

1 UNITED STATES DISTRICT COURT  
2 DISTRICT OF MASSACHUSETTS

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4 UNITED STATES OF AMERICA,	:	
Plaintiff	:	
5	:	CRIMINAL DOCKET
VS.	:	
6	:	NO. 86-323-K
ROY FRANKHAUSER,	:	
7 Defendant	:	
	:	

8 -----

9 CRIMINAL JURY TRIAL  
10 THIRD DAY

11 BEFORE THE HONORABLE ROBERT E. KEETON  
12 United States District Judge

13 Courtroom 14  
14 U.S.P.O. & Courthouse  
15 Boston, Massachusetts  
16 Monday, November 2, 1987

17 A P P E A R A N C E S

18 FOR THE PLAINTIFF

19 John J.E. Markham II, A.U.S.A.  
20 Mark Rasch, D.O.J. Attorney

21 FOR THE DEFENDANT

22 Owen Walker, Federal Defender

23  
24  
25

1 And again I would ask you to remember the Court's instructions.  
2 Don't make up your mind on this matter until you've heard all  
3 the evidence. Indeed, don't make up your mind even then. Don't  
4 make up your mind until the Court, Judge Keeton, has instructed  
5 you on the law. And the law in some ways is very simple, I  
6 think, but there are a few technicalities. But you have to  
7 listen to the evidence, evaluate the evidence and apply the law  
8 to the facts after you've heard the whole story. And I suggest  
9 to you once again, ladies and gentlemen, at that point when I --  
10 and I will also say, as Mr. Markham, I will have a chance to  
11 argue at the end of the evidence the significance of what's been  
12 presented. But I will suggest to you now that when you've heard  
13 all the evidence and when you have heard the law from the Court,  
14 that the conclusion will be compelled that Mr. Frankhauser is  
15 not guilty of the offense charged.

16 Thank you very much.

17 THE COURT: Mr. Markham, you may proceed with the  
18 evidence.

19 MR. MARKHAM: Yes, your Honor. The United States calls  
20 Charles Tate.

21 CHARLES TATE, duly sworn

22 DIRECT EXAMINATION

23 BY MR. MARKHAM:

24 Q. Sir, the first thing I'd like you to do is test the  
25 microphone by tapping to see if it's working.

- 1 A. Yes.
- 2 Q. Great. Would you tell the jury, please, your full name.
- 3 A. My name is Charles Tate.
- 4 Q. Where are you from, Mr. Tate?
- 5 A. I'm from New York City.
- 6 Q. How old are you?
- 7 A. I was born in 1952.
- 8 Q. And what is your present occupation?
- 9 A. I work as a computer consultant.
- 10 Q. In New York City?
- 11 A. In New York City, yes.
- 12 Q. Will you tell the jury what you were doing before you
- 13 started working as a computer consultant?
- 14 A. Well, part of that I had been for some time a member of the
- 15 National Caucus of Labor Committees.
- 16 Q. For how much time?
- 17 A. Well, from about 1971. I was pretty much inactive in 1972,
- 18 and then I rejoined again in 1973 and remained a member of the
- 19 organization until August of 1984.
- 20 Q. So that's a total of what, about fourteen years?
- 21 A. Something like that, yes.
- 22 Q. How much of that fourteen-year period, sir, were you a
- 23 full-time member of the National Caucus of Labor Committees?
- 24 A. From about 1974 on.
- 25 Q. And briefly tell the jury how it was that you met -- made

1 contact with the National Caucus of Labor Committees.

2 First, where did you make contact?

3 A. Well, it was over a long period of time. I had been active  
4 in the anti-war movement and various left-wing organizations for  
5 a period of years. The National Caucus of Labor Committees was  
6 one such organization at that time, although its political  
7 complexion apparently changed in later years. And I first met  
8 the founder and leader of the organization, Mr. LaRouche, when I  
9 was about 15, which is to say somewhere along about 1968. I was  
10 in several other left-wing organizations during that period of  
11 time. And throughout that period I knew individuals who were in  
12 the Labor Committees and sometimes read their publications and  
13 so forth.

14 Q. Let me ask you, by "Labor Committees," what are you  
15 referring to?

16 A. I'm referring to the National Caucus of Labor Committees,  
17 the NCLC.

18 Q. Is it sometimes referred to as the Labor Committee?

19 A. That's right, yes.

20 Q. What are its members referred to as --

21 A. Well --

22 Q. -- by they themselves?

23 A. As Labor Committee members.

24 Q. Is that what you were during the fourteen years or so?

25 A. Yes, that's correct.

1 Q. Now, when you first became involved as a Labor Committee  
2 member full time, where were you, what town?

3 A. I was in New York.

4 Q. Will you tell the jury briefly what you did as a Labor  
5 Committee member when you first joined, what your function was?

6 A. Well, when I first joined I had a -- the organization was  
7 somewhat less carefully divided into sectors than it is now. At  
8 that point I functioned as most members, attended meetings,  
9 distributing literature, selling copies of the organization's  
10 newspaper, Solidarity, passing out -- well, campaign literature,  
11 trying to recruit people to the organization and things of that  
12 nature, generally functioning as a field organizer for the  
13 organization.

14 Q. And you did that in the New York area at first?

15 A. That's right, yes.

16 Q. Did there ever come a time when you left the New York area  
17 while you were still a member of the Labor Committee?

18 A. Yes.

19 Q. When was that?

20 A. That was in 197- -- in 1974 I was sent to Philadelphia,  
21 Pennsylvania to perform -- to perform similar functions in  
22 Philadelphia.

23 Q. And how long did you stay in Philadelphia?

24 A. In total, including a period in Reading, Pennsylvania, but  
25 that is to say while still in the Philadelphia organization, I

1 guess for a period of about one year.

