

1 the government's opening statement. I think it will be  
2 Mr. O'Neill who will be giving the opening statement for the  
3 government. All right.

4 OPENING STATEMENT

5 BY MR. O'NEILL:

6 Ladies and Gentlemen, this case is about power and how  
7 it can corrupt. The evidence will show that this case is about a  
8 public official using her public office for private gain. It is  
9 about looking out for No. 1. The evidence will show that the  
10 public official in this case breached the public trust that is  
11 owed to the United States of America. That public official was  
12 the defendant, Deborah Gore Dean.

13 She used her position to benefit herself and her  
14 family. Instead of looking out for the interests of low-income  
15 families, families who needed public housing, she looked out for  
16 the interests of her and her family. Rather than providing the  
17 United States of America with her undivided loyalty, since they  
18 were paying her salary, she was loyal to herself and not the  
19 United States, not to the public to whom she deserved to be  
20 loyal.

21 The evidence will further show that the defendant  
22 consistently disguised what she had been doing and in public  
23 pronouncements stated that the program worked as it was supposed  
24 to work, for the benefit of low-income people. Instead, that is  
25 not how it was working, and the evidence will show that's not how

1 it was working, but she did not want the public to know how it  
2 actually did work.

3 In fact, the evidence will show that in the setting in  
4 which the defendant had to testify under oath before the United  
5 States Senate, she lied and covered up what she had been doing  
6 through the years 1984 to 1987 at the Department of Housing and  
7 Urban Development, and the reason why she lied was because she  
8 didn't want her actions to be exposed. She didn't want the  
9 public to know that she had been utilizing her position for  
10 private gain.

11 May it please the Court, Judge Hogan, counsel, Ladies  
12 and Gentlemen of the Jury, good morning.

13 THE JURORS: Good morning.

14 MR. O'NEILL: We've been introduced several times,  
15 people at government table, by His Honor, but since this is my  
16 first opportunity to speak to you, I'd like to tell you who we  
17 are and introduce ourselves. My name, as you know, is Robert  
18 O'Neill. Immediately to my left is Ms. Paula Sweeney. Together  
19 we represent the United States in this action. We are the  
20 prosecutors in this case. We will be presenting the evidence.

21 Now I'd just like to state for you that we are not  
22 witnesses. We will not be testifying. We were not present when  
23 these events unfolded. We are merely the vehicles by which the  
24 United States presents its evidence. We ask questions of  
25 potential witnesses.

1           You'll also see at counsel table there's another  
2 individual, and His Honor said that's Special Agent Mark Batts of  
3 the Federal Bureau of Investigation. He will be assisting us in  
4 the presentation of this evidence that we'll be presenting in  
5 this case.

6           Now I expect you to hear a lot of information today,  
7 and I'm sure some of you might be a little concerned. There's  
8 going to be a lot of legal issues, and you may never have been a  
9 juror before, and you'll also hear a lot of housing issues, and  
10 you might think, "Well, I'm not an expert in housing."

11           Don't be worried about the legal issues, the housing  
12 issues. That's my job. It's my job now to explain for you  
13 basically what this case is all about. If I don't do that,  
14 that's my fault, my problem, not yours.

15           And we'll take it one step at a time, because this is  
16 really not a complex case. It is very straightforward. There  
17 are a lot of names, lot of people involved, but right now you're  
18 getting an opening statement, and I'll be speaking for an hour or  
19 so, and you're getting all of the case, as His Honor said, sort  
20 of a road map in one hour, whereas in the next several weeks  
21 you'll be getting all of this information as you go along, and  
22 those of you who have been jurors know that. For some of you,  
23 it's a new experience. So don't be concerned. It will all come  
24 together over time.

25           This is a criminal case, Ladies and Gentlemen, as you

1 all know, but I'm sure a lot of you when you got a notice for  
2 jury duty were not thinking of this type of case. You know, we  
3 all are familiar with regular street crime: robbery, car theft,  
4 drugs. Those are the things we usually hear about, experience in  
5 our day-to-day lives.

6 This type of case is what's called white collar, and  
7 the reason for that is the emphasis is slightly different. It  
8 depends on the position generally of the person. This case is  
9 going to be about a public official who used a public office for  
10 private gain, and at first blush, since we're all familiar with  
11 street crime, you might not be as familiar with white color  
12 crime.

13 Well, it can be every bit as bad as street crime,  
14 Ladies and Gentlemen, every bit as serious, in fact, more so. In  
15 street crime, we usually have a single victim -- a car stolen,  
16 the owner is quite upset, but it only usually affects the owner.  
17 Same thing with a burglary: It's a terrible crime, but it's only  
18 the people in the house.

19 When a public official does not act properly and  
20 engages in illegal behavior, we are all harmed, because we all  
21 lose confidence in our public institutions. And that is  
22 primarily the difference between street crime and white collar  
23 crime.

24 Now you will hear in this case that the defendant was a  
25 public official during the time frame relevant to the charges.

1 She was what's called an executive assistant at the Department of  
2 Housing and Urban Development, and I'll get into that, but as  
3 such, she owed certain duties to the American people, to the  
4 general public. The United States government was paying her  
5 salary, a pretty good salary, and she had to work on behalf of  
6 the United States.

7           What does that require? What kind of standards of  
8 conduct should a public official be held accountable to or is  
9 held accountable to? Well, there are certain marks: Honesty.  
10 You must be honest in your approach in what you do.

11           Impartiality. You can't favor somebody that you like  
12 over someone you don't, because you're working for the United  
13 States. You're working for everyone.

14           Fairness. You must be fair to all.

15           Again, it encompasses the notion of equality. It's for  
16 everyone. And you must have the undivided loyalty of the general  
17 public, of the public good in mind, not your own personal  
18 interests, not what you want to get out of the program.

19           You can't serve two masters is basically the premise,  
20 and if you're being paid by the United States, if you're a public  
21 official, you must work for the United States and do what's best  
22 for the American people, the people as a whole.

23           You will hear in this case that the defendant was  
24 required to live up to those standards as a public official, and  
25 very early on, she was even told about these standards. She was

1 told, the evidence will come out, to be careful in her dealings,  
2 because you are a public official, and you must be careful. You  
3 cannot just do what you want. And you will hear about that  
4 evidence.

