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EXHIBIT I

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - WESTERN DIVISION
HONORABLE A. HOWARD MATZ, U.S. DISTRICT JUDGE

CERTIFIED COPY

UNITED STATES OF AMERICA,)	
)	
PLAINTIFF,)	
)	
vs.)	No. CR10-1031-AHM
)	
(2) ANGELA MARIA GOMEZ AGUILAR,)	
(3) LINDSEY MANUFACTURING COMPANY,)	
(4) KEITH E. LINDSEY, and)	
(5) STEVE K. LEE,)	
)	
DEFENDANTS.)	

REPORTER'S TRANSCRIPT OF PROCEEDINGS
LOS ANGELES, CALIFORNIA
WEDNESDAY, MARCH 23, 2011
1:30 P.M.

CINDY L. NIRENBERG, CSR 5059
U.S. Official Court Reporter
312 North Spring Street, #438
Los Angeles, California 90012
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1 THE COURT: Okay. A key challenge to your affidavit
2 is based upon subsection (e) of paragraph 18 on page 12 in
3 which you represented under oath to the magistrate judge that
4 Sorvill had received payments from Lindsey.

5 THE WITNESS: Yes.

6 THE COURT: Now, the government has acknowledged that
7 that was not correct, that it did not receive payments and, at
8 least in any event, the government has zero evidence that LMC,
9 which is what I will use to refer to Lindsey, made any payments
10 directly to Sorvill.

11 So tell me how this assertion which the government
12 characterizes now as a minor error, how did it make its way
13 into your affidavit?

14 THE WITNESS: Well, Your Honor, I did have
15 information that money from LMC went into Grupo and then was
16 transferred to the Sorvill account; however, I did not have
17 evidence listed in (e) and (f). There were multiple -- I
18 started working on the search warrant in early fall of '08.

19 THE COURT: Early fall, meaning September?

20 THE WITNESS: Around September or October; say,
21 October area time frame -- and drafts were sent back and forth
22 between the attorneys and myself, and in reviewing the drafts,
23 it was not in the original drafts and appears to have --

24 THE COURT: Wait a minute. You say "in reviewing the
25 drafts." You mean in preparation for today's hearing?

1 THE WITNESS: Well, yes, and prior to that as well.

2 THE COURT: Have the drafts that this witness
3 reviewed been turned over to the defendants?

4 [REDACTED]: Your Honor, the drafts have not been.
5 The witness, I believe, is referring to the time when she was
6 preparing the affidavit in this case, I believe. Is that what
7 you were referring to?

8 THE WITNESS: In reviewing the --

9 THE COURT: What do you mean by "affidavit in this
10 case"?

11 [REDACTED] Meaning, the -- I think what the witness
12 was saying -- and I was taking notes, but --

13 THE COURT: Why don't you sit down. I will go about
14 it a little bit different.

15 What drafts are you referring to, Ms. Binder?

16 THE WITNESS: Search warrant drafts that I looked at
17 in reviewing for preparation for this hearing.

18 THE COURT: Okay. These were drafts of a document
19 that eventually you signed and that was submitted to Magistrate
20 Judge Nagle, right?

21 THE WITNESS: That is correct.

22 THE COURT: And those drafts remain in the possession
23 of the FBI?

24 THE WITNESS: Correct; an e-mail, yes.

25 THE COURT: And in preparation for today's hearing,

1 you reviewed those drafts again?

2 THE WITNESS: Correct.

3 THE COURT: And what did you start to tell me about
4 what you noticed in those drafts that you reviewed in
5 preparation for today's hearing?

6 THE WITNESS: In the draft that appears to have been
7 e-mailed in late October, this reference was not in the draft.
8 And then when I received the return draft from the attorney, I
9 noticed in a November 11th e-mail -- approximately November
10 11th e-mail that this appeared.

