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1 THURSDAY, FEBRUARY 28, 2013; SAN JOSE, CALIFORNIA

2 P R O C E E D I N G S

3 -o0o-

4 MS. DONOHOE: I'm sorry for the delay. This morning  
5 there's a few housekeeping matters. First, there's a mock  
6 court proceeding in this court tonight. So we were advised  
7 that we need to be out of here by 4:30. They also are going  
8 to collect all of your notebooks and put them in a locked  
9 box over here. So I asked the clerk if he could bring us  
10 clamps so you can clamp your stuff together and put your  
11 number on it. And we will stick it in that box and hand it  
12 back out to you on Tuesday.

13 Then the other matter is I want to show you the --  
14 on Tuesday when we reviewed the letters -- the target  
15 letters and Johnson letters, the exculpatory evidence -- one  
16 of the letters was from Mr. Weigel, who is counsel for Wayne  
17 Allen. And he requested a list of witnesses. And I'll put  
18 that letter up again so that you can take a look at it.

19 (Pause in the proceedings.)

20 MS. DONOHOE: I'm sorry. I'm looking for Mr. Weigel's  
21 letter. I thought I had it here, but I don't seem to have  
22 it. But I will find it.

23 The substance of what I want to tell you is he had  
24 a list of witnesses and it included Angela Janini. I told  
25 you, at that time, that we had attempted to serve Angela  
26 Janini and that we were unsuccessful in serving her.  
27 Yesterday, when her mother testified, she said her daughter  
28 had, in fact, been served. So, when I went back to the

1 office yesterday, I checked with my paralegal and he told me  
2 there was a telephone stand-by agreement and that,  
3 ultimately, Angela Janini was served. I had been told by an  
4 investigator that he was unsuccessful in serving her. So I  
5 wanted to bring it to your attention that, in fact, she was  
6 served in case you wanted her to come and testify.

7 So the information -- I'll put up his letter so  
8 you can see specifically what it was that she was going to  
9 potentially testify to. So it's up to you. But I'll wait  
10 until I have the letter in front of you before I ask you to  
11 confer about that. But I wanted that to come to your  
12 attention.

13 Next, we had an Exhibit Number 453 yesterday that  
14 I realized was a duplicate of something that had been  
15 earlier marked. So I just want to clarify that for the  
16 record. And I'm withdrawing that exhibit and we are going  
17 to use that tag 453 for a different exhibit. So that was  
18 during the testimony of Mr. Iljas that I used Exhibit 453 or  
19 that number.

20 I think that completes our housekeeping although  
21 we will revisit the letter from Mr. Weigel as soon as I have  
22 that located. Our next witness is Robert Gorini. He is a  
23 forensic auditor from the DA's office.

24 (Witness sworn.)

25 TESTIMONY OF ROBERT GORINI

26 EXAMINATION

27 BY MS. DONOHOE:

28 Q Good morning, Mr. Gorini. Could you please state

1 your name for the record and spell both your first and last  
2 name?

3 A My name is Robert A. Gorini. First name is  
4 spelled R-o-b-e-r-t. Last name G-o-r-i-n-i.

5 Q What is your occupation, Mr. Gorini?

6 A I'm presently a forensic accountant assigned to  
7 the Santa Clara District Attorney's Office bureau of  
8 investigation.

9 Q Do you work in a special unit?

10 A I'm assigned to the insurance fraud unit. Yes.

11 Q How long have you worked for the district  
12 attorney's office?

13 A A little over five years.

14 Q Where did you work prior to that time?

15 A Prior to that time --

16 Do you want me to start with my whole career?

17 Q Yes.

18 A Okay. After graduating from college, I became a  
19 special agent with IRS criminal investigation. And I stayed  
20 in that position until retirement, serving about 29 years.  
21 During that time, the main focus of my job was criminal  
22 investigations involving tax and money laundering cases  
23 primarily directed at narcotic traffickers, high-tech theft,  
24 and organized crime.

25 After that, I retired and I went into private  
26 practice as a private investigator, certified fraud  
27 examiner, and then IRS enrolled agent. I had a tax practice  
28 and financial investigations practice. I also worked for

1 Deloitte and Touche and one other certified public  
2 accountant in the area.

3 Q Could you spell Deloitte and Touche?

4 A I'll try and spell it correctly. I think it's  
5 D-e-l-o-i-t-t-e and T-o-u-c-h-e.

6 Q So you worked for Deloitte and Touche as well?

7 A I worked for Deloitte and Touche for approximately  
8 18 months. And, after that, I became a special agent again  
9 and I served with the Inspector General's Office for Iraq  
10 reconstruction. And I stayed in that position for  
11 approximately one year, serving in Iraq, conducting  
12 investigations regarding contractors fraud, bribery, bid  
13 rigging, and some firearms-related offenses.

14 That brought me up to working with the DA's  
15 office. I did have a break in the DA's office for  
16 approximately ten months where I served in a similar  
17 capacity with the Inspector General's Office in Afghanistan  
18 where I was assigned in Kabul.

19 Q What led you to come to the DA's office?

20 A There was a position open where they needed  
21 expertise in financial forensics but predominantly as it  
22 related to documenting either payroll that was paid in cash  
23 or payroll that wasn't reported to insurance companies for  
24 workers' compensation purposes.

25 Q And did you have occasion to begin working on a  
26 case with the company identified as ASAP as the target  
27 company?

28 A Yes, I did.

1           Q     And, in connection with that case, what things  
2 have you done?

3           A     Relative to that case, there were indications that  
4 there was payroll being paid or wages being paid to  
5 individuals that were not being declared to the insurance  
6 carrier for ASAP.

7                     And what was presented to me was regular payroll  
8 records for ASAP but then there was another company entitled  
9 Fast Moves housed in the same area, business conducted in  
10 the same manner as ASAP, and with some employee names being  
11 the same.

12                     And I analyzed the bank accounts and I saw where  
13 some of the employees' names that were paid by ASAP were  
14 also being paid by Fast Moves.

15           Q     All right. Now, when you started work on the  
16 case, did you have available to you records from Paychex?

17           A     Yes, I did.

18           Q     What did you use those records for?

19           A     Paychex is an outside service that provides  
20 payroll service for companies. And companies like ASAP  
21 retained them to do their payroll.

22                     So ASAP would provide the company Paychex with the  
23 employees earnings rates and everything else. And then they  
24 would go ahead and prepare all the with holdings and prepare  
25 checks for the company to distribute to their employees.  
26 And I was able to use those records.

27                     I analyzed those records and reconciled those  
28 records to what was reported to like California Employment

1 Development Department and also for the reports that were  
2 made to the insurance companies.

3 Q So were the reports made to agencies such as State  
4 Compensation Insurance Fund and Zurich Insurance among the  
5 agencies that you were analyzing the payroll records for?

6 A Yes.

7 Q Did you create a summary spreadsheet that showed  
8 your reconciliation of the Paychex records with the  
9 information that had been reported to EDD, State  
10 Compensation Insurance Fund and Zurich?

11 A Yes, I did.

12 Q And you also mentioned that you became aware of a  
13 company called Fast Moves. Did you have available to you  
14 the financial records for Fast Moves?

15 A I had bank accounts records.

16 Q Did you analyze an account that was from  
17 Washington Mutual/Chase Bank for Fast Moves?

18 A Yes. I believe that was the bank that had that  
19 account.

20 Q And why was it that you were comparing Fast Moves  
21 account to the Paychex records for ASAP?

22 A Well, I wanted to determine if any of the payments  
23 made from Fast Moves may have been included on the Paychex  
24 records.

25 Q Did you determine whether ASAP was funding Fast  
26 Moves in the course of your work with that account?

27 A I did see a significant amount of the deposits  
28 that went into Fast Moves were actually checks that were



1 written from the ASAP account. Yes.

2 Q And, following those deposits from ASAP, did you  
3 see checks written to various individuals?

4 A Yes, I did.

5 Q Did those checks have the indicia that they were  
6 payroll checks with deductions for payroll taxes?

7 A No. They were like general dollar amounts, like  
8 \$400, \$480. Usually Paychecks that have withholding taken  
9 out of them are dollars and cents. They are not rounded  
10 out.

11 Q Did that raise a red flag for you that they had  
12 round numbers on those checks?

13 A Yes.

14 Q Did you see a series of individuals that were paid  
15 on a weekly or biweekly basis out of the Fast Moves account?

16 A Yeah. There were routine checks, I would say,  
17 that were paid that way to individuals.

18 Q Were there also routine deposits from ASAP?

19 A Yes, there were.

20 Q Based on what you saw about Fast Moves account,  
21 did you draw any conclusions about what was happening by the  
22 use of that account?

23 A Well, with the bank records coupled with the other  
24 documents that I saw regarding Fast Moves and what I was  
25 told that, you know, it was operated out of the same office,  
26 there was commingling of the two companies. It became  
27 rather clear that Fast Moves was not much more than an alter  
28 ego of ASAP.

1           Q     Can you tell us, from your experience working on  
2 the investigation of workers' comp premium fraud cases, why  
3 a company would operate under two different names?

4           A     As it relates to workers' compensation, the  
5 premium rate for workers' compensation is based on your  
6 amount of payroll. When you, as a company, apply for a  
7 workers' compensation policy, they are going to look at your  
8 history, they look at your safety records, they look at how  
9 many injuries were caused in the past, they look at the type  
10 of work you do. Because somebody in my position, the  
11 workers' compensation coverage would be kind of low. If I  
12 were working on roofs and on scaffolding, working with  
13 welding or things like that, your compensation rate is going  
14 to be higher. But the end bill that you get as the owner of  
15 the company is based on the amount of wages that you pay.

16                     Now, in this circumstance, the wages that were  
17 paid through ASAP were given to the insurance company and  
18 then the percentage was applied to that for the premium  
19 bill. When you have another company that doesn't carry  
20 workers' comp and you are paying through that or you have  
21 some of your employees that are getting paid from that area,  
22 your premium is reduced naturally. But it's being duped  
23 because you are not declaring your total wages.

24           Q     Isn't an employer required to declare their total  
25 wages if they are paying subcontractors or people that are  
26 paid by a 1099?

27           A     Yes. Technically, if the person that gets paid by  
28 1099 like a subcontractor and that subcontractor does not

1 carry their own workers' compensation policy, the owner of  
2 the company that's engaging that subcontractor is required  
3 to include those and declare those to the insurance company  
4 and have the workers' comp assessed against it as part of  
5 the premium.

6 Q Did you review records from EDD to determine  
7 whether Fast Moves was registered as an employer?

8 A I believe I had some documentation. You know,  
9 when you say records, I'm thinking of the reports. I think  
10 there was a record that said that they didn't have records  
11 of Fast Moves being registered with EDD.

12 Q If they were not registered with EDD, would they  
13 have had any payroll taxes deducted and paid over for any  
14 purpose?

15 A Well, they should have. I've seen circumstances  
16 where a company will actually withhold but not pay over.  
17 They just pocket the difference. In this case, I believe  
18 the checks were of an amount, again, it's not a dollars and  
19 cents amount. It's basically total dollar amount. The  
20 indication there is that they never withheld in the first  
21 place.

22 Q And, when you talk about subcontractors, 1099  
23 staff, can you tell us what that means? What is a  
24 subcontractor?

25 A Well, basically, a subcontractor is a person who  
26 gauges in an amount of work for a fixed price and to be  
27 completed by a certain date. The person is basically  
28 independent, is retained to get the job done.

1           That in distinction to an employee who works for  
2 someone and the employer provides a place of work, provides  
3 tools, and tells the employee when and where they want them  
4 to work and mandates when they want the work to get done.

5           A subcontractor, basically, gets the work for that  
6 fixed price and agrees to do the work within a period of  
7 time. But the employer isn't telling that person what to do  
8 on a day-to-day basis. That's the basic distinction between  
9 the two.

10          Q     So let me give you an example. If an employer  
11 were to call up a group of individuals on a, say, a daily  
12 basis and say be here at 7:00 a.m. and you are going to load  
13 a truck and/or you are going to go on a pickup and bring  
14 that truckload back to my worksite. Would that be an  
15 indication of an employee situation or a subcontractor  
16 situation?

17          A     That would be an employee situation based on my  
18 experience with IRS.

19          Q     So, under that scenario, if ASAP was regularly  
20 calling up this group of individuals and having them come to  
21 staff the moves, would they have to be declared in the  
22 payroll that was being submitted to the State Compensation  
23 Insurance Fund for ASAP?

24          A     They should have been included.

25          Q     And should they have also been included when  
26 Zurich Insurance was the provider of workers' comp  
27 insurance?

28          A     Their earnings should have been included.

1           Q     Should the earnings have also been included in  
2 reporting to the Employment Development Department and  
3 paying payroll taxes?

4           A     Yes, they should have.

5           Q     And, in connection with your work, once you  
6 determined that this set of check payments existed,  
7 pertaining to people that were paid under Fast Moves, did  
8 you look further into the matter as to whether there were  
9 other forms of payment?

10          A     Subsequent to analyzing the Fast Moves account, I  
11 found some ledgers. I was presented with some ledgers. I  
12 looked at them. I can see they were handwritten on a piece  
13 of paper that's eight and a half by eleven.

14                 And, in looking at these things, it appeared that  
15 they were done by who was either a foreman or driver of a  
16 truck or something like that because they would list like a  
17 date and a job number and predominantly how much money was  
18 being collected in cash. And certain amounts of cash  
19 payments that were made and then there was like a net figure  
20 at the right-hand corner of the page. And there would be  
21 like a series. This would go over a series of days.

22                 Basically, there were some checks that were  
23 included there -- a check payment. But the main crux of  
24 this was to show cash was received and then there were cash  
25 expenditures. Some of it could be packing. It could be for  
26 weight when they bring the truck into the scales and weigh  
27 them. Some of it related to motels for lodging. And others  
28 related to actual wages paid to individuals.

1           And some of them were -- a lot of them -- just  
2 first name basis. But you could see where wages were paid  
3 to individuals. And then it appeared, based on what I saw,  
4 that they were also picking up day laborers. And they made  
5 a reference there as it just said M-E-X apostrophe S. There  
6 was a rate. The rate was typically \$10.

7           You see at the bottom of this where it says total  
8 cash received and total expenses, the cash expenses paid  
9 out. And then there would be an amount that -- sometimes  
10 there were a couple of them -- that they would say net to  
11 Roni or there would be some reference that would be given to  
12 Mr. Hayon.

13           Q     When you discovered those ledgers and saw the cash  
14 payments, was that something that was necessary to include  
15 in your analysis of the ASAP reporting for purposes of the  
16 workers' comp premium fraud investigation?