5           Now obviously, we're going to talk about the Department  
6 of Housing and Urban Development, and in order to talk a little  
7 about that, we have a few charts. We hope these charts will  
8 assist you in seeing what we're talking about, in analyzing the  
9 evidence. They basically summarize the evidence so we don't take  
10 a lot of time talking about things that are much easier to see,  
11 the old saying a picture is worth a thousand words, and we'll see  
12 these from the charts. I'm going to put these up so you can see  
13 that.

14           I'll start with this first chart, Government's 1 for  
15 identification. If it stays up there, we're in pretty good  
16 shape.

17           MR. WEHNER: Your Honor, excuse me, could we see the  
18 charts? Can we go over to the other side so we can see them?

19           THE COURT: Yes, you can certainly move around.

20           MR. WEHNER: Thank you, Your Honor.

21           MR. O'NEILL: Now, Ladies and Gentlemen, this chart  
22 basically covers some of the structure of HUD, and before I  
23 begin, I would like to state to you HUD is a big organization,  
24 and many of you in filling out your jury questionnaires mentioned  
25 you know people at HUD or you have friends or family that work

1 there.

2 Well, it usually, obviously, is a very large  
3 organization, and every job at HUD is not listed on this, because  
4 for the most part we're not concerned with all of HUD. HUD's  
5 headquarters are here in Washington, D.C., but they also have  
6 regional offices around the country. There are approximately ten  
7 regions throughout the country, Northeast, Southeast, Midwest.

8 Then within a region you have field offices within each  
9 individual city, so if we listed that, the chart would be as big  
10 as the room. That we're not concerned with. We just want to  
11 give an overview of the main jobs that you're going to hear about  
12 in this case.

13 HUD starts at the top with the secretary, the top  
14 position in HUD. It's not called president or CEO. It's called  
15 secretary. The secretary of HUD during the period we're going to  
16 talk about, 1984, 1985, 1986, 1987, was an individual by the name  
17 of Samuel Pierce. He occupied that position, okay? He was the  
18 top position at HUD.

19 You will see this position here, executive assistant.  
20 That was the defendant's job during the years 1984 to 1987. The  
21 defendant was the executive assistant to Samuel Pierce.

22 Now there are a lot of other jobs here. You'll hear  
23 various people testify they were special assistants. No need to  
24 get into this right now. Don't worry about being a little bit  
25 confused by this. I've had the benefit of looking at this for a

1 long time, so I know some of the titles and what they are. It is  
2 confusing, but we don't have to worry about that.

3           You'll see this position, under secretary. That's a  
4 pretty important position at HUD. You can see because of the way  
5 it goes down. But for the most part of the time we're talking  
6 about, that position is vacant. Nobody is in that position, so  
7 pretty much we won't have to worry about that too much.

8           Directly below the under secretary is something called  
9 the assistant secretary for housing/FHA commissioner. Now a lot  
10 of us have probably heard of the FHA. That person has a lot of  
11 authority. That person signs off on the funding that we're going  
12 to hear about in this case, as His Honor said, the Moderate  
13 Rehabilitation Program. I'll get into that. This person signs  
14 off on that.

15           And during the years 1984 through 1987, there were  
16 several people holding that slot. They sort of rotated pretty  
17 quickly. No one person stayed for a long time. Some took that  
18 job in an acting capacity; some were actually nominated for that  
19 position, because it's a pretty big job. You've got to be  
20 nominated, you've got to go before the Senate, they've got to ask  
21 you questions.

22           So you'll see several people had that position. You'll  
23 hear names: Maurice Barksdale, Shirley Wiseman, Janet Hale,  
24 Silvio DeBartolomeis, Thomas Demery. Now again, don't worry  
25 about memorizing those names. You'll hear about them over the



1 next couple of weeks, okay? That's not all that important. I  
2 just want you to get alerted to the fact that these are some of  
3 the people.

4           Then you work your way down, and we'll get into a  
5 little, but at this time, it's not all that important, these are  
6 people who are involved with the funding process.

7           That is basically the structure at HUD, Ladies and  
8 Gentlemen, the structure that we're concerned with, and as you  
9 can see, the defendant had a very high position as executive  
10 assistant. She worked right below the secretary and as such was  
11 a public official.

12           Now what is HUD? What is the purpose of HUD? And I'm  
13 going to call it HUD. It's of course the Department of Housing  
14 and Urban Development, but everyone calls it HUD. HUD was  
15 created approximately 20, 30 years ago, and for what purpose?  
16 Well, the purpose was to provide housing for low-income  
17 recipients, people who need housing. At various times, something  
18 happens in someone's life, they need government assistance,  
19 that's what HUD was for, primarily in the area of housing.

20           But it had a second purpose. It's called Housing and  
21 Urban Development. It also was involved in urban development,  
22 the development of the cities.

23           We've all seen what's happened to the cities over the  
24 last 20, 30 years. Cities are crumbling. They need help. Money  
25 has to be put in. That's HUD's function again. HUD does that.

1 They provide housing. They benefit the cities. That is the  
2 mission of HUD. That's what HUD's set up for.

3 Now obviously, HUD has many programs in which they  
4 perform this function, this mission. They have various different  
5 programs that they utilize to provide money for housing, to work  
6 on the cities. There are a whole bunch. We don't need to get  
7 into it. Primarily we're involved in a project called the  
8 Moderate Rehabilitation Project, and that is a project that His  
9 Honor has already noted the name of.

10 Now again, what do we mean by the Moderate  
11 Rehabilitation Program? Moderate rehabilitation, it means very  
12 much like it sounds. HUD had various programs that were designed  
13 to create housing. They had something that was called  
14 substantial rehabilitation; in other words, if an apartment was a  
15 total mess and basically had to be completely gutted and then  
16 fixed up, substantial rehabilitation filled that role.

17 Well, moderate rehabilitation was sort of that in  
18 between, where an apartment was messed up but with some work  
19 could become good, could be fixed up, and that's what they  
20 decided.

21 HUD decided we need this kind of program not for the  
22 really bad apartments, but for the apartments to encourage the  
23 landlords to put some money in it. So they came up with the  
24 Moderate Rehabilitation Program, and the purpose of that is to  
25 make apartments safe, sanitary, livable.

