlyte Production Services International,
6 Incorporated, the same forms, were any filed for 2002?

7 A. No, they were not.

8 Q. 55-4, the same forms for Kymberlyte Production Services
9 International, Incorporated, for the period 2003, were any
10 filed?

11 A. No, they were not.

12 Q. 55-5, the period 2004, Kymberlyte Production Services
13 International, Incorporated, were any of these returns filed?

14 A. No, they were not.

15 Q. 55-6, for the period 2005 for Kymberlyte Production
16 Services International, Incorporated, were any of Forms 1041,
17 1065 or 1120 filed for the entity in 2005?

18 A. No, they were not.

19 Q. Is that represented by Government's Exhibit 55-6?

20 A. Yes, it is.

21 Q. Okay. Taking a look at Government's Exhibit 56-1 --
22 okay -- the entities that you were just testifying about had
23 what are known as EIN numbers, did they not?

24 A. That's correct.

25 Q. What's an EIN number?

1 A. That's an Employer Identification Number.

2 Q. Okay. And when you conducted those searches, did you use
3 employment identification -- Employer Identification Numbers
4 that had been provided to you for these entities?

5 A. Yes, I did.

6 Q. Okay. Now, were you also requested to search for specific
7 entity names in this case?

8 A. Yes, I was.

9 Q. And what method did you use for that?

10 A. I would do a search on the database. Since I did not have
11 the Employer Identification Number, I would search for an
12 Employer Identification Number doing a wildcard search on the
13 information I was given for the names.

14 Q. Okay. For example, the Exhibit 56-1, what is that
15 document?

16 A. This is a certification of lack of record for the taxpayer
17 name of SST Swiss Sterling Trust.

18 Q. Okay. Did you do a search for that taxpayer name in the
19 IRS records?

20 A. Yes, I did.

21 Q. And what were the results?

22 A. That we had no information.

23 Q. Okay. Taking a look at Exhibit 56-2, is that another
24 certification of lack of record?

25 A. Yes, it is.

1 Q. Is it the results of a search for another similar name?

2 A. Yes.

3 Q. And what was that name?

4 A. This name here is Swiss Sterling Trust.

5 Q. Okay. And was that name known in the IRS records?

6 A. No.

7 Q. How about 56-3; did you search another similar name?

8 A. Yes.

9 Q. And what was that name?

10 A. This name is SST Swiss Sterling Trust 1987AG.

11 Q. Okay. And did the IRS have records of any filings by that
12 entity?

13 A. No.

14 Q. Did any of these entities have Employer Identification
15 Numbers?

16 A. No, they did not.

17 Q. Okay. Taking a look at the last of these certifications,
18 Government's Exhibits 57-1 through 57-7, do all these
19 represent the results of the search for the same entity?

20 A. Yes, they do.

21 Q. Okay. What was the Taxpayer Identification Number of that
22 entity?

23 A. 943-33-4120.

24 Q. Okay. What's the name for this entity?

25 A. Amen RA Films PCT, Horizon Management Services, General

1 Partner.

2 Q. Okay. And did you check to see whether this entity filed
3 certain types of returns that you've listed on your
4 certification?

5 A. Yes, I have.

6 Q. Okay. And what were those forms?

7 A. Form 1041, U.S. income tax return for estates and trusts;
8 Form 1065, U.S. return of partnership income; Form 1120, U.S.
9 corporation income tax return.

10 Q. Okay. And did you conduct that same search for that same
11 entity for 1999, 2000, 2001, 2002, 2003, 2004 and 2005?

12 A. Yes, I did.

13 Q. And what was the result of your searches?

14 A. There were no records.

15 Q. Taking a look at Government's Exhibit Number 58, what is
16 that document?

17 A. This is a copy of a Form 2848, power of attorney and
18 declaration of representative.

19 MR. McLELLAN: Would you please project Bates number
20 15406?

21 BY MR. McLELLAN:

22 Q. Again, Mr. Crowley, what is this document?

23 A. This is a power of attorney and declaration of
24 representative.

25 Q. Okay. And in part one under taxpayer identification --

1 sorry -- taxpayer information, whose name appears there?

2 A. Wesley Snipes.

3 Q. And with what Social Security Number?

4 A. [REDACTED].

5 Q. Okay. And taking a look at the second page of this
6 document, who appears to have signed in Section 9 for
7 signature of taxpayer?