2 Q. And that brings us to when?

3 A. Well, this would bring us -- ultimately I returned to New  
4 York in, I think, November of 1975.

5 Q. And after you got back to New York in November of '75, how  
6 long did you stay in the New York area while you were still a  
7 Labor Committee member?

8 A. After 1975, except for trips to various places, I was in the  
9 New York area until I left the -- until I left the organization.

10 Q. All right. And when you got back in 1975, what were you  
11 doing with the organization? What was your function?

12 A. At that point I was assigned to the organization's press  
13 staff, which basically functioned kind of as a public relations  
14 arm for the organization, if you will. It briefed reporters,  
15 held press conferences, sent out press releases and the like.

16 Q. And how long did you have that function, sir?

17 A. I had that function until roughly 19-- well, until roughly  
18 1979, I guess. At that point I started working for the  
19 organization's newspaper New Solidarity and functioned generally  
20 in the editorial offices of the organization.

21 Q. All right. And how long did you do that?

22 A. For a period of about two years.

23 Q. That brings us to '81?

24 A. That's right.

25 Q. All right. And what did you do in '81?

1 A. Well, in '81 I joined the organization's Security staff.

2 Q. And how long were you on the Security staff?

3 A. I was on the Security staff from 1981 until my departure  
4 from the organization in August of 1984.

5 Q. Were you on the Security staff full time?

6 A. Yes.

7 Q. Who else was on the Security staff during that period?

8 A. Well, a number of persons. It was headed by Paul Goldstein,  
9 also by Jeff and Michele Steinberg. They were members of the  
10 Steering Committee. Bob Kay, Steve Myer, and half a dozen or so  
11 other persons.

12 Q. Did you approach the Security staff to start working with  
13 them, or did somebody from the Security staff approach you?

14 A. No. I was approached by the Security staff.

15 Q. Do you remember --

16 A. By a specific individual.

17 Q. Do you remember who that was?

18 A. That person was Bob Greenberg.

19 Q. He is also on the Security staff?

20 A. Yes, also a member of the Security staff.

21 Q. From 1981 until you left in '84 was Paul Goldstein on the  
22 Security staff full time?

23 A. Yes, he was.

24 Q. How about Jeff Steinberg?

25 A. Yes, he was, also.

1 Q. How about Michele Steinberg?

2 A. Yes.

3 Q. Robert Greenberg?

4 A. Yes.

5 Q. And yourself?

6 A. That's right.

7 Q. And I gather there were others.

8 A. Yes.

9 Q. All right. Now, I'll come back to the Security staff in a  
10 while, but first I want to ask you if you have ever heard the  
11 expression National Executive Committee before.

12 A. Yes, I have.

13 Q. When did you first hear it?

14 A. I suppose I first heard that expression in 1971 when I  
15 formally joined the National Caucus of Labor Committees.

16 Q. And from that time forward how often did you hear that  
17 expression used while you were in the organization?

18 A. Constantly.

19 Q. Did you ever have any occasion to observe the National  
20 Executive Committee?

21 A. Yes, I did.

22 Q. How frequently?

23 A. Following my tenure on the Security staff I would see them  
24 rather often during their meetings.

25 Q. Were you a member of the National Executive Committee?



1 A. No.

2 Q. Did you have a reason for being at National Executive  
3 Committee meetings?

4 A. Well, yes.

5 Q. What was that?

6 A. That reason was that they were often held in Mr. Larouche's  
7 home or sometimes in the organization's office facilities and it  
8 would be my function, as that of other members of the Security  
9 staff, to attend to whatever incidental needs people in the  
10 meeting might have.

11 Q. Such as what?

12 A. Well, such as bringing in the wine and cheese or getting  
13 somebody some notes or telling somebody that a phone call was  
14 waiting for them or something of that sort.

15 Q. In approximately how many of these meetings did you observe?

16 A. I can't really give you a number. Scores of such meetings  
17 for brief periods of time as I described over a period of some  
18 years.

19 Q. Are you familiar -- well, did you observe any of these  
20 meetings during 1984?

21 A. Yes, I did.

22 Q. Do you know how often the National Executive Committee  
23 conferred or met during 1984?

24 A. 1984 -- well, it's difficult again there to give a concise  
25 number because during 1984 Mr. Larouche's physical abode was in

1 a separate location from that of most of the other members of  
2 the National Executive Committee.

3 Q. All right. Let me stop you there and ask about that.

4 Where was Mr. LaRouche living in 1982?

5 A. Well, in 1982 he was living, I believe, on Sutton Place in  
6 New York City.

7 Q. Did the National Caucus of Labor Committees have a  
8 headquarters in 1982?

9 A. Yes.

10 Q. Do you know where that was?

11 A. Yes. That headquarters was on West 58th Street in New York  
12 City.

13 Q. How often did you go into that headquarters?

14 A. Every, single day.

15 Q. All right. And apart from that headquarters office in 1982  
16 did the National Caucus of Labor Committees have other offices  
17 in other locations outside of New York City?

18 A. Yes, they did.

19 Q. On the east coast where were such offices?

20 A. There were a variety of them. There was a local office in  
21 the New York City area. I believe at that time it was in  
22 Brooklyn. It was subsequently in New Jersey. There was an  
23 office here in Boston. There was an office in Washington, DC,  
24 and in Baltimore, Maryland. Those were the major east coast  
25 regional centers as they were described.

1 Q. All right. And was there something called the New York  
2 region?

3 A. Yes, there was.

4 Q. Are you familiar with the geographic area covered by the New  
5 York region in 1982?

6 A. Yes.

7 Q. What was it?

8 A. Well, it would be pretty much the entire northeast of the  
9 United States; that is to say, New York and New England.