1           That is not the way it worked, Ladies and Gentlemen.  
2 The evidence will show it did not work that way. The defendant  
3 manipulated this program so it did not work, so that money went  
4 to headquarters, to the public housing authorities, and then  
5 they, with all the information that they knew in their local  
6 community, of the problems they knew in their community, gave it  
7 to a particular developer.

8           It worked much differently. How it worked is that the  
9 developers did not go here anymore. This box was effectively  
10 taken out of the equation. They were gone. Developers hired  
11 people, powerful, prominent people, who bypassed this whole thing  
12 and went right here to the defendant. These people were taken  
13 out of the loop.

14           Consultants, I've just mentioned them for the first  
15 time. Again, anytime I come up with a new term, I'm try to  
16 define what I'm talking about. When I say "consultants," there's  
17 nothing wrong with consultants; we've all heard of them probably  
18 in businesses, especially nowadays when we're all coming on to  
19 computers, someone has computer consultants. All of us who went  
20 to school before the computer age came through have no idea  
21 what's going on, so they have a guy come in, and he teaches you.  
22 He has experience in that field, and that's why a consultant is  
23 used.

24           In this case, this is not a case where consultants were  
25 needed, because they had no expertise in housing. The

1 individuals you're going to hear about are prominent, powerful  
2 people, but they're not in the housing area.

3           One of the first persons you're going to hear about is  
4 an individual by the name of Louie Nunn, and that's his name, not  
5 Louis; it's Louie. He's the ex-governor of the State of  
6 Kentucky. You will hear he has no background in housing, but  
7 he's utilized as a consultant.

8           Another person will be John Mitchell, and your question  
9 is, you saw already a question, he's a former attorney general of  
10 the United States. He had no background in housing.

11           You will hear from other individuals. Richard Shelby's  
12 name will come up. Louis Kitchin's name will come up. They're  
13 political consultants, prominent, powerful people, but they had  
14 no housing development.

15           So instead, developers were hiring these people, these  
16 consultants with no expertise in housing whatsoever, to bypass,  
17 so the experts in the local community, such as Miami, who wanted  
18 certain things done -- and let's face it, as in any project,  
19 there's only a limited matter of government money to go around,  
20 so they would prioritize and say where we want to put that money.  
21 They couldn't do it anymore, because their place had been taken  
22 by these rich, powerful consultants. They took the place of the  
23 public housing authorities. They were making the decisions.

24           How did these consultants get to take that place? How  
25 did they get to get the public housing authorities out of this

1 whole equation? They knew the defendant. They had access to the  
2 defendant. And she benefited them. She was willing to give them  
3 the projects, the funding, because it benefited her.

4           You will learn that the defendant's role in the  
5 moderate rehabilitation process was she was essentially the focal  
6 point for that. She was the person behind the scenes. You will  
7 not see her name on the funding documents, because every time  
8 units are sent, somebody has to approve it. Her name is not on  
9 it. She's behind the scenes, steering things, pulling the  
10 strings. The evidence will show that. Her name is not on  
11 anything, but she is behind the scenes. She is the one who knows  
12 Louie Nunn, John Mitchell, Richard Shelby, Andrew Sankin.

13           And she's doing this because by giving units to  
14 particular projects, it's benefiting her and her family. It  
15 doesn't matter that it might not be benefiting low-income  
16 families the way it was designed to benefit them. It's  
17 benefiting her and her family, and that's why she's engaging in  
18 this conduct.

19           You will hear once again the defendant, although she is  
20 doing these things behind the scenes, is telling the general  
21 public she is not doing any of this, that it doesn't work the way  
22 it actually works, that we're going to see how it worked; it was  
23 working the way it was designed. So just so you know, the monies  
24 come down from HUD headquarters for, for units/apartments. Those  
25 apartments are owned by developers/landlords. That's the way the

1 system works.

2           How does the government go about proving its case? How  
3 do we prove the things I'm telling you? His Honor has already  
4 talked about it a little. I'd like to go into it.

5           Evidence. We must do it through evidence. Again, it's  
6 a legal term. You might say, "Hey, I'm not a lawyer. What do  
7 you mean by evidence?"

8           There are basically three types. The first type you're  
9 going to hear about is oral testimony. What that means is  
10 individuals will come into this court, and they will sit in the  
11 witness chair. Gloria will swear them to an oath; they will have  
12 to tell the truth. His Honor is here listening to it.

13           Those witnesses will be there, and you'll have the  
14 opportunity to judge their credibility and assess what they say  
15 for you. Those of you who have been jurors before have done  
16 this, and you're familiar with it, so forgive me if I go on a  
17 little for those who haven't. But you can judge what they are  
18 like.

19           You determine are they telling the truth or not. How  
20 do you do that? You do it like you would judge anybody else that  
21 you come in contact in your day-to-day life and experiences,  
22 whether it be at home, social, or, or during work. Judge whether  
23 you believe the person, whether you think the person is telling  
24 the truth, whether you think the person is fabricating or  
25 falsifying testimony.

1           That's what you do, because as His Honor has stated  
2 earlier and as you will hear again and again, you are the judges  
3 of the facts, Ladies and Gentlemen. You determine what happened.  
4 His Honor is the judge of the law, but you determine the facts.

5           Now in light of witnesses you're going to hear, there  
6 will be several different types of witnesses in this case. Not  
7 everybody there is the same. Some of the witnesses who will  
8 testify have been convicted of crimes. They are former HUD  
9 employees who have been convicted of things they did either at  
10 HUD or later on. They will testify.

11           Listen to them. Listen to them carefully. Make sure  
12 what they tell you squares with your common sense and good  
13 judgment, because after all, Ladies and Gentlemen, that's the key  
14 thing here. Use your common sense, your good judgment, and  
15 listen to these people.

16           You're also going to hear, I mentioned these  
17 consultants who have taken the place of public housing  
18 authorities. You will hear from a number of them, and they've  
19 been immunized. They refused to tell the government what they  
20 had done without being awarded immunity, and that's their right.  
21 They have the right to do that. But listen to their testimony.  
22 Pay close attention to them, and you'll hear what they have to  
23 say.

24           There's also another type of evidence, what we call  
25 physical evidence. The chart is a good example, something you

1 can see and it's out there, photographs, documents. There will  
2 be a number of those that we're going to use in this case, and  
3 the importance of documents, especially in a case like this,  
4 where the events occurred in 1984, 1985, 1986, and 1987, is that  
5 the documents were made back then, not now. They weren't made  
6 for this trial or for an investigation. They were made back  
7 then.

