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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

UNITED STATES OF AMERICA) Docket No. A 12-CR-210 SS
)
vs.) Austin, Texas
)
JOSE TREVINO-MORALES (3))
FRANCISCO ANTONIO)
COLORADO-CESSA (6))
FERNANDO SOLIS-GARCIA (7))
EUSEVIO MALDONADO-HUITRON(11))
JESUS MALDONADO-HUITRON (18)) April 18, 2013

TRANSCRIPT OF TRIAL TESTIMONY OF JOSE CARLOS HINOJOSA
BEFORE THE HONORABLE SAM SPARKS
Volume 4 of 15

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25 Proceedings reported by computerized stenography, transcript
produced by computer.

13:24:36 1 MS. FERNALD: Jose Carlos Hinojosa. Your Honor, he was
13:24:51 2 sworn yesterday.

13:24:55 3 THE COURT: He was sworn yesterday. Have a seat.

13:25:06 4 Mr. Hinojosa, you understand that you were sworn
13:25:10 5 yesterday, so you're still under oath and to tell the truth under
13:25:18 6 the penalties of perjury? Do you understand that?

13:25:23 7 THE WITNESS: Yes.

13:25:24 8 THE COURT: If you'll tell me your full name and spell
13:25:27 9 your last, please.

13:25:34 10 THE WITNESS: Jose Carlos Hinojosa.

13:25:38 11 JOSE CARLOS HINOJOSA, called by the Government, duly sworn.

13:25:38 12 DIRECT EXAMINATION

13:25:38 13 BY MS. FERNALD:

13:25:39 14 Q. And do you go by a nickname, Mr. Hinojosa?

13:25:43 15 A. Yes. Charlie.

13:25:45 16 Q. Can you introduce yourself to the ladies and gentlemen of
13:25:48 17 the jury? Tell them how old you are, where you're from, and a
13:25:52 18 little bit about your educational background.

13:26:13 19 A. I'm from Miguel Aleman, state of Tamaulipas. I'm 35 years
13:26:17 20 old and studied to be an attorney in Mexico.

13:26:19 21 Q. Did you actually practice law in Mexico?

13:26:24 22 A. Yes.

13:26:25 23 Q. From what year did you practice law?

13:26:44 24 A. It was during the time I was doing my degree work and I was
13:26:48 25 working for an attorney, and then, through the end of my degree

13:26:51 1 work and then, I practiced. That was around '98, '99.

13:26:57 2 Q. Are you in jail right now?

13:27:01 3 A. Yes.

13:27:02 4 Q. What are you in jail for?

13:27:10 5 A. Charges of drug conspiracy and money laundering.

13:27:13 6 Q. And is that case out of Houston?

13:27:19 7 A. No. It's in McAllen, Texas.

13:27:21 8 Q. Which is located -- the central place is in Houston. Did

13:27:27 9 you go to court in Houston or McAllen?

13:27:33 10 A. In McAllen.

13:27:35 11 Q. When were you arrested on that case?

13:27:42 12 A. December 2nd, 2008.

13:27:48 13 Q. And are you cooperating with law enforcement -- did you

13:27:53 14 plead guilty to the charges?

13:27:59 15 A. Yes.

13:27:59 16 Q. And are you cooperating with the government?

13:28:04 17 A. Yes.

13:28:04 18 Q. In other words, are you giving testimony?

13:28:09 19 A. Yes.

13:28:10 20 Q. In exchange for what?

13:28:22 21 A. I wasn't promised anything or anything, but I know that if I

13:28:26 22 cooperate with the government, I can get some benefit. If I tell

13:28:37 23 the truth and I cooperate and everything that the government

13:28:41 24 asks.

13:28:42 25 Q. Then what can happen?

13:28:52 1 A. My sentence could be reduced, but there's no promise or
13:28:54 2 anything.

13:28:56 3 Q. Have you been sentenced on your case?

13:29:00 4 A. Yes.

13:29:00 5 Q. And how much time did you get?

13:29:04 6 A. The twenty-four years. That was with the conspiracy and 20
13:29:12 7 years for money laundering.

13:29:15 8 Q. And were those sentences combined so you have a total of 24
13:29:21 9 years?

13:29:26 10 A. Yes.

13:29:31 11 Q. Do you know who Francisco Colorado-Cessa is?

13:29:45 12 A. Yes.

13:29:45 13 Q. And did he go by a nickname?

13:29:51 14 A. We knew it was "Pancho" Colorado.

13:29:53 15 Q. Is he in the courtroom today?

13:29:57 16 A. Yes.

13:29:59 17 Q. Can you identify him for us?

13:30:03 18 A. Yes.

13:30:04 19 Q. Do you want to stand up? Or can you see him from where
13:30:07 20 you're sitting?

13:30:09 21 A. I see him from here.

13:30:10 22 Q. Okay. Can you point toward him?

13:30:15 23 A. Yes. He's seated at that table over there and he's in a
13:30:21 24 gray suit.

13:30:22 25 Q. What color is his tie?

13:30:27 1 A. Like blue, aqua.

13:30:29 2 Q. And what color is his shirt?

13:30:32 3 A. White.

13:30:34 4 Q. Your Honor, move to -- may the record reflect he has
13:30:38 5 properly identified the defendant?

13:30:39 6 THE COURT: So reflects.

13:30:42 7 Q. (BY MS. FERNALD) Mr. Hinojosa, have you testified in any
13:30:50 8 other cases regarding your knowledge of certain activities in
13:30:55 9 Mexico?

13:31:01 10 A. Yes.

13:31:02 11 Q. Where was that?

13:31:07 12 A. In Washington, D.C.

13:31:09 13 Q. When was that?

13:31:13 14 A. This year. It was about, like, March. March -- between
13:31:28 15 February and March.

13:31:29 16 Q. All right. And did you -- do you know whether or not there
13:31:33 17 was a transcript or paper made of everything that you said?

13:31:45 18 A. No. I wouldn't know.

13:31:47 19 Q. How did you meet "Pancho" Colorado?

13:32:06 20 A. Well, we worked for the same boss and that's where I met
13:32:09 21 him.

13:32:10 22 MR. DEGEURIN: Your Honor, may we approach the bench?

13:32:21 23 (At the bench, on the record.)

13:32:30 24 MR. DEGEURIN: Your Honor, from my discovery, we've
13:32:38 25 looked over all last night, from the debriefings and the

13:32:42 1 testimonies, et cetera, from the 302s, and it's my understanding
13:32:48 2 that he was going to be offered as 404(b) material. We asked for
13:32:55 3 404(b) material. While I'll have to go by e-mails, so on a
13:33:01 4 number given to us. What he's going to testify about, I'm
13:33:07 5 anticipating, is that in 2003 or 2004, he learned of -- or was
13:33:22 6 present, somehow he knows that a guy named Efrain Torres loaned
13:33:28 7 \$10 million to Mr. Colorado, and that Mr. Colorado used that to
13:33:35 8 enhance his business. And whether we believe that or not is --
13:33:44 9 let's just accept that as true. Of course, that's why I'm up
13:33:48 10 here.

13:33:48 11 And then, the argument is that if it's not 404(b), then
13:33:55 12 it's intrinsic, it's money laundering because many, many years
13:34:00 13 later, money from that business was wired to buy horses, which is
13:34:07 14 an oil business. We know from statements it's a highly
13:34:11 15 successful oil business, a lot of money generated. And that the
13:34:21 16 money loan in 2003 or 4 is the money that was wired from an
13:34:32 17 account in the oil business.

13:34:35 18 My point is I don't think that's sufficiently tied in
13:34:41 19 to be part of this money laundering. The specific -- the
13:34:45 20 transaction, monetary transaction was 2011 or '12, what are money
13:34:57 21 at auction houses, check with moneys -- the account also, ADT
13:35:04 22 account, in 2011, 2012, after the business was very, very
13:35:11 23 successful. You have to point to the specific money to be
13:35:16 24 derived from illegal funds.

13:35:22 25 THE COURT: Only question I have before me is, how did

13:35:25 1 you meet, and we work for the same boss.

13:35:30 2 MR. DEGEURIN: Once we got there, I knew that's where
13:35:32 3 she was going. So.

13:35:35 4 THE COURT: Are you going to be asking about something
13:35:37 5 that happened in 2003?

13:35:39 6 MS. FERNALD: Absolutely, because the money --

13:35:41 7 THE COURT: All right.

13:35:41 8 MR. GARDNER: Your Honor, may we be heard on that?

13:35:43 9 THE COURT: Why, sure.

13:35:44 10 Members of the jury, I'm going to put you up in the
13:35:46 11 jury room, please.

13:36:19 12 (Jury not present.)

13:36:29 13 THE COURT: All right. Let me hear the testimony.

13:36:32 14 Q. (BY MS. FERNALD) My last question was, how do you know
13:36:41 15 Francisco Colorado-Cessa?

13:36:51 16 A. Because we worked for the same boss there in Veracruz.

13:36:56 17 Q. And who was that boss?

13:37:00 18 A. "Zeta 14."

13:37:02 19 Q. What is "Zeta 14's" name?

13:37:07 20 A. Efrain Teodoro Torres.

13:37:13 21 Q. Mr. Hinojosa, what did "Zeta 14" do for a living?

13:37:24 22 A. When I met him, he was the one that was in charge of the
13:37:52 23 plaza, with the entire state of Veracruz when I met Mr. "Pancho"
13:37:56 24 Colorado, but he --

13:37:59 25 THE COURT: No. Wait a minute. When he met who?

13:38:03 1 THE WITNESS: "Pancho" Colorado.

13:38:05 2 MS. FERNALD: Who was --

13:38:07 3 THE COURT: Go ahead. I just want to make sure.

13:38:09 4 Q. (BY MS. FERNALD) Who was in charge of the plaza?

13:38:13 5 A. "Zeta 14."

13:38:15 6 Q. And approximately when did this occur?

13:38:21 7 A. About 2004, 2005.

13:38:24 8 Q. Then just so I understand, in 2004 and 2005, that is when
13:38:29 9 you met Colorado-Cessa?

13:38:38 10 A. Approximately. Yes.

13:38:40 11 Q. And when you say plaza boss in reference to "14," tell me
13:38:46 12 what a plaza boss is.

13:39:14 13 A. That's the person that's in charge of the entire state of --
13:39:22 14 of the entire plaza to have control over the cities and the
13:39:25 15 routes for the drug distribution and to be in control of
13:39:29 16 everything.

13:39:30 17 Q. And we keep talking about -- have you said the word
13:39:34 18 "company" yet?

13:39:37 19 A. No.

13:39:37 20 Q. Okay. We're talking about the cartel, aren't we?

13:39:47 21 A. Yes. The Gulf cartel, we called it the company or the Gulf
13:39:51 22 cartel.

13:39:52 23 Q. Back in 2004, the Gulf cartel was in charge of that area,
13:39:56 24 right?

13:40:02 25 A. Yes.

13:40:02 1 Q. And your boss was whom?

13:40:07 2 A. "Zeta 14."

13:40:08 3 Q. And his name is?

13:40:10 4 A. Efrain Teodoro Torres.

13:40:15 5 Q. Did Mr. Torres --

13:40:17 6 THE COURT: Give me the name again. Efrain.

13:40:20 7 THE WITNESS: Teodoro.

13:40:22 8 THE COURT: Teodoro.

13:40:24 9 THE INTERPRETER: Teodoro.

13:40:25 10 THE COURT: Thank you. Go ahead.

13:40:27 11 Q. (BY MS. FERNALD) What did you do for "Zeta 14"?

13:40:40 12 A. I was the one that did all the account, handled all the
13:40:48 13 accounts of the drugs that came up to the border. I was the one
13:40:51 14 that was in charge of getting it paid. I was the one that
13:40:54 15 received and sent money and everything that he told me he wanted
13:41:01 16 done.

13:41:02 17 Q. Were you, in essence, the accountant for the plaza boss
13:41:06 18 Efrain Torres "14"?

13:41:19 19 A. Yes. For everything that was taken over there to the
13:41:22 20 border, yes.

13:41:23 21 Q. Did you personally know about Efrain Torres' finances?

13:41:35 22 A. Yes.

13:41:35 23 Q. How did he make all of his money?

13:41:45 24 A. Drugs, contraband, kidnappings, everything.

13:41:49 25 Q. Did he have any legitimate or legal income?

13:41:58 1 A. No.

13:42:02 2 Q. Do you know whether or not Efrain Torres ever gave money to
13:42:13 3 Francisco Colorado-Cessa?

13:42:17 4 A. Yes.

13:42:19 5 Q. Tell me about how many occasions did he give him money that
13:42:23 6 you know about? May I withdraw that question? Because that may
13:42:32 7 be confusing.

13:42:33 8 When is the first time that you knew that Efrain Torres
13:42:39 9 gave "Pancho" Colorado-Cessa money?

13:42:59 10 A. One of the first times, I don't remember if it was from
13:43:02 11 before or after was when they had to be a large sum of money
13:43:07 12 given to support the governor --the candidate for the
13:43:09 13 governorship of the state of Veracruz.

13:43:12 14 Q. Let me rephrase the question then.

13:43:14 15 Do you know whether or not any money was given by
13:43:20 16 Efrain Torres to the Defendant "Pancho" Colorado for ADT Petro
13:43:27 17 Servicios?

13:43:37 18 A. Yes.

13:43:38 19 Q. When was that?

13:43:53 20 A. I don't remember the exact date, but it was for machinery
13:43:57 21 because they were going to be working on government projects.
13:43:59 22 They were going to set up a company to get government projects.

13:44:03 23 Q. Okay. Although you don't remember the exact date, give me
13:44:08 24 an idea of what period of time that was.

13:44:22 25 A. Between 2004, 2005.

13:44:24 1 Q. How much money was he given then?

13:44:34 2 A. What I had in it from the machinery was approximately \$6

13:44:41 3 million.

13:44:41 4 Q. Tell me about ADT Petro Servicios. We've heard a little bit

13:44:45 5 about it. But tell me what type of company it was.

13:45:13 6 A. It was a company to build highways, to do Pemex projects, to

13:45:18 7 do drilling, to do clean up, things like that, anything that the

13:45:23 8 government Pemex hired them to do.

13:45:29 9 Q. Prior to giving money, Efrain Torres giving money the first

13:45:36 10 time, how big was ADT Petro Servicios?

13:45:58 11 A. It wasn't that big because it was with that money that they

13:46:01 12 were going to buy all -- all of the machinery to be able to work

13:46:05 13 on the projects and the contracts for the state government.

13:46:08 14 Q. When you use the word "they," who do you mean?

13:46:17 15 A. I'm sorry?

13:46:19 16 Q. You said "for them" or "they" to buy machinery.

13:46:27 17 A. Oh, oh, "Pancho" Colorado and "Zeta 14."

13:46:32 18 Q. All right. Who owned ADT Petro Servicios?

13:46:42 19 A. I knew that "Pancho" Colorado, but he was the one that was

13:46:50 20 the head of the company, the face of the company.

13:46:53 21 Q. Who controlled that company?

13:46:58 22 A. "Pancho" Colorado.

13:46:59 23 Q. Did Mr. Torres have any authority over ADT Petro Servicios?

13:47:23 24 A. Authority, no, but since they were partners in the purchase

13:47:27 25 of the machinery and in the company, they had come to some

13:47:30 1 agreement about the distribution of earnings and all that.

13:47:37 2 Q. Then who financed the company?

13:47:42 3 A. "Zeta 14."

13:47:44 4 Q. And how was that money derived to finance the company?

13:47:53 5 A. From drugs.

13:47:56 6 Q. Was there a second occasion in which Efrain Torres, "Zeta

13:48:05 7 14," gave money to ADT Petro Servicios?

13:48:29 8 A. I don't know if it was ADT Petro Servicios, but he did give

13:48:33 9 money to "Pancho" Colorado from a variety of occasions for a

13:48:38 10 variety of reasons.

13:48:39 11 Q. Tell me the amounts in which he gave money to "Pancho"

13:48:42 12 Colorado-Cessa.