17           A     Yes. In other words, what was important to the  
18 premium fraud investigation was that, irrespective of if  
19 they are day laborers or irrespective of if you pay somebody  
20 in cash for the wages, it still needs to be declared.

21           Q     So did you believe, based on your analysis of  
22 ASAP's payroll records with what had been reported to SCIF  
23 and to Zurich, that the cash payroll had been reported?

24           A     No. I was convinced it was not because like the  
25 Fast Moves payments that were made, the wages that were  
26 paid. Because, when I did my analysis, I was able to  
27 reconcile the bank account from which the payment checks  
28 were made for ASAP -- I was able to reconcile those to the

1 Paychex records for ASAP and reconcile all those figures to  
2 what was reported to EDD and also what was reported to SCIF  
3 and Zurich. So I could reconcile where the payments were  
4 made to these companies, and I could conclude that earnings  
5 to employees from Fast Moves or payments made to employees  
6 or workers through these cash ledgers were not included.

7 Q All right. So did that result in an underpayment  
8 of insurance premium?

9 A Yes, it did.

10 Q Did it also result in a lack of payment of payroll  
11 taxes?

12 A Yes, it would have.

13 Q I'd like to show you a series of exhibits. First,  
14 I'll show you Exhibit 153. Is this one of the items that  
15 you were using to determine the cash payments?

16 A Yes. This is one of the ledgers that -- a sample  
17 of the ledgers that I had used that we had found. As you  
18 can see, it has the dates and it has the names over on the  
19 left-hand side. Like, Leon is one of those names. And then  
20 right underneath is the job number and that related to like  
21 a moving job or relocation job or it was either a pickup or  
22 a delivery of goods.

23 As you can see, there's a column entitled cash and  
24 that was cash that was brought in. Now, the column that was  
25 entitled credit, that usually was a check. I saw some money  
26 orders and some cashiers checks, and I believe there were a  
27 few that related to credit card. But, again, I would have  
28 to go back and look specifically at each ledger for the

1 credit card portion of that.

2 And then, as you see this next column, there's a  
3 series of names in there and a series of references. You  
4 can see the M E X references that are in there too. And  
5 those are people that were paid with the cash. Then what we  
6 have here you can see a series of hours. Those were the  
7 hours that people worked. And then you could see there's  
8 other expenses too like over on the side where moneys were  
9 expended --

10 I'm sorry. I need to stand up because I can't see  
11 the bottom.

12 Q Okay. Sorry.

13 A As you can see, on the bottom, you see where the  
14 total cash comes in \$4,215. That's the total of that  
15 left-hand column for cash. And then the one on the right is  
16 the total of the cash outlay for whatever expenses.

17 In this specific instance, most of that went to  
18 cash laborer. And you can see how it's deducted. And then  
19 there's the \$3,153 is what would have gone to the owner of  
20 the company.

21 Q So did you actually, in order to analyze that,  
22 actually make a duplicate for yourself and you typed it all  
23 out?

24 A I put all this information on a spreadsheet or a  
25 worksheet. I was able to take this information and put it  
26 on a worksheet and come down and reconcile to those figures.

27 Q All right. I'd like to show you the next item  
28 which has been marked as Exhibit 423. Do you recognize the



1 top page of this?

2 A Yes. I think that was the ledgers that were found  
3 in the pink binder.

4 Q Is that the pink --

5 A Yes, I believe.

6 Q Would this be an example of the sheet you believed  
7 the foreman would fill out?

8 A Yes. The two of them are distinct. It's like  
9 they are in a different format but they present much of the  
10 same information.

11 Q Did they cover the same time period or different  
12 time periods?

13 A A lot of them were in the same time periods.  
14 That's correct.

15 Q Were you also involved in analyzing this and  
16 creating your own spreadsheet of it?

17 A I did the same thing. Yes.

18 Q Okay. I'd like to mark this as Exhibit 453. Do  
19 you recognize that spreadsheet?

20 A Yes, I do.

21 Q Are you able to see it?

22 A Pretty much. Yeah.

23 Q And so was this your handwritten -- or excuse  
24 me -- your type written summary of the handwritten pink  
25 binder?

26 A Yes. It appears to be the one that I did.  
27 Correct.

28 Q And so you prepared it for the dates the foreman

1 identified and then the cash that had been expended for a  
2 certain period of time?

3 A Uh-huh. Yes.

4 Q And did you also list the cash payments that had  
5 been made on the job?

6 A Correct. This would have been -- there's two  
7 forms of this ledger. This one you are showing me right now  
8 was actually an extension of the one I did for the premium  
9 fraud purpose.

10 Q Okay.

11 A Because this one is showing the cash available to  
12 Mr. Hayon.

13 Q All right.

14 A The one that actually went with my report is  
15 pretty much the same thing, but the main focus on that was  
16 the payments to the laborers for the earnings.

17 Q Let me show you that one.

18 A Thank you.

19 Q I'd like to mark this as Exhibit 455. Is this the  
20 schedule that you prepared for purposes of the premium fraud  
21 investigation?

22 A Yes. Can I see a little more over to the right?

23 Q Yes.

24 A That's the more recent one. I mean, the figures  
25 don't change. It's just that the emphasis on the other form  
26 relates to the wages.

27 Q Hold on one second.

28 A No problem.

1 Q I'd like to mark this as Exhibit 456. Are you  
2 able to see that document?

3 A Yes. I believe that's the summary page that shows  
4 what was reported and what was not reported. Actually, that  
5 appears -- that's my reconciliation that shows the amounts  
6 reported from Paychex to SCIF and, I believe, to EDD.

7 Q Okay. Let's focus on this for a moment. Can you  
8 tell us what you were doing in terms of this particular  
9 spreadsheet? What were you attempting to show through this  
10 spreadsheet?

11 A Through this spreadsheet, I'm attempting to show  
12 what was reported to both SCIF and to EDD.

13 Q So this would be what was reported by ASAP?

14 A Correct.

15 Q All right. And is this the spreadsheet that you  
16 prepared that led you to conclude that ASAP reported  
17 information reconciled with their Paychex payroll record?

18 A That's correct. The earnings paid through Paychex  
19 were declared to EDD and to SCIF.

20 Q And so this is the evidence that there was no  
21 reporting of the cash payments or the check payments through  
22 Fast Moves?

23 A Right. So I could conclude, because I knew where  
24 the payments were coming from that made it to the reports, I  
25 can conclude that whatever was paid out of Fast Moves and  
26 whatever was paid in cash was not reported.

27 Q And is this another statement -- let me show you  
28 Exhibit 457 -- is this a statement of that information by

1 way of anniversary period?

2 A Yes.

3 Q Why do you state it by way of anniversary period?

4 A Well, it's like with any insurance. Just like  
5 your auto insurance, your house insurance. When you retain  
6 the insurance, you don't get billed on calendar year from  
7 January 1st through December 31st. It's whenever the policy  
8 was taken.

9 It's the same way with workers' comp. If they get  
10 the policy in February, then it's February 1st to  
11 January 31st. That's going to be the way it reads.

12 When you report moneys to EDD or to your income  
13 taxes, any of that, it's pretty much done on a calendar year  
14 basis from January 1st through December 31st.

15 So what I had to do is take when the payroll was  
16 made and break it into the anniversary periods so it fits  
17 with the insurance when it should have been reported.

18 Q All right. And I'd like to show you Exhibit 458,  
19 which is entitled schedule of earnings paid to individuals  
20 from Fast Moving Van Lines. Is this a schedule -- let me  
21 withdraw that.

22 I'm going to show you Exhibit 458. Is this a  
23 schedule of the payments that you determined were made  
24 through the Fast Moves account?

25 A Yes, that's correct.

26 Q And was this a summary of all of the individuals  
27 that you found check payments for through the Fast Moves  
28 account at WaMu/Chase Bank?

1           A     Those would have been the payments that were made  
2 out of that account for Fast Moves.

3           Q     Is it also broken down into anniversary or policy  
4 periods?

5           A     Yes, it is.

6           Q     And is that so you could determine what was not  
7 reported to various insurance companies?

8           A     Yeah. Basically, it shows when those earnings  
9 should have been included and declared as payroll to the  
10 State Compensation Insurance Fund and at the end to Zurich.

11          Q     So did you determine that there was an amount  
12 owing for the period from October 1st of 2006 to  
13 October 2007? And, when I say owing, unreported payroll?

14          A     Unreported payroll.

15          Q     \$31,612?

16          A     Yes, that's correct.

17          Q     Would that have been unreported to State  
18 Compensation Insurance Fund?

19          A     Yes.

20          Q     And then the next column, October 1st of 2007 to  
21 October 1st of 2008, did you determine an unreported amount  
22 of payroll of \$176,625.50?

23          A     I did.

24          Q     And was that unreported to State Compensation  
25 Insurance Fund?

26          A     That's correct.

27          Q     And then, for the third column, did you determine  
28 there was an unreported amount of payroll for the period

1 October 1st, 2008, to October 1st, 2009, of \$111,026.62?

2 A That's correct.

3 Q And was that amount not reported to State  
4 Compensation Insurance Fund?

5 A Yes. You are right.

6 Q And the fourth column, is it for the period of  
7 October 1st of 2009 to December of 2009?

8 A Yes.

9 Q And was there an amount of \$44,300 that was not  
10 reported to State Compensation Insurance Fund?

11 A That's correct.

12 Q The last column -- Zurich is above the column --  
13 is that a column specific to the payroll that was not  
14 reported to Zurich?

15 A That's correct.

16 Q Is that for the period of December 22nd of 2009 to  
17 December 22nd of 2010?

18 A Correct.

19 Q And was that an amount of \$103,173.40?

20 A Correct.

21 Q Now, this is just based on the check payments and  
22 doesn't include the cash payments; correct?

23 A That's just for the checks that came out of the  
24 Fast Moves account at Chase.

25 Q When you have amounts and you have a list of  
26 individuals over to the left-hand side, does it include many  
27 of these or some of these employees or some of these  
28 individuals who were paid over a series of anniversary

1 periods?

2 A Correct.

3 Q So, for instance, if we look at an entry for  
4 Leonardo Martinez, we see him in each column; correct?

5 A Correct.

6 Q So did that suggest to you that he worked  
7 consistently under the Fast Moves company?

8 A Yeah. I would conclude that he was there working  
9 and probably the most significant worker as far as  
10 consistency in terms of anniversary periods.

11 Q All right. Can you tell me whether this list of  
12 names -- whether those names were familiar to you from  
13 having looked at the Paychex record?

14 A Yes. There's a few names I can look at that I  
15 recall seeing on the ASAP Paychex records.

16 Q And did ASAP have a list of people that were  
17 categorized under the identifier 1099?

18 A Yes. They did have actually a very significant  
19 amount, at one time, of people that were actually paid  
20 through Paychex. But they were classified as 1099 earnings  
21 which is basically -- if I may?

22 Q Yes.

23 A Form 1099 is typically what you would receive if  
24 you were, like, doing contract work or if you had earnings  
25 that weren't subject to withholding. For example, if I did  
26 work as a fiduciary on estate and I billed \$100 an hour, I  
27 would get a form 1099 because I'm not really an employee of  
28 the estate. So there was that on there. That's correct.

1           Q     I'd like to show you Exhibit 459. Is this a more  
2 detailed summary of all the people that were paid via Fast  
3 Moves?

4           A     Yes. Yes. I see it now. That's the actual list  
5 of the checks and the list of the names and the specific  
6 payments that were paid. This is kind of the predecessor  
7 worksheet. I gleaned from the source documents and, from  
8 this worksheet, all the details on there is included. And,  
9 from that, I made the summary page.

10          Q     So, from this document Exhibit 459, you, then,  
11 summarized on Exhibit 458?

12          A     Right. That's correct.

13          Q     I'd like to show you --

14                I apologize. I need a moment. For some reason,  
15 the document I'm looking for is not where I expected it to  
16 be. So I'm going to take a moment to get my documents in  
17 order. I'm sorry to delay it. If you want to take a  
18 five-minute break, that's okay with me.

19                       (Recess.)

20          Q     (BY MS. DONOHOE) Mr. Gorini, we had looked at  
21 Exhibit 458. And this had a list of various individuals  
22 that you identified as receiving check payments from Fast  
23 Moves; correct?

24          A     That's correct. Yes.

25          Q     And did you later prepare -- I'm going to show you  
26 Exhibit 460 -- did you later prepare another summary that  
27 covered everything relating to the case in terms of the  
28 payments made to people through Fast Moving Van Lines?



1           A     Yes, I did. That's actually the second page of  
2 the summary. Page 1 has all the employees listed -- people  
3 that were paid moneys out of that Fast Move account.

4           Q     Okay. Showing you Exhibit 458, is this Page 1?

5           A     Yes.

6           Q     All right.

7           A     And then it's totalled -- excuse me; I need to  
8 stand again -- and then we go to the next page.

9           Q     This is actually Page 2?

10          A     That's Page 2.

11          Q     All right. Showing you Page 2 --

12          A     Yes. From there, you see, subsequent to my  
13 submission of this report, information came in that these  
14 people were issued checks but they were not workers. So we  
15 backed out those figures. They subtracted that from  
16 earnings.

17          Q     All right.

18          A     We came down to amended totals.

19          Q     All right. So, on Page 1, which is Exhibit 458,  
20 did you have totals that we have gone over?

21          A     Yes.

22          Q     And then, on Page 2, which is Exhibit 460, are  
23 there amended totals based on the information that you  
24 gathered about these --

25          A     Yes. You can see those figures in negative  
26 amounts. They were deducted from the totals. So we amended  
27 that. It's not much money, but we took that out because  
28 those were not earnings. We found out subsequently that

1 those were not earnings. So we took it away from what we  
2 were proposing were earnings from Fast Moves.

3 Q Did you determine that various individuals had  
4 been paid for claims that they had made against Fast Moves?

5 A That's what I was told. Yes.

6 Q All right. So you removed those from the amounts  
7 that were owing for unreported payroll?

8 A Yes.

9 Q And then the bottom of the page, the lower half of  
10 the page, does it have a total of unreported earnings paid  
11 through Fast Moving Van Lines to SCIF?

12 A Yes, it does.

13 Q Can you tell me -- is that amount \$363,252.12?

14 A That's correct. That's the total of all of  
15 anniversary periods that had unreported payroll to SCIF.

16 Q Is that based on check payments?

17 A That's just based on the check payments out of  
18 Fast Moves.

19 Q And then the next line, total unreported earnings  
20 paid through Fast Moving Van Lines to Zurich, that's was  
21 that amount \$102,283?