8 A. That appears to be Wesley Snipes.

9 Q. On what date?

10 A. March 6, 2004.

11 Q. Is there a name printed under there?

12 A. Yes.

13 Q. What would that name be?

14 A. Wesley Snipes.

15 Q. Okay. And directing your attention to the first page --

16 MR. BARNES: Brief sidebar, Your Honor?

17 THE COURT: Very well.

18 AT SIDEBAR:

19 MR. BARNES: Yes, Your Honor. I only had a request
20 that they redact our particular names from the POA. My
21 understanding of the government's contention for the evidence
22 is that Mr. Snipes had an attorney and particularly for venue
23 purposes that he listed the residence in Florida at that point
24 in time. We would ask that our names be removed from the POA
25 so that there wouldn't be any prejudice of that issue,

1 Your Honor. That's --

2 THE COURT: What's the date on this document?

3 MR. McLELLAN: It's 2004, March -- March, is it?

4 THE COURT: What do you say to redacting the name,
5 counsel?

6 MR. McLELLAN: No objection, Your Honor.

7 THE COURT: Okay. Is there some way you can -- I
8 take it you're interested in admitting the document because of
9 the address?

10 MR. McLELLAN: That is correct, Your Honor.

11 THE COURT: Why don't we stop for the day and let
12 this be done. This has been sort of a weary day for the jury,
13 I suspect.

14 MR. BARNES: Yes, Judge.

15 MR. McLELLAN: Thank you, Judge.

16 IN OPEN COURT:

17 THE COURT: Members of the jury, there's a matter
18 here that I need to pursue with counsel briefly -- or counsel
19 need to pursue. And it's coming up on 5:00. And this has
20 been a somewhat tedious day, but I think we've made
21 substantial progress. And it would be prudent that we recess
22 until 9:00 tomorrow morning and continue at that time with the
23 trial of the case.

24 I appreciate your very patient attention today. And
25 being mindful, as I'm sure you will be, of all the

1 instructions you've been given about things to avoid while
2 you're not in the courtroom, you're now excused until 9:00
3 tomorrow morning.

4 (The jury exited the courtroom, having been excused
5 from further proceedings on this date.)

6 THE COURT: Agent Crowley, you can step down. We're
7 recessed until 9:00 in the morning, as you just heard.

8 Be seated a moment, please, everyone.

9 I have one or two brief matters I wish to raise with
10 counsel. One is, at the end of the afternoon break, as I
11 understand it, or during the afternoon break, our first
12 alternate juror, Charlotte Scruggs, in the thirteenth chair of
13 the expanded jury box, notified the clerk -- who will correct
14 me if I misstate, Madam Clerk -- that she just learned last
15 night that an aunt whom she has not seen in 25 years has been
16 or is employed by the Internal Revenue Service.

17 That's correct, Madam Clerk?

18 THE DEPUTY CLERK: That's correct.

19 THE COURT: I don't think it requires any action at
20 all with respect to someone she's not seen in 25 years, but,
21 nevertheless, that communication came from a juror so I relate
22 it to you.

23 And, Mr. Kahn, I have not asked you about your
24 participation with respect to the examination of witnesses.
25 You have announced you don't intend to participate, so I'm

1 relying on you, I want you to understand, to raise your hand
2 or stand up anytime you change your mind, you understand?

3 DEFENDANT KAHN: Well, can I speak right now?

4 THE COURT: Surely.

5 DEFENDANT KAHN: Okay. Yes, I wanted to talk to you
6 about that anyway because since the jury is aware that I'm not
7 going to be participating and I don't consent to the
8 proceeding, I really don't think there's any reason for me to
9 continue to come here and stay, do you?

10 THE COURT: Well, your right to be present involves
11 a constitutional right, you understand, to say nothing of
12 Rule 43 of the Federal Rules of Criminal Procedure, Mr. Kahn.

13 What's the government's -- are you asking to be
14 excused from the courtroom?

15 DEFENDANT KAHN: I'm just saying I don't see any
16 reason for me to be here because, number one --

17 THE COURT: That's not quite -- my question was, are
18 you asking to be excused from the courtroom?

19 DEFENDANT KAHN: Yeah, I'm -- yes. Yes.

20 THE COURT: What's the government say to this?

21 MR. O'NEILL: Your Honor, Rule 43, as the Court
22 knows, says the defendant must be present.

23 MR. BERNHOFT: May I speak briefly to that issue,
24 Your Honor?

25 THE COURT: Yes, Mr. Bernhoft.

1 MR. BERNHOFT: Just an observation that I think that
2 the -- the right to be present in a federal criminal trial at
3 all proceedings is waivable. I cannot cite a specific case
4 but am anecdotally familiar with certain proceedings in which
5 defendants have declared their intention to absent themselves
6 from the proceedings and be --

7 THE COURT: Well, wait just a minute.

8 MR. BERNHOFT: Yes, sir.

9 THE COURT: Let me read Rule 43, Mr. Bernhoft --

10 MR. BERNHOFT: Yes, sir.

11 THE COURT: -- and then I'll be able to entertain
12 your remarks more intelligently.

13 (Pause.)