13:48:54 13 A. Well, for the governors campaign, what I had entered was \$12

13:48:59 14 million. For the purchase of the machinery, it was \$6 million.

13:49:11 15 For the purchase of some horses, \$180,000. That's what I

13:49:18 16 remember more or less.

13:49:27 17 Q. I want to skip ahead a little bit for the purpose of this

13:49:32 18 hearing.

13:49:33 19 When was Efrain Torres killed?

13:49:42 20 A. March of 2007.

13:49:47 21 Q. In March of 2007, was the Gulf cartel still in control?

13:49:57 22 A. Yes.

13:49:59 23 Q. Was "Pancho" Colorado-Cessa, was he able to sell ADT Petro

13:50:08 24 Servicios and do what he wanted with it?

13:50:29 25 A. At that moment, I don't believe he could have sold it

13:50:31 1 because he was really in debt to "Zeta 14" when "Zeta 14" was
13:50:36 2 killed.

13:50:38 3 Q. He was in a lot of debt. So I need to know, who took over
13:50:44 4 the position of Efrain Torres, "Zeta 14," after he was killed?

13:51:02 5 A. "40."

13:51:05 6 Q. And who did Francisco Colorado-Cessa report to after Efrain
13:51:12 7 Torres was killed?

13:51:17 8 A. With "40."

13:51:19 9 Q. And how do you know that?

13:51:37 10 A. Because when "Zeta 14" was killed, I was pulled into a
13:51:43 11 meeting. They called a meeting about everybody -- for everybody
13:51:48 12 that worked there and there was an accounting.

13:51:57 13 Q. Who is "they"? Who called the meeting?

13:52:07 14 A. Lazcano and "Cuarenta."

13:52:10 15 Q. And that was when?

13:52:16 16 A. Few days after "Zeta 14" was killed.

13:52:19 17 Q. What was the purpose of the meeting?

13:52:45 18 A. It was to find out what had happened and to get everybody
13:52:50 19 who had worked with him, with "Zeta 14" together and to see if we
13:52:55 20 could continue working; and to find out everything that there
13:53:08 21 was, everything that they had, all the debts, find out everything
13:53:12 22 about the state of Veracruz.

13:53:15 23 Q. What about all of the assets?

13:53:34 24 A. The assets that I had, I turned those in and the ones that
13:53:38 25 were there in Veracruz, those -- that accounting was done with

13:53:42 1 one of "14's" nephews, who had all the money there.

13:53:47 2 Q. Were you present at this meeting?

13:53:50 3 A. Yes.

13:53:51 4 Q. Did you directly report to "40" about Efrain Torres'
13:53:58 5 property and money?

13:54:10 6 A. Yes.

13:54:11 7 Q. And when you reported to him, did you, in fact, tell him
13:54:16 8 about Francisco Colorado-Cessa?

13:54:27 9 A. Yes.

13:54:31 10 Q. And what did you tell him?

13:55:12 11 A. Well, I gave him the full list of everybody who owed money.
13:55:16 12 It wasn't just "Pancho." It was a lot of people. But then, I
13:55:20 13 explained to him that what I had listed there as the debt was I
13:55:27 14 did not have the last report and that "Zeta 14" had told me that
13:55:31 15 he owed much more than what's showed.

13:55:35 16 Q. Do you know whether or not the debt was ever settled with
13:55:42 17 Francisco Colorado-Cessa and "40" over Efrain's affairs?

13:56:02 18 A. Yes.

13:56:03 19 Q. And what was that?

13:56:08 20 A. What do you mean?

13:56:12 21 Q. Did Francisco Colorado-Cessa start reporting to "40" at that
13:56:23 22 point?

13:56:23 23 A. Yes. Well, yeah, because -- I had the list and he said, all
13:56:45 24 the people that owe you, you go get -- collect that money and the
13:56:49 25 ones that don't, you tell the ones there at the border to have

13:56:54 1 them picked up. And then, about a month to a month and a half
13:57:09 2 later, he called me and said to take "Pancho" off the list
13:57:14 3 because he had already worked it out with Francisco Colorado.

13:57:19 4 Q. Who called you and told you to take him off of the debt
13:57:23 5 list?

13:57:25 6 A. "40."

13:57:30 7 Q. May I have just one moment?

13:57:32 8 THE COURT: You may.

13:58:03 9 Q. (BY MS. FERNALD) Mr. Hinojosa, do you know whether or not
13:58:12 10 Francisco Colorado-Cessa knew what Efrain Torres did?

13:58:27 11 A. Yes.

13:58:28 12 Q. How do you know that?

13:58:44 13 A. Because we were always over there at his ranch. We were --
13:58:48 14 he was always armed. And when it came to the drugs, he was
13:58:51 15 invited to participate in the pool.

13:58:53 16 Q. Okay. You got a lot of "he's" in there. I want you to
13:58:57 17 start using names, okay?

13:58:59 18 A. Ah, okay.

13:59:03 19 Q. You were at whose ranch?

13:59:06 20 A. "Pancho's."

13:59:08 21 Q. Many times?

13:59:11 22 A. A lot of occasions.

13:59:13 23 Q. And you said that he was armed. Who was armed?

13:59:20 24 A. "Zeta 14" and all the people that were there.

13:59:25 25 Q. His -- for a lack of a better term, his entourage, his

13:59:30 1 guards?

13:59:36 2 A. Yes.

13:59:37 3 Q. And when you say that he was invited to take part of the
13:59:43 4 drug distribution, who are you talking about?

13:59:53 5 A. "Pancho."

13:59:55 6 Q. And did he, in fact, accept the invitation?

14:00:01 7 A. Yes.

14:00:03 8 Q. What year was that, approximately?

14:00:08 9 A. About 2006.

14:00:09 10 Q. When did he stop?

14:00:18 11 A. Well, until the day "14" died, I still had the accounts.

14:00:23 12 Q. Okay. Let me step one step further. Do you know whether or
14:00:28 13 not Francisco Colorado-Cessa knew what "40" did for a living?

14:00:41 14 A. Yes.

14:00:43 15 Q. Explain how you know that.

14:01:15 16 A. Because "40" was head of the Gulf cartel and then, later,
14:01:21 17 the Zetas, and because a meeting -- and this was before, before
14:01:25 18 they killed "14," "40" was there, Lazcano was there, "14" was
14:01:30 19 there, "Pancho" was there, and the meeting was in Veracruz.

14:01:39 20 Q. How many years were you involved with the cartel, the
14:01:42 21 company?

14:01:55 22 A. Starting in about 2001, 2002, until I was arrested.

14:02:05 23 Q. How deeply were you involved with the cartel?

14:02:21 24 A. Well, I knew all the members of the main members of the
14:02:40 25 cartel. I handled their -- the accounts. When they had

14:02:44 1 meetings, I was one of the ones that was at those meetings
14:02:48 2 because I was one of the first ones that became part of the
14:02:53 3 Miguel Aleman plaza.

14:02:56 4 Q. You're aware of the bribes that the cartel and the company
14:03:00 5 took, made?

14:03:08 6 A. Yes.

14:03:09 7 Q. Not only aware, but you participated in the taxing of the
14:03:14 8 drug dealers and distributors in the area?

14:03:26 9 A. Yes.

14:03:27 10 Q. You're also -- are you aware of any murders in --

14:03:34 11 THE COURT: I think we're going far afield.

14:03:37 12 MS. FERNALD: I'm just trying to give the Court -- I
14:03:38 13 didn't want to surprise the Court on anything. But that's the
14:03:40 14 testimony.

14:03:46 15 THE COURT: All right. Do you wish to question the
14:03:54 16 witness?

14:03:55 17 MR. DEGEURIN: About two questions.

14:03:57 18 THE COURT: All right. Two questions and then, I'll
14:04:00 19 have him removed and hear your argument.

14:04:03 20 CROSS-EXAMINATION

14:04:04 21 BY MR. DEGEURIN:

14:04:04 22 Q. You were incarcerated in 2008, right?

14:04:10 23 THE COURT: December 2nd. He's already testified.

14:04:12 24 Q. (BY MR. DEGEURIN) Okay. Been out of custody since 2008.

14:04:18 25 A. No.

14:04:22 1 Q. I think that's all I have to ask him. That's all I have to
14:04:26 2 ask him.

14:04:26 3 THE COURT: I'll ask Mr. Hinojosa to be placed in the
14:04:32 4 hall, please.

14:05:03 5 MS. FERNALD: Are you ready for me?

14:05:06 6 THE COURT: Well, the objection is actually Mr.
14:05:13 7 DeGeurin, so he gets to go first.

14:05:17 8 MS. FERNALD: Okay.

14:05:20 9 MR. DEGEURIN: Your Honor, first of all, the idea of a
14:05:26 10 campaign contributions in 2003 to the governor, it was made
14:05:29 11 through "Catorce" I think is all removed from the allegations in
14:05:35 12 this indictment, both temporally and legally, and doesn't tie
14:05:45 13 into the allegations in this indictment at all. I consider that
14:05:49 14 404(b) and not admissible. Certainly is not intrinsic.

14:05:55 15 THE COURT: Well, to this jury you painted an
14:05:57 16 incredible picture of your client. No -- just a self-made
14:06:04 17 person, took a company up to making \$250 million a year.

14:06:11 18 MR. DEGEURIN: Uh-huh.

14:06:12 19 THE COURT: An upstanding person. I'm not so sure an
14:06:15 20 upstanding person would spend, what did he say, \$12 million to
14:06:20 21 keep control of a plaza, but maybe they would. But in light of
14:06:25 22 what I've heard on opening statement and plus the fact that he
14:06:30 23 was giving him \$180,000, even back in those days for horses, I
14:06:35 24 don't know why this is not admissible. So give me your best
14:06:40 25 argument.

14:06:41 1 MR. DEGEURIN: Well, it's prejudice. There's some
14:06:47 2 evidence from this witness hearsay that campaign contributions
14:06:52 3 were given to the governor.

14:06:54 4 THE COURT: He said he gave the money to Colorado.

14:07:00 5 MR. DEGEURIN: No. He didn't say Colorado gave the
14:07:02 6 money. He said Colorado introduced "14" to the governor. So at
14:07:06 7 any rate, so campaign contribution --

14:07:06 8 THE COURT: Well, he wrote down the amounts, but you're
14:07:09 9 right.

14:07:10 10 MR. DEGEURIN: Okay. So I'm going to put that aside
14:07:12 11 because I think I'm pretty strong on that one because that has
14:07:16 12 nothing to do with this indictment. Whether he did or did not
14:07:20 13 support the governor, how the money was raised and what can be
14:07:24 14 raised in Mexico is something else. Whether the governor liked
14:07:29 15 "14" or not, doesn't matter. He didn't say this is Zetas. You
14:07:35 16 know, there's no allegation of that.

14:07:37 17 With regard to money being spent on horses in 2011,
14:07:48 18 2012 by Mr. Colorado through his company ADT, small amount, of a
14:07:57 19 huge amount, the time between that and, as he says, at least in
14:08:03 20 his debriefings, a loan to buy equipment for the company -- for
14:08:12 21 "Pancho's" company to buy some more equipment, in 2000 -- now
14:08:20 22 he's saying 2004 or 5, I think, that loan to Mr. Colorado's
14:08:34 23 company -- and Colorado's not a partner with Mr. Torres, "14,"
14:08:41 24 never was. Once -- she asked some more questions, they didn't
14:08:45 25 say what says it. They owed the money back and that he

14:08:49 1 understood there was some agreement, but he didn't know what it
14:08:52 2 was.

14:08:54 3 Now, let's just say, for sake of argument here, that he
14:09:02 4 did -- Mr. Colorado did accept a loan from Mr. Efrain Torres in
14:09:11 5 2004 or 5 to buy some extra equipment for his company, and
14:09:18 6 thereafter, many years later, his company grows and grows and
14:09:22 7 grows to the point where I was talking about.

14:09:24 8 THE COURT: Torres was killed in March of '07.

14:09:26 9 MR. DEGEURIN: Right. Okay. So just say --

14:09:31 10 THE COURT: One year before this alleged conspiracy.

14:09:35 11 MR. DEGEURIN: Right.

14:09:35 12 THE COURT: All right.

14:09:37 13 MR. DEGEURIN: And let's just say that he was slowly
14:09:40 14 paying him back, I don't know. For sake of argument for the
14:09:44 15 government's argument, he's slowly paying him back, this loan
14:09:48 16 from a bad guy, maybe he knew that the bank had -- or that Mr.
14:09:55 17 Torres had gotten some bad moneys along the way, and he borrowed
14:10:00 18 the money and he's paying him back. Then Mr. Torres dies in
14:10:09 19 2007. 2008, this man goes to jail. And the government is saying
14:10:16 20 that that money that was loaned back then, it was owed to the man
14:10:21 21 that's dead is ill-gotten gains that they're paying later out of
14:10:27 22 a company that's very successful.

14:10:30 23 It would almost be like saying if Mr. Kennedy -- old
14:10:36 24 man Kennedy bootlegged whiskey, and that later on, the children
14:10:43 25 took money from the grandfather's inheritance and made their own

14:10:49 1 businesses, you'd follow it. There's got to be a line somewhere.
14:10:53 2 What I'm saying is, Judge, I think there's too far a gap between
14:10:56 3 a loan that he talks about, \$6 million loan, and a \$1 million, \$2
14:11:05 4 million wires from ADT in 2010 or '11, '11 and '12. You cannot
14:11:12 5 point to the specific activity and the money that is illegal.

14:11:19 6 THE COURT: You're taking the position in this case,
14:11:23 7 Mr. DeGeurin, that Mr. Colorado didn't use Zeta funds.

14:11:31 8 MR. DEGEURIN: That's correct.

14:11:32 9 THE COURT: To buy horses.

14:11:33 10 MR. DEGEURIN: That's right.

14:11:35 11 THE COURT: And here, there is evidence, whether it's
14:11:39 12 credible or not, there's evidence he borrowed \$180,000 sometime
14:11:44 13 before March of 2008 to buy horses.

14:11:51 14 MR. DEGEURIN: Now, that's a third point that -- you
14:11:58 15 had zeroed in that. Put the loan aside that was years ago and in
14:12:01 16 2008, this man is going to testify that Mr. Torres -- 2008 that
14:12:08 17 Torres was dead by then. But anyway, someone gave Colorado 180.

14:12:13 18 THE COURT: He died March in 2007, sir, according to
14:12:16 19 the testimony.

14:12:17 20 MR. DEGEURIN: Yes. I'm not quite sure what he's going
14:12:20 21 to say when he wrote down in his machine, as he puts it, that
14:12:24 22 \$180,000 was given to Mr. Colorado to buy horses. Mr. Colorado
14:12:29 23 was buying horses for much more than that. He was paying a lot
14:12:33 24 more. One horse or two horses cost more than that. So I'm not
14:12:38 25 really quite sure about that \$180,000.

14:12:44 1 But the other's so far removed, Judge, that it should
14:12:48 2 not be allowed.

14:12:51 3 THE COURT: Well, you denied that he used Zeta money to
14:12:54 4 buy horses.

14:12:56 5 MR. DEGEURIN: If the argument is from the government
14:12:59 6 -- I didn't mean to cut you off.

14:13:00 7 THE COURT: I'm just asking you what your argument is.

14:13:03 8 MR. DEGEURIN: Yeah. He did not use Zeta money --
14:13:06 9 certainly did not use any -- did not knowingly use any Zeta money
14:13:12 10 because the money that he used was money that was paid to his
14:13:17 11 company. And he owned contracts, legitimate contracts with
14:13:27 12 Pemex, and you saw the list of some of those contracts. He was
14:13:31 13 being paid in excess of \$70 million a year from the oil company.
14:13:42 14 That's the payments. You get the contracts here and they pay
14:13:45 15 out. You've been through those litigations. You know how that
14:13:50 16 goes.

14:13:50 17 THE COURT: Actually, my litigation is when you get
14:13:52 18 contracts and they don't pay.

14:13:54 19 MR. DEGEURIN: Don't pay. Yeah. No. I am firmly
14:13:58 20 taking the position --

14:13:59 21 THE COURT: I understand your position.

14:14:00 22 MR. DEGEURIN: So.