22 A That's correct.

23 Q Was that just based on the unreported check  
24 payments by Fast Moves?

25 A That's correct.

26 Q The next line shows unreported earnings paid in  
27 cash from ledgers in silver brief cash.

28 A That should be briefcase.

1           Q     We will have to fix that.  So unreported cash from  
2 ledgers in silver briefcase?

3           A     Correct.

4           Q     And is that amount \$46,701?

5           A     Correct.

6           Q     Was that unreported to both SCIF and Zurich?

7           A     Yes.  It was unreported.  I would have to go back  
8 to the anniversary period to see specifically.  It would be  
9 in my report as to how much was attributed.  But, based on  
10 my recollection right now, I really believe it was all one  
11 anniversary period.

12          Q     All right.  And then the next line, unreported  
13 earnings paid in cash from ledgers in pink binder.  Was that  
14 amount \$14,531?

15          A     Correct.

16          Q     That was unreported payroll.  So did you arrive at  
17 a total of unreported wages to Zurich of \$163,515?

18          A     Correct.  Now it's bringing back my recollection.  
19 When it's unreported wages to Zurich that would have meant  
20 that the cash wages were undeclared during the Zurich  
21 anniversary period.

22          Q     All right.  So the adjustment was made for the  
23 Zurich policy periods?

24          A     Right.

25          Q     And then the breakdown of unreported wages to  
26 Zurich by classification code.  Could you tell us why you  
27 did that?

28          A     Okay.  Because I was able to identify some of the

1 people who received cash from the cash ledgers, I could  
2 identify by the names what they did just because I looked at  
3 the other payroll records. And I knew that they were  
4 movers. And then there were these payments -- excuse me --  
5 predominantly like an advance on payroll which should be  
6 declared.

7 It doesn't matter, when you get your net check, if  
8 they gave you an advance on earnings. That's earnings. But  
9 they were under the code section 8810, which is for clerical  
10 or somebody working in the office. And those were  
11 predominantly issued to people with first names of female.  
12 And I never saw anything in the records that showed that a  
13 female was part of the team, working, packing trucks, or  
14 packing boxes, or doing anything. Pretty much when I saw a  
15 female name, it was for answering telephones, doing office  
16 work, dispatching, and things like that.

17 Q Do you recall whether one of the names that you  
18 saw of a person receiving advances in that way was  
19 Margarita?

20 A Yes. I do remember the name Margarita as being on  
21 the handwritten -- on the ledger sheet getting an advance.

22 Q All right. Is that the amount that was shown  
23 under code number 8810 but you attributed to clerical type  
24 of work?

25 A That's correct.

26 Q And so is that a small amount \$3,248?

27 A Yeah. When you look at the total, it's a nominal  
28 amount.

1 Q Now, the class codes. The other code that's  
2 shown, 8293, can you tell us what that is?

3 A 8293 is for someone that is either working in a  
4 warehouse, moving furniture or loading a truck or offloading  
5 a truck. So they all fall under that same classification.

6 Q Was your role simply to identify the amounts that  
7 were unpaid or unreported and then give that information  
8 over to the various insurance companies to do their own  
9 calculation as to the premiums owed?

10 A That's correct. Mine pretty much stops with  
11 documenting the unreported payroll. There's quite a few  
12 nuances and adjustments they make in order to come down to  
13 that premium. And that is something that the insurance  
14 companies calculate.

15 Q So you turned over your audit materials to SCIF  
16 and to Zurich in order for them to calculate what was owed  
17 in premiums?

18 A That's correct.

19 Q Okay. Now, we discussed earlier the fact that  
20 there had been a history with this company of having a 1099  
21 staff listed in its Paychex record; correct?

22 A Correct.

23 Q And were you knowledgeable, from having reviewed  
24 records in the case, that there had been audits performed by  
25 SCIF?

26 A That's correct.

27 Q And were you familiar with the fact that SCIF had  
28 already determined amounts that had been unpaid in premiums

1 and sought payments from ASAP for those amounts?

2 A Yes. If I may explain.

3 Q Yes.

4 A What typically can happen with workers'  
5 compensation coverage is that -- especially with SCIF --  
6 they require a monthly payroll report. Depending upon the  
7 policy, sometimes it could be monthly. It could be  
8 semi-annual or annual.

9 But, in cases where they have significant earnings  
10 or wages paid, then they require a monthly payroll report.  
11 The insurance companies always retain the right to come in  
12 and audit the payroll records.

13 Now, I think you remember, when I talked about the  
14 Paychex records, that we had payroll to people and they had  
15 withholdings and they got a net check. And then there were  
16 some payroll that Paychex made that was called 1099  
17 earnings. And those were more of the common-numbered  
18 checks, like for \$500, \$600, things like that.

19 When the reports were submitted to SCIF, they did  
20 not include those form 1099 earners. When the auditors came  
21 out to audit ASAP and were presented with the paycheck  
22 records, they saw those earnings and they picked them up --  
23 justifiably so. Those should have been included in the  
24 reports. They weren't included. So they billed the company  
25 for the additional premium related to that 1099 payments  
26 that were made.

27 The point of clarification here is that all the  
28 figures that you are being presented with right now don't

1 include any of those amounts. The amounts that were audited  
2 by SCIF and for which they sent another bill, we didn't  
3 include that in any of these computations here. These  
4 earnings are in addition to those earnings.

5 Q All right. So you wanted to make sure that you  
6 were not seeking some sort of -- you are not stating  
7 something that could result in a double premium billing for  
8 the company?

9 A Correct. Correct.

10 Q Now, you spoke a lot at the outset about your  
11 background. And do you also have a background in terms of  
12 investigating money laundering?

13 A Yes, I do.

14 Q Did you do that on behalf of federal authorities?

15 A Yes.

16 Q Is it slightly different for California state laws  
17 regarding money laundering?

18 A Yes, they are.

19 Q Okay. Nevertheless, were you involved in  
20 assisting an investigator in this district attorney's office  
21 in his money laundering investigation?

22 A Yes, I did provide support to his investigation.

23 Q And can you tell us the types of things that you  
24 did to support his investigation?

25 A One of the things I did was analyze the cash,  
26 again, from the cash ledgers and determine how much cash was  
27 available to Mr. Hayon and Mrs. Karter -- I believe his  
28 wife's name.

1 Q Adii Karter?

2 A -- what was available to them, because I was  
3 presented with some of the bank analyses. And I can show  
4 some of the analyses it went into personal accounts. There  
5 was cash being deposited to the personal accounts.

6 Sometimes some of the deposits were made in a  
7 fashion that suggested that they were trying to defeat the  
8 requirement of reporting that the banks have. Banks are  
9 required to report either a currency deposit or withdrawal  
10 in excess of \$10,000. And you could see where some of the  
11 deposits were done in a fashion that they were structured so  
12 that a CTR, currency transaction report, would not be filed.

13 Q When you say that they structured it or they did  
14 it in a way the CTR would not be filed, how could they do  
15 that?

16 A Basically, you have moneys in excess of \$10,000.  
17 And, if you want to -- currency -- if you want to deposit  
18 that in the bank and not have a currency transaction report  
19 filed, you have to do it in a manner that it's not going to  
20 be filed.

21 In the old days, you used to be able to go to a  
22 different branch and do that. If you deposited \$5,000 here  
23 and \$9,000 there, they wouldn't match them up. That doesn't  
24 happen today. So, typically, what happens in our modern  
25 environment is: I go into the bank one day. I deposit  
26 \$5,000 in cash. The next day, I go and deposit the \$9,000.

27 And so you have what is called structuring where  
28 people will go in and structure the cash into the bank to



1 defeat the filing requirement of currency transaction  
2 report.

3 Q The currency transaction report, who does that go  
4 to?

5 A That usually goes to the federal government. It  
6 goes to -- there are several entities that get it. IRS used  
7 to be the hub for it at the Detroit Computing Center. Now  
8 it goes to the Financial Crimes Enforcement Network,  
9 commonly called FINCEN. And they are distributed to law  
10 enforcement and also for regulatory purposes as well.

11 Q So can CTR's or cash transaction reports be an  
12 identifier for someone who is engaged in some sort of  
13 illegal activity?

14 A Most certainly. I mean, it's used -- especially  
15 in historic times -- it's used as a red flag.

16 Q In your experience, are people that engage in  
17 fraud generally knowledgeable about the fact that, if they  
18 do a transaction that exceeds \$10,000, that there is a form  
19 that's going to be filed?

20 A Basically, people who engage in that type of  
21 fraudulent activity, any type of illicit activity especially  
22 where cash is being generated, they have to find a way -- a  
23 vehicle by which they can get into the monetary system so  
24 they can use it.

25 Q When you say amounts such as \$9,000 cash deposit  
26 or cash deposits of \$5,000 over the course of two separate  
27 deposits on different days amounting to \$10,000, would that  
28 be a red flag that someone is trying to avoid the reporting

1 on a cash transaction report?

2 A Usually a red flag. It arouses suspicion. And  
3 you look for recurring conduct, if you will.

4 Q Now, was one of the things you did to support the  
5 investigation the preparation of the summary which I  
6 previously identified as Exhibit 453, the handwritten cash  
7 relocation jobs ledgers -- let me restate that -- cash from  
8 relocation jobs on handwritten ledgers and pink binder?

9 A Yes.

10 Q And did the final column of that document include  
11 cash available to Hayon?

12 A That's correct.

13 Q And how did you arrive at those amounts?

14 A Well, I looked, again, doing the analysis on those  
15 cash ledgers, I looked at how much cash was brought in and  
16 then how much cash was paid out for expenses and for  
17 earnings. And then there would be a net amount. And, as I  
18 said, some of these ledgers, it would even say net to Roni.

19 So, you know, you could see where there would be a  
20 net amount there. It would be circled or something like  
21 that on that ledger. By doing this, I was able to do the  
22 worksheet and show how much cash was available to either  
23 Mr. Hayon or Mrs. Karter Hayon, available for deposit or  
24 available for their use.

25 Q Did you include the analysis as to Mrs. Karter  
26 Hayon because you saw transactions involving her?

27 A Yes. There were certain transactions -- deposits  
28 to the bank and also the withdrawal of certified funds and

1 payments being made -- but some of them were being made by  
2 Mrs. Karter Hayon.

3 Q And, just based on the pink binder, did you  
4 determine the total amount of cash that had been available  
5 to Roni Hayon?

6 A Yes, I did.

7 Q Was that amount \$41,581?

8 A Correct.

9 Q And did that cover the period from April of 2010  
10 to June of 2010?

11 A Yes.

12 Q All right. So that's just --

13 A That was just that snapshot period.

14 Q Do you believe, if you had had additional binder  
15 like that, you could have identified additional cash that  
16 was available to Roni Hayon?

17 A Oh, yes.

18 Q So you had to go with simply what you could find  
19 based on the ledgers that were available to you?

20 A That's correct.

21 Q So, for that two-month period, it appeared that --

22 A That would have been a three-month period.

23 Q -- over \$41,000?

24 A Out of that batch of cash ledgers.

25 Q I'd like to show you Exhibit 461. Is this also a  
26 summary that you did of the cash that you found available to  
27 Roni Hayon based on the ledger that was in his briefcase?

28 A That's correct. That is the summary schedule.

1 Q All right. And did you do the same process of  
2 identifying cash that was -- after expenses had been paid --  
3 cash that was, then, brought back to the office for Roni  
4 Hayon?

5 A That's correct.

6 Q Did you determine, for the period of April 2010  
7 through June of 2010, that the amount was \$97,781?

8 A That's correct.

9 Q So that would have been in addition to \$41,000  
10 that we saw earlier?

11 A Yes. That's correct.

12 Q Now, have I asked you to also take a look at  
13 documents relating to a company called Champions?

14 A Yes.

15 Q Was Champions included in your original  
16 investigation as to the premium fraud involving Fast Moving  
17 Van Lines and ASAP?

18 A No, it wasn't.

19 Q At the time that you were doing that work, did we  
20 have any records relating to Champions?

21 A I didn't see any. I believe I was aware of  
22 Champions, but that was about it. It was outside of the  
23 scope of what they wanted me to focus on. My focus was  
24 predominantly the timeframe that was covered by SCIF and  
25 Zurich as it related to Fast Moves and the cash ledgers that  
26 were available.

27 Q So your investigation and your financial work and  
28 audit covers only Fast Moves and ASAP; correct?

1           A     That's correct.

2           Q     And have you, at my request, taken a look at the  
3 checks and the deposits into the account for a Bank of  
4 America account for Champions Movers?

5           A     I did look at that. Yes.

6           Q     I'd like to show you Exhibit 349 and ask if that  
7 is a statement relating to the Champions account with Bank  
8 of America.

9           A     Yes, it is.

10          Q     And I'll make an offer of proof that, later today,  
11 we will have Norm Levy, who will give us a business records  
12 foundation for the Bank of America records.

13                   So did you take a look at these records and see  
14 who was being paid through the Champions account?

15          A     I did.

16          Q     And does the period predate the period for Fast  
17 Moves? And I'll refer you to the -- does this first  
18 statement appear to be for April through May of 2006?

19          A     It is. Yes.

20          Q     And do the subsequent records here deal with the  
21 time period that is in 2006?

22          A     Yes, they do.

23          Q     And does that predate your investigation as to  
24 Fast Moves in terms of bank records for Fast Moves?

25          A     Yes, I believe it does. It was beforehand, before  
26 the dates that were involved with Fast Moves.

27          Q     Did you, in looking at these records, see any  
28 similarities between how Champions was receiving funds and

1 paying individuals and how Fast Moves was receiving funds  
2 and paying individuals?

3 A Yes. The similarities that I saw were, again, you  
4 had checks coming from ASAP being deposited into the  
5 Champions account. That was similar conduct than what took  
6 place in Fast Moves account. And Fast Moves account we had  
7 payments in these amounts that were whole dollar amounts and  
8 sometimes referenced as salary.

9 And, when I looked at the Champions records, I  
10 found, predominantly, people of male Hispanic surnames. And  
11 then I found the same similarities in the Champions account  
12 where they were predominantly names of Hispanic males and  
13 with references that said salary and for these whole dollar  
14 amounts again.

15 Q And some of the names were they familiar to you  
16 from your work on the Fast Moves and ASAP records?

17 A Yes. They did look familiar. I was picking up  
18 some of the names that I recognized as being in the Paychex  
19 records. And I even think there might have been a couple  
20 that related that were the similar to the Fast Moves records  
21 as well.

22 Q I'd like to refer you to Exhibit Number 462.  
23 Would this be an example of someone that was paid via  
24 Champions? A person by the name of Antonio Jimenez. And  
25 this is a Champions check number 182. And, referring you to  
26 the first page of Exhibit 462, is this a check to Antonio  
27 Jimenez dated July 12th of 2006?