10 Q. All right. Does that include Boston?

11 A. Yes, it did.

12 Q. And is that the same regional situation as existed during  
13 the 1984 presidential campaign?

14 A. Yes.

15 Q. And did there come a time when Mr. LaRouche after 1982 left  
16 the New York area?

17 A. Yes.

18 Q. When?

19 A. I don't recall the exact date in which he moved, but in the  
20 course of 1983 he removed himself from the New York area to  
21 Leesburg, Virginia.

22 Q. Okay. And did there come a time thereafter when the  
23 organization headquarters moved from New York to outside of New  
24 York City?

25 A. Yes.

1 Q. Do you know when that was?

2 A. Well, it was after my departure from the organization.  
3 Sometime in the fall, then, of 1984.

4 Q. And prior to your leaving the organization did you have any  
5 discussions with anybody about their intention to do that?

6 A. Yes.

7 Q. Who?

8 A. Well, I had a number of such discussions with persons on the  
9 Steering Committee of the Security staff, including Jeff  
10 Steinberg, Michele Steinberg, Bob Greenberg and others. It was  
11 a well-known fact to the Security staff that the organization  
12 was moving down to Leesburg. And, in fact, even before I left,  
13 initial steps had been made to move certain offices and certain  
14 files to Leesburg, Virginia.

15 Q. All right. So in August of 1984 right before you left, sir,  
16 where was Mr. LaRouche physically located?

17 A. In Leesburg.

18 Q. Do you know where in Leesburg he was located?

19 A. At Woodburn Farm.

20 Q. How do you know that?

21 A. Well, I have on many occasions carried out security duties  
22 at Woodburn Farm and have been in his presence.

23 Q. Where when you left in August of 1984 was the national  
24 headquarters of the National Caucus of Labor Committees?

25 A. It was still in New York City.

1 Q. Where were you stationed primarily?

2 A. I was stationed in New York City.

3 Q. Did the Security and Intelligence staff, by the way, in 1984  
4 have its own offices?

5 A. It had a small complex of rooms in the West 58th Street  
6 office that I mentioned, but it was within the organization's  
7 complex of offices. And a month or so before I left the  
8 organization, the security office was moved down to Leesburg.

9 Q. Did you move with it?

10 A. No. I remained in New York.

11 Q. Okay. Did everybody else on the Security staff move down to  
12 Leesburg?

13 A. With only one or two exceptions, yes.

14 Q. Did you have a reason for staying in New York?

15 A. Well, the ostensible reason was that I was working very,  
16 very closely with legal staff on the preparations for the NBC  
17 case and --

18 Q. Where was the legal staff located?

19 A. The legal staff was at that point located in the West 58th  
20 Street office in New York.

21 Q. Did you have another reason --

22 A. Uhm --

23 Q. -- for staying in New York?

24 A. Well, personally I had very strong reasons for staying in  
25 New York, which is that I was getting ready to leave the

1 organization just about as soon as I could. I think that I --  
2 well, I suspect that the organization had some inkling that this  
3 might be the case and was, therefore, somewhat reluctant for me  
4 to come down to Leesburg in that period.

5 Q. Now, let's go back to these NEC meetings.

6 Approximately how many NEC meetings did you observe  
7 from January 1, 1984, to the time you left in August of 1984?

8 A. I can't give a precise number. During this period of time  
9 NEC meetings were usually held in New York in Mr. Larouche's  
10 absence simply for the reason that I mentioned before, which is  
11 that most of the NEC members were still living in New York and  
12 Mr. LaRouche had already moved down to Leesburg. There were a  
13 number of occasions -- I don't remember the number. I have to  
14 guess that it was three or four -- in which either all or most  
15 of the NEC drove or flew down to Leesburg to meet in executive  
16 session, as it were, with Mr. LaRouche. However, the practice  
17 typically would be for the NEC to meet on a daily basis, usually  
18 every evening.

19 Q. Did you ever observe the NEC while it was meeting in New  
20 York have any communication by telephone with anybody who was  
21 not in New York?

22 A. Yes.

23 Q. With whom?

24 A. Well, with essentially, I guess, two kinds of people: one,  
25 their superior, which is to say Lyn or his wife, Helga Zeppe

1 LaRouche; or, two, with their immediate subordinates, which is  
2 to say members of the National Committee located in regional  
3 offices throughout the United States.

4 Q. When the National Executive Committee met on the nightly  
5 basis as you were describing it, do you recall what things --  
6 what subject matters they discussed?

7 A. Well, the subject matters were varied. They would tend to  
8 fall, I guess, into two categories; No. 1, of  
9 international/national intelligence, which was their daily  
10 reading of what was going on in the world from a strategical or  
11 political or economic standpoint; and then, secondly, there  
12 would be a review of ongoing trends in organizing.

13 Q. By "organizing" -- let me slow you down. By "organizing,"  
14 what do you mean?

15 A. By "organizing," I mean several categories of activities  
16 involving fundraising, the recruitment of candidates to run  
17 under the organization's banner for various offices, recruiting  
18 members of the organization and the like. Those would be the  
19 two most fundamental or generalized areas of discussion that the  
20 NEC would enter into.

21 Q. How frequently when you attended NEC meetings did NEC  
22 members discuss fundraising?

23 A. Well, let me clarify that I did not attend them as a member  
24 of these meetings, nor did I sort of enter at the beginning and  
25 leave at the end. I would come in and out as the occasion

1 required. So I would have to say that on some of these  
2 occasions I heard discussions of fundraising. I can't really  
3 give you, again, a number.

4 Q. Now, was there a group, however labeled, of the National  
5 Caucus of Labor Committees which was the presiding body?