14:14:02 23 THE COURT: Anything further on the objection?

14:14:05 24 MR. DEGEURIN: One second. That's my position, Judge.

14:14:10 25 THE COURT: All right. I'll hear from the government.

14:14:14 1 MS. FERNALD: Your Honor, it's the government's
14:14:16 2 position on this case, as outlined in Mr. DeGeurin's opening
14:14:21 3 statement, that this is not a front company, it was a real
14:14:25 4 company. And then, further, in this particular argument, that
14:14:30 5 even if the Zeta money was used, that it was not used knowingly.
14:14:35 6 And those type of defenses open the door to explain where the
14:14:40 7 money came from.

14:14:40 8 Later testimony will support that these horses were
14:14:44 9 purchased by Francisco Colorado-Cessa, not only from his personal
14:14:48 10 accounts but from his ADT accounts, and that any money that was
14:14:52 11 derived from ADT, a small business that was financed by the
14:14:57 12 Zetas, as far back as 2004, according to this witness, comes in.
14:15:03 13 Also, your Honor, testimony that didn't come out was these
14:15:07 14 legitimate contracts with Pemex. In order -- this witness will
14:15:13 15 testify that in order to get contracts with Pemex, there has to
14:15:17 16 be some form of bribes that are taken in order to get these type
14:15:23 17 of contracts for Pemex and that this witness is aware that
14:15:29 18 Francisco Colorado-Cessa participated in those bribes. It's all
14:15:34 19 directly related.

14:15:36 20 The dates of the conspiracies that are charged in the
14:15:39 21 indictment, beginning on or about 2008, the Court is well aware
14:15:45 22 that the dates are not controlling to the indictment, but to the
14:15:48 23 relevant conduct --

14:15:50 24 THE COURT: What else did I not hear from this witness
14:15:52 25 in your direct that -- I heard nothing about the bribes.

14:15:57 1 MS. FERNALD: I realize that you didn't and that was my
14:16:01 2 fault, your Honor. I thought that you were asking me to be quiet
14:16:04 3 and sit down and shut up, and I took a clue from that. I'm not
14:16:13 4 so concerned about the bribes and bringing that out with the
14:16:16 5 government's presentation of its case-in-chief. I'm concerned
14:16:22 6 about this jury knowing how he started ADT Petro Servicios and
14:16:28 7 that any money was commingled with legitimate funds in order to
14:16:31 8 derive the buying and purchasing of horses for the organization
14:16:35 9 or for the cartel.

14:16:38 10 MR. DEGEURIN: May I respond briefly?

14:16:39 11 THE COURT: Certainly. Your objection is still first.

14:16:46 12 MR. DEGEURIN: The bribery thing, if that's going to --
14:16:51 13 she says it's not too concerned about bringing that up. Okay.
14:16:54 14 Fine. If she is, I want to hear it before to let the Judge rule
14:16:59 15 on. I think that his first -- whether he has any knowledge of
14:17:02 16 any bribery, to me, would be absolutely incredible because it
14:17:06 17 can't happen in those contracts. They're done a different way.
14:17:11 18 You don't bribe somebody.

14:17:12 19 THE COURT: Well, I don't know that you're right on
14:17:13 20 that either. He's a business associate himself with cartels.
14:17:18 21 Said he was an honest businessman, made it himself.

14:17:22 22 MR. DEGEURIN: That's true.

14:17:23 23 THE COURT: Well, according to this witness, he could
14:17:25 24 go to the cartels and obtain \$12 million to try to effect an
14:17:30 25 election. That doesn't sound disassociated to me.

14:17:35 1 MR. DEGEURIN: Sounds incredible to me from this
14:17:38 2 witness from what I know.

14:17:39 3 THE COURT: I've lived here all my life. It doesn't
14:17:43 4 sound incredible at all.

14:17:44 5 MR. DEGEURIN: My point is, Judge, a company started by
14:17:48 6 -- no. The company was -- he had the oil company and, according
14:17:54 7 to this witness, he borrowed some money from Mr. Efrain Torres,
14:18:00 8 according to this witness, to buy some equipment for that
14:18:05 9 company. You do have to have equipment to --

14:18:07 10 THE COURT: And they were going to share in the
14:18:09 11 profits.

14:18:10 12 MR. DEGEURIN: Well, that's what he says.

14:18:12 13 THE COURT: That's what we're talking about is his
14:18:14 14 testimony. That's all we're talking about.

14:18:16 15 MR. DEGEURIN: Yeah. Back in 2000 -- way back before
14:18:19 16 the indictment.

14:18:19 17 THE COURT: All right. Okay. Well, in light of the
14:18:29 18 opening statement and the presentation of no association with the
14:18:34 19 cartels or the Zetas, and no connection whatsoever with drugs --
14:18:43 20 or the funds from the Zetas, if the jury believes that evidence,
14:18:56 21 it's certainly significant evidence. And I overrule the
14:19:08 22 objection and the testimony can be brought out in front of the
14:19:12 23 jury. Take ten minutes.

14:28:06 24 (Recess.)

14:30:08 25 (Jury present.)

14:30:11 1 THE COURT: Bring the witness in. Mr. Hinojosa, you're
14:30:40 2 still under oath. Do you understand that?

14:30:42 3 THE WITNESS: Yes.

14:30:44 4 THE COURT: You may proceed.

14:30:46 5 THE WITNESS: Yes, sir.

14:30:46 6 RE-DIRECT EXAMINATION

14:30:46 7 BY MS. FERNALD:

14:30:49 8 Q. Mr. Hinojosa, just a little bit about your background.

14:30:51 9 We'll start there. Where did you work in approximately the year
14:30:57 10 2000?

14:31:07 11 A. At the federal prosecutor's office in Miguel Aleman.

14:31:11 12 Q. What did you do there?

14:31:26 13 A. I was one of the legal clerks at the prosecutor's office. I
14:31:29 14 was the one who took the detainee statements, decided whether to
14:31:32 15 assign the case for court or to release the detainee.

14:31:36 16 Q. After you had been at the federal prosecutor's office for
14:31:39 17 about six months, did you start participating in any illegal
14:31:43 18 activities?

14:31:51 19 A. Yes.

14:31:52 20 Q. Can you tell the ladies and gentlemen of the jury about the
14:31:54 21 bribes that you took?

14:32:18 22 A. Yes. We paid the fees that were required for -- to be
14:32:28 23 allowed to have the movement throughout the entire border area
14:32:31 24 that was under our jurisdiction for the movement of drugs.

14:32:36 25 Q. Wait a minute, just a second, Mr. Hinojosa. I'm going to

14:32:39 1 take you little small steps, okay? I want you to stay with me on
14:32:43 2 this year.

14:32:43 3 Can you see that up there where my finger is? I'm
14:32:49 4 showing you now what has been marked and previously admitted into
14:32:54 5 evidence as Government's Exhibit 320. It's a map of Mexico.

14:33:07 6 A. Uh-huh.

14:33:08 7 Q. You were working in the prosecutor's office where?

14:33:18 8 A. Miguel Aleman, state of Tamaulipas.

14:33:22 9 Q. I'm putting my finger right here in front of a word that
14:33:25 10 says "Tamaulipas"?

14:33:28 11 A. Yes.

14:33:29 12 Q. Is this the area?

14:33:31 13 A. That's the state.

14:33:33 14 Q. Right. Where is Miguel -- what's --

14:33:39 15 A. It's in between Nuevo Laredo and Reynosa.

14:33:48 16 Q. Right here? Where my finger is right here?

14:33:53 17 A. But up between Nuevo Laredo and Reynosa. There you go.

14:33:59 18 Q. Much better. Thank you for helping me. It's right on the
14:34:02 19 border of the United States, correct?

14:34:06 20 A. Yes. Where the river travels.

14:34:11 21 Q. Okay. Stay with me in the year 2000, okay? After you had
14:34:16 22 been working in the federal prosecutor's office in the year of
14:34:20 23 2000, did you start accepting bribes?

14:34:29 24 A. Yes.

14:34:31 25 Q. And why?

14:34:46 1 A. To allow the drug dealers to work freely so you accepted the
14:34:51 2 bribes to allow them to work.

14:34:53 3 Q. How common was that in your office?

14:35:11 4 A. It's pretty common in Mexico to accept the bribes so that
14:35:16 5 you won't be bothering the people, the drug dealer.

14:35:18 6 Q. And the government offices?

14:35:23 7 A. Yes.

14:35:24 8 Q. Are you familiar with the term "Gulf cartel"?

14:35:35 9 A. Yes.

14:35:35 10 Q. Can you tell the jury what the Gulf cartel is and how you
14:35:39 11 know what it is?

14:36:11 12 A. The Gulf cartel, that has to do with the movement of drugs.
14:36:18 13 It's a group that was organized that took over all the plazas of
14:36:21 14 the state of Tamaulipas to control all the movement of drugs into
14:36:27 15 the United States and to handle all the bribing of the government
14:36:31 16 officials.

14:36:31 17 Q. When did that occur?

14:36:42 18 A. 2001. Mid-2001, approximately.

14:36:47 19 Q. So mid-2001, is this the area that the Gulf cartel took
14:36:57 20 over?

14:37:10 21 A. Yes. In Tamaulipas, that's where they started.

14:37:14 22 Q. Are you familiar with the group called the Los Zetas?

14:37:20 23 A. Yes.

14:37:27 24 Q. In 2000 -- mid of 2001, how did the Los Zetas and the Gulf
14:37:34 25 cartel work together?

14:37:59 1 A. They worked together. I mean, in mid-2001, they were part
14:38:05 2 of it. They were the enforcers. They were the ones that were in
14:38:08 3 charge of picking up people, of murdering people, of spreading
14:38:13 4 terror in the plazas.

14:38:14 5 Q. And you say "they." Who were you talking about, Mr.
14:38:18 6 Hinojosa?

14:38:27 7 A. The Zetas. They were the armed branch of the Gulf cartel.

14:38:31 8 Q. Did that ever change?

14:38:34 9 A. Yes.

14:38:36 10 Q. Listen to my question. What year did that change?

14:38:41 11 MR. DEGEURIN: Excuse me, your Honor. We're getting
14:38:45 12 into expert testimony -- what I would call expert testimony, and
14:38:50 13 I don't think foundation has been laid. If he was a federal
14:38:54 14 prosecutor during those years, is that where the -- his opinion
14:39:00 15 could come in as being a federal prosecutor?

14:39:04 16 THE COURT: He --

14:39:06 17 MR. DEGEURIN: That's the only foundation I heard.

14:39:08 18 THE COURT: Well, I haven't heard any.

14:39:14 19 MR. DEGEURIN: I'm going to object to opinion
14:39:16 20 testimony.

14:39:17 21 THE COURT: All right. That objection right now is
14:39:20 22 based on his observations, so I overrule the objection. You may
14:39:23 23 proceed.

14:39:32 24 Q. (BY MS. FERNALD) Let me go back to the question. What year
14:39:36 25 did this working relationship change between the Gulf and the

14:39:39 1 Zetas?

14:40:14 2 A. That was about 2010, 2011. That's when they separated.

14:40:19 3 Before that, they were together. But the leadership of the

14:40:25 4 different plazas was distributed.

14:40:27 5 MR. DEGEURIN: That's what I was afraid of. I'm going

14:40:29 6 to renew my objection. Foundation was he's a federal prosecutor

14:40:32 7 back in 2000. Early 2000. He's been in jail since 2008. He's

14:40:40 8 talking now about his opinion what he reads in the paper here in

14:40:44 9 2010 or '11. So that's my -- the only foundation is while taking

14:40:50 10 bribes as a federal prosecutor, he knows these things or observes

14:40:55 11 these things. That was years ago.

14:41:00 12 MS. FERNALD: Your Honor, I'll move on at this point

14:41:01 13 and withdraw that question. Move on. The purpose of it is to

14:41:05 14 establish -- and I can ask the next question and clear up the

14:41:08 15 foundation, if the Court would let me proceed.

14:41:12 16 THE COURT: Well, if you've withdrawn the question,

14:41:15 17 I'll instruct the jury not to consider the answer for any part

14:41:19 18 since the government has withdrawn the question.

14:41:22 19 All right. Ask your next question.

14:41:23 20 Q. (BY MS. FERNALD) How involved were you with the Gulf cartel

14:41:27 21 and the Los Zetas?

14:41:35 22 A. Starting in 2001.

14:41:37 23 Q. And continuing until when?

14:41:40 24 A. Till the day I was arrested.

14:41:48 25 Q. December?

14:41:48 1 A. September of 2008.

14:41:52 2 Q. Okay. In mid-2001, the Gulf cartel had taken over the area
14:42:02 3 in which you worked; is that correct?

14:42:15 4 A. Yeah. The whole state. The whole border region.

14:42:18 5 Q. And when I say they took over, what does that mean?

14:42:39 6 A. That they started taking over all the plazas of all the
14:42:43 7 cities in the area. That they established certain order among
14:42:46 8 the drug dealers, that they had to pay fees to the cartel.

14:42:51 9 Q. And what were those fees for?

14:43:01 10 A. To pay the bribes to all the law enforcement agencies and to
14:43:13 11 pay for all the expenses of all the people that worked for the
14:43:16 12 company, the cartel.

14:43:16 13 Q. Including yourself?

14:43:18 14 A. Yes.

14:43:19 15 Q. When did you begin working for the cartel?

14:43:58 16 A. It was about mid-2001 that they gathered up all of us that
14:44:03 17 worked in security agencies, government employees that had to do
14:44:09 18 anything with security or law enforcement, and they kind of read
14:44:12 19 the rules to us. They established the rules to be followed and
14:44:16 20 that we were not to interfere with or bother any of the
14:44:21 21 trafficking or anybody else that they told us that we were not to
14:44:25 22 bother, that they were to be allowed to work freely.

14:44:28 23 Q. You had previously testified that you knew Francisco
14:44:33 24 Colorado-Cessa because the two of you had the same boss.

14:44:45 25 A. That's right.

14:44:46 1 Q. And who was that boss?

14:44:52 2 A. "Zeta 14."

14:44:55 3 Q. What was "Zeta 14's" name?

14:45:00 4 A. Efrain Teodoro Torres.

14:45:08 5 Q. Did I spell that correctly?

14:45:14 6 A. It's A-I and there's a Teodoro. It's Teodoro Torres.

14:45:33 7 Q. "Zeta 14," what was he in charge of?

14:45:50 8 A. At that time he was the one that was in charge of the Miguel Aleman plaza on the border.

14:45:53 9

14:45:56 10 Q. Where you worked?

14:45:58 11 A. That encompassed about five county or cities.

14:46:09 12 Q. And what did you start doing for "Zeta 14"?

14:46:38 13 A. Well, because there at the federal prosecutor's office, I

14:46:41 14 was the one who knew who most of the drug dealers were, and since

14:46:46 15 they no longer had to pay the right to work fees to us, they were

14:46:52 16 being paid to the cartel.

14:46:53 17 Q. Did you end up leaving the prosecutor's office?

14:47:00 18 A. Yes.

14:47:01 19 Q. And when was that?

14:47:07 20 A. Somewhere between 2002, 2003.

14:47:12 21 Q. And in 2002 and 2003, is that when you started working for

14:47:18 22 "Zeta 14"?

14:47:53 23 A. No. When I was working at the federal prosecutor's office,

14:47:56 24 I -- since I was one of the ones that had handled all the

14:48:00 25 payments by the drug dealers of the fees that were paid, I then

14:48:04 1 had to start reporting them to him. And so, I made those reports
14:48:08 2 to him, and then, I started handling some of the accounting. And
14:48:12 3 at one point, he finally said, oh, are you working for them or
14:48:17 4 you working for me? And I decided to work for him.

14:48:20 5 Q. So in 2002 and 2003, you went full-time with the cartel,
14:48:25 6 correct?

14:48:27 7 A. That's right.

14:48:29 8 Q. And when I say full-time with the cartel, what did you do --
14:48:33 9 how did you work for the cartel then?