11 In my review of the final draft before the search, I
12 did not catch that this was in the search warrant. It was my
13 mistake, and I did not -- I reviewed it, I read it, and I did
14 not catch this error.

15 THE COURT: Well, did you discuss this provision in
16 paragraph 18(e) with Magistrate Judge Nagle?

17 THE WITNESS: I did not discuss this -- this
18 provision with her, no.

19 THE COURT: Your recollection now is that before you
20 executed this affidavit, you personally had seen records that
21 reflected the flow of money from LMC to Grupo, that money then
22 being sent to Sorvill?

23 THE WITNESS: I noticed an instance of that in the
24 time frame that the account was opened, yes, so the opening
25 money into the Grupo account appears to have come from wires

1 A. Well, they were e-mailed. I don't know if they were
2 marked up. They had blanks in them -- that type of thing --
3 that I needed to fill in.

4 Q. I see. And marked up is perhaps a bad term. Which
5 prosecutors did you send the drafts to, by the way?

6 A. AUSA Doug Miller and Department of Justice attorney Nicola
7 Mrazek.

8 Q. And you received the drafts back from one or both of them
9 and it had additional information in it at that time?

10 A. Yes, and clarifications, yes, and also I forwarded it to
11 my co-case agent, Susan Guernsey.

12 Q. And then you redid your draft of your affidavit; is that
13 correct?

14 A. It was sort of an evolving process.

15 Q. An evolving process. And then you sent it back to the
16 prosecutors for them to take a look at?

17 A. Yes, sir.

18 Q. And they sent the draft back to you again?

19 A. Yes, sir.

20 Q. And there were clarifications or additional facts,
21 something like that?

22 A. Yes, sir.

23 Q. How many drafts did you exchange with the prosecutors?

24 A. I don't know exactly, but I would say five or six maybe --
25 seven; somewhere around there.

1 Q. And do you know or are you aware of the fact that the
2 defense had requested drafts of your search warrant affidavit
3 in discovery in this case?

4 A. I heard mention of it, but I wasn't involved in the
5 discussion about it.

6 Q. Did they ask you to provide copies of your drafts to them
7 so that they could -- when I say "they," did the prosecutors --
8 after the defense made that request that you heard about, did
9 the prosecutor ask you to provide copies of your draft
10 affidavits so that they could review them?

11 A. I don't recall that, no.

12 Q. In answering the judge's questions -- and I believe this
13 relates to paragraph 51 of your November 14th affidavit -- and
14 forgive me if I get your words wrong, Agent Binder, but in
15 discussing in your mind the relative unimportance of Sorvill,
16 you believe you stated that you were concentrating on the
17 circular nature of the transactions. Do you recall testimony
18 to that effect?

19 A. Yes, sir.

20 Q. And by "circular nature" -- and I believe you said this is
21 what you wanted to get across to the magistrate judge; is that
22 correct, Agent Binder?

23 A. Well, I wanted to get across to the magistrate judge that
24 money from Grupo, a large amount was going -- I'm sorry. Money
25 from Lindsey Manufacturing in a large amount was going into the

1 ██████████: We don't know who it's from. It says an
2 HSBC account. That's how the account is identified. And I
3 wanted to point that out to the Court. I think Agent Binder --

4 THE COURT: Was HSBC one of the institutions that
5 Lindsey used to transfer money by wire?

6 ██████████: Not that we know of, Your Honor, no.

7 THE COURT: Okay. Anything else?

8 ██████████: I'm prepared -- I can explain to the
9 Court why that happened, but if you want to let the defense --

10 THE COURT: Let's let Ms. Levine have a shot, and
11 then we will get back to that point.

12 MS. LEVINE: Thank you, Your Honor.

13 If I might ask the Court to ask the agent -- or the
14 government to produce the drafts of the affidavits so that -- I
15 know the Court's feeling on time -- and we can review them and
16 submit them if they raise any other questions.