6 A. Yes.

7 Q. What was that?

8 A. That was the National Executive Committee.

9 Q. Do you know who presided over the National Executive  
10 Committee?

11 A. Yes.

12 Q. Who?

13 A. Mr. LaRouche.

14 Q. How do you know that?

15 A. Well, both from the personal experience of seeing him  
16 function in this capacity as clearly the motivater of discussion  
17 and the senior person at NEC meetings on those occasions when I  
18 saw them, as I mentioned. Also because he was by virtue of his  
19 office the chairman of the National Executive Committee and,  
20 therefore, had that sort of titular authority as the leader of  
21 the National Executive Committee. And then, thirdly, because  
22 his role with respect both to the National Executive Committee  
23 and to the organization as a whole was clearly and redundantly  
24 defined at membership meetings of the organization held twice a  
25 year with very few exceptions since I joined the organization.



1 So that there was never any question in my mind or anybody  
2 else's about his position of authority and preeminence.

3 Q. Now, did you ever hear Mr. LaRouche say anything by which he  
4 described his role to the organization?

5 A. Yes.

6 Q. When did you hear him say --

7 A. Oh, again and again. He relished discussion of his special  
8 role with respect to the organization.

9 Q. Did you ever hear him express to the organization what he  
10 believed his role was?

11 A. Yes.

12 Q. What did you hear him say?

13 A. Well, he said, for example, that he was the boss of the  
14 organization. He said that this was an organization which he  
15 founded by himself. You know, he said that the organization and  
16 its members were deficient insofar as none of them could  
17 replicate his special role; that is, act in his capacity within  
18 the organization as the initiator of political and other  
19 activities and so forth. So that, you know, in these and other  
20 ways he called attention to his unique position within the  
21 organization.

22 Q. And you say he presided over the NEC?

23 A. That's correct.

24 Q. Are you aware of any other bodies within the National Caucus  
25 of Labor Committees as of 1984?

1 A. Well, yes. The NEC was drawn from another group referred to  
2 as the National Committee. These were the designated leaders of  
3 the organization in its various geographical locations and  
4 sectors. These persons were appointed, effectively, by  
5 Mr. LaRouche and ratified by the organization in a sort of voice  
6 vote style at national meetings. So that was one other such  
7 body.

8 Q. Before you go on, I have some questions about that.

9 A. Fine.

10 Q. You said that National Committee members ran regions and  
11 sectors.

12 A. That's correct.

13 Q. Now, first of all, how many National Committee members were  
14 there in August of '84 when you left, approximately?

15 A. About 40.

16 Q. And where were they located?

17 A. Well, some would be located in the regions for which they  
18 had the executive responsibility. Others were in New York City  
19 working in the national office. A small number of them, while  
20 living, I guess, chiefly in New York, had responsibilities which  
21 took them pretty much all over the country or all over the  
22 world.

23 Q. Now, you mentioned the term "sectors." What do you mean by  
24 that term?

25 A. Broadly, the organization was divided into a field

1 organization which I tend to describe as the regions which  
2 conducted for many years most of the outgoing organizing  
3 conducted by the group, the sales of the newspaper, the raising  
4 of the money, passing out leaflets, rallies, demonstrations,  
5 things of that sort. Within the national office there were  
6 really two principal components; one, an intelligence sector  
7 whose business it was to assemble for Mr. LaRouche on a daily  
8 basis a picture of what was going on in the world both  
9 internationally and domestically; and, secondly, an operations  
10 sector whose responsibility it was to monitor the activities of  
11 the organization in the field. So within that intelligence  
12 group there were specific sectors with responsibilities for  
13 particular areas, Europe, Asia, economics, et cetera.

14 Q. All right.

15 A. And for the most part, although not inevitably, these were  
16 headed by members of the National Committee.

17 Q. Now, there was a national headquarters in New York, correct?

18 A. Yes.

19 Q. And were there regional headquarters?

20 A. Yes.

21 Q. And was the national headquarters part of any region?

22 A. No. The national office was an entity unto itself directly  
23 under the administration of the National Executive Committee and  
24 Mr. LaRouche.

25 Q. And from where did the sectors operate? Was that from the

1 regions or from the national office?

2 A. The sectors operated in this period -- I'm speaking of, of  
3 course, the pre-1984 period -- from the national office.

4 Q. Well, I'm talking about as of the time you left in 1984,  
5 where were the sectors operated?

6 A. Okay. They were operating still at that point from the New  
7 York City offices.

8 Q. All right. And do you know where the sectors went when the  
9 New York City headquarters went to Leesburg, Virginia?

10 A. Well, yes. They went to Leesburg.

11 Q. Now, do you know in 1984 whether there were specific  
12 National Committee members in charge of the New York region?

13 A. Yes.

14 Q. Do you know who they were?

15 A. Yes.

16 Q. Who were they?

17 A. Dennis Speed and Phil Rubenstein.

18 Q. And again, the New York region encompassed what geographic  
19 area?

20 A. Well, in addition to New York City, New York state, the  
21 metropolitan area, it also encompassed New England.

22 Q. All right. And was there a National Committee member  
23 assigned -- well, first of all, where did the organization have  
24 offices in New England?

25 A. Well, in Boston.

1 Q. And was there a National Committee man or woman assigned to  
2 Boston?

3 A. No, there was not. That, in fact, was the reason for New  
4 York City is for -- the New York region's responsibility for the  
5 Boston area, the lack of an NC member present on the scene in  
6 Boston.

7 Q. Did the National Caucus of Labor Committees ever participate  
8 while you were involved in presidential electoral politics?

9 A. Yes.

10 Q. How often or how many times?

11 A. Well, Mr. LaRouche ran as a presidential candidate in 1976,  
12 1980 and 1984. So I guess it's fair to say every opportunity  
13 that they had.