14:48:57 10 A. Well, at that time I did -- I handled many of the same
14:49:16 11 things. I was the one that would collect the fees from all the
14:49:20 12 drug dealers. I do the payments to the people wouldn't be
14:49:24 13 bothered. Everything I was told to do. I also was the one that
14:49:28 14 got the fees from the coyotes or the people that traffic across
14:49:35 15 the border, bribe to the federal police, customs, everything I
14:49:40 16 knew about.

14:49:40 17 Q. And when you say across the border, you're talking about in
14:49:44 18 the United States?

14:49:48 19 A. Yes.

14:49:49 20 Q. Columbia?

14:50:00 21 A. No. Right now, we're talking about there, the border
14:50:03 22 between Miguel Aleman, Mexico, U.S.

14:50:05 23 Q. So you're sticking with the date that I'm making you; is
14:50:10 24 that correct?

14:50:10 25 A. Yes.

14:50:10 1 Q. Okay. All right. In 2004, did you meet Francisco "Pancho"

14:50:23 2 Colorado -- I'm sorry, Francisco Colorado-Cessa?

14:50:34 3 A. It was somewhere between 2004, 2005 because that's when

14:50:45 4 "Zeta 14" was moved to Veracruz.

14:50:48 5 Q. I'm sorry, was moved where?

14:50:50 6 A. To Veracruz.

14:50:52 7 Q. Veracruz. Okay. Tell me about his move to Veracruz.

14:51:19 8 A. He was moved. He was told that he had to go and establish

14:51:22 9 control of the state of Veracruz plaza because that was a port

14:51:27 10 and that would be good for the Gulf cartel.

14:51:31 11 Q. And you know this how?

14:51:41 12 A. Because we were involved in drugs and we know how all of

14:51:44 13 that is handled.

14:51:45 14 Q. Were you present during some of those conversations?

14:51:53 15 A. Which conversations?

14:51:54 16 Q. That he was going to be moved?

14:52:15 17 A. Oh, no. That was when he said that he was going to have to

14:52:21 18 turn over --

14:52:22 19 MR. DEGEURIN: Your Honor, I'm sorry with the

14:52:24 20 difficulty between the translation and the answers. I would like

14:52:26 21 to object now to hearsay.

14:52:29 22 THE COURT: I'll sustain that objection.

14:52:31 23 Q. (BY MS. FERNALD) Did y'all move -- did he move to Veracruz?

14:52:38 24 A. Yes.

14:52:39 25 Q. What did he start doing in Veracruz?

14:52:57 1 A. Same thing that they had done in Miguel Aleman to begin
14:53:01 2 establishing control, to begin establishing relationships so that
14:53:04 3 you could then take over all the plazas of Veracruz.

14:53:09 4 Q. And I'm pointing kind of in the middle of Government's
14:53:13 5 Exhibit 320. Again, this is the map of Mexico and I'm pointing
14:53:17 6 underneath the word. Is this where Veracruz is?

14:53:30 7 A. Yes.

14:53:31 8 Q. Is it approximately in the yellow area outlined in this map?

14:53:39 9 A. Yes.

14:53:40 10 THE COURT: I think you need to clarify who went to
14:53:43 11 Veracruz.

14:53:44 12 MS. FERNALD: Okay. Thank you.

14:53:45 13 Q. (BY MS. FERNALD) Who went to Veracruz?

14:53:52 14 A. As I said before, "Zeta 14." That's when he was moved to
14:53:56 15 Veracruz.

14:53:57 16 Q. Did you go with him?

14:54:09 17 A. No, not completely, because I had -- I had my plazas, my
14:54:17 18 deals in Miguel Aleman, and I was going to be in charge of
14:54:33 19 everything that he had left there of all the drugs that he left
14:54:37 20 there. Everything that was his that was there, I was to handle.
14:54:41 21 And he is "Zeta 14."

14:54:44 22 Q. Thank you very much.

14:54:47 23 Were you aware of "14's" finances?

14:54:56 24 A. Yes.

14:54:57 25 Q. Did you know how much money he took in?

14:55:06 1 A. Yes.

14:55:06 2 Q. Did you know how much money he spent?

14:55:15 3 A. I don't remember the amounts, but it was a lot of money.

14:55:17 4 Q. But were you aware of all of his finances?

14:55:29 5 A. Yes, of everything. Of everything that came to the border.

14:55:32 6 Yes.

14:55:33 7 MR. DEGEURIN: Excuse me. Your Honor, may I have a --
14:55:38 8 based on the conference objection I had before, a running
14:55:43 9 objection? I know you don't like running objections, but if I'm
14:55:48 10 interrupting the whole time, it would be quite often to testimony
14:55:52 11 about Mr. Torres' activities back in 2002, 3 or 4, even before he
14:56:02 12 moved down to the state of Veracruz and his own activities.

14:56:10 13 Could we approach? I'll be a little more specific
14:56:12 14 about it.

14:56:16 15 (At the bench, on the record.)

14:56:27 16 MR. DEGEURIN: You've already overruled my objections,
14:56:29 17 so I'm aware of that. But -- his testimony. But I don't think
14:56:34 18 when you overruled my objection, you were contemplating a lot of
14:56:37 19 testimony about what happened in 2002.

14:56:39 20 THE COURT: You're right. I thought I heard all the
14:56:41 21 testimony that was going to be given. And we have moved now to
14:56:48 22 Veracruz and split the witness' -- I'm hearing testimony I
14:56:52 23 haven't heard.

14:56:54 24 So that's two things. One is I haven't made any
14:56:59 25 rulings because I haven't had any objections; but it also means I

14:57:03 1 can't give you a running objection because I don't know what
14:57:06 2 they're going to proceed. I have made one ruling and that is
14:57:11 3 that the association of Mr. Colorado with "14" and subsequently
14:57:21 4 with "40" and the financial conditions between them that this man
14:57:29 5 had personal knowledge of is admissible, in light of the
14:57:33 6 presentation in the opening statements and the fact that the --
14:57:39 7 there is a denial of the --

14:57:43 8 MR. DEGEURIN: Money being used.

14:57:45 9 THE COURT: Yeah. And I have his denial of using Zeta
14:57:53 10 money to buy horses, and that's not evidence of the guilt in this
14:58:03 11 case. It just goes under the rules to show opportunity, motive,
14:58:08 12 history, but the rules so state. I haven't been asked to give an
14:58:13 13 instruction. Or I haven't gotten to it. Now, where are we
14:58:17 14 going?

14:58:17 15 MS. FERNALD: I'm sorry, I didn't mean to mislead
14:58:19 16 anybody with the presentation. I was just trying to get a
14:58:22 17 foundation and I'll move on, your Honor.

14:58:24 18 THE COURT: Okay. Well, we don't have a foundation.
14:58:27 19 We've moved from Tamaulipas to Veracruz.

14:58:36 20 MS. FERNALD: I'll move on, your Honor.

14:58:37 21 THE COURT: All right.

14:58:37 22 MR. DEGEURIN: And I don't -- I'm going to have to
14:58:40 23 touch on those in my cross because they're here.

14:58:42 24 THE COURT: Well, I understand. You're going to have
14:58:45 25 free rein on cross. That's not the problem. But since I know

14:58:50 1 where we are, I'm not foolish enough to give y'all a complete
14:58:55 2 running objection. But you do have an objection with regard to
14:58:58 3 what I've just said and I've overrule that. But whatever else
14:59:03 4 comes in, you feel free to make whatever timely objections you
14:59:07 5 think are necessary.

14:59:08 6 MS. FERNALD: And you can interrupt me anytime. And I
14:59:11 7 should say, too, some of this -- Mr. DeGeurin, some of this was
14:59:14 8 brought out because it was negative information about this man
14:59:17 9 and impeachment material they knew was going to be brought up --

14:59:21 10 THE COURT: Well, I think y'all have plenty of that.

14:59:23 11 MS. FERNALD: Yeah, I do, too.

15:00:19 12 Q. (BY MS. FERNALD) Are you aware -- are you familiar with the
15:00:22 13 term "accountant"?

15:00:27 14 A. Yes.

15:00:28 15 Q. Were you the accountant for "14"?

15:00:42 16 A. I was the one that handled his accounting for the drug
15:00:46 17 trafficking and things like that.

15:00:48 18 Q. That's what I'm asking.

15:00:51 19 A. Yes.

15:00:53 20 Q. Do you know if Mr. Torres, how he made his money?

15:01:03 21 A. Yes.

15:01:04 22 Q. How did he make his money?

15:01:08 23 A. Drug trafficking, contraband, kidnapping, everything that is
15:01:23 24 related to the cartel.

15:01:24 25 Q. And I call it cartel. You call it company.

15:01:30 1 A. Yes.

15:01:36 2 Q. Was 100 percent of his income derived from illegal
15:01:40 3 activities?

15:01:46 4 A. Yes.

15:01:49 5 Q. You stated that you met Francisco Colorado-Cessa in 2004 and
15:01:56 6 2005. How did you meet him?

15:02:12 7 A. It was there in Veracruz. We worked for the same person.

15:02:21 8 And one time when I went down there, he -- we were at a place and
15:02:26 9 he introduced me to him.

15:02:27 10 Q. And who was that person?

15:02:31 11 A. "Zeta 14."

15:02:34 12 Q. Do you know whether or not "Zeta 14" ever gave any money --
15:02:41 13 let me rephrase it.

15:02:42 14 Can you tell me the first time that you were aware that
15:02:46 15 "Zeta 14" gave Francisco Colorado-Cessa money?

15:03:08 16 A. Yes. It was when we had the support of candidate to the
15:03:13 17 governorship of Veracruz.

15:03:16 18 Q. Do you --

15:03:18 19 MR. DEGEURIN: Your Honor, at this time I would ask for
15:03:20 20 a contemporaneous instruction to the jury as to how to receive
15:03:24 21 this evidence.

15:03:34 22 THE COURT: Members of the jury, I anticipate we're
15:03:37 23 going to run into some evidence here that occurred prior to 2008.
15:03:43 24 The indictment in this case runs from on or about 2008. The
15:03:50 25 substantive criminal charge can be established at a reasonable

15:03:55 1 time to 2008. But this occurred prior to 2008. So it is not
15:04:03 2 being admitted for the truth of the conviction or the offense or
15:04:10 3 the charge in this case. It's just being admitted so that you
15:04:15 4 will have knowledge -- if you believe the credibility of this
15:04:20 5 witness, you would have knowledge of the opportunity, the intent,
15:04:27 6 the knowledge that Mr. Cessa may have had after 2008 to the
15:04:35 7 present time in this charge to establish possible opportunity,
15:04:47 8 motive, knowledge. But it is not evidence of this charge. You
15:04:52 9 can only consider it for the purposes I've just said.

15:04:56 10 And I'll give you another instruction with the legal
15:04:58 11 instructions at the end of the case. You may proceed. Is that
15:05:04 12 sufficient, counsel?

15:05:05 13 MR. DEGEURIN: Yes, your Honor.

15:05:06 14 THE COURT: All right.

15:05:07 15 Q. (BY MS. FERNALD) Do you know whether or not Efrain Torres,
15:05:10 16 "Zeta 14," ever gave money to Colorado-Cessa for ADT Petro
15:05:27 17 Servicios?

15:05:27 18 A. Yes.

15:05:28 19 Q. How much money -- when did he give him the money?

15:05:49 20 A. I don't remember the exact date, but it was more or less in
15:05:53 21 that -- those years that he gave him money to buy machinery for
15:05:59 22 some government projects that they were going to take on.

15:06:02 23 Q. And when you say those years, what years are you referring
15:06:05 24 to?

15:06:11 25 A. 2004, 2005.

15:06:13 1 Q. How much approximately did Efrain Torres give
15:06:17 2 Colorado-Cessa?

15:06:25 3 A. Yeah. It was approximately about \$6 million to buy
15:06:29 4 machinery. That's what I had in it.

15:06:35 5 Q. Hold on a second. Listen to my questions, please.

15:06:42 6 Did you record that in the books for Efrain Torres?

15:06:51 7 A. Yes.

15:06:51 8 Q. Is that how you know?

15:06:54 9 A. Yes.

15:06:57 10 Q. Where did Efrain Torres get \$6 million to give to the
15:07:02 11 defendant?

15:07:10 12 A. Came from the drugs, from the cocaine that was being sold
15:07:16 13 here in the U.S.

15:07:19 14 Q. Was there another occasion in which Efrain Torres gave
15:07:24 15 Colorado-Cessa money for ADT Petro Servicios?

15:07:46 16 A. I don't remember if it was for Petro Servicio, but there was
15:07:53 17 another occasion where he gave him a suitcase of money.

15:07:56 18 Q. How much money was it?

15:08:04 19 A. I don't remember because I wasn't the one on that occasion
15:08:08 20 that sent it, but we were the ones that took it out of the truck
15:08:11 21 in the black suitcase.

15:08:12 22 Q. When the \$6 million -- I want to back up a little bit. When
15:08:16 23 the \$6 million was given to Colorado-Cessa, how big was ADT Petro
15:08:22 24 Servicios as a company? Was it a big company?

15:08:32 25 MR. DEGEURIN: Your Honor, I'm going to object that he

15:08:35 1 does not have the expertise to analyze the size of the
15:08:40 2 corporation and the company. Foundation's not been laid for him.

15:08:46 3 THE COURT: I'll sustain the objection and also to the
15:08:49 4 word "big." All right. Rephrase.

15:08:52 5 Q. (BY MS. FERNALD) Did ADT Petro Servicios have a lot of
15:08:55 6 machines before the money was given?

15:09:27 7 A. No, because that's why they became -- the investment was
15:09:30 8 made. They became partners. As partners, they were going to
15:09:33 9 expand it and grow using government projects. When the candidate
15:09:40 10 won the governorship, he was going to give them projects, and
15:09:42 11 then, they were going to get government contracts through Pemex
15:09:47 12 from the federal government.

15:09:49 13 Q. What is Pemex?

15:09:53 14 A. Pemex means Petroleos Mexicanos, Mexican oil, and it has to
15:10:17 15 do with everything that all the products that come from the oil
15:10:22 16 that is property -- that is of the nation. Gasoline, any oil
15:10:26 17 product.

15:10:31 18 Q. Did you attend the funeral of "Zeta 14," Efrain Torres?

15:10:45 19 A. Yes.

15:10:46 20 Q. When was that funeral?

15:11:15 21 A. It was in March of 2007, a day -- one or two days after he
15:11:20 22 was killed.

15:11:30 23 Q. Between the time period of 2004 through March of 2007, how
15:11:40 24 much money did Efrain Torres give Colorado-Cessa?

15:12:21 25 A. Well, what I had entered on the books was the \$12 million

15:12:26 1 for the candidate for the governorship, the \$6 million for the
15:12:32 2 machinery. That would have been \$18 million. Then the \$180,000
15:12:38 3 he gave them for a horse. And then, the money that was given in
15:12:41 4 that suitcase that I never knew how much that was.

15:12:48 5 Q. Around 18,000 to be conservative -- 18 million to be
15:12:52 6 conservative?

15:12:56 7 A. That's what I remember and that's what I had entered in my
15:13:02 8 computer.

15:13:07 9 Q. We talked about horses. How much money did Efrain Torres
15:13:14 10 give Colorado-Cessa for the purchase of horses?

15:13:27 11 A. That I know of?

15:13:28 12 Q. Yes.

15:13:29 13 A. That I had entered was \$180,000. That I don't know if it
15:13:39 14 was for one horse or two horses.

15:13:43 15 Q. You had previously -- you had previously stated that they
15:13:46 16 were partners, meaning Colorado-Cessa and "14." Do you recall
15:13:52 17 that?

15:13:58 18 A. Yes.

15:14:00 19 Q. Were they equal partners in ADT and business activities?

15:14:04 20 MR. DEGEURIN: Your Honor, I'm going to object to that.
15:14:06 21 He would not know that. We can't cross-examine Mr. Torres,
15:14:12 22 Efrain Torres. I don't care what he writes down in the book, he
15:14:17 23 could not know.

15:14:18 24 THE COURT: Whoa, whoa, let's not get any personal
15:14:21 25 opinions here. I'm going to sustain the objection unless you can

15:14:26 1 show a foundation on that.