17 THE COURT: So ordered. Produce the drafts that are
18 still extant, still available by noon tomorrow, Mr. Miller.

19 MS. LEVINE: Thank you, Your Honor.

20 CROSS-EXAMINATION

21 BY MS. LEVINE:

22 Q. Agent Binder, the changes to the affidavit that resulted
23 in Sorvill being in the affidavit, those were suggestions by
24 the prosecutors?

25 A. I don't know. I assume so. I did not make the change to

1 my recollection and it came back in a draft.

2 Q. And in that time period -- not now, because I know you've
3 discussed it now -- but in that time period leading up to the
4 execution of the warrant in November of 2008, did you discuss
5 that with either of the prosecutors?

6 A. No, I did not.

7 Q. You didn't notice it at all?

8 A. That's correct. I did not notice it.

9 Q. And you testified that your August 2010 search warrant
10 affidavit for this CDT warrant -- the so-called CDT warrant
11 didn't have the Sorvill mentioned in it; isn't that right?

12 A. I don't believe it did.

13 Q. But you did in that affidavit incorporate by reference the
14 prior warrants, right?

15 A. Yes.

16 Q. And you attached them?

17 A. Yes.

18 Q. And you didn't make any changes or note to the magistrate
19 at that point that those warrants contained misstatements?

20 A. Correct.

21 Q. And you knew that?

22 A. I didn't think about it. I just -- I mean, I don't think
23 I attached it myself. I think they were attached.

24 Q. You knew they were being attached?

25 A. Yes, I knew they were being attached.

1 A. Including Enrique Aguilar and Angela Aguilar.

2 Q. And the money goes from Lindsey to Grupo and Sorvill;
3 isn't that right?

4 THE COURT: And from that draft exhibit, Ms. Levine,
5 what inference do you want me to draw or what finding do you
6 want me to reach as to the basis for Judge Nagle to issue a
7 warrant that can be enforceable?

8 MS. LEVINE: Your Honor, as to the agent's testimony
9 that when she made that conclusion in paragraph 51, she was
10 talking about the circular nature of the transactions and not
11 talking about Sorvill. We're now -- even up to today, we
12 are -- this agent and the team believes that the Sorvill
13 payments didn't occur.

14 It's important enough to put to the jury in a way
15 that it shows that payments went from Lindsey to Sorvill and
16 then from Sorvill to Mr. Moreno. And so to --

17 THE COURT: That may be a very legitimate, valid,
18 possibly strong point, but not for purposes of this motion, so
19 move on to something else, please.

20 BY MS. LEVINE:

21 Q. Agent, this other \$433,000 payment from HSBC in January of
22 2007, that's right around the time of the purchase of the
23 Ferrari, isn't it?

24 A. Yes.

25 Q. And so the purchase of the Ferrari for the \$297,000 could

1 have been from this \$433,000 or any amount of money that was in
2 that account, couldn't it?

3 A. Well, I know that that money went in from LMC. I don't
4 know much about this deposit because --

5 THE COURT: I will make a finding and take judicial
6 notice of the fact that the account was funded -- that
7 the account had moneys in it from which the payments for the
8 Ferrari could have been used, and not all the moneys --
9 evidently, according to what Mr. Miller just disclosed, not
10 even close to all the moneys had been recently placed there by
11 Lindsey.

12 That's what you want me to conclude, right?

13 MS. LEVINE: Yes, Your Honor, I did.

14 THE COURT: All right. Now, let me ask you
15 something, Ms. Binder.

16 THE WITNESS: Yes.

17 THE COURT: And I want you to think before you
18 answer. When you were drafting this affidavit, how did it come
19 to your attention that the 297,000 transfer into the Grupo
20 account and approximately same transfer out of it for the
21 Ferrari was apparent?

22 THE WITNESS: I was looking at the deposits and
23 withdrawal section of the statement. The statements are
24 approximately 30 to 40 pages. I looked at deposits into the
25 account and money out of the account, so deposits and