28 A Yes.

1 Q And, referring you to the third page of  
2 Exhibit 462, is this a check from Fast Moving Van Lines to  
3 Antonio Jimenez on the date of September 20, 2007?

4 A Yes, it is.

5 Q Referring you to Exhibit 463, showing you the  
6 second page, is this a check from Champions dated March 13,  
7 2007, to Leonardo Carranza Martinez?

8 A Yes, it is.

9 Q Is this an example where the check itself has the  
10 notation salary or s-e-l-r-y on it?

11 A Yes. They are variations of that. But yes.  
12 Based on what I've seen, the repetition of the records, that  
13 leads me to believe what they are referring to they were  
14 salary.

15 Q All right. So that check to Leonardo Carranza  
16 Martinez from Champions, did you also see examples of checks  
17 to Leonardo Carranza from ASAP?

18 A Yes.

19 Q Is that check on the first page? Is that a check  
20 from ASAP Relocations, check number 2856, dated October 11th  
21 of 2005?

22 A Yes, it is.

23 Q And, showing you the last page of Exhibit 463, is  
24 this a check from Fast Moving Van Lines to Leonardo  
25 Martinez, dated October 3rd, 2007? Or at least the entry  
26 for the bank is October 3rd, 2007.

27 A Yes, that's correct.

28 Q Is that check number 1020?

1 A Yes, it is.

2 Q Showing you Exhibit Number 464, I am going to show  
3 you the ASAP check first which is Page 1. Is this an ASAP  
4 check payable to Raul Segura for September 28, 2005?

5 A Yes, it is.

6 Q Does it have a notation on it that says salary in  
7 the memo line?

8 A Yes.

9 Q Showing you the next page, is there a check  
10 payable to Raul Segura from Champions, dated February 17,  
11 2007?

12 A Yes.

13 Q And does it have noted in the memo line s-e-l-r-y?

14 A Yes, it does.

15 Q And then, showing you the third page, is there a  
16 check from Fast Moving Van Lines to Raul Segura dated -- or  
17 at least the bank entry date of September 12, 2007?

18 A Yes. That's correct.

19 Q Showing you Exhibit 465, and I'll show you the  
20 first page which is -- excuse me -- I'll show you the second  
21 page which is an ASAP check dated April 2nd of 2005, check  
22 number 2380. Is that a check payable to Rolando Pena?

23 A Yes, that's correct.

24 Q And that's spelled P-e-n-a?

25 A It's P-e-n-a.

26 Q And does it indicate on the check that it's for  
27 jobs advance?

28 A Yes.



1 Q Showing you the third page of Exhibit 465, is  
2 there a payment there to Rolando Pena, dated September 5th,  
3 2006?

4 A Correct.

5 Q And is that a Champions check?

6 A Yes, it is.

7 Q And this time does it have the word salary in the  
8 memo line?

9 A Yes, it does.

10 Q Referring you to the first page of Exhibit 465,  
11 does it appear to be a Fast Moving Van Lines check to  
12 Ronaldo Pena, R-o-n-a-l-d-o?

13 A Correct.

14 Q Is that a slightly different spelling of the name?

15 A It's like a transposition almost. Both names  
16 work.

17 Q So does it appear that that check is from  
18 September 2007?

19 A Yes.

20 Q So the fact that there were these individuals that  
21 were being paid by the three companies and the other facts  
22 you knew about the relationship of these companies, did that  
23 suggest to you that this was some sort of a common  
24 enterprise to pay the workers without deducting payroll  
25 taxes?

26 A Yes. I would deduce that from the conduct that  
27 I've seen.

28 Q Showing you Exhibit 466, did I ask you to review a

1 certified record from the Employment Development Department  
2 regarding Champions Movers?

3 A Correct.

4 Q And did I ask you to confirm that, during 2006,  
5 Champions Movers was not registered as an employer?

6 A With EDD, that's correct.

7 Q Okay. And so, if they were not registered as an  
8 employer with EDD, were any payroll taxes being deducted?

9 A Based on looking at the checks, there didn't  
10 appear to be any deductions made. Certainly, with not  
11 having a record with EDD, we can confirm that no taxes were  
12 paid over.

13 Q So, if, in fact, they had deducted taxes and paid  
14 them over to EDD, would EDD have some record of that  
15 occurring?

16 A Yes. They would have had records because it would  
17 have to be accompanied with the return report to EDD.

18 Q So, at least, during the period of 2006, did  
19 Champions not have any registration with the Employment  
20 Development Department?

21 A That's correct, based on that documentation.

22 MS. DONOHOE: All right. I have no further questions.  
23 Do the grand jurors have any questions? Yes.

24 THE GRAND JUROR: Juror number six wonders, when you  
25 said Adii Karter, the wife, withdrew certified funds, did  
26 you mean a certified check?

27 Q (BY MS. DONOHOE) Mr. Gorini, when you said Roni  
28 Hayon's wife Adii Karter withdrew certified funds, were you

1 referring to a purchase of a cashiers check?

2 A That's what I was referencing. Yes, sir.

3 THE GRAND JUROR: What do, in his experience, the wives  
4 do with certified checks?

5 Q (BY MS. DONOHOE) Mr. Gorini, do you have any idea  
6 what wives might do with a certified check?

7 A Well, typically, one gets a certified check when a  
8 regular check just doesn't work. For example --

9 And it doesn't matter. There's no  
10 distinguish-ment between a wife or a husband.

11 Q In your experience, Mr. Gorini, would cashiers  
12 checks be necessary for a business purpose?

13 A It can be. Yes. That's correct. It can be for a  
14 business purpose. For example, you go to buy a car and you  
15 want a clear title to the vehicle. Usually they are not  
16 going to take your personal check. If you want to take  
17 possession and title of that vehicle immediately, you  
18 probably have to either produce cash or certified funds.

19 The same thing can hold true if you are buying a  
20 house. You are down to close of escrow. You are either  
21 going to have funds wired from a bank account or you are  
22 going to have to bring them a certified check. They are not  
23 going to take a handwritten check off an account and close  
24 escrow because they want funds that are certified.

25 Q Now, is it common to see certified checks  
26 exchanged between husband and wife?

27 A Not unless there's some ancillary reason for it.  
28 Between the two of them? Possibly in a divorce situation, I

1 can see that. But in a day-to-day, even a business  
2 operation, the exchange of a cashiers check between husband  
3 and wife, I wouldn't see the purpose of that. It would be  
4 rare.

5 Q Can you think of any common purpose of a wife to  
6 go in with cash to a bank and purchase a cashiers check that  
7 is payable to her husband?

8 A I think that could happen. It's kind of rare,  
9 because it's just like, if I was going to give funds to my  
10 wife, I would either write her a check or, if I had  
11 currency, I'd just give her cash and let her do what she  
12 wanted with it.

13 Q If someone's trying to conceal the disposition of  
14 funds or conceal income, is that something that they would  
15 do where they would take the cash to the bank and then  
16 secure a cashiers check?

17 A That can be a method. That, in and of itself, I  
18 think -- if we want to take the instant case involved here  
19 where the cash is coming from the business, a separate  
20 corporation, that should be reportable on the corporate tax  
21 return. And you take that cash. And you take that cash and  
22 you put it into the bank account -- a personal bank  
23 account -- and then withdraw a cashiers check. That  
24 indicates to me a diversion of covert revenue and  
25 potentially unreported income to the corporation.

26 Q Could one reason why someone would purchase a  
27 cashiers check be to get the funds out of the country?

28 A Yeah. That is one reason for having that because

1 you would need certified funds or you'd need a pretty strong  
2 banking relationship in the foreign country in order for  
3 them to accept your check. I mean, they would accept your  
4 check, but they are going to hold the funds until that check  
5 clears. If you had certified funds, you walk into whatever  
6 country and you could get cash for it. Or you open up a  
7 bank account and the funds are readily available to you.

8 MS. DONOHOE: Does that answer your question?

9 THE GRAND JUROR: Yeah.

10 MS. DONOHOE: Any other questions?

11 All right. Okay. Let's take another short break.  
12 I'm going to clean up my stuff and get ready for the next  
13 witness.

14 Mr. Gorini, you are free to go. The foreperson is  
15 going to read you an admonishment.

16 So if you could take a ten-minute break.

17 (Witness admonished and excused.)

18 (Recess.)

19 MS. DONOHOE: Our next witness is Norm Levy. He is  
20 retaking the stand. Mr. Levy, you've been previously sworn.  
21 You are still under oath.

22 THE WITNESS: Yes.

23 TESTIMONY OF NORM LEVY

24 EXAMINATION

25 BY MS. DONOHOE:

26 Q Good morning, Mr. Levy. I believe you previously  
27 testified that you have been a peace officer for far longer  
28 than five years.

1 A Yes.

2 Q All right. So you are qualified to testify as to  
3 the foundation for business records based on interviews that  
4 you've conducted. I'd like to review with you whether you  
5 conducted some interviews with various banks regarding  
6 search warrants that were served on those banks to obtain  
7 bank records.

8 A I have.

9 Q Was one of the banks that you were involved in  
10 interviewing concerning the records that were obtained  
11 pursuant to search warrant Bank of America?

12 A It was.

13 Q Did you conduct an interview in order to  
14 authenticate records that they had produced in response to  
15 search warrant that was served on them for this case?

16 A I did.

17 Q Did you interview someone by the name of Jeffrey  
18 Jackson?

19 A I did.

20 Q Did you determine what his position was?

21 A I did.

22 Q What was his position, if you recall?

23 A I don't recall. Several. I don't recall his  
24 title.

25 Q Do you want to take a look at a copy of your  
26 report dated February 15, 2013?

27 A Please. Mr. Jackson is operations analyst.

28 Q Did you interview him about the business records

1 foundation of the Bank of America accounts that had been  
2 produced?

3 A Yes.

4 Q Did you ask him whether true and correct copies  
5 had been submitted in response to the search warrant?

6 A I did.

7 Q What did he respond?

8 A He said they were true and correct.

9 Q Did he tell you how the records were prepared?

10 A He did.

11 Q Did he indicate that monthly account statements,  
12 items of deposits and withdrawal and checks were retrieved  
13 from a bank data and reproduced on paper?

14 A He did.

15 Q Did he indicate that, if there were any missing  
16 items, it was listed in a cover letter to the documents?

17 A He did.

18 Q Did he tell you that bank signature cards are  
19 uploaded electronically from banks that are produced and  
20 reproduced on paper?

21 A Yes, he did.

22 Q And did he tell you whether or not the records  
23 were prepared by Bank of America staff in the ordinary  
24 course of business?

25 A He said that they were, in fact, done by bank of  
26 America staff.

27 Q Were they done in the ordinary course of business?

28 A They were.

1 Q Did he indicate whether they were relied upon as  
2 true and correct in the ordinary course of business?

3 A They were relied upon to be true and correct.

4 Q All right. Referring you to Exhibit 467, is this  
5 a summary of various account numbers and account locations  
6 for the entity ASAP Relocations, Fast Moving Van Lines,  
7 Inc., Quick Quotes for Moving, Inc., and Roni Hayon?

8 A It is.

9 Q And, in addition to Roni Hayon, would Adii Karter  
10 be on at least some of these accounts?

11 A Yes. Some of those accounts were held jointly.

12 Q So there's a listing here for Roni Hayon as having  
13 an account with Bank of America; is that right?

14 A Yes.

15 Q And, pursuant to search warrant, did we also  
16 secure records from Bank of America for Champions Movers?  
17 And I'll show you Exhibit 349.

18 A Yes, we did.

19 Q So did the information that you gathered as to the  
20 business records foundation for the Bank of America records  
21 include the records for Roni Hayon and Champions?

22 A Yes.

23 Q Did you conduct a similar interview with the  
24 record custodian from JP Morgan Chase Bank?

25 A I did.

26 Q Did you interview that person regarding records  
27 that have been obtained that were for Washington Mutual  
28 Chase Bank?



1           A     I did.

2           Q     Do you recall or do you know anything about why  
3 the records were for Washington Mutual?

4           A     At the time the accounts were opened, the bank was  
5 named Washington Mutual. Washington Mutual has since been  
6 acquired by JP Morgan Chase. So now all the records and  
7 communication are in the name of JP Morgan Chase.

8           Q     So was it a record custodian from JP Morgan that  
9 you interviewed about the business record foundation?

10          A     Yes.

11          Q     Was that person named Beverly White?

12          A     Yes.

13          Q     Did she identify herself as an operations  
14 supervisor?

15          A     She did.

16          Q     Did she tell you that she had been employed as an  
17 operations supervisor for eight years?

18          A     She did.

19          Q     Did she tell you she had authority to certify the  
20 records?

21          A     She did.

22          Q     Did she tell you that true and accurate records  
23 had been provided in response to a search warrant or  
24 multiple search warrants that were served on Chase Bank?

25          A     Yes, she did.

26          Q     And did she say that those records had been  
27 prepared in the ordinary course of business?

28          A     She did.

1 Q Did she say they were relied upon as true and  
2 accurate?

3 A Yes.

4 Q Did she tell you how the records were prepared?

5 A She did.

6 Q Did she tell you that bank signature cards,  
7 monthly account statements, items of deposit and withdrawal  
8 and checks were imaged on a computer from the bank database?

9 A Yes, she did.

10 Q And did she tell you that the documents were  
11 printed, gathered, and inventoried?

12 A She did.

13 Q Did she say each batch of records included a  
14 response letter and an inventory before being shipped to the  
15 DA's office?

16 A She did.

17 Q Did she tell you that missing items, if any, were  
18 listed on the response letter included with the documents?

19 A She did.

20 Q Did she tell you whether the records were prepared  
21 at or near the time of the various transactions that  
22 occurred?

23 A She did and they were.

24 Q And I'm referring you again to Exhibit 467. Were  
25 there multiple accounts held at JP Morgan/Washington Mutual  
26 Bank?

27 A There were.

28 Q Was there an account for Fast Moving Van Lines

1 ending in 1045 located at Washington Mutual/Chase Bank?

2 A There was. Yes.

3 Q And were there personal accounts for Roni Hayon  
4 and Adii Karter located at Washington Mutual/Chase Bank?

5 A There was.

6 Q Referring you to --

7 Did you also conduct an interview of a record  
8 custodian of Wells Fargo Bank?

9 A I did.

10 Q Did you question her about the business records  
11 foundation for records that have been obtained pursuant to  
12 search warrant from Wells Fargo?