15:14:29 2 Q. (BY MS. FERNALD) Do you know whether or not Colorado-Cessa
15:14:44 3 controlled ADT Petro Servicios?

15:14:47 4 A. Who? Sorry.

15:14:48 5 Q. Did "14" control ADT Petro Servicios or did Francisco
15:14:54 6 Colorado-Cessa?

15:15:05 7 A. What's happening here is that "Zeta 14" invested. He
15:15:18 8 invested money in that company, but the one that was at the head
15:15:22 9 of the company was Francisco Colorado.

15:15:26 10 Q. Do you know whether or not Colorado-Cessa -- let me pull
15:15:37 11 that back. I lost my train of thought.

15:15:41 12 Do you know whether Colorado-Cessa knew where the money
15:15:45 13 came from from Efrain Torres?

15:15:54 14 A. Yes.

15:15:56 15 Q. How did he know where the money -- where did the money come
15:15:59 16 from?

15:16:00 17 MR. DEGEURIN: Excuse me. I'm going to object. The
15:16:02 18 first question was no. The last question I object to without a
15:16:07 19 foundation.

15:16:14 20 THE COURT: Rephrase your question.

15:16:18 21 Q. (BY MS. FERNALD) Where did the \$18 million come from that he
15:16:22 22 gave -- that Efrain Torres gave Colorado-Cessa? Where did that
15:16:26 23 come from?

15:16:39 24 A. It came from the sale of cocaine of the drugs that were sold
15:16:42 25 here in the United States.

15:16:44 1 Q. Do you know whether or not Francisco Colorado-Cessa knew
15:16:47 2 that?

15:16:54 3 A. He knew.

15:16:55 4 Q. How do you know that?

15:16:58 5 A. Because he knew. Francisco Colorado knew that "Zeta 14" was
15:17:15 6 one of the leaders of the cartel and that he was the head of the
15:17:20 7 Veracruz plaza.

15:17:22 8 Q. How did he know that "14" was a major drug distributor?

15:17:29 9 MR. DEGEURIN: Your Honor, I'm going to have to object.
15:17:31 10 Calls for speculation.

15:17:33 11 THE COURT: I'll sustain the objection to the question
15:17:36 12 asked.

15:17:37 13 Q. (BY MS. FERNALD) Do you know whether or not Colorado-Cessa
15:17:41 14 was ever present for cocaine distribution by "Zeta 14"?

15:18:02 15 A. When you say distributor, are you asking if he was present
15:18:07 16 where there were drugs or?

15:18:10 17 Q. Yes. Did he know about it?

15:18:12 18 MR. DEGEURIN: That's a different question.

15:18:16 19 THE COURT: Let's start over.

15:18:18 20 Q. (BY MS. FERNALD) Was he present?

15:18:40 21 MR. DEGEURIN: It sounds nonresponsive. I object.

15:18:42 22 A. No. He was --

15:18:45 23 THE COURT: Well, I don't know.

15:18:47 24 MR. DEGEURIN: It just sounded a lot longer than a
15:18:49 25 "Yes" or "No."

15:18:52 1 THE COURT: May be well. Let's make shorter questions.
15:18:59 2 I'm going to allow you to lead him a little bit because if he can
15:19:03 3 answer "Yes" or "No," I want him to answer "Yes" or "No." And
15:19:06 4 then, each of you can ask followup questions, if necessary.

15:19:13 5 MR. DEGEURIN: Your Honor, I understand the Court's
15:19:17 6 ruling. What my fear is that by leading, there might be a
15:19:23 7 suggestion of the answer.

15:19:24 8 THE COURT: All right. I take it back. I'm not going
15:19:26 9 to let you lead. Whatever he says, it will be on counsel's feet,
15:19:33 10 not the Court's. All right. Proceed.

15:19:35 11 Q. (BY MS. FERNALD) How do you know that Colorado-Cessa knew
15:19:41 12 Efrain Torres was selling drugs?

15:19:57 13 A. Because several times, we used the plane that he had to move
15:20:00 14 them.

15:20:02 15 Q. Did Colorado-Cessa ever partake in the distribution of
15:20:06 16 cocaine?

15:20:12 17 A. Yes. In 2006.

15:20:14 18 Q. Tell us about that.

15:20:47 19 A. Because the amount -- in 2006, the amounts that were owed to
15:20:53 20 "Zeta 14" were very high, and since he was the godfather to the
15:20:59 21 son, he invited him to participate in a pool that was being
15:21:05 22 organized, and he was really low on money because he'd lost a lot
15:21:09 23 of money on the horses and because some of the payment of the
15:21:12 24 contracts were being delayed.

15:21:14 25 Q. You used a lot of "he's," so I'm going to ask you what you

15:21:18 1 meant by that.

15:21:27 2 A. Well, we're talking about --

15:21:28 3 Q. Okay. Who got in debt?

15:21:34 4 A. Mr. "Pancho," Francisco.

15:21:36 5 Q. And who was he in debt to?

15:21:42 6 A. With "Zeta 14."

15:21:44 7 Q. And you said something about godfather. Who was godfather
15:21:54 8 to Efrain, "14's" child?

15:22:01 9 A. Mr. "Pancho."

15:22:02 10 Q. What does it mean to be godfather in your culture of a
15:22:06 11 child?

15:22:22 12 A. Well, because he was the godfather of -- for the baptism,
15:22:28 13 that is someone who is very close to you, and that's someone who
15:22:30 14 is going to watch over your child because it was part of the
15:22:33 15 baptism.

15:22:34 16 Q. And then, you said something about a pool and getting into a
15:22:39 17 pool. Will you explain that? Who was it?

15:23:05 18 MR. DEGEURIN: Your Honor, I'm going to have to object
15:23:07 19 again, and this is way beyond what is necessary to the foundation
15:23:12 20 of the last question.

15:23:14 21 THE COURT: I don't -- in light of the charge that's
15:23:19 22 made that the jury's going to determine, I think I'll sustain the
15:23:23 23 objection on this line of questioning with regard to assumption.

15:23:33 24 MS. FERNALD: I want to move on now.

15:23:41 25 Q. (BY MS. FERNALD) After March of 2007, was there a big

15:23:45 1 meeting that occurred that you attended?

15:23:59 2 A. Yes. After "Zeta 14's" funeral.

15:24:04 3 Q. What was the purpose of this meeting?

15:24:14 4 A. There they wanted to get to know the whole team, everybody
15:24:38 5 who worked with "Zeta 14" and who worked in Veracruz. They
15:24:42 6 wanted to check on the money. They wanted to check on all the
15:24:46 7 properties, everything that was "Zeta 14's."

15:24:51 8 Q. And you keep using "they." Please tell me who "they" are.

15:24:57 9 A. The leaders, the leaders of what at that time was the
15:25:04 10 cartel.

15:25:05 11 Q. Who were those leaders?

15:25:07 12 A. At that meeting, Lazcano and "40" were there.

15:25:16 13 Q. Who was the leader of the Zeta organization -- what did
15:25:21 14 Lazcano do?

15:25:38 15 A. He was the leader. He was the leader of the Zetas, and he
15:25:42 16 was the leader of the Zetas who controlled many of the states in
15:25:49 17 our country.

15:25:50 18 Q. At that time, correct?

15:25:53 19 A. Yes. At that time.

15:25:54 20 Q. Did I spell his name correctly?

15:26:00 21 A. Where is it?

15:26:02 22 THE JUROR: Can't see it.

15:26:05 23 A. Yeah.

15:26:06 24 Q. (BY MS. FERNALD) Okay. Lazcano was the leader at that time?

15:26:13 25 A. Yes.

15:26:14 1 Q. Who else was present?

15:26:16 2 A. "40."

15:26:18 3 Q. What is "40's" name, do you know?

15:26:23 4 A. Miguel. Miguel Trevino.

15:26:29 5 Q. Do you know what Miguel Trevino looks like?

15:26:35 6 A. Yes.

15:26:43 7 Q. Who is that in 335A?

15:26:47 8 A. That's "40."

15:26:50 9 Q. And is this who you were referring to at that meeting?

15:26:57 10 A. Yes.

15:26:58 11 Q. What was discussed at that meeting?

15:27:11 12 A. Well, first, if we knew, or if it was known, or if we had
15:27:45 13 heard rumors about who had killed him. And then, also, to find
15:27:50 14 out if we would be able to continue working, even under another
15:27:55 15 head of that plaza to check on all of the assets and to check on
15:28:00 16 everything that was left pending.

15:28:02 17 MR. DEGEURIN: Your Honor, I'm going to object to going
15:28:04 18 any further along this line or another instruction as to why
15:28:08 19 that's being admitted.

15:28:09 20 THE COURT: What is your objection?

15:28:12 21 MR. DEGEURIN: Before it was -- it's not relevant to --

15:28:15 22 THE COURT: It is not relevant. I sustain that one.
15:28:20 23 Let's go into something that's relevant.

15:28:24 24 Q. (BY MS. FERNALD) Who was Colorado-Cessa supposed to report
15:28:28 25 to after this meeting?

15:28:37 1 A. With "40." He reported to "40."

15:28:41 2 Q. And how do you know that?

15:28:58 3 A. Because I was given the list and I was to collect from
15:29:01 4 everybody that was -- that's still owed, about a month to month
15:29:08 5 and a half later, I told to take him off the list because the
15:29:13 6 account had been handled.

15:29:16 7 Q. Who told you to take him off the list?

15:29:18 8 A. "40."

15:29:21 9 Q. When you got arrested in September of 2008, where were you
15:29:29 10 arrested?

15:29:34 11 A. In Mission, Texas.

15:29:37 12 Q. And did you go to jail there?

15:29:39 13 A. Yes.

15:29:40 14 Q. Did you try to bribe any prison guards there?

15:29:47 15 A. Yes.

15:29:48 16 Q. Tell the jury about that.

15:30:14 17 A. Well, I get to the jail and since in Mexico, bribes were
15:30:32 18 common, I get there and I'm offered extra visits, privileges,
15:30:39 19 ability to get better food, visits on days that weren't visiting
15:30:43 20 days, cellphones.

15:30:45 21 Q. And did you actually get cellphones, which is illegal to get
15:30:48 22 in jail, correct?

15:30:53 23 A. Yes.

15:30:54 24 Q. And why did you that?

15:31:31 25 MR. DEGEURIN: Excuse me, your Honor. I believe this

15:31:35 1 is not only irrelevant. The little Spanish that I understand --
15:31:41 2 may we approach the bench? It's worse than just being
15:31:45 3 irrelevant.

15:31:45 4 THE COURT: All right.

15:31:53 5 (At the bench, on the record.)

15:32:04 6 MR. DEGEURIN: The probative value of what I think he
15:32:21 7 was saying.

15:32:22 8 THE COURT: He's saying that he hadn't done anything
15:32:24 9 wrong, but they kidnapped his father, his brother, several other
15:32:31 10 members of the family, took him, all of his property.

15:32:37 11 MR. DEGEURIN: So that's why he got -- people to get
15:32:40 12 the cellphones?

15:32:41 13 THE COURT: Yeah. So he was trying to rectify that,
15:32:51 14 protect his family. I don't see that that's particularly
15:32:55 15 relevant.

15:32:56 16 MS. FERNALD: The only reason is they're going to
15:32:58 17 impeach him on that.

15:32:59 18 THE COURT: Well, if they do, they're going to get a
15:33:01 19 bad answer, but that's their judgment. But anyway, that's what
15:33:03 20 the interpreter tells me that she would be interpreting.

15:33:07 21 MS. FERNALD: And that's my understanding from talking
15:33:09 22 to him.

15:33:11 23 MR. DEGEURIN: So he didn't deny getting the cellphones
15:33:14 24 illegally. He's saying he had good reason to do so, and we don't
15:33:19 25 go into the good reason to do so. Is that what --

15:33:22 1 THE COURT: Well, I told you all I know, counsel.

15:33:24 2 MR. DEGEURIN: Okay.

15:33:26 3 MS. FERNALD: Thank you.

15:33:27 4 MR. DEGEURIN: I do object to the nonresponsive --
15:33:30 5 object to the answer that may have -- has not come yet from the
15:33:35 6 witness.

15:33:35 7 THE COURT: Okay. Well, I will sustain it.

15:33:38 8 MS. FERNALD: Thank you, your Honor. If I could just
15:33:43 9 have a moment. Pass the witness, your Honor.

15:34:04 10 MR. DEGEURIN: Your Honor, Ms. Williams reminded me
15:34:06 11 that I'm amiss that I should ask you to renew your instruction to
15:34:10 12 the jury about the interpreter's -- that should some of them know
15:34:15 13 Spanish better than me, that they should disregard the evidence
15:34:20 14 the way you worded it before.

15:34:21 15 THE COURT: What counsel is asking me is, I sustained
15:34:28 16 the objection, but you heard probably the answer in Spanish. And
15:34:37 17 I had the interpreter interpret it fully for me, so I knew what
15:34:41 18 the answer would be so I could decide if it's admissible. It is
15:34:45 19 not. It's not relevant to any issue that you're going to be
15:34:48 20 deciding. The charge he wants me to say, I've said twice, and
15:34:55 21 that is, you can only consider the translation of the official
15:35:00 22 interpreter, but she didn't give it to you and I've sustained the
15:35:05 23 objection. So do not rely on anything if you understood the
15:35:12 24 Spanish answer to the last question.

15:35:17 25 And I'll give you a short, ten-minute break. Use the

15:35:20 1 facilities, be ready to come back.

15:35:53 2 (Jury not present.)

15:35:59 3 THE COURT: We're in recess for ten minutes.

15:47:58 4 (Recess.)

15:49:43 5 (Jury present.)

15:49:47 6 THE COURT: Ms. Fernald.

15:49:49 7 MS. FERNALD: Your Honor, the government would offer
15:49:50 8 Government's Exhibit 402. It's the piece of paper that I wrote
15:49:53 9 on for demonstrative purposes and for appellate record.

15:50:00 10 MR. DEGEURIN: I have no objection to this
15:50:03 11 demonstrative, your Honor.

15:50:06 12 THE COURT: And for appellate record, that's a new one
15:50:08 13 on me.

15:50:09 14 MR. DEGEURIN: Yeah, me, too.

15:50:11 15 THE COURT: Anybody have objection? I'll admit it as
15:50:15 16 demonstrative. But I love to keep things away from the appellate
15:50:22 17 record.

15:50:22 18 MS. FERNALD: Thank you, your Honor.

15:50:33 19 THE COURT: Just a second, Mr. Finn, Ms. Williams,
15:50:36 20 y'all had no questions?

15:50:37 21 MS. WILLIAMS: No, your Honor. I'm sorry, no
15:50:38 22 questions.

15:50:39 23 THE COURT: All right. Mr. DeGeurin.

15:50:40 24 MR. DEGEURIN: Thank you, your Honor.

15:50:41 25 RE-CROSS EXAMINATION

15:50:42 1 BY MR. DEGEURIN:

15:50:42 2 Q. Mr. Hinojosa, if I'm correct on your direct examination, you

15:51:02 3 said that your corruption started while you were a federal

15:51:09 4 prosecutor in Mexico; is that correct?

15:51:30 5 A. I worked at the federal prosecutor's office. Yes.

15:51:36 6 Q. I realize you worked there. I mean, when did you start

15:51:40 7 taking bribes? Is that when you were a federal prosecutor?

15:51:56 8 A. It's that I worked there, but I wasn't responsible for that

15:52:00 9 office. I was just a law clerk at the federal prosecutor's

15:52:09 10 office. And yes, that is when I began.

15:52:13 11 Q. That's when you began taking bribes?

15:52:18 12 A. Yes.

15:52:19 13 Q. If you'd ever said that you were a lawyer and a prosecutor

15:52:26 14 in Mexico, that would be an exaggeration, wouldn't it?

15:52:43 15 A. Exaggeration in what sense?

15:52:46 16 Q. Let's just call it a lie. If you'd ever said before, you

15:52:50 17 were a federal prosecutor in Mexico, it's a lie, isn't it?

15:53:07 18 A. Can you repeat that question?