8           And we all know memories fail, and sometimes people's  
9 memories can fail conveniently. Sometimes people want to fail.  
10 Documents don't. The documents are there. That's why we rely on  
11 them.

12           And you might see a fancy machine sort of at the end of  
13 the table. I know His Honor spoke about it the other day.  
14 That's called the visual presenter. We're going to use that to  
15 present a lot of the documents. We're now in the high-tech days.  
16 In the old days, I'd take the document, and I'd go to Juror No.  
17 1, and I'd hand it to him. Mr. Phillips would look at it, he'd  
18 read it, analyze it, then pass it on to Juror No. 2, Juror No. 3.  
19 It takes a lot of time.

20           So by using this, we're hoping it will save a lot of  
21 time. You put the document there, it goes on the big screen TV,  
22 the defendant can look on their screen, we can, the Judge can.  
23 So it should measurably speed up the trial.

24           There's a third type of evidence, and that's called  
25 stipulations. What are stipulations? That's merely a legal word



1 for agreements between the prosecution and the defense. Let's  
2 say it's important to this case that right now it's sunny  
3 outside. If we both agree that it's sunny outside, you'll be  
4 told both sides agree it's sunny out; don't worry about it.  
5 There's no sense in you wasting time by putting on evidence to  
6 decide a point that isn't even material to this case. So that's  
7 what stipulations are.

8           Now it is through that evidence that the government  
9 must prove the charges in this case, and central to all these  
10 charges is the defendant's use of a public office for a private  
11 gain to benefit herself and her family rather than the low-income  
12 people she had chosen to represent by becoming a public official.  
13 And then when it was possible to be exposed, she lied about her  
14 involvement.

15           I would now like to talk about the charges. His Honor  
16 mentioned I would go into it in more depth, so he did it quickly.  
17 There are twelve criminal charges in this case, and they are  
18 contained in the indictment. That indictment will be given to  
19 you at the time of your deliberations. I will not read that  
20 indictment to you at this time, because it's approximately 70  
21 pages long, and instead, and you can see the purpose of the  
22 chart. Rather than read 70 pages, we'll talk about one chart,  
23 one page, and hopefully then it summarizes what's in the  
24 indictment and makes it a lot quicker.

25           You will note that the first three charges, or

1 counts -- in an indictment, we call charges counts. It's a fancy  
2 word for charges. There are twelve charges. They're numbered 1  
3 through 12. Counts 1, 2, and 3 are all conspiracy. The  
4 government will prove that the defendant unlawfully agreed with  
5 the individuals named up there to send funding units to projects  
6 so that she could benefit herself and her family.

7           As an overview, in Count 1 you will hear that John  
8 Mitchell was involved in each of these projects. What is the  
9 relationship of John Mitchell to the defendant? He lived with  
10 her mother, and she considered him to be her father, even though  
11 there was no legal relationship. She called him "Daddy." How  
12 can you be impartial in your dealings as a public official when  
13 you're dealing with someone so close to you that you consider  
14 that your family?

15           Count 2, the overview will show that Andrew Sankin is  
16 involved in all of this, the first time his name comes up. Who  
17 is Andrew Sankin? He's a person that the defendant met and  
18 became friends with. She met him through another employer,  
19 Silvio DeBartolomeis.

20           Silvio DeBartolomeis you'll hear about, I mentioned his  
21 name briefly before, he's one of these individuals who has pled  
22 guilty for what he did at HUD during this period of time. You  
23 will hear from him. He will testify.

24           She met Andrew Sankin through Silvio DeBartolomeis.  
25 They became friends. Andrew Sankin had just started in the

1 business world, getting out of school. What was he doing? He  
2 started to do lots of favors for defendant. You will hear he  
3 provided services for her and her family. So every time he  
4 received units, that was benefiting her and her family, because  
5 he was providing services to her.

6           Again, how can you be impartial, how can you have  
7 undivided loyalty to the United States when you're dealing like  
8 that?

9           On Count 3, you will hear that behind the awards of  
10 units was an individual by the name of Louis Kitchin, another one  
11 of these prominent, powerful consultants, a big-time political  
12 consultant, a guy that runs presidential campaigns. You will  
13 learn that when defendant needed something, she went to him.  
14 When he needed something, he went to her. That's what Count 3 is  
15 about.

16           You will see one of the things that she needed at one  
17 time was \$4,000. She asked Mr. Kitchin for it. He gave it to  
18 her. Again, ask yourselves how can you be impartial, loyal, and  
19 faithful to the United States when you're accepting money from  
20 someone with whom you're doing business?

21           Now the rest of the indictment, although it has a lot  
22 of counts, can generally be summed up -- and I'll go into it in a  
23 little more detail -- as basically the lies and coverups to cover  
24 up the first part of what she did at HUD.

25           Let's look at Count 1. Let's talk about Count 1. Let

1 me tell you what the government expects the evidence will show.  
2 Count 1 starts in Miami, Florida. It starts with a developer by  
3 the name of Art, Aristides Martinez. He's a Cuban individual.  
4 He goes by the name of Art; it's easier than Aristides.

5 Mr. Martinez is a developer of properties in Miami,  
6 Florida, and at a certain point in time, you will learn that he  
7 sought to get moderate rehabilitation units. Again, he had  
8 apartments; he wanted units. He wanted 293 units for a project  
9 called Arama, A-r-a-m-a.

10 And I'm just putting some of these names down so that  
11 when you hear them later on, it will ring a bell.

12 Mr. Martinez wanted 293 units for Arama. Now you might  
13 think to yourself right off the bat, "293, that's an odd number.  
14 I mean, why don't you ask for 300? You know, if you're asking,  
15 go for the 300." It's important to remember these numbers.

16 293 was a coded way of knowing whether you would get  
17 the units or not, because you see, as I said earlier, let me just  
18 show it to you quickly, the public housing authorities were now  
19 out of the loop. They're no longer here. So the developer is  
20 hiring a consultant, who goes right to the top to get the funding  
21 units, but now the money is coming down to here.