13 A I did.

14 Q Were there, in fact, multiple search warrants  
15 served on Wells Fargo bank to obtain records?

16 A Yes. Multiple.

17 Q Did you speak with a record custodian by the name  
18 of Daniel Ashley at the bank?

19 A I did.

20 Q Did he identify himself as a legal operations  
21 specialist?

22 A Yes, he did.

23 Q Did he tell you that he was a duly authorized  
24 custodian of records for Wells Fargo Bank?

25 A He stated he was.

26 Q Did he tell you that he had the ability to certify  
27 the copies of the ordered records?

28 A He did.

1 Q Did he tell you that the bank had submitted true  
2 and correct copies of the original records in response to  
3 the search warrant?

4 A He did.

5 Q And did he tell you that the records referred to  
6 in the search warrant were prepared by personnel of Wells  
7 Fargo Bank in the ordinary course of business at or near the  
8 time of the act, condition, or event?

9 A He did.

10 Q Did he say it was important for the records to be  
11 accurately maintained for the proper functioning of the  
12 bank?

13 A He did.

14 Q Did he tell you that the records were relied upon  
15 in the ordinary course of business?

16 A He did and they are.

17 Q Did he tell you how the records were originally  
18 prepared?

19 A He did.

20 Q Did he say that bank signature cards, monthly  
21 account statements, items of deposit and withdrawal and  
22 checks are printed from the bank database and given to the  
23 closing team for shipping?

24 A He did.

25 Q And did he tell you that missing items, if any,  
26 were listed on the cover letter included with the documents?

27 A He did.

28 Q Did he tell you that, once the bank subpoena

1 department had assembled the documents, that they were  
2 shipped in response to the search warrant?

3 A He did.

4 Q I'd like to ask you if you also conducted an  
5 interview of a custodian for BMW Financial Services.

6 A I did.

7 Q And did you interview that custodian to establish  
8 the business records foundation for records obtained from  
9 BMW Financial Services?

10 A I did.

11 Q Were those records obtained in response to a  
12 search warrant?

13 A They were.

14 Q And did you interview an individual by the name of  
15 Stephanie McCargish, spelled M-c-C-a-r-g-i-s-h?

16 A I did.

17 Q Did she identify herself as record custodian for  
18 BMW Financial Services?

19 A She did.

20 Q Did she tell you she had authority to certify the  
21 copies of records that have been provided in response to the  
22 search warrant?

23 A She did have authority.

24 Q Did she tell you that copies had been submitted in  
25 response to the search warrant, that they were true and  
26 correct copies of all the original records described in the  
27 search warrant?

28 A She did.

1           Q     Did she tell you that the records were prepared by  
2 personnel of BMW Financial Services in the ordinary course  
3 of business at or near the time of the act, condition, or  
4 event?

5           A     She did and they were.

6           Q     Did she state that it was important for records to  
7 be accurately maintained for the proper functioning of the  
8 business?

9           A     She did.

10          Q     Did she say that they are relied upon in the  
11 ordinary course of business?

12          A     They are. Yes.

13          Q     Did she describe how the records were originally  
14 prepared?

15          A     She did.

16          Q     Did she tell you that a purchase contract, credit  
17 approval, certificate of title, copies of driver's licenses,  
18 insurance validation, application for registration,  
19 transfer, and reassignment, approval notification, and  
20 report of sale were pulled from digital files and printed?

21          A     She did.

22          Q     Did she tell you that the printed documents were  
23 delivered to BMW Group Legal Department?

24          A     She did.

25          Q     And did she tell you that transaction statements  
26 were pulled from digital transaction records and printed?

27          A     She did.

28          Q     Did she tell you that those records were submitted

1 to the BMW Group Legal Department?

2 A She did.

3 Q And did she tell you that, once the documents were  
4 brought together at the legal department, they were, then,  
5 shipped in compliance with the search warrant?

6 A She did and they were.

7 Q Investigator Levy, is it common to serve search  
8 warrants to obtain bank records?

9 A Yes.

10 Q And, when there's a search warrant of a bank to  
11 obtain bank records, is it like a search warrant where they  
12 go to someone's house to perform a search or how is that  
13 done?

14 A A typical scenario would be we serve a copy of the  
15 search warrant to a local branch. Some banks have legal  
16 staff that will ask us to send them also a faxed or e-mailed  
17 copy so that they are aware of the documents that are  
18 coming.

19 Q So, basically, a copy of the search warrant is  
20 served on the bank, and some period of time goes by before  
21 the records are ultimately produced?

22 A Yes.

23 Q And, in some cases, did it take many months to get  
24 records back from the banks?

25 A It did.

26 Q At times, were the records incomplete so there had  
27 been follow-up search warrants done to get additional  
28 records?

1 A Yes.

2 Q Have we, in the course of handling this case, done  
3 numerous search warrants to get financial records that  
4 pertained to the case?

5 A Yes.

6 Q And has that process taken more than a year?

7 A Easily.

8 Q And, among the banks, did Wells Fargo have  
9 multiple accounts for ASAP Relocations?

10 A Yes.

11 Q And I'm referring you, again, to Exhibit 467.  
12 Does it list both savings and checking at Wells Fargo Bank?

13 A It does.

14 Q To your knowledge, did we receive records  
15 pertaining to the business accounts located for ASAP at  
16 Wells Fargo Bank?

17 A We did.

18 Q And I'm referring you to the company called Quick  
19 Quotes for Moving, Inc. Did we also recover various  
20 accounts for Quick Quotes for Moving from Wells Fargo Bank?

21 A We did.

22 Q Did we also recover records from Bank of the West  
23 for Quick Quotes for Moving?

24 A We did.

25 Q And did we recover accounts for Roni Hayon or Roni  
26 Hayon and Adii Karter who were personal accounts at Wells  
27 Fargo Bank?

28 A We did.



1           Q     So would Exhibit 467 be a partial listing of the  
2 account numbers and the various accounts held by the  
3 different banks?

4           A     Yes, it would.

5           Q     In the course of that investigation, have you  
6 reviewed to confirm that assembled checks reflect certain  
7 categories of payments made from the ASAP accounts?

8           A     Yes.

9           Q     And I'd like to show you Exhibit 468. The  
10 coversheet indicates checks payable to Hayon and family. Is  
11 this a batch of withdrawals and checks that were payable to  
12 Roni Hayon and his family members?

13          A     Yes.

14          Q     And so, if we look just at the first page, is  
15 there a withdrawal there for \$14,000?

16          A     There is.

17          Q     And, on the next page, is there a withdrawal there  
18 \$12,000 from Wells Fargo Bank with the name Roni Hayon  
19 listed?

20          A     There is.

21          Q     And can you tell us whether the account number  
22 1595 is among the accounts listed for ASAP Relocations on  
23 Exhibit Number 467?

24          A     It is.

25          Q     Showing you the next page, is that an official  
26 check that is payable to Eli Hayon drawn on Wells Fargo  
27 Bank?

28          A     It is.

1 Q Is the next page a copy of an official check  
2 payable to Eti Hayoun, H-a-y-o-u-n, drawn on Wells Fargo  
3 Bank?

4 A Yes.

5 Q Showing you the next page, is that an official  
6 check payable to Roni Hayon drawn on Wells Fargo Bank?

7 A It is.

8 Q So does this entire packet include checks that  
9 were transacted with ASAP Relocations that reflects  
10 withdrawals, in many cases, of funds and then purchase of  
11 cashiers checks?

12 A Yes, that packet does.

13 Q Okay. Showing you Exhibit 469 -- excuse me --  
14 Exhibit 391, is this a batch of checks that constitutes what  
15 you identified as mortgage payments?

16 A Yes, they are.

17 Q And are these mortgage payments that were being  
18 made through ASAP Relocations?

19 A They are.

20 Q Were these on behalf of Roni Hayon?

21 A They are.

22 Q So are there mortgage payments for Green Point  
23 Mortgage and Countrywide Mortgage?

24 A Yes.

25 Q I referred to the wrong exhibit number. Sorry.  
26 Referring you to Exhibit Number 399, is this the batch of  
27 mortgage payments?

28 A That is.

1 Q And so these would be ASAP payments on behalf of  
2 Roni Hayon's mortgage?

3 A They are.

4 Q Referring you to Exhibit Number 469, are these  
5 ASAP check payments to Mercedes Benz?

6 A They are.

7 Q And, based on your review of DMV records, were  
8 there multiple Mercedes Benz that Roni Hayon was associated  
9 with?

10 A (Pause.)

11 Q I can show you the certified records.

12 A I'm sure one or two. But I'm not sure.

13 Q All right. Showing you Exhibit 402, did you see  
14 numerous payments to an equity line for Roni Hayon from ASAP  
15 Relocations?

16 A I did.

17 Q And so does Exhibit 402 consist of payments to  
18 National City Bank in the amount of \$400 per month?

19 A Yes.

20 Q Showing you Exhibit 401, did you determine that  
21 there were multiple payments for a boat from ASAP  
22 Relocations to GEMB Bank?

23 A Yes.

24 Q Did you determine that that was a boat that had  
25 been owned by Roni Hayon?

26 A It is. Yes.

27 Q Did you see the boat at the time of the search  
28 warrant in January of 2011?

1 A Yes. It was in the warehouse.

2 Q So that's where he stored that boat?

3 A Yes.

4 Q Showing you Exhibit 403, did you see multiple  
5 payments to U.S. Bank by ASAP Relocations for a Hummer that  
6 was owned by Roni Hayon?

7 A Yes.

8 Q And so did you see monthly payments of \$724 or  
9 \$717?

10 A I did.

11 Q Showing you Exhibit Number 470, did you see check  
12 payments from ASAP accounts for license plates that appear  
13 to be truck vehicles? So not commercial vehicles but  
14 personal vehicles?

15 A I did.

16 Q And were you able to compare those entries with  
17 the certified records? And I'll refer you to Exhibit 35 for  
18 car registrations for Roni Hayon.

19 A I did.

20 Q And did you determine that there were payments for  
21 DMV registration fees on behalf of Roni Hayon that were made  
22 by ASAP Relocations?

23 A Yes.

24 Q Did that appear to be various personal vehicles  
25 including a 2004 Hummer and a 2007 Mercedes Benz?

26 A Yes, for each vehicle.

27 Q And can you review that exhibit, exhibit number --  
28 could you tell me the number please?

1 A 35.

2 Q Exhibit Number 35. Can you tell me whether one of  
3 those vehicles that is identified in the memo line --

4 I'm going to refer you to check number 4012. Do  
5 you see in the memo line the plate number of 5-X-A-S-4-4-5?

6 A I do.

7 Q And can you, by referring to the certified copy of  
8 the DMV records, tell me who was the owner or registrant for  
9 that vehicle?

10 A It was Roni Hayon or Maoz Kadesh.

11 Q And do you see other entries for Mercedes Benz  
12 there that Roni Hayon owned during the time period between  
13 2010 and 2005?

14 A Yes.

15 Q What other Mercedes Benz did he own?

16 A The one with Mr. Kadesh is 2007. The other  
17 vehicle was a 2010 Mercedes. And another vehicle was a 2008  
18 Mercedes.

19 Q Can you tell me whether he owned any BMW's?

20 A He did.

21 Q Was he identified as the only owner on those  
22 BMW's?

23 A He was not the only owner on the BMW.

24 Q How many different BMW's did he own?

25 A One.

26 Q Can you tell us who was the other owner on that?

27 A Adii Therese Karter.

28 Q Did he own any vehicles with a person by the name

1 of Noam Israeli?

2 A Just a moment. (Pause.) Not that I see.

3 (Pause.) No.

4 Q Okay. Have I asked you to examine the entries  
5 into Roni Hayon's personal account for the Chase Bank  
6 account that he shared with Adii Karter for the month of  
7 November 2010 to December 2010?

8 A Yes.

9 Q And, showing you the first page of Exhibit 59, is  
10 this the account statement for a joint account that Roni  
11 Hayon and Adii Karter had with Chase Bank in 2010?

12 A It is.

13 Q And does it include a deposit on November 15th, a  
14 deposit of \$1,300?

15 A Yes.

16 Q And did you compare that with other records that  
17 we had obtained via search warrant from Chase Bank?

18 A I did.

19 Q Did you see a deposit slip for that particular  
20 transaction?

21 A I did.

22 Q And is that deposit slip for November 15, 2010?

23 A Yes.

24 Q And is it in the amount of \$1,300?

25 A It is.

26 Q And, associated with that deposit, was there a  
27 postal money order that was included with the deposit slip?

28 A There is.

1 Q Is that a postal money order payable to Fast Move,  
2 Inc.?

3 A It is.

4 Q And is the person identified as having been the  
5 purchaser on the transaction Linda Litzenberg?

6 A It is.

7 Q And does it have the name Roni Hayon added to --  
8 or also on the postal money order to the right of Fast Move,  
9 Inc.?

10 A It does.

11 Q Showing you the next page of Exhibit 59, did you  
12 see another money order -- postal money order -- in the  
13 amount of \$1,000 that was payable to Fast Move, Inc. or Roni  
14 Hayon?

15 A I did.

16 Q And was the purchaser identified as Linda  
17 Litzenberg?

18 A Yes.

19 Q Based on that, did you conclude whether or not the  
20 postal money orders payable to Fast Move, Inc. paid by Linda  
21 Litzenberg had been deposited to personal account for Roni  
22 Hayon and Adii Karter?

23 A They were.

24 Q Showing you Exhibit 471, did you examine a series  
25 of checks that were from the Chase account for Maya Retail?

26 A I did.

27 Q And, referring you to the first page of  
28 Exhibit 471, does this appear to be Maya Retail check number

1 108?

2 A It is.

3 Q And does it appear that the date of the  
4 transaction was at or near December 12, 2006?

5 A Yes.

6 Q That particular check, do you see an entry as the  
7 payee which is crossed out?

8 A Yes.

9 Q And does it have something related to toys and  
10 then crossed out and then says cash?

11 A It does.

12 Q Is it in the amount of \$5,920?

13 A Yes.

14 Q And, referring you to the endorsement, did you see  
15 an endorsement that you recognized?

16 A I do recognize the endorsement.

17 Q Whose signature do you recognize?

18 A I recognize that as Roni Hayon's signature and his  
19 driver's license number.

20 Q All right. So you were able to compare the  
21 information as to the driver's license that that was Roni  
22 Hayon's driver's license used to cash that check?

23 A I did.

24 Q Now, can you tell me -- and we are going to  
25 discuss more information about money laundering. But are  
26 checks written to cash among the types of monetary  
27 instruments that fall under money laundering?

28 A They are.



1 Q Would there have to be over \$5,000 in a week in  
2 order to qualify as a transaction that is possibly subject  
3 to money laundering analysis?

