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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA . CR. NO. H-09-629
VS. . HOUSTON, TEXAS
. .
. . SEPTEMBER 30, 2010
JOHN JOSEPH O'SHEA . 9:30 A.M. to 11:10 A.M.

TRANSCRIPT of CONFERENCE
BEFORE THE HONORABLE LYNN N. HUGHES
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE GOVERNMENT:

[REDACTED]
Department of Justice
Criminal Division
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Washington, DC 20005

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FOR THE DEFENDANT:

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MR. JOEL ANDROPHY
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Proceedings recorded by mechanical stenography, transcript
produced by computer-aided transcription.

1 stuff so that they're actually useful.

2 *MS. MRAZEK:* Yes, Your Honor.

3 *MR. ANDROPHY:* We may have an issue with an agent
4 coming on and summarizing. I've been in too many matters,
5 Judge, where agents come in and the hearsay coming out of them
6 is just unbelievable.

7 *MR. COSTA:* She won't be testifying on witness
8 testimony. She'll just be showing the flow of money through
9 the bank accounts.

10 *THE COURT:* If all she does is, in effect, is a
11 summary witness about from this date this money was wired here
12 and the same amount of money was wired there and an e-mail back
13 saying it's here or something. But, you know, you've got to do
14 something; otherwise, they're immersed in a pile of stuff.

15 *MR. ANDROPHY:* No commentary though?

16 *THE COURT:* She doesn't know anything. Everything she
17 knows is hearsay. So, she's got to say -- or the best one I've
18 seen was a domestic gratuity was drawn from an employer. And
19 it was a long time ago, I don't remember the prosecutor. And
20 he put the first document up. Got it in fine. Had the person
21 identify the next one. And this one connected to that one and
22 it ended up, it made a circle. And, so, to show the circle, he
23 visually stuck them up there in a circle.

24 I tried a piercing the corporate veil where the
25 plaintiff had the principals of the companies around a chart

1 and she would get the witness to identify a transaction and
2 then from whom and to whom and how much money and it would be
3 an arrow that -- pulled out an arrow with that on it and stuck
4 it and it sat there for a better part of the morning and when
5 you were finished, there was a mass of arrows going every which
6 way, with no -- and in no case was there a corresponding
7 document, you know, no wire transfer. There wasn't a loan
8 document. There just was random stencil.

9 It doesn't have to be like that, but something
10 with --

11 ██████████: Yes, Your Honor, we'll do some serious
12 work to make sure that it's visually --

13 THE COURT: But case agents don't know anything.

14 ██████████: Your Honor --

15 THE COURT: And did she actually work on the case?

16 ██████████: She did.

17 THE COURT: Okay. Because if she did the work, she
18 probably ought to get the face time rather than having somebody
19 else step in and say that I want to do that.

20 Okay. Well, what have we got? A couple of ABB
21 people and a couple of co-conspirators. I take it nobody from
22 Mexico?

23 ██████████: Well, the co-conspirators are obviously
24 from Mexico.

25 THE COURT: Yeah, I know, but no --

1 MR. COSTA: No government officials.

2 ██████████: No, no government officials at this point
3 have volunteered, Your Honor. I'll let you know as soon as I
4 hear that they're willing to come in and fess up.

5 THE COURT: The fellow that I extradited, the head of
6 Pemex, after he went back, it turns out that the new head of
7 Pemex had framed him. And the general counsel of Pemex, the
8 new general counsel was asked about it at the preliminary
9 hearing after I sent him back, said, "Oh, this guy didn't do
10 that. My boss faked those." So, they just traded places. He
11 didn't get to go back until he was -- who was the president
12 before Fox? Anyway, so, the original person indicted was in
13 the previous administration. So, it does work sometimes.

14 Anybody else?

15 ██████████: Well, Your Honor, I said that, you know,
16 we don't anticipate any problems getting our evidence in, so we
17 won't need a whole host of custodians. Obviously I would like
18 to reserve the ability to call custodians.

19 THE COURT: Absolutely, but do you now know of any
20 problem with authenticity of records other than the records
21 that are admittedly inauthentic?

22 MR. ANDROPHY: We have document issues still, but --

23 THE COURT: Like what?

24 MS. FRAZIER: Yes, we do, Your Honor. We would like
25 to get to that, if you're ready.