22 So how can you be sure that the money will go to you if  
23 you're Mr. Martinez? How can you be sure that if 300 units come  
24 down, they're going to go to your project, Arama? The way you do  
25 it is you ask for 293 units or later on 219, 142. Why do you ask

1 for specific numbers? And remember, I said they're units.  
2 They're apartments. They come in different bedroom sizes: no  
3 bedrooms, one bedroom, two bedroom.

4 So if you ask for 293 units, let's just say 200 of one  
5 bedroom, 93 at two bedroom, and those monies come down like that  
6 to the local housing authority, the local housing authority knows  
7 exactly who it's going for. It's going for Art Martinez.

8 And you will hear from the local housing authorities  
9 that they were willing to play along in this game, because  
10 otherwise they weren't getting any funding, because remember,  
11 they were cut out of this process. They no longer had any say as  
12 to what was important for their community, but they wanted these,  
13 because everybody in this country needs units.

14 This was a shrinking pie, and there was only so much  
15 money to go around. The government had cut much of this funding,  
16 so these units became really important things. They became very  
17 important, very worth having, as we will explain.

18 So Mr. Martinez wants 293 units for Arama, so what does  
19 he do? Mr. Martinez knows the public housing authority has no  
20 say, so he doesn't go through them. He hires a prominent,  
21 powerful person. He hires Louie Nunn -- you might remember I  
22 said Louie Nunn is the ex-governor of the State of Kentucky --  
23 and he agrees to pay him hundreds of thousands of dollars if he  
24 can get him the units.

25 They enter into a contract, and Louie Nunn agrees to

53

TYPED FROM NOTES:

work on his behalf, and he's working to get these units and make hundreds of thousands of dollars.

The evidence will show that Louie Nunn at this time went to an individual by the name of John Mitchell. Again, we've spoken about John Mitchell, an ex-attorney general of the United States, a person who the defendant considers to be her father. Nunn asks Mitchell to help him out to try to get the units,, and what does Mitchell do? Mitchell goes to the defendant. Now John Mitchell died in 1988, so you might say, "Well, how are you going to prove that he went to the defendant?" We're going to prove it through documents, the documents in black and white are going to show that Mr. Mitchell spoke with the defendant about Arama and that she agreed to send 200 units to Arama.

And the evidence will show that Louie Nunn made hundreds of thousands of dollars for his part in this, and the evidence will further show that John Mitchell made \$75,000. The evidence will show they nothing for this. They did nothing except make a few phone calls, speak to the right person. It all comes down to access. It's a public official using a public office for private gain.

So I'm sure you're not surprised to learn now that Martinez wants more units. He's got another project in mind. It's called South Florida. How many units is he asking for now? 200? 250? 300? 219 units.

1 Remember, it's a coded reference. There's going to be  
2 no doubt whose units they're going to be. If Art Martinez is  
3 paying Louie Nunn hundreds of thousands of dollars, he wants to  
4 make sure he's getting the product. And as I said, this is a  
5 very prized item, these units. They're in demand. These  
6 developers want them.

7 So what does Mr. Martinez do when he wants to get 219  
8 units for South Florida? Does he go to the local public housing  
9 authority? He goes to Louie Nunn once again, the ex-governor of  
10 Kentucky, a powerful, prominent person, and he asks him to help  
11 him go to HUD headquarters and get him those units.

12 What does Louie Nunn do? The same thing all over  
13 again, Ladies and Gentlemen. He goes right up to John Mitchell.  
14 How do we know that? We'll go into a little background. John  
15 Mitchell at this time has a company called Global Research  
16 International. It's a company that does various consulting work.  
17 And he has a partner there by the name of Colonel Jack Brennan.

18 Again, you'll hear the terms "General Mitchell,"  
19 "Colonel Brennan." "General Mitchell" refers to him having been  
20 an ex-attorney general in the United States, "Colonel Brennan,"  
21 because that was his title when he was in the military.

22 Colonel Jack Brennan was working with John Mitchell at  
23 the time at Global Research, and the evidence will show, again in  
24 black and white, in documents, and you're going to see on that  
25 television screen that Art Martinez writes Louie Nunn a letter,

1 and he cc's, carbon copies, he sends a copy to Jack Brennan  
2 saying, "I want 219 units for South Florida."

3 And what happens? Louie Nunn talks to Jack Brennan and  
4 says, "Go see the defendant."

5 What does Jack Brennan do? He sets up a meeting, and  
6 he goes to see the defendant. He asks her for 219 units for  
7 South Florida, and the evidence will show 219 units went to South  
8 Florida.

9 Mr. Brennan then thanks her for her help, and what  
10 happens here? South Florida, on this one deal, Louie Nunn makes  
11 \$110,000. Global Research gets -- \$109,000, a thousand dollars a  
12 unit, pretty much the going rate at the time, a very valuable  
13 piece of commodity.

14 Now there's a third project in Count 1, three projects.  
15 The next one is called Park Towers. It changes a little. We're  
16 still in Miami. The developer in that project is an individual  
17 by the name of Martin Fine, and you'll learn that Martin Fine is  
18 a rather prominent attorney in Miami. He has his own law firm, a  
19 pretty big law firm. He's an older gentleman. Mr. Fine also on  
20 the side is very involved in housing matters, and he owned a  
21 building that he wanted to get some moderate rehabilitation funds  
22 for. It's called Park Towers.

23 Now Mr. Fine went to the local public housing  
24 authority, as the system was designed. He didn't get anything,  
25 and he waited, and he didn't get anything, and he waited, and he



1 didn't get anything, and finally he realized he wasn't going to  
2 get anything unless he hired a consultant, so he reached out to a  
3 consultant he knew in Miami by a name of Eli Feinberg. Again,  
4 the names aren't all that important. You'll hear from most of  
5 these people during the course of trial, and you'll be able to  
6 see him.

7 Eli Feinberg was willing to help Mr. Fine, but he, too,  
8 realized he didn't have the expertise. You needed somebody with  
9 connections in Washington, so they hired an individual by the  
10 name of Rick Shelby, or Richard Shelby.

11 Now this is the first time we've heard of Richard  
12 Shelby. Who is he? Again, a very prominent political  
13 consultant. Not a guy with housing experience. Not a guy that  
14 can tell you about the needs of housing in Miami, but a political  
15 consultant, a guy who had access and who had access to the  
16 defendant.