4 A Yes.

5 Q Referring you to the next page of Exhibit 471, is  
6 this a check number 116 payable to Tomer Mesica, spelled  
7 T-o-m-e-r M-e-s-i-c-a, in the amount of \$2,000?

8 A It is. Yes.

9 Q Is that from Maya Retail to Mr. Mesica?

10 A It is.

11 Q Is it in the amount of \$2,000?

12 A It is.

13 Q Referring you to the next page of Exhibit 471, is  
14 this a Maya Retail check number 117 that's payable to  
15 someone by the name of Adii Therese Karter?

16 A It is.

17 Q Is that a transaction dated February 7th of 2007?

18 A It is.

19 Q And is it in the amount \$2,500?

20 A It is.

21 Q Does it have an endorsement on the back?

22 A It does.

23 Q Is the endorsement at an unusual place?

24 A No. It's in the center of the check.

25 Q So would that appear that whoever endorsed the  
26 check was not familiar with the endorsement area on the  
27 right-hand side?

28 A Yes.

1 Q Showing you Exhibit 471, the third page, do you  
2 see a check number 118 payable to Ido Oren?

3 A Yes.

4 Q Is that a Maya Retail check in the amount of \$300?

5 A Yes.

6 Q Does it appear that the transaction was on  
7 February 7th of 2007?

8 A It does.

9 Q And does that check also have an endorsement?

10 A It does.

11 Q Did you understand what Maya Retail was?

12 A I did.

13 Q On your investigation?

14 A I did.

15 Q What is Maya Retail as you understood it?

16 A I understood it to be a series of retail booths  
17 located in local malls that sold personal perfume type  
18 products.

19 Q And, based on what you know, was Roni Hayon the  
20 person that was responsible for Maya Retail, Inc.?

21 A Yes.

22 Q I'd like to have you take a look again at  
23 Exhibit 35, which was the DMV records. And if you could  
24 tell me whether you see an entry for Noam Israeli.

25 A I see the entry. Yes.

26 Q Okay. Does that pertain to a 2007 BMW?

27 A Yes.

28 Q Does it identify Roni Hayon as the other owner on

1 that vehicle?

2 A Yes.

3 Q And does it have the home address of Roni Hayon at  
4 977 Sweet Avenue?

5 A It does.

6 Q So do you believe that Roni Hayon also owned the  
7 BMW with Noam Israeli?

8 A He did.

9 Q Have I asked you to look at records that were  
10 obtained through the search warrant on Paychex?

11 A Yes.

12 Q And did you review a selection of checks that --  
13 I'll revisit that in a moment.

14 Showing you Exhibit 472, did you see some evidence  
15 that Adii Karter made or was involved in handling banking  
16 transactions on behalf of Roni Hayon?

17 A She was.

18 Q And did you see evidence that she was involved in  
19 making a transaction on behalf of Fast Moving Van Lines?

20 A Yes.

21 Q I'm referring you to Exhibit 472. Did you see an  
22 entry for June 24th, 2008, that appears to be a check  
23 deposit of \$1,200?

24 A I did.

25 Q Was that endorsed by someone that appeared to be  
26 Adii Karter?

27 A Yes.

28 Q And was that conclusion based on other samples of

1 her signature that you had seen?

2 A It is.

3 Q Referring you, again, to Exhibit 471, the check  
4 that was payable to Adii Karter from Maya Retail, is that  
5 endorsement on the back one sample that you reviewed?

6 A It is one.

7 Q So, again, showing you Exhibit 472, do you see the  
8 deposit slip?

9 A I do.

10 Q And did you also look at records for Bank of the  
11 West where Adii Karter had signed documents?

12 A Yes.

13 Q Showing you page ending in 3083 of Exhibit 230,  
14 was this one of the signature samples that you reviewed?

15 A Yes.

16 Q And did you compare that with the entry for  
17 Exhibit 472?

18 A Yes.

19 Q Showing you Exhibit 230, page ending in 63102, did  
20 this account for Bank of the West include other samples  
21 where there were checks written by Adii Karter that appeared  
22 to have her signature?

23 A Yes.

24 Q And so is check number 9039 another example of her  
25 signature?

26 A It is.

27 Q And is check number 9104 an example of her  
28 signature?

1 A Yes.

2 Q And did the various samples lead you to conclude  
3 that Exhibit 472 also had her signature on it?

4 A It did.

5 Q Showing you Exhibit Number 473, did you review a  
6 batch of identified checks that were ASAP Relocations  
7 payable to Maya Retail?

8 A Yes.

9 Q Do you know of any reason why a moving company  
10 would invest in a beauty kiosk business?

11 A I do not.

12 Q Were there at least two checks from ASAP in the  
13 amount of \$10,000 each that were payable to Maya Retail?

14 A Yes.

15 Q Showing you Exhibit 474, did you locate a series  
16 of checks that were payable to Ido Or from ASAP?

17 A Yes.

18 Q And, on the back, the endorsement part of that  
19 page, it had a signature that you believe is the signature  
20 for Ido Or.

21 A Yes.

22 Q Did you see any documents in the course of your  
23 investigation that appeared to have the name Ido Or but not  
24 the real signature of Ido Or?

25 A Yes.

26 Q Yes?

27 A Yes.

28 Q Showing you the next page of Exhibit 474, is this

1 check number 1352, from ASAP to Ido Or?

2 A Yes.

3 Q And does it also have an endorsement for Ido Or?

4 A Yes.

5 Q So is this entire exhibit composed of checks  
6 payable from ASAP to Ido Or?

7 A Yes.

8 Q Showing you Exhibit Number 475, did you also  
9 identify a transaction where there was a withdrawal by Roni  
10 Hayon from an account for Fast Moving Van Lines to purchase  
11 a cashiers check for Ido Or?

12 A Yes.

13 Q Is that a transaction dated April 3rd of 2009?

14 A It is.

15 Q And was the bank able to provide this cashiers  
16 check that went with this particular withdrawal?

17 A I don't know on that one specifically.

18 Q All right. Has it been difficult to get all the  
19 cashiers checks that are associated with this case?

20 A Yes.

21 Q And has that process been an ongoing one where we  
22 have gotten checks up until within the last month or so?

23 A Yes.

24 Q So can you tell, by looking at the document,  
25 though, that it appears to be a withdrawal from the Fast  
26 Moves account for the purpose of purchasing an official  
27 check payable to Ido Or?

28 A It is.

1 Q Showing you Exhibit 476, is this a batch of  
2 documents that consist of ASAP checks payable to Fast Moving  
3 Van Lines?

4 A It is.

5 Q So is the entire batch composed of ASAP checks  
6 payable to Fast Moving Van Lines?

7 A It is.

8 Q Showing you Exhibit 477, did you examine the  
9 deposits into Fast Moving Van Lines to see if there were any  
10 identifiers on those deposits?

11 A Yes.

12 Q And did you see a pattern of deposits that had  
13 initials AR?

14 A I did.

15 Q And do you associate the AR with anyone from the  
16 Ringwood address at ASAP?

17 A Yes. They are the initials of Adalinda Reyna  
18 Mendoza.

19 Q Is this exhibit composed solely of various  
20 deposits that have initials AR attached to them?

21 A It is.

22 Q Do the initials AR appear on the deposit slips  
23 themselves?

24 A They do.

25 Q I'd like to show you the last two pages of  
26 Exhibit 477 and ask if this appears to be one of those  
27 deposit slips with initials AR on it.

28 A It is.

1 Q And is one of the --

2 I'll refer you to the last page. Does this appear  
3 to be a deposit into the Fast Moves checking account that  
4 has the identification of Adalinda Reyna?

5 A Yes.

6 Q And does it show her address at Balentine Drive in  
7 Newark?

8 A It does.

9 Q Is this one of the indicia that led you to believe  
10 that Adalinda Reyna was also involved with Fast Moving Van  
11 Lines?

12 A It is.

13 MS. DONOHOE: At this time, we are going to take our  
14 noontime break. If you'd come back at 1:30 and we will  
15 complete with Investigator Levy's testimony. And I expect  
16 the only other witness I will have testify is my paralegal  
17 David Ocampo at least for this week.

18 The only remaining matter is I want to find the  
19 letter from Mr. Weigel to put up on the screen. We will  
20 probably start with that at 1:30 when you come back.

21 (Witness admonished by the foreperson.)

22 (Grand jury admonished by the  
23 foreperson.)

24 (Recess.)

25 MS. DONOHOE: As I mentioned, I found the letter. I  
26 forgot that I had marked it as exhibit. This is the letter  
27 from Mr. Weigel, and I am going to put it on the screen.  
28 This is Exhibit Number 366. And so if you will take a look



1 at that.

2 And one of the witnesses that he wanted,  
3 potentially, to have called was Angela Janini. And she was  
4 to confirm that sales staff did not have anything to do with  
5 changes in price once the move was booked, all price quotes  
6 were based upon a schedule given to all sales staff, sales  
7 staff had extremely limited interaction with customers once  
8 the move was booked, sales staff were not directed in any  
9 way to intentionally give lowball quotes, complaints were  
10 not handled by sales staff nor were the nature of customer  
11 complaints ever passed on to sales staff.

12 So, as you know now, Ms. Janini has been  
13 subpoenaed. So, if you do want her to come in and testify,  
14 please let me know. We will go outside and let you confer  
15 about that and come back in.

16 (Grand jury in deliberation.)

17 THE FOREPERSON: We believe we have a pretty consistent  
18 idea what the sales staff was instructed to do. Therefore,  
19 we don't need to call any additional witnesses.

20 MS. DONOHOE: Thank you. Then I'm going to call --

21 One other housekeeping matter. Today, as I  
22 mentioned, they have a mock court today. We have to be  
23 packed up. So we are going to end at 4:15 so that the  
24 equipment can be moved away in time for us to be out of here  
25 by 4:30. You will be able to go at 4:15. All right.

26 Q (BY MS. DONOHOE) Okay. Mr. Levy, returning to  
27 your testimony, you are still under oath.

28 I'm going to shift gears for a moment. We've just

1 had a housekeeping matter that was about exculpatory  
2 evidence. So this would be a good time to ask you, in the  
3 course of your review of the materials that were seized  
4 pursuant to search warrant at the Ringwood address, did you  
5 locate a file entitled ABM references?

6 A Yes.

7 Q I'd like to show you Exhibit 478. Is this the  
8 outside of -- a copy of that folder that you found?

9 A It is.

10 Q And was it located in room F at the Ringwood  
11 address?

12 A Yes.

13 Q And does it consist of a stack of reviews of  
14 America's Best Movers?

15 A It does.

16 Q And was this a standard-type form that you saw in  
17 use in the business?

18 A Yep.

19 Q And so would this consist of a set of reviews that  
20 is what you could call at least good to excellent?

21 A If I remember right, all of them in that  
22 particular file were good to excellent.

23 Q So is this potentially exculpatory information?

24 A Yes, it would be.

25 Q Returning to our checks, referring you to  
26 Exhibit 372, I'd like to show you a record that was obtained  
27 through Paychex. And do you see a letter that is addressed  
28 there to Maoz Kadash?

1 A Yes.

2 Q Does it reference someone by the name of Giorgi  
3 Asatiani?

4 A Yes, it does.

5 Q Is the letter addressed to ASAP Relocations?

6 A It is.

7 Q Did you find, in the check records, information  
8 that pertained to Mr. Asatiani? I'll show you Exhibit  
9 Number 373.

10 A Yes.

11 Q Is that a copy of a cashiers check from Wells  
12 Fargo Bank?

13 A It is.

14 Q And did you also locate a withdrawal slip relating  
15 to that particular cashiers check?

16 A Yes.

17 Q And did you note that the copy of the withdrawal  
18 slip had the initials MK on it?

19 A I did.

20 Q And did you, in the course of your review of  
21 various records, identify the initials MK on many different  
22 documents?

23 A Yes.

24 Q In the bank records?

25 A Yes.

26 Q Showing you Exhibit 479, does this exhibit consist  
27 of various bank documents relating to the ASAP account at  
28 Wells Fargo Bank that include the initials MK?

1 A It does.

2 Q So, for instance, would this one be for a date of  
3 August 25th, '05?

4 A Yes, it is.

5 Q Did you locate numerous deposit slips that had MK  
6 noted on it?

7 A Yes.

8 Q And, showing you the second one, is this one also  
9 September 2005?

10 A Yes.

11 Q Do we go all the way to the Asatiani check to  
12 October 13th of '06?

13 A Yes.

14 Q So is that the withdrawal slip with initials MK?

15 A It is.

16 Q And does it match with Exhibit 373, the document  
17 we looked at earlier?

18 A They do match.

19 Q And the very last page of the exhibit, does that  
20 appear to be a transaction on the ASAP account for  
21 October 20, 2006?

22 A Yes.

23 Q And, in this instance, is the name Maoz Kadesh  
24 written out on the withdrawal slip?

25 A It is.

26 Q Did you also see information that indicated that  
27 Maoz Kadesh had signature authority over the account so that  
28 he could do withdrawals?

1 A Yes.

2 Q Showing you Exhibit 48, did you also locate, among  
3 the records for the Washington Mutual account for Fast  
4 Moving Van Lines, examples of checks that were payable to  
5 Roni Hayon?

6 A Yes.

7 Q So does Exhibit 480 consist of a number of checks  
8 that are payable to Roni Hayon?

9 A Yes.

10 Q So is the first one a check dated July 2nd of  
11 2009, for \$5,000?

12 A It is.

13 Q And is the next check dated November 20th, 2009,  
14 for \$3,000?

15 A Yes.

16 Q And is there also a cashiers check record --  
17 excuse me -- withdrawal record dated July 14, 2009?

18 A Yes.

19 Q Does this appear to have been for the purchase of  
20 an official check payable to Roni Hayon?

21 A Yes, it is.

22 Q Now, we heard testimony from Investigator Gordon  
23 Bowen about the day that there was a review of the briefcase  
24 of Roni Hayon. And, at that time, I believe you were  
25 notified about the contents of the briefcase. Were you  
26 present when that occurred?

27 A Yes, I was.

28 Q And I think you've already told us that the

1 contents of the briefcase raised issues for you in terms of  
2 your knowledge of money laundering. Can you tell us why  
3 that was that it raised your concerns?

4 A You had, in this aluminum metal briefcase, a group  
5 of official checks in multiple first names but all last name  
6 of Hayon. At that point, I didn't know who these people  
7 were, but I recognized that as a technique for hiding or  
8 laundering money so that, if you open an account in a given  
9 last name, a bank will accept those official checks as  
10 deposits. So it's a way to separate the source of the money  
11 from where it ends up.