15:53:11 19 Q. You know, no. I'm going to move on. I may come back to it.

15:53:17 20 Were you a lawyer in Mexico?

15:53:20 21 A. Yes.

15:53:23 22 Q. Were you in the prosecutor's office?

15:53:29 23 A. Yes.

15:53:30 24 Q. Did you take bribes while you were in the prosecutor's

15:53:34 25 office?

15:53:36 1 A. Yes.

15:53:41 2 Q. And then, I believe you testified on direct examination, you
15:53:44 3 left the prosecutor's office to go to work full-time for, as you
15:53:53 4 call it, the cartel?

15:54:02 5 A. Yes.

15:54:03 6 Q. That would have been somewhere around 2002 or 3?

15:54:09 7 A. Yes. Approximately.

15:54:18 8 Q. And then, you testified under oath, you testified that you
15:54:27 9 began working for a man whose name is Efrain Torres -- now we're
15:54:37 10 referring to him as "14" -- when you left the federal
15:54:45 11 prosecutor's office; is that correct?

15:54:58 12 A. Yes.

15:54:59 13 Q. Was Efrain Torres' name that he used out in the public
15:55:08 14 Alejandro?

15:55:22 15 A. Everyone that used -- everybody called him either "Chaparro"
15:55:28 16 or "Chispa" as nicknames, "14."

15:55:34 17 Q. All right. Let's talk about geographical area. Where were
15:55:38 18 you working for Efrain Torres when you left the prosecutor's
15:55:43 19 office?

15:56:16 20 A. It was the entire border. It was throughout the entire
15:56:19 21 border that encompasses the five major cities from Diaz Ordaz to
15:56:27 22 Nueva Ciudad Guerrero.

15:56:30 23 Q. And that is what you're talking about is the state of
15:56:35 24 Tamaulipas, correct?

15:56:41 25 A. Yes.

15:56:42 1 Q. That would be this green area?

15:56:49 2 A. Yes.

15:56:51 3 Q. And when you say around the border, because it goes -- it's

15:56:55 4 a strange shape of a state. It goes all the way up the Rio

15:56:59 5 Grande to Nuevo Laredo, right?

15:57:10 6 A. Yes.

15:57:12 7 Q. And Miguel Aleman is somewhere south of Nuevo Laredo,

15:57:21 8 correct?

15:57:24 9 A. Exactly there.

15:57:25 10 Q. So it was there that you became a full-time criminal?

15:57:35 11 A. Yes.

15:57:39 12 Q. And that was where Efrain Torres, No. "14," was, too; is

15:57:51 13 that correct?

15:57:51 14 A. Yes.

15:57:55 15 Q. And who was Mr. Mendoza, Francisco Mendoza? Or somebody

15:58:03 16 Mendoza that worked for you?

15:58:18 17 A. Francisco Mendoza, he's a friend, he's a friend of mine.

15:58:22 18 He's a friend of "14." He did not work for me. He worked

15:58:26 19 directly for "14."

15:58:31 20 Q. And was that in Miguel Aleman?

15:58:45 21 A. He was with "14" in Miguel Aleman in Veracruz. He didn't

15:58:50 22 have a location. He was always with "14" or with me.

15:58:56 23 Q. And Lupe, who was Lupe?

15:59:06 24 A. One of my workers. I mean, there's a lot of them, Lupes.

15:59:09 25 But one of my workers was Lupe.

15:59:13 1 Q. And that particular Lupe that I'm referring to that worked
15:59:19 2 for you, worked for you and Miguel Aleman?

15:59:35 3 A. He worked with me and Miguel Aleman. He worked with me and
15:59:39 4 other plazas that I handled in Sabinas, in Cerralvo.

15:59:48 5 Q. So he worked for you in several places and for a period of
15:59:52 6 time, a long period of time?

15:59:59 7 A. Yes.

16:00:00 8 Q. This is the same Lupe that you swore under oath you could
16:00:06 9 not remember his last name, correct?

16:00:13 10 A. Yes.

16:00:16 11 Q. Memory gotten any better since you swore under oath you
16:00:22 12 could not remember the guy working for you, last name?

16:00:43 13 A. No. No. We all knew each other by our nicknames. I didn't
16:00:49 14 remember his last name and no.

16:00:50 15 Q. But this particular guy is someone that you put great trust
16:00:54 16 in, didn't you? Your life, you entrusted with him.

16:01:14 17 A. He was just like any other worker. There was nothing
16:01:16 18 particular about him, nothing special.

16:01:18 19 Q. Well, you called him your deputy.

16:01:35 20 A. He was a worker like anyone else. Sometimes I sent him to
16:01:43 21 one plaza or another, the ones I was in command of. Just as I
16:01:52 22 would send him, I would send another. There was nothing special
16:01:55 23 about that.

16:01:55 24 Q. So how many people did you have working under you, sending
16:02:01 25 people around doing your work for you?

16:02:10 1 A. It was around 20, 30 people.

16:02:15 2 Q. I suppose that's why when you were brought to justice, you
16:02:25 3 testified that your guideline level was life, correct?

16:02:39 4 A. Yes.

16:02:47 5 Q. You offered to trade information to try to lower your
16:02:55 6 sentence after you found out that the guidelines that the Judge
16:03:01 7 was going to have to consider in sentencing you. You offered to
16:03:06 8 trade information that was valuable to the government in order to
16:03:12 9 try to lower your potential sentence from life to something else,
16:03:17 10 right?

16:03:43 11 A. Yes.

16:03:43 12 Q. And you wrote letters to prosecutors asking, I've got
16:03:54 13 something I could trade. Maybe you could lower my sentence for
16:03:58 14 me, correct? You actually handwrote them letters.

16:04:09 15 A. Yes.

16:04:10 16 Q. And so, then, there was an agreement reached between you and
16:04:17 17 the prosecutor -- not these prosecutors right here but other
16:04:21 18 prosecutors, that if you could -- if your information that you
16:04:29 19 were offering were valuable enough to where it would
16:04:32 20 substantially assist the government in prosecuting other people,
16:04:39 21 they would lower your sentence; is that correct?

16:05:05 22 THE COURT: I think what you meant was that they would
16:05:09 23 ask to lower.

16:05:11 24 MR. DEGEURIN: I was asking for his belief.

16:05:18 25 Q. (BY MR. DEGEURIN) And after that occurred, you met with --

16:05:25 1 multiple times, met with agents and -- primarily agents but,
16:05:29 2 also, with assistant U.S. attorneys and told them all about your
16:05:37 3 criminal activity.

16:05:54 4 A. Yes.

16:05:54 5 Q. And one of those first meetings was back in November of
16:06:07 6 2008.

16:06:08 7 A. Don't remember the date.

16:06:10 8 Q. Well, let me ask you this. Do you remember that your
16:06:15 9 indictment was in August of 2008?

16:06:31 10 A. I don't remember the date. I don't remember the dates, but
16:06:33 11 I know I was arrested in September of 2008.

16:06:38 12 Q. And do you remember that it was after you were arrested and
16:06:44 13 before you entered a plea of guilty, you made this agreement with
16:06:51 14 the U.S. Attorney's Office, wherever you were?

16:07:06 15 A. Yes.

16:07:10 16 Q. I'm going to try to save a little bit of time. I'm going to
16:07:13 17 give you some dates way back in 2008, and I will later, if I need
16:07:22 18 to, show you documents that will maybe refresh your memory. But
16:07:26 19 I'm going to save some time.

16:07:39 20 You met November 25, 2008, November 25th, in the
16:07:43 21 afternoon of 2008, December 4th, 2008, February the 11th, 2009,
16:07:51 22 March the 16th, 2009, March 23rd, 2009 and March 27th, 2009.

16:08:37 23 A. I don't know the dates, but yes, I had many, many
16:08:40 24 interviews.

16:08:41 25 Q. Okay. Now, for full disclosure, I'm going to tell you that

16:08:51 1 by order of the Court and by agreement of the prosecutors, I have
16:08:56 2 been provided reports of all of those interviews you had with
16:09:02 3 these agents over the years with the agreement that after this
16:09:08 4 trial is over, I give them back. But I know about these
16:09:14 5 meetings. I'll give you that as a disclosure.

16:09:38 6 A. Uh-huh. Okay.

16:09:40 7 Q. And will you agree with me that each time you met in these
16:09:50 8 interviews in your process of trying to lower your sentence, that
16:09:53 9 there were multiple agents or U.S. attorneys present while you
16:10:03 10 sometimes you used the word "debriefed," while you gave your
16:10:06 11 interview? Is that true?

16:10:24 12 A. Yes.

16:10:25 13 Q. You will agree with me that's true, right?

16:10:30 14 A. Yes.

16:10:30 15 Q. Okay. When you went before the Court, you were sentenced to
16:10:43 16 288 months; is that correct?

16:10:53 17 A. Yes.

16:10:58 18 Q. That's substantially lower than a life sentence, isn't it?

16:11:07 19 A. Yes.

16:11:11 20 Q. And you had agreed before you went to court, before you went
16:11:19 21 to your sentencing, you had sworn under oath -- raised your hand
16:11:25 22 to the judge and you swore that you would not appeal your case.
16:11:35 23 You would accept the sentence that was given, correct?

16:11:56 24 A. I don't remember that about the appeal. I don't remember
16:12:11 25 that about the appeal, but I do remember that when I pled guilty,

16:12:15 1 the Judge asked me if I was in agreement with everything.

16:12:19 2 Q. And do you recall him asking you, do you understand that

16:12:23 3 you're waiving your right to appeal unless my sentence is an

16:12:28 4 unlawful sentence, words to that effect?

16:12:47 5 A. To be totally truthful, I don't remember that. I don't

16:12:58 6 remember that. I trusted my attorney. I don't remember that.

16:13:01 7 Q. Well, you gave -- you tried to appeal your case without a

16:13:07 8 lawyer, didn't you?

16:13:14 9 MS. FERNALD: Your Honor, at this time I'm going to

16:13:17 10 object that this has been asked and answered several times.

16:13:22 11 Repetitive.

16:13:23 12 THE COURT: He hasn't tried to file a --

16:13:27 13 MR. DEGEURIN: He actually filed a notice.

16:13:29 14 THE COURT: Pardon?

16:13:29 15 MR. DEGEURIN: He actually filed it. I didn't want to

16:13:31 16 use "notice." I'm just asking if he tried to appeal without a

16:13:34 17 lawyer.

16:13:35 18 THE COURT: You can ask him.

16:13:42 19 A. No. I don't remember that. That I don't know. That I

16:13:56 20 tried to appeal without an attorney? I don't remember that.

16:13:59 21 Q. (BY MR. DEGEURIN) Well, let's just break it down. Did you

16:14:01 22 try to appeal?

16:14:21 23 A. Supposedly, I told my attorney when -- after the sentencing

16:14:25 24 that I wanted to appeal. He took some papers to me. I signed

16:14:28 25 them, I don't know what they are. They were in English. I don't

16:14:32 1 know about the laws in the United States. I don't know what's
16:14:37 2 been done.

16:14:48 3 Q. Well, there's the notice of appeal that was filed --

16:14:53 4 THE COURT: Counsel, I assume you're going to introduce
16:14:55 5 that?

16:14:58 6 MR. DEGEURIN: I'll move to introduce as Defense
16:15:01 7 Exhibit No. 1.

16:15:02 8 THE COURT: Okay. Let's don't show the jury anything
16:15:05 9 before it's admitted.

16:15:07 10 MS. FERNALD: And, your Honor, the government has no
16:15:09 11 objection to introduction of Colorado-Cessa No. 1.

16:15:14 12 THE COURT: Colorado 1 is in evidence.

16:15:19 13 Q. (BY MR. DEGEURIN) According to this document, you signed it
16:15:23 14 right here?

16:15:27 15 A. Yes.

16:15:32 16 Q. Do you have any doubt that's your signature?

16:15:35 17 A. No.

16:15:40 18 Q. How about the date of October 30th, '09?

16:15:52 19 A. Those are the papers that my attorney took to me after my
16:15:55 20 sentencing. Since I don't know English, he told me that these
16:16:04 21 were supposedly in order to appeal. And he told me that if I was
16:16:19 22 going to hire him to do that, that that was going to be a
16:16:22 23 separate charge because that was a separate case, and I told him
16:16:27 24 for him just to file the papers for the appeal.

16:16:31 25 Q. You did tell him?

16:16:34 1 A. Huh?

16:16:35 2 Q. So you tried to appeal?

16:16:38 3 A. Yes.

16:16:39 4 Q. The answer's "Yes"?

16:16:39 5 A. Yes.

16:16:41 6 Q. Si.

16:16:43 7 A. Yes. Yes, sir.

16:16:46 8 Q. That's your signature, also, isn't it?

16:16:51 9 A. Yes, sir.

16:16:55 10 Q. Your appeal was dismissed, wasn't it?

16:17:06 11 A. That I didn't know.

16:17:07 12 Q. You think it's still up there on appeal somewhere?

16:17:13 13 A. No. No.

16:17:14 14 Q. You know it's not on appeal?

16:17:25 15 A. No. I mean, in other words, there's nothing else I filed

16:17:28 16 with that attorney. No.

16:17:30 17 Q. The reason I know you realized -- well, strike that.

16:17:38 18 You started a letter-writing campaign with the

16:17:44 19 assistant U.S. attorneys in McAllen? Is that where you were

16:17:52 20 tried?

16:17:59 21 A. Yes.

16:17:59 22 Q. You were mad, weren't you?

16:18:05 23 A. Yes.

16:18:08 24 Q. And you wrote a letter saying that they had violated their

16:18:13 25 agreement with you, not what you agreed to?

16:18:24 1 A. Yes.

16:18:27 2 Q. That didn't get you very far, did it?

16:18:47 3 A. Well, it's that after I signed those papers, my attorney
16:18:51 4 would never take my -- never answer my phone calls. And before I
16:18:56 5 pled guilty, he told me that I was looking at from ten years to
16:18:59 6 life, but that since I didn't have a record, that I would get
16:19:02 7 around ten years.

16:19:11 8 Q. I believe it's --

16:19:13 9 A. That is when I wrote the prosecutor saying what I said in
16:19:15 10 the letter.

16:19:18 11 Q. The judge told you when you pled guilty that any prediction
16:19:25 12 by the lawyers about what your sentence is going to be was only a
16:19:30 13 prediction and asked you if you understood that, that the
16:19:36 14 sentence was going to be up to the judge. Do you remember that?

16:19:55 15 A. Yes.

16:19:57 16 Q. All right. So the -- when you told the prosecutor that this
16:20:06 17 288 months was not what you agreed to, what did the prosecutor
16:20:13 18 do?

16:20:20 19 A. Didn't respond.

16:20:24 20 Q. So you continued writing letters and making phone calls,
16:20:28 21 didn't you, trying to lower your sentence?

16:20:34 22 A. Yes.

16:20:34 23 Q. Trying to find some way, any way that you could get that
16:20:38 24 sentence lowered, right?

16:20:46 25 A. Yes.

16:20:47 1 Q. Even to the extent that you continued illegal activity while
16:20:52 2 you were in custody?

16:21:00 3 A. What illegal activities?

16:21:02 4 Q. You kept in contact with the associates that you hadn't
16:21:09 5 testified about that you couldn't remember their last name and
16:21:12 6 stuff, you kept in contact with those people, didn't you?

16:21:27 7 A. With some of them. When I did have the cellphones because
16:21:31 8 they had kidnapped my family.

16:21:36 9 Q. Now, let's talk about your continued -- if you don't mind me
16:21:45 10 using the word "continued attempt to corrupt the system" after
16:21:50 11 you were incarcerated.

16:21:52 12 THE COURT: Well, rephrase your question.

16:21:57 13 Q. (BY MR. DEGEURIN) You continued to commit crimes that had
16:22:01 14 the potential of corrupting our justice system while you were
16:22:07 15 incarcerated, didn't you?

16:22:20 16 A. That was before sentencing.

16:22:22 17 Q. So are you telling me that bribing the jailers, bribing the
16:22:45 18 officers in charge of your incarceration all happened before
16:22:50 19 sentencing?