14 Q. And when Mr. LaRouche was running for president in 1976,  
15 1980 and 1984 -- well, starting in 1976, how many of the  
16 National Caucus of Labor Committee members that you observed  
17 actually participated in his campaign?

18 A. Every, single one.

19 Q. How about in 1980?

20 A. Well, once again, every, single member participated.

21 Q. Did they participate -- did you observe people to  
22 participate on a periodic basis or on a frequent basis?

23 A. It would depend upon their specific assignment within the  
24 organization. Well, if someone had an ongoing administrative  
25 responsibility, let's say, that kept them working ten, twelve

1 hours a day, six days a week, it was unlikely that they would  
2 have a heck of a lot of time to --

3 (Off the record)

4 A. They wouldn't have a heck of a lot of time to participate in  
5 presidential campaign activities per se. But this was certainly  
6 a responsibility, an obligation of every member, to further the  
7 political process and the fortunes of Lyndon LaRouche. And  
8 certainly when he considered it his role to run for president,  
9 all members were called upon to do whatever they possibly could  
10 to enhance that campaign.

11 Q. Did that occur also in connection with the 1984 presidential  
12 campaign?

13 A. Yes, it did.

14 Q. Now, in connection with the 1984 presidential campaign did  
15 Mr. LaRouche, in fact, seek the nomination of any political  
16 party --

17 A. Yes, he did.

18 Q. -- for the presidency?

19 A. Yes, he did.

20 Q. What party?

21 A. You're talking about 1984?

22 Q. Yes.

23 A. The Democratic party.

24 Q. And did he have a political campaign organization?

25 A. Yes, he did.

1 Q. Do you remember its name?

2 A. I believe it was The LaRouche Campaign at that time.

3 Q. What occurred in the organization after

4 Vice President Mondale was nominated by the democrats?

5 A. Well, the organization looked to -- began to look toward the  
6 launching of an independent campaign so that Mr. LaRouche could  
7 be on the ballot in a number of states as an independent. And  
8 they at that point or in anticipation of such a campaign formed  
9 a group which I believe was called the IDL, the Independent  
10 Democrats for LaRouche, as I recall.

11 Q. Now, do you recall when the presidential campaign activity  
12 started within the National Caucus of Labor Committees on behalf  
13 of what you referred to as The LaRouche Campaign when  
14 Mr. LaRouche was seeking the nomination by the Democratic party?

15 A. Well, I don't remember a precise date, but certainly it was  
16 well underway by January of 1984.

17 Q. All right. Now, I want to go back in time before that  
18 campaign started and ask you some questions.

19 Before the campaign of 1984 started, did the National  
20 Caucus of Labor Committees have any procedure for raising money?

21 A. Yes, it did.

22 Q. How long had that -- well, how long had the National Caucus  
23 of Labor Committees had a procedure for raising money as of  
24 immediately prior to the start of the 1984 campaign?

25 A. Well, of course, as an organization that always had some

1 fundraising obligations, but I think it's fair to say that the  
2 structure in place in, let's say, March 1974 remained in place  
3 through roughly the middle of 1983, and that structure had  
4 included a very specific component for raising money.

5 Q. And would you describe -- did you observe this component as  
6 you've described it working?

7 A. Well, up until the 1983 period the component that I'm  
8 discussing, of course, is chiefly the field organization, and I  
9 had been in the field organization for some period of time. So,  
10 yes, I had observed it and had, in fact, been part of it.

11 Q. All right. Describe to the jury how it was that the  
12 National Caucus of Labor Committees went about raising funds up  
13 to the time of the 1984 election.

14 A. Well, the responsibility for fundraising was chiefly in the  
15 hands of the local field organizations rather than the national  
16 office per se. Money was raised by a combination of means.  
17 One, of course, was direct sales of literature, including the  
18 newspaper, the magazine Executive Intelligence Review and Fusion  
19 Magazine. These sales were often used as opportunities to get  
20 the names of potential future contributors who would often be  
21 contacted via telephone or in other ways to make further  
22 contributions beyond their purchase of the literature. And that  
23 essentially, I think, was the principal modality through which  
24 funds were raised in that period before 1983.

25 Q. During this period of 1983 and back in time, did the



1 organization ever have a term that it used called the daily  
2 quota?

3 A. Yes, it did.

4 Q. And when was the first time you heard that term?

5 A. Well, that seems to go back to time immemorial. I don't  
6 remember when I first heard it. I think it must have been in  
7 1974 or thereabouts. Certainly it had been a -- there had been  
8 a daily quota for years before I left the organization.

9 Q. From the time you first heard the term "daily quota" in  
10 1974, how frequently did you hear it until you left the  
11 organization in 1984?

12 A. Well, this is again one of those things that you heard at  
13 least daily, not only in exhortations -- verbal exhortations to  
14 meet this daily quota but also because the daily briefing  
15 included a summary of daily quota and progress toward that  
16 quota.

17 Q. Was there a daily quota procedure in place from 1974 until  
18 you left in 1984?

19 A. Yes.

20 Q. And in 1984, 1983, right up until the time when they started  
21 working towards the election, would you describe how it was the  
22 daily quota -- well, first, what was the daily quota?

23 A. Well, the daily quota was a sum of money to be raised.

24 Q. By whom?

25 A. By the members of the organization acting on behalf of a

1 variety of entities, variously Campaigner Publications, The  
2 LaRouche Campaign, Fusion Energy Foundation, et cetera. The  
3 basic scenario was members would be told at a meeting in the  
4 morning what their quota was going to be and not only how much  
5 money they would have to raise but in what guise they would have  
6 to raise it. That is to say --

7 Q. What do you mean --

8 A. -- as representing what entity they would have to raise it.

9 In other words, they would be told, "Today we're going to raise  
10 X thousands of dollars on behalf of The LaRouche Campaign."