12 In addition, you had the journal that identified  
13 all of the cash coming into Mr. Hayon's business. You had  
14 travellers checks. I don't remember the amount. I want to  
15 say quite a bit of money in travellers checks. And all of  
16 that combined in one briefcase, based on my experience, it  
17 is someone who is in the business of doing cash business in  
18 large sums of money, someone who is either purchasing or  
19 making transactions and moving money in an attempt to  
20 disguise those transactions.

21 Q Can you tell us what money laundering is?

22 A Money laundering -- well, there's the legal  
23 definition which you described earlier where, if you deposit  
24 -- I don't have it in front of me -- a given amount -- I  
25 want to say \$5,000 -- in how many days?

26 Q One week.

27 A Thank you.

28 Q I will let the grand jurors know there's a

1 specific instruction about money laundering that you will  
2 hear about the case.

3 A I'm going to summarize by saying it's a series of  
4 transactions at a specific amount or more that are the  
5 product of some illegal business with the intent to evade  
6 the regulatory documenting and/or processing of the money.  
7 That's just a summary.

8 Q Is it necessary that the business, in fact, be  
9 illegal, if the money is being disguised, to commit a crime?  
10 If the money is being used or is being transferred in such a  
11 way to prevent it from being notified to taxing authorities,  
12 would that also constitute money laundering?

13 A It would.

14 Q Could you operate a perfectly legitimate business  
15 and generate income and if you conceal that income from  
16 taxing authorities, would that be money laundering if it met  
17 the threshold of \$5,000 in one week and \$25,000 in one  
18 month?

19 A Yes.

20 Q And do the transactions have to involve cash or  
21 cashiers checks?

22 A They can involve any financial instrument. It  
23 could be a check, cash.

24 Q Is it true that the check must be written to cash  
25 in order to constitute a monetary instrument that is subject  
26 to money laundering analysis?

27 A No. It doesn't have to say cash. It can be a  
28 third party's name.

1           Q     In regard to your investigation of these matters,  
2 did you work with someone else in terms of the analysis of  
3 information that was gathered pursuant to the search  
4 warrants?

5           A     Yes.

6           Q     Who did you work with on it?

7           A     I worked with Bob Gorini. I worked with, from  
8 Franchise Tax Board --

9           Q     Oh, Kathryn Yee?

10          A     Thank you. There were other folks. It's been a  
11 long period of time. So there were other people besides  
12 those two.

13          Q     Did you get any information from Bob Gorini that  
14 was of assistance in your investigation?

15          A     Yes.

16          Q     What did you get?

17          A     He did the analysis of the ledgers. There were  
18 two sources of ledgers that were handwritten. One was in  
19 the white metal briefcase we've just described. The second  
20 was a binder that was found in Mr. Hayon's office during the  
21 search warrant. And, from those totals, Mr. Gorini was able  
22 to determine how much cash, at a given period of time,  
23 Mr. Hayon had taken in. And, at the same time, Mr. Gorini  
24 used those numbers to assess the amount of payroll --

25          Q     Yes.

26          A     -- for that matter.

27          Q     I'd like to show you Exhibit 453 and ask you:  
28 This is a summary that was provided to you by Bob Gorini



1 based on the pink binder?

2 A Yes, it is.

3 Q And so was this a typed summary of the pink binder  
4 that was found in Roni Hayon's office?

5 A It is.

6 Q And does it break down the amounts of money that  
7 were available in cash to Roni Hayon based on the contents  
8 of that binder?

9 A It does.

10 Q It does it by date?

11 A It does.

12 Q Was this one of the items that you were referring  
13 to in the course of your money laundering investigation?

14 A It is.

15 Q Showing you Exhibit 461, is this another summary  
16 of handwritten ledgers that Bob Gorini provided?

17 A It is.

18 Q Is this based on the ledger that was found in the  
19 briefcase?

20 A It is.

21 Q Did he actually produce more extensive and typed  
22 summary or typed duplication of that ledger?

23 A He did.

24 Q So is this simply the summary sheet based on the  
25 entire contents of the ledger?

26 A Yes, it is a summary sheet.

27 Q And that was created by Bob Gorini?

28 A It was.

1 Q Was that something you were referring to during  
2 the course of your investigation of the money laundering?

3 A It is.

4 Q Did you select a few examples to go into detail on  
5 in connection with this investigation?

6 A I did.

7 Q And I'd like to show you and have marked as  
8 Exhibit Number 481 a summary of June 2009.

9 A Yes, I recognize that chart.

10 Q Did you create that in connection with the report  
11 that you did about a series of transactions that you  
12 observed based on the bank records that Roni Hayon and Adii  
13 Karter were involved in?

14 A Yes.

15 Q And can you tell us how you went about creating  
16 this chart?

17 A Yes. The context of the report involves three  
18 years of financial activities involving Mr. Hayon,  
19 Ms. Karter, and their related business. In going through  
20 the nature of their financial transactions, basically they  
21 were moving money in multiple directions at multiple times.

22 So what I tried to do here is clarify on specific  
23 transactions that fit the elements of money laundering and  
24 identify them and just focus on given transactions and given  
25 period of time. This chart right here is the product of  
26 that where we are looking at transactions in June, July, and  
27 September 2009.

28 Q And so did you, based on the bank records that you

1 looked at, determine that the Fast Moving Van Lines account  
2 was being used for money laundering activity?

3 A Yes.

4 Q Were there certain things about the entire Fast  
5 Moving business that led you to believe that that was a  
6 criminal enterprise?

7 A Yes. The Fast Moving account did not have moneys  
8 coming in from clients or business and going out to pay  
9 bills, rent, overhead, or payroll, like you would see in a  
10 typical business account. It was more of money being put  
11 into -- deposited into that account and then located or  
12 withdrawn out of it. Money put into the account and money  
13 moved out of it.

14 Q Did you see what you believed to be transactions  
15 to pay the staff of movers that were working for the various  
16 businesses at Ringwood Drive?

17 A No. I don't recall seeing any payroll out of the  
18 Fast Move account.

19 Q Do you remember seeing payments to workers at Fast  
20 Moves?

21 A There might have been some. I'm not clear right  
22 now on that part.

23 Q Okay. Perhaps I'll show you an exhibit later on.

24 And did you see cash or did you see withdrawals by  
25 Roni Hayon after he had made deposits of cash into the Fast  
26 Moves account?

27 A I did.

28 Q Did he make withdrawals that were for the benefit

1 of himself?

2 A He did.

3 Q And so do you want to run through your chart and  
4 tell us the things that you identified?

5 A Yes.

6 Q Are you able to see it from there?

7 A Yes, I am.

8 First line, June 10, 2009. The account we are  
9 talking about, Fast Moves, Chase Bank. Mr. Hayon makes a  
10 cash deposit of \$5,000. Later that same day, he makes a  
11 cash withdrawal of \$5,000 and then purchases an official  
12 check for the same amount. Later the same day, he makes a  
13 third transaction which is a cash withdrawal for \$5,000 and  
14 purchases an official check payable to Eti Hayon.

15 The second group of transactions are July 13,  
16 2009.

17 Q Let me stop you there. In that first group of  
18 transactions that occurred on June 10, 2009, do you have the  
19 elements of money laundering in that? Are there amounts in  
20 excess of \$5,000 in one week?

21 A Yes.

22 Q And would each transaction that occurred on  
23 June 10th of 2009 potentially stand for one money laundering  
24 count?

25 A Yes, potentially.

26 Q And then if you will go onto July 13th of 2009.

27 A July 13, 2009. This is a transaction that  
28 involved Bank of America, Mr. Hayon's account. He did a

1 cash deposit in that account of \$5,000.

2 And, the following day, at the Chase bank, account  
3 for Fast Moves, he withdrew --

4 Q Are you able to see it?

5 A Yeah, \$9,000. And --

6 Q I'll bring it to you.

7 A Thank you.

8 Let me back up. Cash deposit of \$6,000 at Bank of  
9 America.

10 July 14, 2009, cash withdrawal of \$9,000. And,  
11 after that withdrawal, he purchased an official check  
12 payable to himself for \$5,000 and then purchased a second  
13 official check payable to Eti Hayon for \$4,000.

14 Q Now, during the same period of time, was Mr. Hayon  
15 openly responsible for Fast Moving Van Lines?

16 A When you say openly --

17 Q In dealing with the public, was he ostensibly the  
18 owner or person entitled to transact on the account?

19 A Mr. Hayon said he had nothing to do with that  
20 business.

21 Q So the fact that he is engaged in these  
22 transactions with the Fast Moving Van Lines account when he  
23 denied any involvement with the business --

24 A Correct.

25 Q Did that indicate to you that this was in part an  
26 indicia of money laundering?

27 A Yes.

28 Q Okay. If you could go onto the next series of

1 transactions. I can't show it on the screen right now, but  
2 can you tell us the dates for the bottom two entries for  
3 Chase and Wells Fargo?

4 A Yes. September 3rd, 2009, the Chase account for  
5 Fast Moves, cash withdrawal for Roni Hayon for \$9,000, and  
6 he purchased an official check payable to himself. Then, on  
7 September 8th, 2009 -- this was a Wells Fargo account; the  
8 account was for ASAP Relocations -- Hayon withdrew \$14,500.

9 Q Now, is the next page another series of  
10 transactions that you found that you believed constituted  
11 money laundering?

12 A Yes.

13 Q And can you see the first date July 1st, 2010?

14 A I can.

15 Q Did that involve a transaction on the Wells Fargo  
16 account for Roni Hayon where he deposited \$640?

17 A It did.

18 Q And you have a notation over there that the  
19 deposit matches journal entry cash received. What does that  
20 mean?

21 A That refers to the ledgers that I described  
22 earlier. The amount of that deposit and the date of that  
23 deposit match cash that Mr. Hayon received at that time.

24 Q Okay. And so there was a specific entry on the  
25 ledgers for \$640?

26 A There was.

27 Q And then the next entry for July 6, 2010. Was  
28 there a transaction on the ASAP checking account where Roni

1 Hayon withdrew \$2,000 in cash?

2 A Yes.

3 Q And, on July 7th of 2010, was there another cash  
4 withdrawal by Roni Hayon from the ASAP checking account?

5 A There was.

6 Q Was it in the amount of \$2,500?

7 A Yes.

8 Q And then, on July 9th of 2010, was there a cash  
9 deposit of \$12,650 by Adii Karter?

10 A I believe that's \$850. But, yes, there was.

11 Q Oh, I'm sorry. \$860.

12 A Sixty. Excuse me.

13 Q So \$860 on July 9th of 2010?

14 A Yes.

15 Q And was that into the account -- the joint account  
16 for Roni Hayon and Adii Karter?

17 A It was.

18 Q And, thereafter, on July 9, 2010, was there  
19 additional transactions by Adii Karter?

20 A Yes. She purchased two official checks for  
21 \$5,000. One of those \$5,000 checks was payable to Roni  
22 Hayon. The second one was payable to Eti Hayon. And the  
23 balance remained in the account.

24 Q And did you also examine a series of transactions  
25 for 2011?

26 A Yes.

27 Q Now, are these just a snap shot of transactions?  
28 Are there actually many more transactions than just these?

1           A     Exactly.  These are snapshots.  There are volumes  
2 of transactions like this going on all the time.  You are  
3 absolutely right.  These are snapshots to give a view of  
4 what type of banking account activities are occurring during  
5 this period of time.

6           Q     What was happening in February 2011?  If you need  
7 it up front, I can bring it to you.

8           A     February 2011, Mr. Hayon was aware that he was  
9 being investigated by myself and multiple agencies.

10          Q     Had the search warrant already occurred on his  
11 business at Ringwood?

12          A     It had.

13          Q     And, on February 15th of 2011, did you see  
14 evidence of a deposit by someone named Olga Avetan into the  
15 Chase/WaMu account for Roni Hayon and Adii Karter?

16          A     Yes.

17          Q     Did you know who Olga Avetan was?

18          A     Yes.

19          Q     Who is Olga Avetan?

20          A     Olga Avetan is Oren Avetan's sister.  Oren Avetan  
21 is or was the operator of another moving company here who we  
22 were doing a parallel investigation of.  I became aware of  
23 who she was when she came to Palo Alto to close out her  
24 brother's safe deposit box.

25          Q     All right.  So you were already familiar with Olga  
26 Avetan before you saw this document or any documents  
27 relating to her and Roni Hayon's account?

28          A     Yes.



1 Q And you said her brother is Oren. Can you spell  
2 Oren?

3 A I believe it's O-r-e-n.

4 Q And, at the time that you became familiar with  
5 her, were you involved in any specific activities relating  
6 to banking or financial transactions that she was handling?

7 A Yes. She resides in the Las Vegas area. Her  
8 brother had left the area. There's an outstanding warrant  
9 for him.

10 Oren Avetan had a PO box in Palo Alto. What's  
11 unique about this is this is a PO box -- excuse me -- a safe  
12 deposit box in a conventional bank. There are businesses  
13 whose profession is to provide services to folks not  
14 affiliated with banks that operate safe deposit boxes.

15 And, in this private business, her brother had  
16 fled the area and abandoned that safe deposit box. And I  
17 learned of it after the fact. So I went up and interviewed  
18 the business operator. And he explained that, just weeks or  
19 days prior to my arrival, Olga Avetan, who identified  
20 herself to him as Oren's sister, had provided identification  
21 and legal authorization to access and empty all the contents  
22 from that safe deposit box.

23 Q All right. Do you know whether there was any --  
24 what the timing was in comparison to this incident, whether  
25 there was any relation?

26 A I want to say a few days to no more than two  
27 weeks. It's been a while.

28 Q This transaction, the top column has notes

1 regarding attempted deposit of \$15,500. Is there something  
2 you noted about that transaction in terms of the deposit  
3 statements?

4 A Yes. The deposit slip had the original amount of  
5 \$15,500 written on it. And there was a line through and it  
6 was modified to a \$10,000 deposit.

7 Q And was there also a second deposit of \$5,500?

8 A Yes, made at the same time.

9 Q And were those deposits split between bank  
10 accounts?

11 A No. They are made into the same account.

12 Q It was originally a \$15,500 deposit potentially.  
13 Would that type of deposit have triggered the filing of a  
14 cash transaction report?

15 A It would have. Yes.

16 Q And, if the deposits are \$10,000 or less, is there  
17 a need for a cash transaction report?

18 A No, there isn't.

19 Q Could the bank file some other type of report if  
20 it falls below \$10,000?

21 A Yes, they could.

22 Q What type of report would the bank file?

23 A The bank has the option of filing what's called  
24 suspicious activity report. This would be an example of  
25 that. My experience in talking with bank staff, if someone  
26 is depositing \$15,000, they will notify the person that they  
27 are required to complete the report. If that person  
28 modifies the deposit or if there's some reason that the bank

1 staff person feels this is not a normal process or  
2 suspicious, they will do a suspicious activity report, like  
3 I described.