16:23:01 20 A. Yes.

16:23:04 21 Q. And that included not only the \$100,000 you offered to get
16:23:11 22 out of jail. Did we talk about that earlier?

16:23:14 23 A. No.

16:23:14 24 Q. Okay. You did offer \$100,000 to get out of jail, right?

16:23:36 25 A. One of the bonds people -- they're called bonds people. One

16:23:48 1 of the bonders told me that for \$100,000, he could get me out of
16:23:52 2 jail. He'd get me out of jail as long as I didn't come back to
16:23:55 3 the United States and that I shouldn't ask about how he got the
16:23:58 4 100,000. And since he had gotten other people out, I put my
16:24:04 5 trust in him.

16:24:07 6 Q. You jumped at that idea, okay, pay \$100,000, don't ask any
16:24:13 7 questions and they'll release you from jail. That was your
16:24:16 8 thinking?

16:24:25 9 A. Yes.

16:24:26 10 Q. You paid 50,000 down, the other 50 when you get out?

16:24:35 11 A. Yes. Something like that. I don't know the exact amount
16:24:41 12 but something like that.

16:24:42 13 Q. Okay. So something like that included asking other people
16:24:45 14 to go get the money and take it to the people who bribed the
16:24:49 15 guards, correct?

16:24:57 16 A. Yes.

16:24:58 17 Q. Did you ask family members to go bribe the guards?

16:25:05 18 A. Yes.

16:25:12 19 Q. When you didn't get out, did you ask for your money back?

16:25:20 20 A. Yes.

16:25:22 21 Q. And what were you threatening to do if they didn't pay you
16:25:25 22 money back?

16:25:37 23 A. I told them to give it back to me because they had lied to
16:25:40 24 me, and if not, I would let everybody know legally that they'd
16:25:46 25 done that.

16:25:47 1 Q. Because by now, you found out that if you had or pretended
16:25:55 2 to have information that would get somebody in trouble, you had
16:26:00 3 some power. Isn't that true?

16:26:15 4 A. What? Power how?

16:26:17 5 Q. If you don't give the money back, I know who I can talk to
16:26:21 6 and you're going to get in trouble. That was the message you
16:26:24 7 sent out?

16:26:32 8 A. Yes.

16:26:33 9 Q. Well, did it occur to you at the time that whole situation
16:26:38 10 was illegal to pay in the money and receiving that money back?
16:26:44 11 Did that -- did you understand that?

16:27:13 12 A. No, because I had put my trust -- I trusted that person
16:27:17 13 because that person had gotten other people out. That was also
16:27:20 14 the person that was getting me the extra visits, the additional
16:27:23 15 food. I trusted in that person. He seemed like he knew what he
16:27:27 16 was doing.

16:27:28 17 Q. But you paid other money for the treatment in jail, didn't
16:27:39 18 you -- paid that money to somebody else?

16:27:55 19 A. No. It was to him for the guard to set up the visits, the
16:28:04 20 warden.

16:28:05 21 Q. The warden. Isn't it true that you paid not only money to
16:28:13 22 the warden to be treated differently, you also paid money to have
16:28:21 23 special visits? Let's get that part first. Want to get that
16:28:29 24 agreement.

16:28:47 25 A. The thing about the visits was through him, through the

16:28:50 1 warden, and the telephones were through a guard.

16:28:57 2 Q. Okay. So who did you pay to be able to see your wife on one
16:29:04 3 day and your girlfriend on another?

16:29:13 4 A. The same person who was trying to charge me \$100,000.

16:29:16 5 Q. But then, you had to pay somebody else not to tell your wife
16:29:20 6 about the girlfriend coming on another day, didn't you?

16:29:33 7 A. The second jailer there at the jail.

16:29:38 8 Q. Where was it going to stop? Is that the last one you pay to
16:29:43 9 keep that lie going?

16:30:01 10 A. It's just that those are the first few months that I was in
16:30:04 11 jail. It seemed so easy, I wasn't thinking about what I was
16:30:07 12 doing. I just wanted to be able to get out. I wanted to keep my
16:30:10 13 privileges.

16:30:12 14 Q. No. I was talking about your wife and your girlfriend on
16:30:17 15 separate days and paying people not to tell your wife about it.
16:30:20 16 That's not just being wanting to get out.

16:30:41 17 A. It wasn't -- it was just so that she would be quiet, not
16:30:48 18 that she didn't tell her. I didn't send the message, don't say
16:30:51 19 anything.

16:30:53 20 Q. Okay. Then just be quiet. You didn't say, don't talk. You
16:30:57 21 just said, be quiet, correct?

16:31:03 22 A. Yes.

16:31:04 23 Q. I think I understand that.

16:31:08 24 Now, back to the map. Before I do that, once the
16:31:23 25 appeal would have been -- once the appeal didn't happen, you

16:31:26 1 wrote the letters to the prosecutor telling him you're mad that
16:31:31 2 you didn't get what you agreed to. Eventually, you determined
16:31:35 3 and you learned that the only way you're going to get a lower
16:31:39 4 sentence was to convince or have -- tender to the prosecutor
16:31:48 5 information that they may consider to be valuable. Ask him if
16:31:55 6 that's true.

16:32:21 7 A. It's that the letters, I don't remember what -- which was
16:32:37 8 the last letter I sent to the prosecutor. But after I got
16:32:39 9 sentenced, I hired another attorney, and he was the one that
16:32:43 10 handled talking to the prosecutor.

16:32:46 11 Q. All right. Let me -- maybe my question was unclear.

16:32:54 12 You learned -- you may not be honest, but you're not --

16:33:00 13 MS. FERNALD: Your Honor.

16:33:01 14 THE COURT: Questions.

16:33:03 15 MR. DEGEURIN: Okay.

16:33:05 16 Q. (BY MR. DEGEURIN) You are dishonest --

16:33:07 17 MS. FERNALD: Your Honor, I object.

16:33:09 18 MR. DEGEURIN: I'm sorry.

16:33:10 19 MS. FERNALD: Argumentive.

16:33:12 20 THE COURT: You need a place to stay tonight? Don't do
16:33:17 21 that again.

16:33:18 22 MR. DEGEURIN: Okay. May I approach the witness, your
16:33:27 23 Honor, because I was going to try to refresh him with some days.

16:33:30 24 THE COURT: You don't need my permission.

16:33:35 25 Q. (BY MR. DEGEURIN) I have gone to the trouble to try to put

16:33:43 1 together the number of times that you spoke with agents and
16:33:51 2 prosecutors to try to reduce your sentence.

16:33:56 3 MS. FERNALD: And, your Honor, I object. Either he's
16:33:59 4 going to testify, take the oath, and get on the witness stand or
16:34:01 5 he can ask a question.

16:34:05 6 THE COURT: Well --

16:34:06 7 MR. DEGEURIN: It's a predicate.

16:34:07 8 THE COURT: He's showing a piece of paper to the
16:34:09 9 witness. I'll allow him to tell his description of the paper.
16:34:13 10 But let's break it up so that the interpreter can interpret it as
16:34:20 11 you go. But let's don't testify. Just describe what the exhibit
16:34:26 12 or paper is.

16:34:43 13 Q. (BY MR. DEGEURIN) The dates in blue are the ones that I came
16:34:47 14 up with from my investigation that you met with multiple agents
16:34:55 15 or prosecutors. I would like you to look at the dates that are
16:35:14 16 in blue and tell me whether you believe those are proximately
16:35:17 17 correct. And I understand you don't know the exact date.

16:35:32 18 A. I don't know how many times. I couldn't tell you. I do
16:35:36 19 not. I do not remember the dates.

16:35:38 20 Q. Would you quarrel, would you argue with the statement that
16:35:58 21 you may have met with the agents attempting to sell information
16:36:05 22 on at least 28 times?

16:36:19 23 MS. FERNALD: Objection to the characterization of the
16:36:21 24 question.

16:36:21 25 THE COURT: Sustained. Rephrase your question.

16:36:25 1 Q. (BY MR. DEGEURIN) Did you meet with agents? Would you
16:36:32 2 quarrel with the statement that you met within at least 28 times
16:36:39 3 to give them information to see if it would be useful to lower
16:36:44 4 your sentence?

16:37:05 5 A. I do not remember how many times, but there were many times
16:37:09 6 that I met with government agents.

16:37:19 7 Q. And I'm talking about now through the years 2008, 2009,
16:37:29 8 2010, 2011 and 2012. Did you meet with them all through those
16:37:40 9 years, a number of times?

16:37:47 10 A. I've been locked up for 55 months. I have met with them
16:37:59 11 many times. I don't remember if it was five, 10, 15. I could
16:38:03 12 tell you it was many times.

16:38:04 13 Q. You told the agents when you met with them that you're
16:38:17 14 telling them about all of the things that you've done illegal or
16:38:22 15 wrong; is that correct?

16:38:35 16 A. Well, it's all the things I remember because my criminal
16:38:59 17 career started, what, eight years I was in that? And for me to
16:39:06 18 be able to tell them day per day everything I'd done, I'd still
16:39:10 19 be sitting here. But what I remember, what I've been asked about
16:39:17 20 that I remember, I have told them.

16:39:19 21 Q. And what you offered to testify about, right? You did do
16:39:24 22 that.

16:39:31 23 A. Yes.

16:39:35 24 Q. You gave -- talked about Mr. Efrain Torres, Miguel Trevino,
16:39:59 25 Lazcano, those people, your father and others, many times, didn't

16:40:04 1 you, in those debriefings?

16:40:19 2 A. My father?

16:40:20 3 Q. And your father.

16:40:22 4 A. About what?

16:40:24 5 Q. Well, I don't want to dig into it right now. We'll pass on.

16:40:29 6 Do you remember talking about your father's involvement in your

16:40:31 7 activity?

16:40:49 8 A. My father? I believe my father's one of the most honest

16:40:52 9 people. I don't think he had knowledge of what I was doing.

16:40:56 10 Q. And your brother Juan Felipe?

16:41:03 11 A. He was kidnapped. He was a public accountant and they

16:41:10 12 kidnapped him, and he was returned afterwards to me. Oh, he was

16:41:20 13 not returned to me. He's been disappeared. My dad was returned

16:41:37 14 because they took all my money, all my belongings, and everything

16:41:41 15 was turned -- all my things was turned over.

16:41:43 16 Q. Well, they didn't take the 100,000 from you to get out of

16:41:46 17 jail, did they?

16:41:50 18 A. No.

16:41:53 19 Q. May I approach? I've got a list of what I count as being

16:42:04 20 109 people that you offered testimony against, and I want to see

16:42:20 21 if you go through there, take your father's name off and your

16:42:25 22 brother's and all the rest.

16:42:29 23 Were these people that you offered testimony against if

16:42:34 24 you could get a lower sentence? Take your time. Anyone that you

16:42:50 25 didn't offer to testify against, we'll just scratch them. Your

16:42:54 1 father and your brother.

16:43:08 2 A. A lot of the people here, they were in my conspiracy. I was
16:43:11 3 never asked to testify against them. And there's others here
16:43:21 4 that I've never, never been asked about. I don't know what
16:43:27 5 you're referring to.

16:43:31 6 Q. How about these? These are people that you gave information
16:43:39 7 to the agents.

16:44:00 8 A. There's a lot of petition here.

16:44:04 9 Q. You think it's less than 100 people?

16:44:14 10 A. I was never asked to testify against these people. Now, if
16:44:26 11 they were related to the cartel, if they were workers, yeah,
16:44:28 12 there's a bunch of them here. And there's a lot of names that
16:44:36 13 are repeated here that show up on every single one of the pages.
16:44:40 14 So I don't know if you could put them in order first, then I
16:44:46 15 could tell you.

16:44:46 16 Q. All right. I'll put them in this order. It is true that
16:44:52 17 some of these people, you offered to testify about on more than
16:44:56 18 one occasion, but once we got down --

16:44:59 19 THE COURT: I'll have the lawyers up here, please.

16:45:10 20 (At the bench, on the record.)

16:45:17 21 THE COURT: You need to ask questions, not make
16:45:28 22 statements.

16:45:30 23 MR. DEGEURIN: Uh-huh.

16:45:30 24 THE COURT: You're doing the same thing that you
16:45:33 25 objected to earlier when I stopped the government from doing.

16:45:35 1 Remember the pointing incidents?

16:45:38 2 MS. FERNALD: Yeah.

16:45:40 3 THE COURT: Now you're reading and making statements
16:45:43 4 about exhibits that are not in evidence and --

16:45:49 5 MR. DEGEURIN: I'm trying to think of another way of
16:45:51 6 doing it but --

16:45:51 7 THE COURT: It's just -- everybody's got ways of doing
16:45:55 8 things, but if you can't know how to do it, counsel, don't do it.
16:46:02 9 But, you know, I know you know how to do it. But I don't want to
16:46:08 10 -- this is not, I don't think, helping much right now. You've
16:46:11 11 got a lot of things you could cross-examine, I think, that would
16:46:14 12 help you more than that. But I can see the government's about to
16:46:17 13 get up and make the same thing, and they're going to make a
16:46:20 14 little speech about your earlier objection and I just want to
16:46:24 15 avoid that. I don't want snipping with the lawyers.

16:46:33 16 MR. DEGEURIN: Possibly with a brief break sometime, I
16:46:35 17 could get this in an order where I don't -- it won't take so long
16:46:38 18 through an interpreter and stuff. I have compiled a list, but it
16:46:41 19 comes from this.

16:46:43 20 THE COURT: Well, I see what you've done, and it may be
16:46:46 21 very effective if you do it right. But I'm not going to give you
16:46:51 22 a break right now with this jury.

16:46:53 23 MR. DEGEURIN: Okay.

16:46:55 24 THE COURT: It's not good.

16:46:57 25 MR. DEGEURIN: All right.

16:46:58 1 THE COURT: They're looking at a long time and several
16:47:01 2 days.

16:47:01 3 MR. DEGEURIN: I'll try it another way.

16:47:03 4 THE COURT: Try it another way. The time is now ten of
16:47:08 5 5:00. You can use 40 minutes.

16:47:13 6 MR. DEGEURIN: Okay.

16:47:14 7 THE COURT: Then I'll recess and you can do whatever
16:47:17 8 you want during the night.

16:47:18 9 MR. DEGEURIN: Okay.

16:47:19 10 THE COURT: All right?

16:47:20 11 MR. DEGEURIN: All right.

16:47:21 12 THE COURT: But I don't want to let this jury go
16:47:23 13 without at least another 40 minutes of testimony.

16:47:25 14 MR. DEGEURIN: All right.

16:48:06 15 Q. (BY MR. DEGEURIN) I'm going to try to make this a little
16:48:12 16 easier. I want you to look at these names and strike any of them
16:48:27 17 that you didn't give information to the agents in hopes of
16:48:38 18 lowering your sentence.

16:48:41 19 Will you look through these names and see that those
16:48:43 20 are all names that you gave them?

16:49:04 21 A. I really don't understand what you want. You want me to
16:49:09 22 eliminate or scratch out the ones I did what?

16:49:12 23 Q. Here's -- the problem is I don't want to call these names
16:49:15 24 out in public, but I'm going to -- I want you to look at the
16:49:22 25 names because you'll recognize -- you may recognize them. More

16:49:30 1 important than that, you'll be able to remember whether or not
16:49:32 2 you offered to give information about these people, discussed
16:49:46 3 these people with agents and their criminal -- their alleged
16:49:51 4 criminal activity so that, in the end, we'll count them. All
16:50:04 5 right?

16:50:05 6 So just -- and you can go as fast or as slow as you
16:50:09 7 want, but I don't think --

16:50:11 8 THE COURT: He's not going to do it right now. I'm not
16:50:13 9 going to have this jury sitting here while he's doing with three
16:50:16 10 or four pages of single-spaced things. If he's going to do it,
16:50:20 11 he'll do it over the evening recess.

16:50:25 12 MR. DEGEURIN: Okay.

16:50:32 13 Q. (BY MR. DEGEURIN) Back to the map that I was trying to go --
16:50:36 14 before I got sidetracked a bit, the green state is Tamaulipas.
16:50:48 15 And I believe what your testimony was that until 2006 or
16:50:55 16 thereabouts, you were in the green state working in Miguel
16:51:16 17 Aleman.