11 Q. Now, do you know who formulated the daily quota?

12 A. Well, the daily quota was formulated by the National  
13 Executive Committee in consultation with Lyndon LaRouche.

14 Q. Okay. After the National -- well, how often was the quota  
15 derived?

16 A. Essentially on a weekly basis. And it was thereupon broken  
17 down into specific daily subdivisions.

18 Q. Well, after the weekly quota was determined by the NEC with  
19 LaRouche, do you know how it was that that daily quota was  
20 communicated to others within the organization?

21 A. Yes.

22 Q. How?

23 A. Within the organizational structure that I described before  
24 there was a component called the Operations sector. It was the  
25 responsibility of the Operations sector and the person who ran

1 it, whose name was -- is Will Wertz, to allocate the quota to  
2 specific sectors and specific regions so that there might be a  
3 discernible target for each of those groups to reach in  
4 fulfillment of the quota.

5           So that, very specifically, the national office --  
6 members assigned from the national office would meet in the  
7 morning where they would be told at the morning meeting, as I  
8 said before, what the quota was for the week, what progress had  
9 been made toward the quota, that up until that point what their  
10 quota was for the day and under what aegis -- i.e., as a member  
11 of what entity, Fusion Energy Foundation, Committee to Elect  
12 LaRouche, Campaigner Publications, et cetera -- they were to  
13 raise the money.

14 Q. Did you ever observe any writings which referred to the  
15 weekly quota or the daily quota?

16 A. Yes.

17 Q. What kind of writings?

18 A. The daily briefing, which was a -- well, the daily briefing  
19 included a grid of income raised up until that point as well as  
20 an analysis of what the quota was for the remainder of the  
21 organizing period.

22 Q. Okay. And how often did this writing come out?

23 A. This was a -- the daily briefing was produced on a daily  
24 basis. It was a summary of, you know, intelligence, if you want  
25 to describe it as that, about the world picture plus the sort of

1 daily goals which the organization had to meet. These included  
2 a grid of income raised and income that had to be raised to meet  
3 the quota.

4 Q. All right. And once this daily briefing was created with  
5 this material in it, do you know where it was distributed, the  
6 paper?

7 A. Yes. Certainly everyone in the national office received a  
8 copy of the daily briefing. All members of the organization in  
9 the regions received it. It was, in fact, an internal  
10 newsletter of the organization reflecting both the  
11 organization's, you know, purported intelligence reading and its  
12 fundraising and other organizing requirements.

13 Q. Do you know how it was that the people out in the regions in  
14 different cities received it -- well, first of all, where was  
15 the daily briefing created?

16 A. In New York, in the New York City headquarters.

17 Q. And after it was created in the headquarters, do you know  
18 how it was transmitted out to the offices in other cities?

19 A. By telecommunications lines to telex or comparable  
20 facilities in the regional offices.

21 Q. Now, did this weekly quota system that you have been  
22 describing -- well, before I go forward in time, what was each  
23 individual's responsibility towards reaching the portion of the  
24 weekly quota that had been assigned for a particular day?

25 A. Well, it would vary according to their sector. But each

1 individual -- basically, each sector would be given a specific  
2 money figure which they had to raise in cash or its equivalent  
3 by the end of the day. And basically, each person's  
4 responsibility within that sector was to see to it that that  
5 money was raised.

6 That might mean that, by simple division, everybody  
7 would have their share of that larger sum, but it was almost  
8 never motivated on that basis. Usually the idea was that you  
9 were responsible to see to it that your sector raised the whole  
10 amount.

11 Q. Now, where were the sectors, again?

12 A. Well, the sectors, again, were in the national office in New  
13 York City.

14 Q. And where were the regions?

15 A. The regions were the local organizations in the various  
16 cities throughout the country.

17 Q. All right. And did the regions have a similar quota  
18 responsibility as you have described for the sectors?

19 A. Yes, they did.

20 Q. And how was it that the regions determine who was going to  
21 raise their quota?

22 A. Well, that was determined by the National Committee members  
23 within the regions. They would receive a quota from the  
24 national Operations sector, and it would be their duty to see to  
25 it that the quota was raised. And they would as part of that

1 duty assign their people to fundraising responsibilities to  
2 achieve that quota.

3 Q. Was there a point or a group in the organization that  
4 monitored how people or regions or sectors were doing towards  
5 raising their quota?

6 A. Yes.

7 Q. What group was that?

8 A. That was the Operations sector.

9 Q. How frequently was it that the Operations sector monitored  
10 the sectors or monitored the regions to see how they were doing  
11 towards the quota?

12 A. Well, they spoke to the regions by phone several times in  
13 the course of the day and then would also receive telex  
14 communications from the regions at least once a day summarizing  
15 the day's organizing and the status, the statistical evaluation  
16 of money raised and in what categories and so on.

17 Q. Were there occasions when regions or sectors did not make  
18 their portion of the quota?

19 A. Almost never.

20 Q. Did you ever observe people actually in the process of  
21 raising their portion of the quota?

22 A. Oh, of course.

23 Q. How frequently?

24 A. Daily throughout the entire 1984 period.

25 Q. And how often -- how long did they work each day towards

1 raising their individual portion of the quota?

2 A. They worked for whatever amount of time was required. They  
3 would start at 9 a.m., in the morning, in New York City and work  
4 until the national quota had been raised even though, you know,  
5 California would still be raising money after they finally  
6 left. So they could work easily until 11 o'clock, 11:30 at  
7 night on the phones calling the west coast states seeking to be  
8 sure that the national quota had been accomplished even after --  
9 let me stress that this is even after the local area quota for  
10 the national office or the New York region or whatever had  
11 already been raised.