17 What's the first thing that Richard Shelby does?  
18 Again, in black and white, the documents, Mr. Shelby goes to John  
19 Mitchell, and he requests John Mitchell's assistance in securing  
20 units for Park Towers. Mitchell agrees to help him.

21 What's the next thing he does? You'll see he meets  
22 with the defendant. The evidence will show that Richard Shelby  
23 meets with Mr. Mitchell, has lunch with him, discusses the  
24 project, goes out with the defendant, has lunch with her,  
25 discusses the project, has lunch with the three of them. And the

1 evidence will show Park Towers gets awarded. Mr. Fine gets his  
2 units for Park Towers.

3           And how much money is made? The consultants made  
4 approximately \$175,000, and John Mitchell through his company  
5 received an additional \$50,000.

6           That in broad strokes, Ladies and Gentlemen, is  
7 Count 1.

8           What did the defendant receive? Well, as you've heard,  
9 John Mitchell made slightly under \$250,000 for his involvement in  
10 these three projects. That is a person that the defendant  
11 considers to be her father, who she calls "Daddy." How much  
12 closer could you be?

13           What the defendant gets out of this, Ladies and  
14 Gentlemen, is family enrichment. She's doing this to benefit her  
15 family. She's not doing this to benefit low-income people, who  
16 needed it in Miami. She's doing it to benefit her family, John  
17 Mitchell, her father.

18           Let's go on to Count 2, Ladies and Gentlemen. That one  
19 changes a little. The story changes somewhat. Again, it's  
20 conspiracy, and the pattern continues. The names change; the  
21 pattern continues.

22           In Count 2, it starts with an individual by the name of  
23 John Rosenthal. You will learn that John Rosenthal was a  
24 developer in the State of Pennsylvania. He had developed a  
25 project called Necho Allen, and he was seeking something called

1 exception rights, non-Mod Rehab. Exception rights is just a  
2 fancy word. He wanted higher rents, and the government could  
3 give him those higher rents.

4           And what does he do? He applies to HUD for the rents.  
5 He's turned down. So he applies again. He's turned down again.  
6 What does he do? He hires a consultant. He agrees to pay an  
7 individual \$10,000 if he can get him the exception rents.

8           Who does he hire? The evidence will show once again,  
9 Ladies and Gentlemen, that Mr. Rosenthal goes to Andrew Sankin.  
10 He's the individual I mentioned earlier, a friend of the  
11 defendant, a person during this period of time you will learn is  
12 providing services for her. He was wining and dining her. He  
13 was buying her gifts. He was providing legal services for her at  
14 no cost, because he had just gotten out of law school. If she  
15 needed someone to come over to help repair her apartment, he  
16 would do that.

17           More importantly, her family owned an apartment  
18 building, and he began to manage that apartment for her, and he  
19 did various things to that property, turning it from a property  
20 running in the red to one running in the black that ultimately  
21 made money.

22           And he did certain things. You'll hear about getting  
23 certain approvals and the like that he would normally charge but  
24 didn't charge. And he didn't charge her, because he's making  
25 money on these deals.

1           Now John Rosenthal hires Andrew Sankin and promises him  
2 \$10,000 if he can get the exception rents. The evidence will  
3 show the first thing Mr. Sankin does is go to the defendant, and  
4 he asked her to help Mr. Rosenthal get these exception rents, and  
5 you will learn that's exactly what happened. She helped him, and  
6 the exception rents were granted, and Andrew Sankin made \$10,000.  
7 It might not sound like a lot of money in light of what we've  
8 been talking about, but he's just getting started. He has time  
9 to make more.

10           Now Mr. Rosenthal is seeking to get some moderate  
11 rehabilitation units for a project call Regent Street in  
12 Pennsylvania. So what does he do? He contacts Andy Sankin once  
13 again and asks, "Can you help me? If you do, I'll pay you some  
14 money."

15           Again, we're going to show you in black and white some  
16 documents. He says, "Set up something with" the defendant. "Let  
17 me get the lay of the land. Can she help?"

18           And you'll see letters going back and forth between  
19 Mr. Rosenthal and the defendant, even though in her public  
20 pronouncements she's saying it doesn't work this way. You're  
21 going to learn how it really worked during this time frame.

22           Does he get the mod rehab units? Of course he does,  
23 and Sankin gets paid. He gets paid \$11,000. It's a small amount  
24 of units, only 26 units, so he gets paid \$11,000.

25           So now he's interested in bigger pay days, and who does

1 he go to? He goes to the defendant once again, and through the  
2 defendant's intervention, he hooks up with another person by the  
3 name of Thomas Broussard.

4           Again, this is the first time we hear about Mr.  
5 Broussard. Who is Mr. Broussard? He's an attorney out of  
6 California, another prominent person.

7           Mr. Broussard and Mr. Sankin, they hook up, and they  
8 decide to do business together, and they go and do business  
9 together. What kind of business do they do? They want to get  
10 mod rehab units, and this is very interesting. They go to the  
11 defendant, and the defendant promises them 150 units of moderate  
12 rehabilitation.

13           Now remember, Ladies and Gentlemen, this was a program  
14 designed so that the local public housing authorities could  
15 determine the priorities in that community. Instead, these  
16 consultants, these powerful, prominent people have these units in  
17 their hand. They're promised that. They're not a public housing  
18 authority. They don't even have a background in housing. But  
19 they're promised these units, and now they go out, take these  
20 units and hawk them and peddle them and try to sell them.

21           The evidence will show, having been given those 150  
22 units, Mr. Broussard and Mr. Sankin went to Puerto Rico, where  
23 they believed they'd have to take these units, and they found a  
24 developer interested in buying them, and they knew the value of  
25 their product, because they didn't just go in there and start

1 for this. Somebody else is better. Somebody else can develop  
2 this better. So they don't give it to the Altmans, and  
3 Mr. Shelby and Mr. Sankin don't make the other 57,500.

4           What does the defendant get out of this case? Well,  
5 Count 1, we saw it was family benefits. She was looking out for  
6 her family. She was looking out for a person she considered to  
7 be her father. Here she's looking out for her family, because  
8 don't forget that Andy Sankin is managing her family property.  
9 He's providing legal services to her at no cost. He's helping  
10 her.

11           Rick Shelby, he intercedes on her behalf at the White  
12 House when she's looking for a particular job. That's what he  
13 does. And he promises to support her in a future political  
14 career. Those are the benefits she's getting. That's what she's  
15 getting out of this. And they, they get money, just like we saw  
16 in Count 1.