16:51:22 18 A. Yes, because I had left the plaza at Cerralvo and some of
16:51:27 19 them I had in Nuevo Leon. Yes. And I focused completely on
16:51:37 20 things from Veracruz.

16:51:39 21 Q. Things coming from Veracruz?

16:51:43 22 A. And the accounting for Veracruz. Yes.

16:51:47 23 Q. When was it that you say that Efrain Torres moved from
16:51:53 24 Miguel Aleman to Veracruz?

16:52:04 25 A. Somewhere between 2004, 2005. I don't remember the year.

16:52:09 1 Q. And did I understand you correctly that you went with Efrain
16:52:14 2 Torres when he went to the state of Veracruz?

16:52:32 3 A. I didn't go over there to live there completely. I would go
16:52:36 4 over there, do the accounting for four or five days and then, I
16:52:40 5 would come back.

16:52:40 6 Q. And is the same true with Efrain Torres, the guy you worked
16:52:45 7 for?

16:52:50 8 A. What do you mean?

16:52:51 9 Q. He would go to Veracruz, you would go to Veracruz two or
16:53:00 10 three days?

16:53:02 11 A. No. He stayed there. He was completely in that state. He
16:53:19 12 did come to Tamaulipas once or twice a month when he was told to
16:53:25 13 come back or if he had things to handle there.

16:53:31 14 Q. Do you know where -- there's a city Veracruz and there's
16:53:38 15 also the state of Veracruz, correct?

16:53:42 16 A. Yes.

16:53:44 17 Q. And Efrain Torres was living in the city of Veracruz?

16:53:50 18 A. He lived everywhere.

16:53:52 19 Q. He lives everywhere. Okay. Do you see Poza Rica?

16:54:04 20 A. No. There it is.

16:54:07 21 Q. No wonder. Right there?

16:54:11 22 A. Uh-huh.

16:54:13 23 Q. Do you know where that is?

16:54:16 24 A. Yes.

16:54:19 25 Q. How long does it take to get from just roughly from there

16:54:22 1 back to Miguel Aleman, where you were most of the time?

16:54:28 2 A. Twelve hours.

16:54:29 3 Q. Okay. You said that Efrain Torres, 100 percent of what he

16:54:58 4 did was illegal. Remember that?

16:55:09 5 A. Yeah. That I know of, yes.

16:55:11 6 Q. Did he have any businesses? Ranches, or cattle, or anything

16:55:22 7 like that?

16:55:28 8 A. Yes.

16:55:31 9 Q. All right. And where did he keep his cattle?

16:55:48 10 A. He had several. He had several ranches there around

16:55:51 11 Veracruz. I don't remember the city.

16:55:58 12 Q. If someone were to meet Mr. Efrain Torres at a horse race

16:56:10 13 looking at him, would you say he's a Zeta?

16:56:38 14 A. Well, everybody that ran horses knew him. He was always

16:56:43 15 armed. He always traveled with 10 to 15 trucks. The people that

16:56:49 16 -- races were organized among themselves.

16:56:56 17 Q. So that's why you say everybody knows he's Zeta, right?

16:57:09 18 A. That was after a time that people realized it because had a

16:57:18 19 lot of horses. They were all well-armed, but a lot of money.

16:57:25 20 Q. So after a while, you'd realized you saw -- he doesn't have

16:57:30 21 a dozen horses. He has a whole lot of horses, that sort of

16:57:34 22 thing?

16:57:42 23 A. And I don't remember how many he had, but he had several

16:57:45 24 horses.

16:57:46 25 Q. Not getting too far with you, Mr. Hinojosa, but one thing

16:58:03 1 that just keeps bugging me and bugging me and that is, regardless
16:58:08 2 of how many people there really are -- and we don't have time
16:58:13 3 right now to go through the stacks of paper it takes to do so --
16:58:18 4 I've looked at all of your -- go ahead and maybe do that first
16:58:25 5 and I'll get to the question quickly.

16:58:50 6 What's bugging me is that through all those years of
16:58:55 7 meeting with the multiple agents, talking about all these people,
16:59:04 8 it wasn't until after the newspapers came out --

16:59:12 9 MS. FERNALD: Your Honor, again, objection. Excuse me
16:59:15 10 for interrupting. But objection. Is there a question aside?

16:59:20 11 THE COURT: Eventually. Just ask questions, counsel.

16:59:26 12 Q. (BY MR. DEGEURIN) Years later, after multiple meetings, the
16:59:31 13 first time you mentioned anything about Francisco Colorado was
16:59:38 14 after the newspapers said Mr. Colorado has been indicted and
16:59:45 15 accused of a crime. That's when you first talked about or said
16:59:53 16 you had information about Mr. Colorado. Is that true?

17:00:29 17 A. I don't remember when the first -- that was the first time.
17:00:33 18 But since the time I was arrested, they've known everything,
17:00:37 19 everything about who I worked for. And that once he was
17:00:49 20 arrested, they asked me about information. They asked me for
17:00:52 21 information about him.

17:00:55 22 Q. Now being 2012?

17:01:04 23 A. Don't remember, but it seems like it. Yes.

17:01:06 24 Q. By the way, there is a person named Francisco or "Pancho"
17:01:14 25 Mendoza, isn't there?

17:01:20 1 A. Yes.

17:01:21 2 Q. And you offered to testify against Mr. "Pancho" Mendoza
17:01:25 3 about receiving money and to get contracts with the Mexican
17:01:36 4 government, didn't you?

17:02:00 5 A. I don't remember. I don't remember that "Pancho" Mendoza
17:02:02 6 has contracts with the government. "Pancho's" not detained -- is
17:02:08 7 not arrested here.

17:02:09 8 Q. Did you give information about a Francisco Mendoza?

17:02:14 9 A. Yes.

17:02:16 10 Q. Also known as "Pancho"? And you told them you wrote it down
17:02:20 11 in your computer?

17:02:24 12 A. Yes.

17:02:25 13 Q. And what you were trying to tell them is that he bribed --
17:02:35 14 through bribery he got contracts?

17:02:42 15 A. He bought and sold machinery.

17:02:44 16 Q. Yeah. And he did that because through bribery and a
17:02:52 17 governor or something?

17:03:07 18 A. He had --

17:03:07 19 MS. FERNALD: Your Honor, excuse me. Objection.
17:03:09 20 Outside the scope of direct and improper impeachment.

17:03:19 21 THE COURT: I don't know if it's impeachment or
17:03:21 22 improper impeachment because he's asking him questions, and the
17:03:25 23 witness isn't agreeing with him. So we'll go to the next
17:03:33 24 question.

17:03:37 25 Q. (BY MR. DEGEURIN) Did you say that Mr. Mendoza provided

17:03:40 1 machinery to Efrain Torres?

17:03:50 2 A. He bought and sold machines. Even before I knew him,
17:03:57 3 that's how he made his living.

17:04:00 4 Q. That's who? What Efrain did or what Mendoza did?

17:04:05 5 A. Mendoza.

17:04:06 6 Q. All right. So if Mendoza bought and sold machinery with
17:04:11 7 Efrain Torres, he's not committing a crime, is he?

17:04:19 8 A. Efrain Torres, "Zeta 14" was not his client. He sold to
17:04:33 9 other people.

17:04:34 10 Q. He being Mendoza sold to Efrain Torres and to other people?
17:04:40 11 Is that what you're saying?

17:04:56 12 A. His business was buying machinery here, exporting it and
17:04:59 13 selling it in Mexico.

17:05:02 14 Q. May I approach the witness?

17:05:06 15 A. But that was with his own money, not with cartel money.

17:05:10 16 Q. Are you talking now about Efrain Torres or are you talking
17:05:15 17 about --

17:05:15 18 A. Mendoza.

17:05:17 19 Q. Okay. Did you keep records of Mendoza in your -- in his
17:05:39 20 dealings with Efrain Torres?

17:05:48 21 A. On drugs, yes.

17:05:52 22 Q. Okay. That's what was throwing me off. So you did offer to
17:05:56 23 testify against "Pancho" Mendoza for his drug dealing with Efrain
17:06:05 24 Torres?

17:06:20 25 A. But he's not even arrested here.

17:06:22 1 Q. No, no. I know that's probably true. But you offered to
17:06:28 2 testify against him, correct, if they catch him?

17:06:41 3 A. Everything they asked me about him, they knew about.

17:06:52 4 Q. It's nonresponsive, Judge --

17:06:54 5 A. I've never been asked to testify against someone.

17:06:56 6 Q. Rephrase it. I'll move on. May be through with you. One
17:07:01 7 moment.

17:08:09 8 I want to know if this is what you want me and other
17:08:20 9 people to believe and I'm going to make a statement. Tell him
17:08:25 10 that first.

17:08:29 11 MS. FERNALD: Your Honor, I'm going to object to.

17:08:33 12 THE COURT: To what?

17:08:34 13 MS. FERNALD: To the characterization of that question.

17:08:42 14 THE COURT: I don't know what statement he's going to
17:08:46 15 make, so I can't really make a rule. I think you need to
17:08:49 16 rephrase. I'm not so sure that what this witness wants anybody
17:08:55 17 to believe is relevant. But you can ask him specifically.

17:09:05 18 MR. DEGEURIN: It's tricky, but I'm trying.

17:09:10 19 Q. (BY MR. DEGEURIN) Are you telling us that you over several
17:09:18 20 years of debriefing with prosecutors and agents, multiple,
17:09:28 21 multiple times, that you never mentioned any information or that
17:09:34 22 you could have any information about Francisco Colorado until
17:09:41 23 2012?

17:10:02 24 A. I don't remember if they asked me about him in the
17:10:14 25 beginning, but they knew all the people who were related to "Zeta

17:10:20 1 14." And after the arrest in 2012, I was also asked about him.

17:10:27 2 Q. So you are saying that until 2012, you never said anything
17:10:33 3 about Francisco Colorado because no one asked you until after
17:10:39 4 2012?

17:10:53 5 A. I don't remember exactly because it's been a lot of
17:11:02 6 information about a lot of things and a lot of people. You
17:11:05 7 understand?

17:11:06 8 Q. Okay. Can we settle on this? You don't remember ever
17:11:12 9 saying anything about Francisco Colorado over all that period of
17:11:15 10 time and all those debriefings until 2012. Can you settle on
17:11:19 11 that?

17:11:42 12 A. Yes. I don't remember that exactly, because everything they
17:11:46 13 asked me about "14," they knew -- they know it all. We're
17:11:53 14 talking about almost five years ago, you know.

17:11:58 15 Q. Yeah. 2012 is not five years.

17:12:04 16 A. No.

17:12:05 17 Q. And, actually, isn't it true that when you debriefed, when
17:12:11 18 you met and told them that you had information that you wanted to
17:12:15 19 give against -- testimony against Mr. Francisco Colorado, it was
17:12:20 20 right after in the front page all over Mexico, it announced that
17:12:26 21 Mr. Colorado had been charged with a criminal offense?

17:12:49 22 A. I already said, I do not remember if they had already asked
17:12:53 23 me about him. But after, after that came out about Francisco
17:13:09 24 Colorado, I was questioned.

17:13:14 25 Q. And the information that you've given -- I think you'll

17:13:20 1 agree with me on this. The information you've given is
17:13:24 2 information about a meeting that you were at, Efrain Torres was
17:13:31 3 at, who's dead, and there's no photograph, tape recording, any
17:13:40 4 evidence of that meeting, correct?

17:13:49 5 A. No. But there were other people.

17:14:05 6 Q. Where are they?

17:14:08 7 A. I don't know.

17:14:11 8 Q. And you believe you have an unjust sentence and you want to
17:14:17 9 reduce it, correct?

17:14:23 10 A. Yes. If possible. Nothing's been promised. Nothing's been
17:14:31 11 said. It all depends on the judge in McAllen.

17:14:38 12 Q. And someone has to ask for your sentence to be reduced,
17:14:42 13 correct?

17:14:46 14 A. Yes.

17:14:48 15 Q. You act like you don't know. You know that, don't you?

17:14:52 16 A. I mean, that's obvious, isn't it? Yes.

17:15:00 17 Q. We don't have exact dates of these things you say happened
17:15:11 18 because it's so long ago, as you say. But you keep saying you
17:15:24 19 know it's true because it's -- you put it in your QuickBooks or
17:15:30 20 whatever.

17:15:39 21 A. Yes.

17:15:40 22 Q. Have you seen those QuickBook entries?

17:15:48 23 A. No.

17:15:52 24 Q. Where are they? Because you keep referring to all the time,
17:16:00 25 well, I put it in my entry, I entered this, I entered that, that

17:16:05 1 means it's true.

17:16:10 2 A. Because I had my main computer that was with one of my
17:16:51 3 accountants and then, I had my computer, and I would load that
17:16:57 4 information using one of my flash drives. And so, then, when I
17:17:01 5 was arrested and when they kidnapped one of my workers, they got
17:17:08 6 my main computer. And then, my computer with my flash drive,
17:17:13 7 they haven't found it. They got my computer and everything, but
17:17:22 8 they did not find the flash drive in it.

17:17:37 9 Q. Maybe I got it wrong. You're saying they took your computer
17:17:42 10 meaning they, bad guys?

17:17:55 11 A. My main computer when they kidnapped my worker, yes, I am.

17:18:01 12 Q. And then, the other computer?

17:18:05 13 A. The FBI agents that arrested me.

17:18:09 14 Q. Okay. And I take it that on the other computer, it doesn't
17:18:12 15 have all the stuff that you have on your main computer.

17:18:21 16 A. I had it on my flash drive in the computer.

17:18:29 17 Q. Flash drive that plugs into the computer?

17:18:33 18 A. Yes. Yes.

17:18:37 19 Q. And that's the one taken by the bad guys or the FBI?

17:18:50 20 A. Well, when the FBI searched my house and everything, that
17:18:55 21 was at my house. My computer and everything.

17:18:57 22 Q. Okay. It's a little bit different. I didn't want to jump
17:19:04 23 on that. You're not saying the FBI have it. You're saying it
17:19:07 24 was at your house, you don't know where it is, and the FBI was at
17:19:10 25 your house, and you were assuming that they took it.

17:19:24 1 A. Yes.

17:19:26 2 Q. Has anybody told you that the FBI had it?

17:19:30 3 A. No. No.

17:19:35 4 Q. Well, you see the difference between saying that you don't
17:19:38 5 know but you think is different than saying the FBI took it? Can
17:19:43 6 you see the difference? I asked for a "Yes" or "No," if you can
17:19:56 7 answer.

17:20:01 8 A. Then can you repeat the question?

17:20:05 9 Q. No. I mean, I don't have to, do I, Judge?

17:20:08 10 THE COURT: No. You don't have to.

17:20:13 11 MR. DEGEURIN: I'm sorry. I'm going to pass the
17:20:15 12 witness. It's late. Apologize.

17:20:19 13 MR. WOMACK: No questions.

17:20:23 14 MR. ESPER: I don't have questions, Judge.

17:20:28 15 MR. MAYR: I don't have any questions, your Honor.

17:20:33 16 MS. FERNALD: No further questions from the government,
17:20:35 17 your Honor.

17:20:35 18 THE COURT: May the witness be excused?

17:20:39 19 MR. DEGEURIN: Judge, I want to -- I'm going to check
17:20:44 20 something over the evening. Could we not excuse him yet, just in
17:20:48 21 case?

17:20:48 22 THE COURT: Well, you passed him, but I don't think
17:20:51 23 he's going anywhere. You can step down.

24 (End of requested portion.)

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4 UNITED STATES DISTRICT COURT)

5 WESTERN DISTRICT OF TEXAS)

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7 I, LILY I. REZNIK, Official Court Reporter, United States
8 District Court, Western District of Texas, do certify that the
9 foregoing is a correct transcript from the record of proceedings
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11 I certify that the transcript fees and format comply with
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14 WITNESS MY OFFICIAL HAND this the 7th day of January, 2014.

15

16

17

/s/Lily I. Reznik
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