12 Q. Now, during the 1984 presidential campaign did this quota  
13 system remain in place?

14 A. Yes.

15 Q. Did it change at all?

16 A. Well, the new feature in the 1984 presidential campaign was  
17 that all of a sudden there was the question of the acquisition  
18 of federal matching funds. So that it became on one hand  
19 necessary to raise money to meet submission dates for matching  
20 funds; on the other hand, it was at about this period of time  
21 that particularly aggressive steps were being taken to move the  
22 organization's headquarters from New York City to Leesburg,  
23 Virginia. This entailed, of course, putting together money for  
24 the purchase of facilities of real estate and what have you in  
25 the -- in Virginia. And that meant that money had to be raised

1 for that purpose, as well. So that this particular dichotomy in  
2 the types of money that had to be raised became very, very  
3 clear.

4 Q. Did you ever hear any discussions about the need to make the  
5 weekly quotas, which discussions took place during the 1984  
6 campaign?

7 A. Yes.

8 Q. How frequently?

9 A. Every, single -- in fact, every, single day and a couple  
10 times a day at least.

11 Q. Was there a person who was in charge in the national  
12 headquarters of disseminating the information about the weekly  
13 quota and how people were doing towards making the weekly quota?

14 A. Yes.

15 Q. Who was that?

16 A. That person was Will Wertz.

17 Q. And when did he take on the role of being in charge of this  
18 process at the national headquarters?

19 A. Early in 1984. I don't have an exact date, but either very  
20 late in '83 or the very beginning of '84.

21 Q. How often did you hear him talk to the individuals about  
22 fundraising?

23 A. At least twice a day.

24 Q. And why was it that you happened to hear him twice a day  
25 talk about this matter?



1 A. Well, the national office had at least two meetings daily to  
2 motivate, discuss and review fundraising.

3 Q. Did you ever observe Mr. William Wertz -- Will Wertz engaged  
4 in the attempt to motivate people to raise money?

5 A. Oh, constantly.

6 Q. Describe for the jury how he would do that.

7 A. Well, he had a variety of techniques. The truth is that  
8 some of them were almost comical. But one of his particular  
9 favorite means of motivating the troops was quite literally to  
10 treat them as troops. He would describe us as being like  
11 Patton's Army and that we had certain crucial achievements that  
12 we had to secure and that the fate of all civilization rested  
13 squarely upon our efforts and that if we didn't, you know, make  
14 -- if we didn't take the beachheads, if we didn't make the  
15 landing like at Normandy or something of that sort, all of  
16 civilization would come tumbling down. So this was one of his  
17 -- in literary criticism they call it tropes. This is one of  
18 the things he liked to talk about.

19 Q. How frequently -- let me slow you down.

20 A. Yes, sure.

21 Q. How frequently did he engage in a discussion where he  
22 analogized the efforts to an army or to Patton or --

23 A. Well, again, this was twice a day. I mean, he would --  
24 sometimes he would be a little less melodramatic, but the basic  
25 thrust would be a summary of what had to be achieved, what had

1 been achieved and then some kind of political motivation, you  
2 know, drawn from this -- these variety of fantastic analogies  
3 about the organization's function. These things would be --  
4 this kind of stuff would be done to motivate the troops to raise  
5 the money.

6 Q. All right. Now, you say that -- did you say that some of it  
7 was comical?

8 A. Yes.

9 Q. All right. Did you ever hear him indicate that he thought  
10 that this was comical?

11 A. Oh, no.

12 Q. Did you ever observe him or other superiors discuss with  
13 people their not having raised their portion of the quota?

14 A. Yes.

15 Q. How frequently?

16 A. Well, pretty much every day in the sense that usually by the  
17 time of the second meeting the quota had not been made.

18 Q. When was the second meeting?

19 A. The second meeting was, as I recall, at the beginning of the  
20 evening fundraising session, which would have been roughly  
21 5 p.m. or so.

22 Q. All right. And at that second meeting he would -- what  
23 would be the major theme of his discussion? What would be the  
24 major subject matter?

25 A. Well, at that point, of course, there had been already some

1 progress toward quota. He would review what it had been. In  
2 some cases he would summarize organizing successes, places where  
3 certain type of appeal had been particularly well received,  
4 maybe suggest that people use that. If organizing was going  
5 well, he would offer congratulations. If it were not going  
6 well, he would express his anger at the group or individuals who  
7 were failing to achieve their quota. So it would very much  
8 depend upon what -- how things stood. But the nature of the  
9 thing was that since the quota had never been raised at that  
10 point, his usual tendency was to take a kind of sharp line with  
11 the organization: "It's already six o'clock or five o'clock or  
12 whatever. Why hasn't the quota been raised? This shows that  
13 you're not taking seriously the threat of X."

14 Q. Fill in the blank. What do you remember him saying, the  
15 threat of what?

16 A. Oh, well, the organization, you know, sees itself as  
17 defending the world from all manner of threats, but the one that  
18 seemed most -- most uppermost in Will Wertz' mind at that moment  
19 was the threat of the KGB at any instant was about to take over  
20 the United States, corrupt all of our political institutions and  
21 destroy western civilization root and branch.

22 Q. You heard him say that?

23 A. Sure.

24 Q. How often?

25 A. Twice a day every day for six months.

1 Q. Did you ever hear anybody else in the organization say that  
2 about --

3 A. Yes, of course.

4 Q. Well, who --

5 MR. WALKER: If your Honor please, just for clarity,  
6 perhaps Mr. Tate could say what "the KGB" meant. I think it may  
7 be obvious to --

8 THE WITNESS: Oh, I'm sorry, sir. I'd be glad to  
9 clarify. The KGB is the acronym for the Soviet secret police.

10 BY MR. MARKHAM:

11 Q. Well, who else did you hear say that there was this type of  
12 a threat to western civilization that could only be warded off  
13 if money were raised?