17           Now we'll go on to Count 3, Ladies and Gentlemen.  
18 Different names, same pattern, same thing occurring again, the  
19 defendant using a public office for private gain and then lying  
20 about it.

21           In Count 3, we see it a little different. It starts  
22 with an individual by the name of Jack James. He's a developer  
23 in San Diego, California, and he's looking to develop a  
24 retirement community out there. That's his development. And he  
25 goes to HUD, because he wants HUD monies to fund this project.

1           The problem is HUD believes this retirement community  
2 in San Diego is saturated, that they don't need another  
3 retirement community; they already have a whole bunch. So they  
4 deny Jack James. The field office says, "No, you can't do it."

5           So he goes up the ladder. He goes to the regional  
6 office. He goes to the regional office, and they go, "No dice.  
7 No way."

8           So what does he do? He takes it to HUD headquarters.  
9 He says, "Look, I'd like to develop this retirement center in San  
10 Diego."

11           What do they say? "No."

12           So he appeals the decision. He loses on appeal. But  
13 he's undeterred, because what does he do? He goes to Louis  
14 Kitchin, the individual we see in Count 3.

15           Who is Louis Kitchin? That's the first we're hearing  
16 of his name. Once again, you will hear that Louis Kitchin was a  
17 prominent political consultant. He wasn't familiar with mod  
18 rehab or anything, but he was a prominent political consultant.

19           And Louie Kitchin goes to the defendant. That's what  
20 the testimony will show, and you will hear that because of  
21 defendant's intervention after he goes to her, Mr. James is  
22 allowed to build a retirement center. HUD reverses their  
23 decision. They reversed the decision of the area office,  
24 regional office, area office, by headquarters, headquarters on  
25 appeal. It shows the importance of having access to the

1 defendant.

2           So it's not surprising then that when Mr. Kitchin wants  
3 to secure mod rehab units and mod rehab funding, when he wants to  
4 be a consultant and get involved in this, he goes to the  
5 defendant, and he has 200 units to go to Atlanta. Atlanta is  
6 basically his home turf. That's where he's comfortable. He  
7 wants 200 units.

8           She promises to give him 200 units to Atlanta, and you  
9 will hear testimony that Lou Kitchin went around looking for a  
10 buyer for those units, just like we saw in Alameda Towers. The  
11 whole system had been corrupted to such an extent that the local  
12 public housing authority is not controlling what's important for  
13 Miami or Atlanta; it's these prominent consultants.

14           He's holding 200 units. Now he's looking for a  
15 developer. Anybody who's willing to buy it, he'll sell it to  
16 them if the price is right, and he finds one, an individual by  
17 the name of Nicholas Bazan agrees to buy those units, the 200  
18 units, but agrees to pay Lou Kitchin only if the units actually  
19 go to Nicholas Bazan, and that was a good move on Nicholas  
20 Bazan's part, because you're going to hear the local housing  
21 public authority refused to give it to Nicholas Bazan. They  
22 didn't think he was the best developer for the project. So  
23 millions of dollars of taxpayers' money was saved by their not  
24 sending it to him. These decisions were being made just because  
25 the defendant knew these people and that had benefited her.



1           So what does Lou Kitchin do? He goes to Miami,  
2 Florida. You've heard a lot about Miami. You already know Miami  
3 was willing to play along. They were willing to do what needed  
4 to be done to get units to Miami.

5           So Lou Kitchin asks the defendant for approximately 200  
6 units again for Miami, Florida, and he looks around, and he sees  
7 where he can go, and he looks for a buyer, and he finds one. He  
8 finds a company called FFE, it doesn't really matter, and an  
9 individual by the name of Claude Dorsy and Jim Mitchell, who own  
10 that property. Jim Mitchell is no relation to John Mitchell.  
11 They just have the same last name.

12           You will hear that these individuals wanted to develop  
13 two projects they had called Cutlerwood and Springwood, and to  
14 develop those two projects, they needed 203 units of funding, 203  
15 apartments. They needed HUD to send enough money down to  
16 guarantee rents for 15 years for these apartments, because that's  
17 what it all is.

18           Just so we're all clear, HUD gives enough money so that  
19 that landlord is guaranteed a stream of income for rents of 15  
20 years. So for most of these projects, if not all, HUD is still  
21 paying for these projects as we sit here today, and that's the  
22 beauty to the developer. He's guaranteed 15 years, the landlord  
23 is guaranteed 15 years of rents if he just fixes them up.

24           So they want 203 units for these two projects, and they  
25 hire Mr. Kitchin to get them, because Mr. Kitchin says he can get

1 them, he knows the defendant. And what does Mr. Kitchin do? He  
2 goes to the defendant, and 203 units are ultimately awarded to  
3 Cutlerwood and Springwood.

4 What does the defendant get out of this? We know what  
5 Mr. Kitchin gets. He gets \$203,000.

6 What does the defendant get? In Count 1, we saw she  
7 benefited her family. She benefited John Mitchell, her dad. In  
8 Count 2, she benefited her family and herself. In Count 3, she's  
9 benefiting herself. Lou Kitchin is a prominent political  
10 consultant. He, too, intercedes on her behalf, as you'll see, at  
11 the White House when she's looking for a job.

12 And one other thing: When she needs money, she goes to  
13 him. Now you'll see on the board Count 4, and that's illegal  
14 payment of \$4,000. Don't forget the defendant is a public  
15 official. She cannot take money from people that she's doing  
16 business with. It cannot affect your judgment. And that's why  
17 public officials, those of you who have worked in government know  
18 you can't do that, because it affects your loyalty. It affects  
19 your honesty. It affects your impartiality. You cannot have  
20 undivided loyalties when you're taking money from someone you're  
21 doing business with. Clearly, you're going to favor that person.

22 Now you might not think -- we've talked a lot of money.  
23 We've talked hundreds of thousands of dollars. 4,000 might seem  
24 not that much, although I'm sure you'd like to have it in your  
25 back pocket right now. But \$1 is too much for a public official

1 to take when you're doing business with that person and it's  
2 illegal.

3           You'll see and you'll hear a lot of evidence about  
4 this. The defendant asked Mr. Mitchell for \$4,000, and he gave  
5 her a check for \$4,000, and on that he wrote "loan."