14 MR. BERNHOFT: I would respectfully point the
15 Court's attention to 43 sub (c)(1)(A) and then 43(c)(2).

16 (Pause.)

17 THE COURT: Clearly, Rule 43 contemplates that the
18 right to be present may be waived either voluntarily or
19 involuntarily, Mr. O'Neill.

20 Do you intend to call any witnesses with respect to
21 whom the identification of Mr. Kahn by the witness is somehow
22 material to the case?

23 MR. O'NEILL: Yes, Your Honor.

24 THE COURT: Well, think about that over the evening.
25 And we can have Mr. Kahn present in court on those occasions

1 and perhaps excuse him otherwise. That seems to be his wish,
2 and it might, indeed, relieve some of the burden of the
3 Marshal.

4 So we'll work on it, Mr. Kahn.

5 DEFENDANT KAHN: All right, sir.

6 MR. BERNHOFT: Your Honor, if I might, I also
7 believe that Mr. Kahn can stipulate to any of these visual IDs
8 in the courtroom. It's routinely done. And that would
9 also -- a stipulation as to any identifications would also be
10 available.

11 THE COURT: Well, I think that's largely up to the
12 government, Mr. Bernhoft. I'm not going to tell the
13 government how to try its case.

14 MR. O'NEILL: Your Honor, if I may, clearly Rule 43
15 contemplates the absence of the defendant if he voluntarily
16 waives it.

17 I would only note for the Court -- the Court's
18 obviously aware -- if he's going to waive -- it's also, in
19 addition to a statutory right, most definitely a
20 constitutional right, so any waiver would have to be knowing
21 and intelligently made in order to be valid.

22 THE COURT: Well, I'll go over it further with him
23 when the time comes. And I'll discuss it with the Marshal as
24 well. See if you can drop by chambers, please, Marshal.

25 All right. We'll recess until 9:00 in the morning.

1 (Thereupon, the proceedings in this case for this
2 date were concluded at this time.)

3

4 C E R T I F I C A T E

5 We hereby certify that the foregoing is an accurate
6 transcription of proceedings in the above-entitled matter.

7

8

9

10 ----- Date
Dennis Miracle

11

12

13

14 ----- Date
Kelly Owen McCall

15

16

17 WITNESS: PAGE NO.

18 BRIAN TUCKER

19 Direct by Mr. Morris 84
20 Cross by Mr. Barnes 128
21 Cross by Mr. Wilson 134
22 Redirect by Mr. Morris 135

23 RAYMOND THOMAS COUDRIET, SR.

24 Direct by Mr. Morris 139
25 Cross by Mr. Barnes 142

26 PAUL CROWLEY

27 Direct by Mr. McLellan 144

1	EXHIBIT:	ADMITTED
2	Government's Exhibit 1-1	86
	Government's Exhibits 1-2 and 1-3	87
3	Government's Exhibits 2-1 through 2-4	90
	Government's Exhibit 2-5	98
4	Government's Exhibits 3-1 through 3-3	101
	Government's Exhibits 3-4 through 3-9	102
5	Government's Exhibits 4-1 through 4-10	103
	Government's Exhibit 5	104
6	Government's Exhibits 6 and 7	104
	Government's Exhibits 8 through 16	106
7	Government's Exhibits 17 through 28	108
	Government's Exhibit 29	109
8	Government's Exhibits 30 and 31	109
	Government's Exhibit 32	110
9	Government's Exhibit 33	111
	Government's Exhibit 34	112
10	Government's Exhibits 39-1 through 39-6	146
	Government's Exhibits 40-1 through 40-4	153
11	Government's Exhibits 41-1 through 41-3	155
	Government's Exhibits 42-1 through 42-3	155
12	Government's Exhibit 43	156
	Government's Exhibits 44-1 through 44-4	157
13	Government's Exhibits 45-1 through 45-3	157
	Government's Exhibit 46	158
14	Government's Exhibits 47-1 through 47-3	159
	Government's Exhibits 48-1 through 48-4	160
15	Government's Exhibits 49-1 through 49-3	162
	Government's Exhibit 50	163
16	Government's Exhibits 51-1 through 51-3	164
	Government's Exhibit 52-1	165
17	Government's Exhibit 52-2	165
	Government's Exhibits 53-1 through 58	169
18	Government's Exhibits 87-2 through 134-2	170

* * * * *

19
20
21
22
23
24
25