14 A. Virtually everyone in the organization said those very words  
15 or words to that effect virtually every time they -- well, I  
16 mean, not every time they got on the phone to raise funds but  
17 very often in the course of fundraising, very often in the  
18 course of discussing political situation with one another,  
19 during meetings within their sectors to motivate the fundraising  
20 and so forth. This fear, among various other fears, was a  
21 constant preoccupation of all members.

22 MR. MARKHAM: Excuse me, your Honor. How long will we  
23 be going today?

24 THE COURT: 1:15. About four minutes.

25 (Laughter)

1 MR. MARKHAM: I think I can hold up for four minutes.

2 THE WITNESS: Does that mean I have to speak even  
3 faster than usual?

4 THE COURT: No. Speak slower.

5 MR. MARKHAM: No. You can come back tomorrow -- in  
6 fact, you will come back tomorrow. So you can slow down.

7 BY MR. MARKHAM:

8 Q. All right. Now, did you ever hear Mr. LaRouche talk about  
9 this threat to western civilization?

10 A. Yes.

11 Q. How frequently?

12 A. Virtually any time he had anything to say about anything  
13 there would be, you know, a discussion of the threat to western  
14 civilization posed by the KGB.

15 Q. And in addition to Mr. LaRouche and Mr. Wertz, who were some  
16 other people who spoke of this threat within the organization?

17 A. At the risk of -- I mean, I can read the organizational  
18 membership list. Everyone did. But Jeff and Michele Steinberg  
19 did. Bob Goldstein did. Bob Greenberg did. Nancy Spannaus  
20 did. The heads of all of the Intelligence sectors were  
21 constantly harping on this theme. You name it. If you were in  
22 the organization, that person would talk about the threat of the  
23 KGB was going to take over the United States or the like.

24 Q. And Mr. Wertz would say this in order to exhort the troops  
25 to raise money?

1 A. That's right.

2 Q. Now, were there people within the organization whose  
3 specific role it was to raise money by phone?

4 A. Well, in the earlier period there would be a distinction  
5 between fundraisers and persons pursuing other activities. But  
6 in the 1984 period that distinction disappeared and everyone in  
7 the organization with the exception of members of the Security  
8 staff, the legal staff and certain people having administrative  
9 functions like people who work in the finance office, every  
10 other person in the organization had as their full-time and in  
11 many cases their only responsibility fundraising.

12 Just for completeness, I should add that those writing  
13 for the organization's publications occasionally got a break  
14 from the phones and got to write articles. But otherwise, the  
15 one and only activity for which people lived and breathed was  
16 the raising of money usually by telephone for the campaign or  
17 for one of the other purposes I mentioned.

18 Q. How many people were there doing this full time at the  
19 national headquarters during the 1984 campaign?

20 A. I don't know a precise number. I would guess somewhere in  
21 the range of 100 to 120 persons.

22 Q. And how many were there out in the regions doing this full  
23 time?

24 A. Well, pretty much the balance of the organization. A couple  
25 hundred, maybe 300 people.

1 Q. Now, these fundraisers, did they work full time at this?

2 A. Yes.

3 Q. Sometimes, I believe you said, fourteen hours a day,  
4 sometimes twelve hours a day?

5 A. As long as it took.

6 Q. Were they -- do you know whether they were compensated?

7 A. Yes.

8 Q. Were they?

9 A. Yes, they were.

10 Q. Were you compensated while you were a Labor Committee  
11 member?

12 A. Yes, I was.

13 Q. And how much pay were you receiving per week during 1984?

14 A. I believe it was \$75 a week up to a certain point and then I  
15 got a raise to \$125 a week.

16 Q. And are you aware of the pay scale of the other people who  
17 were working full time on this activity?

18 A. Not in very much detail. I gathered that most of them  
19 received about what I received or a bit more. Persons in  
20 leadership tended to receive a -- not a princely income by any  
21 means but a good deal more than I was getting.

22 Q. So you were making about \$300 a month?

23 A. Well, let's see. At the point at which I was making \$125 a  
24 week, it would be -- well, roughly \$500 a month, yes. I guess  
25 that would be the figure.

1 THE COURT: Perhaps we should break at this point.  
2 Members of the jury, we will now be in recess until  
3 9:30 tomorrow morning. Bear in mind all my instructions about  
4 maintaining your impartiality. You may now be excused for the  
5 day.

6 (The jury left the courtroom at 1:16 p.m.)

7 THE COURT: We'll be in recess until 2:15.

8 MR. WALKER: Your Honor, we're coming back at 2:30?

9 THE COURT: Well, that 2:30 was for a different day.

10 MR. WALKER: Oh, I'm sorry.

11 THE COURT: I'm prepared to see you at 2:15 today.

12 MR. MARKHAM: Could I just check with Mr. Moffitt  
13 because I think he is on the --

14 THE COURT: All right.

15 (Counsel conferring)

16 THE COURT: All right. 2:15.

17 (Luncheon recess at 1:17 p.m.)

18 (Afternoon proceedings, if requested, under separate  
19 cover)

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Witnesses                      Direct      Cross      Redirect      Recross

Preliminary Instructions by the Court      Page 20

Government's Opening Statement              Page 31

Defendant's Opening Statement              Page 62

CHARLES TATE  
(By Mr. Markham)                              78

E X H I B I T S

Number                              For ID                              In Evidence

(None)