6           You will hear that's an illegal payment, and the reason  
7 that's illegal is because it affects your impartiality. You  
8 cannot be impartial when you're accepting money as a public  
9 official. When you're a public official, you should work for all  
10 of us, not for people who pay you.

11           Also, the time frame is very important with this  
12 \$4,000, and I'll tell you why. At or around that time, the  
13 defendant is seeking a position, and it ties into the remaining  
14 counts. I promise you I won't be that much longer. It ties into  
15 the remaining counts with what she's looking for.

16           The defendant applies for a job to be assistant  
17 secretary for Community Planning and Development, a big job  
18 within HUD. It's not the kind of job we're all used to, you  
19 know, you go for a job interview, you see the boss, if the boss  
20 likes you, you get hired, if the boss doesn't like you, you don't  
21 get hired.

22           This is the kind of job the president of the United  
23 States has to nominate you, okay? Once he nominates you, then  
24 the United States Senate has to confirm you. You've got to go  
25 before the United States Senate, swear to take an oath, and they

1 talk to you. They ask you a number of questions. That's the  
2 type of job she's going for.

3 And at this point, she needed money, and that's why she  
4 asked for \$4,000. So it's important to keep in mind the time  
5 frame.

6 And let's talk about that job that she was looking for.  
7 She was seeking that very fancy, important job. What does she do  
8 in seeking that job? She goes to those very same consultants  
9 we've talked about: John Mitchell, Louie Nunn, Richard Shelby,  
10 Lou Kitchin, and she asks them for their help, and again, you'll  
11 see in black and white in the evidence, there'll be a Mailgram,  
12 Western Union sent to the White House with these individuals  
13 signing.

14 And ask yourselves, Ladies and Gentlemen, these are  
15 prominent, powerful people who intercede on her behalf at the  
16 White House. Why are they doing that? Because she helped them.  
17 This is the pay back. This is what's benefiting her.

18 And in getting that nomination, the defendant had to  
19 testify before the United States Senate, and she did so on August  
20 6, 1987, because she was able to get the nomination. She  
21 testified before a panel of the United States senators, and at  
22 that time, she was asked questions about her role in the moderate  
23 rehabilitation funding process.

24 Now the evidence, as you will hear, will show that it  
25 was designed to go one way, and the defendant said all the time

1 Andy Sankin, directly with Louis Kitchin. It didn't work the way  
2 she said. It worked if you have access to the defendant, you  
3 could get something done, and you could only get something done  
4 if you could benefit her and her family. That was her concern.  
5 That's a lie, and it's an attempt to cover your tracks.

6 Counts 7 and 8, again perjury, concealment, lies and  
7 covering up what you've done. She's asked about developers.  
8 They've heard that developers are involved in this process, that  
9 it's not going the way it's supposed to. She states, "I have  
10 never given or approved or pushed or coerced anyone to help any  
11 developer. A lot of times, public housing authorities send  
12 developers to HUD, and they meet with people all over the  
13 building. It's a tremendous waste of time, and I let them know  
14 that, because those funds go to the public housing authorities."

15 That's a lie, Ladies and Gentlemen, and it's an attempt  
16 to cover up what she had done. If it was such a waste of time,  
17 why did John Rosenthal want to meet Deborah Dean? Why did he  
18 want a lay of the land? Why did he, in fact, meet with her?

19 You will hear from a number of witnesses in this trial  
20 that they met directly with the defendant and that as a result of  
21 the dealings with her, they were awarded the funds or the units  
22 or apartments that they needed. You will see evidence, "Dear  
23 Debbie," a developer who went to her directly asking for units  
24 and he gets them. That's what this case is about. That is a  
25 bald-faced lie.

1           Counts 9 and 10, again, perjury, concealment, "I've  
2 never heard of Baltimore Uplift One. It was a moderate  
3 rehabilitation project?" "But I've never heard of Baltimore  
4 Uplift One."

5           You will hear that Baltimore Uplift One was a project  
6 in the State of Maryland, in Baltimore, Moderate Rehabilitation  
7 Program. The defendant denied knowledge of it. The evidence  
8 will show she knew about it.

9           And that becomes important, and I'll blend it in in the  
10 next one, Counts 11 and 12, perjury and concealment. I'm sorry  
11 if you all can't see it. I'll read it out loud. "As a matter of  
12 fact, no moderate rehabilitation units that I know of, unless  
13 they were sent directly by the secretary, have ever gone to my  
14 home state of Maryland, simply for that reason, that I sat on the  
15 panel."

16           That is what she said when she was asked whether any  
17 units ever went to the State of Maryland, just like she denied  
18 Baltimore Uplift. Why? Because that is where she's from, and  
19 she was interested in running for public office in the State of  
20 Maryland, as the evidence will show, and she wanted these  
21 consultants to back her in that effort, and if all of this became  
22 exposed, her political career was down the drain.

23           And you know from what I've told you just before that  
24 we've explained so far in this hour or so two went directly to  
25 the State of Maryland, Foxglenn and Eastern Avenue, and those

1 were backed by Richard Shelby and Andrew Sankin, two of the  
2 people that she specifically dealt with. It's a lie, and it's an  
3 effort to cover up the tracks.

4 Ladies and Gentlemen, that in broad strokes is what the  
5 government intends to prove in this case. It is a case of power  
6 corrupting a public official, of using your official position  
7 illegally and entering into unlawful agreements to sell out the  
8 United States government.

9 I've been speaking for approximately an hour. All of  
10 this evidence will come out in the next few weeks. Most of it  
11 is, to keep it fresh in your mind, as His Honor said, a road map,  
12 let you know where we're going, what this case is about.

13 At the end of this trial, I will again have an  
14 opportunity to speak with you, and at that time, I will be able  
15 to tell you what the government has proven, not what the  
16 government expects to prove, and at that time, I will be asking  
17 you, make no mistake about it, to find the defendant guilty as  
18 charged.

19 Thank you for your kind attention.

20 THE COURT: All right. Thank you, Mr. O'Neill.

21 MR. O'NEILL: Thank you.

22 THE COURT: Mr. Wehner, Mr. O'Neill, can I just see you  
23 for one minute about scheduling?

24 MR. WEHNER: Yes, sir.

25 THE COURT: Thank you.