4 Q So, if the customer wouldn't necessarily have to  
5 fill out the cash transaction report, but the bank would  
6 still fill out a report; is that right?

7 A Yes.

8 Q All right. So those deposits of \$15,500 went into  
9 the bank account for Adii Karter and Roni Hayon?

10 A It did.

11 Q And then was there another transaction on  
12 February 16th of 2011?

13 A There was. There was a withdrawal by Mr. Hayon of  
14 \$8,000 cash withdrawal.

15 Q And was there also a deposit on that date into the  
16 Wells Fargo Bank account for ASAP Relocations?

17 A There was.

18 Q How much was the deposit made?

19 A The deposit was \$7,497.

20 Q And was it cash or check?

21 A Well, the deposit was an official check deposited  
22 into that ASAP account.

23 Q All right. Was Roni Hayon the purchaser of that  
24 cashiers check?

25 A He was.

26 Q And do cashiers checks also constitute money  
27 laundering if there's an effort to conceal the source?

28 A Yes.

1           Q     On February 21st, 2011, was there another  
2 transaction by Roni Hayon or Adii Karter using the  
3 Hayon/Karter account?

4           A     Yes. Roni Hayon made a cash withdrawal of \$2,000.

5           Q     What did he do with the \$2,000?

6           A     He purchased an official check payable to ASAP  
7 Relocations.

8           Q     And, on March 10th of 2011, was there a  
9 transaction on the Karter/Hayon account?

10          A     Yes. There was a cash deposit of \$14,000 followed  
11 by a withdrawal of \$12,000. And that \$12,000 was then for  
12 the purchase of an official check for \$12,000.

13          Q     Who was that payable to?

14          A     Roni Hayon.

15          Q     And, on March 21st of 2011, was there a  
16 transaction on the Chase account for Fast Moving Van Lines?

17          A     Yes.

18          Q     What happened on that day?

19          A     That was the cash withdrawal for \$2,000.

20          Q     Who was the withdrawal by?

21          A     Roni Hayon.

22          Q     On March 31st, 2011, was there a transaction on  
23 the Hayon/Karter account as of that date March 31st?

24          A     Yes. There was cash deposited by Roni Hayon of  
25 \$3,051. And that money --

26          Q     What happened with that money? It was just  
27 deposited?

28          A     Yeah, it was deposited.

1                   What you have in the next line is my header  
2 from -- transposed with the remainder of the chart.

3           Q     On April 14, 2011, was there a transaction with  
4 the Fast Moving Van Lines account at Chase Bank?

5           A     Yes. It was a cash withdrawal and the purchase of  
6 an official check payable to ASAP Relocations.

7           Q     Who did the cash withdrawal?

8           A     Roni Hayon.

9           Q     And you have the exhibit in front of you. So, on  
10 June 1st, 2011, was there another cash withdrawal by Roni  
11 Hayon from the Chase Fast Moving account?

12          A     There was.

13          Q     How much was the withdrawal?

14          A     \$1,324.

15          Q     And, on June 1st, 2011, was there a second cash  
16 withdrawal by Roni Hayon from the Fast Moving 1045 account  
17 at Chase Bank?

18          A     Yes, additional \$2,300.

19          Q     And, on July 21st of 2011, was there another cash  
20 withdrawal by Roni Hayon from the Fast Moving Van Lines  
21 Chase account?

22          A     Yes, additional \$2,500.

23          Q     So are there many other transactions of this  
24 nature for each year that you examined for these various  
25 accounts?

26          A     Yes.

27          Q     Did you focus on a transaction that specifically  
28 involved or a series of transactions that involved events

1 relating to the shipment of a BMW?

2 A Yes.

3 Q I'd like to show you a chart. I'd like to mark  
4 this as Exhibit 482. Is this a chart that relates to the  
5 transaction involving the BMW?

6 A It is.

7 Q Can you tell us did your investigation relating to  
8 the BMW begin as to when the BMW was purchased?

9 A It did.

10 Q Do you recall what year the BMW was purchased?

11 A I don't recall that. It's in my report.

12 Q Would it refresh your recollection to refer to  
13 your report?

14 A Yes.

15 Q Okay. Take a look at that.

16 A (Complying.)

17 Roni Hayon and Adii Karter purchased that on  
18 December 12, 2009.

19 Q Does it indicate what type of BMW it was?

20 A It was an SUV-type model. Beyond that, I don't  
21 recall.

22 Q Do you know what the purchase price of the BMW  
23 was?

24 A The records indicate the purchase price of the  
25 vehicle was approximately \$59,470.

26 Q And the records you are referring to, are they  
27 financial records that you obtained from BMW Finance Group?

28 A Yes, they are.

1 Q And so they are among the records that you laid  
2 the business records foundation for earlier today?

3 A Yes.

4 Q Is this summary based on those records?

5 A It is.

6 Q Is it something that you created after you had  
7 reviewed the BMW financial records?

8 A It is.

9 Q And what is this first page of Exhibit 482? What  
10 does it show?

11 A The chart on the screen is a series of online bank  
12 transfers made to the -- from the checking account Wells  
13 Fargo 0429 account directly to BMW Financial Services as  
14 payment toward the vehicle separate from their monthly  
15 payment.

16 Q The account that you are referencing, is that the  
17 Wells Fargo account for ASAP Relocations?

18 A It is.

19 Q So you indicated that the vehicle was purchased in  
20 December of 2009. And did payments on the vehicle from the  
21 ASAP account begin in January of 2010?

22 A Yes.

23 Q And were there monthly payments through June of  
24 2010?

25 A Yes.

26 Q Was over \$27,000 paid from the account of ASAP  
27 Relocations towards the purchase of that BMW?

28 A Yes.

1 Q Referring you to the next page of Exhibit 482, are  
2 you able to see that?

3 A Yes.

4 Q And can you tell us what this chart shows?

5 A Just a moment. I'm going to refresh real quick.

6 Yes. This is a series of payments made to BMW  
7 regarding the vehicle.

8 Q And, in regard to this, can you tell us what was  
9 happening in order to pay for the BMW?

10 A Either Roni Hayon or Adii Karter was making  
11 deposits to pay for that.

12 Q Were those cash deposits that they were making?

13 A Yes.

14 Q And was the cash deposited into their personal  
15 accounts?

16 A Yes.

17 Q And so, between May 13th and May 14th, did both  
18 Roni Hayon and Adii Karter make cash deposits of  
19 approximately \$20,000?

20 A Yes.

21 Q And did they split the amounts into two different  
22 accounts that they had with Chase Bank?

23 A They did.

24 Q So one was savings account; one was checking  
25 account?

26 A Yes.

27 Q On May 13th, did Roni make a deposit of \$7,000 to  
28 the checking account?



1 A Yes.

2 Q And, on May 13th, did he make a deposit of \$3,000  
3 to the savings account?

4 A Yes.

5 Q On the next day, did Adii Karter make a deposit of  
6 \$7,000 to the checking account?

7 A Yes.

8 Q And, on May 14th, did she make a deposit of \$3,000  
9 to the savings account?

10 A Correct.

11 Q At that point, on May 14th of 2010, was there a  
12 transfer of \$6,000 from their savings to their checking  
13 account?

14 A Correct. Yes, there was.

15 Q Even though they had just deposited the \$3,000  
16 each on two succeeding days, they moved it over into their  
17 checking account on May 14th?

18 A They did.

19 Q Did that type of activity -- is that something  
20 that would be a red flag as to whether or not some sort of  
21 money laundering was going on?

22 A Yes.

23 Q Why?

24 A Again, they are trying to conduct a series of  
25 transactions to separate the money from where it originated.

26 Q Would they have to complete a CTR, cash  
27 transaction report, if they were depositing the money in  
28 this fashion?

1           A     If they would have tried to deposit all the money  
2 at the same time, they would have. They avoided reporting  
3 by breaking up the amounts of the deposits over a period of  
4 time.

5           Q     So, once the \$6,000 was transferred over into the  
6 checking account on May 14th, was there a payment made to  
7 BMW?

8           A     There was.

9           Q     Was that in the amount of \$15,000?

10          A     It was.

11          Q     And then, in the next month, were there additional  
12 deposits made on June 4th of 2010?

13          A     Yes.

14          Q     Who made deposits on June 4th, 2010?

15          A     Adii Karter made the deposit on June 4th.

16          Q     And what was the amount of cash deposited on  
17 June 4th?

18          A     \$9,000.

19          Q     The \$9,000 amount, was that something that raised  
20 a red flag for you?

21          A     In two ways. One, the prior activity followed up  
22 by the fact that this deposit was \$1,000 less than the  
23 required reporting amount indicated to me they are  
24 continuing to avoid reporting.

25          Q     And then, on June 4th, was there an online payment  
26 to BMW?

27          A     Yes.

28          Q     Was that in the amount of \$6,000?

1 A Yes.

2 Q On June 7th, was there an additional deposit of  
3 cash into the Karter/Hayon account?

4 A Yes.

5 Q What was the amount of the deposit at that point?

6 A \$9,000.

7 Q On that date, was there a subsequent transfer to  
8 the BMW?

9 A There was.

10 Q Was that in the amount of \$9,000?

11 A Yes.

12 Q What was the total amount that was paid to BMW  
13 between the period May 13th to June 7th of 2010?

14 A \$30,000.

15 Q Was that in addition to the \$27,500 that had been  
16 paid from the ASAP checking account?

17 A Yes.

18 Q And did you review records indicating that Adii  
19 Karter and Roni Hayon were able to transfer that or pay off  
20 that vehicle?

21 A Yes.

22 Q Did you gather records to show why they were  
23 engaged in paying off the vehicle as they were?

24 A As to why they were doing it?

25 Q Yes.

26 A I had the records that they did pay it off, and  
27 the BMW Financial records showed that they did do it.

28 Once --

1                   Is your question what they did after they paid it  
2 off?

3           Q     Yes.

4           A     They did a series of -- they went to DMV and  
5 placed the vehicle solely in the name of Adii Karter and  
6 then arranged to have the vehicle shipped to Israel.

7           Q     All right. Did it appear that the planning and  
8 the series of transactions to pay off the vehicle were  
9 related to a plan to ship the vehicle to Israel?

10          A     Yes.

11          Q     Was it necessary for them to pay off the vehicle  
12 before they could ship it?

13          A     Yes, I would presume. I did not ask BMW, but my  
14 experience is, before a lender would allow a vehicle to be  
15 shipped internationally and then also transfer documents,  
16 they want -- the agency that handles the transfer wants the  
17 vehicle paid off before it's shipped overseas. They want to  
18 see that the vehicle is owned wholly by the person shipping  
19 the vehicle.

20          Q     At least, as it appeared for purposes of the  
21 authorities and for anybody who is a lender or a lien  
22 holder, the only person -- the owner of this car at the time  
23 that it was paid off was Adii Karter?

24          A     Correct.

25          Q     So Roni Hayon was no longer on the title?

26          A     Correct.

27          Q     I'd like to show you Exhibit 483. Does this  
28 exhibit relate to transactions on an account for Quick

1 Quotes?

2 A Yes.

3 Q And was Quick Quotes an account that you reviewed  
4 from Bank of the West?

5 A It is.

6 Q Is it the one account that you didn't do a  
7 business record foundation on?

8 A Yes, it is.

9 Q And did this account -- was this account unusual  
10 to you when you reviewed the contents of the records that  
11 were submitted to us after the search warrant?

12 A Yes.

13 Q What was unusual about it?

14 A This account had no normal business transactions  
15 in it. As indicated in the chart, you see deposits followed  
16 by withdraws and a very limited balance maintained in the  
17 account.

18 Q Did you focus on one transaction that occurred on  
19 June 27th of 2008?

20 A Yes.

21 Q What was unusual about that transaction?

22 A June 27th?

23 Q I'm going to give you the document.

24 A Yes. On June 27, 2008, Adii Karter deposited  
25 \$5,000 in cash.

26 Q And, also, on that date, did she write any checks?

27 A Yes. The check was written for \$7,500.

28 Q On that date, did she do another transaction?

1           A     Yes. A cashiers check was purchased for that  
2 amount. Yes, she purchased a cashiers check.

3           Q     Was it in the amount of \$5,000?

4           A     It was.

5           Q     Was that check payable to someone?

6           A     It was. I wish --

7           Q     Showing you a copy of your report.

8           A     It was payable to her Adii Karter. Yes, it was  
9 payable to her.

10          Q     Is her name on the check as the remitter?

11          A     As a purchaser, yes.

12          Q     Who is identified as the person who is to receive  
13 the check?

14          A     The payee? Oh, excuse me. Roni Hayon is the  
15 payee.

16          Q     In terms of that same date on June 27th of 2008,  
17 was there another transaction that Adii Karter had on that  
18 account?

19          A     She did. She withdrew \$2,500.

20          Q     So she came to the bank and deposited \$5,000 and  
21 she left with another \$2,500?

22          A     Correct.

23          Q     And the check to Roni Hayon, did it indicate where  
24 that check was transacted?

25          A     It did. I can't pronounce the name of the city or  
26 the branch. It's, from what I've been able to determine, a  
27 branch in Israel.

28          Q     Can you spell what the name was on that?

1           A     It's spelled -- the branch name is A-f-u-l-a and  
2 the second part, I believe, is I-l-l-i-t. But it's  
3 difficult to read. And that is Bank of Hapoalim, which is  
4 based in Israel.

5           Q     Okay. Thank you.

6                     I'm going to show you a series of transactions.

7                     And, grand jurors, I'm going to refer to overt  
8 acts and counts. However, the indictment is still subject  
9 to modification. So it relates to the indictment that you  
10 have before you, but it is not necessarily going to be the  
11 final numbers.

12                    So, as to an Overt Act 8, did you review documents  
13 that Roni Hayon was involved in withdrawal of checks from  
14 the ASAP account in the amount of \$173,000?

15           A     Yes.

16           Q     And, showing you Exhibit 413, did you review the  
17 ASAP Relocations account and see withdrawals of \$150,000,  
18 \$20,000, and \$3,000, all occurring on February 15th of 2006?

19           A     Yes.

20           Q     And were there withdrawal slips that supported  
21 Roni Hayon had withdrawn those amounts on February 15, 2006?

22           A     Yes.

23           Q     So there was a withdrawal slip for each of those  
24 amounts. Was he also involved in the purchase of a cashiers  
25 check payable to himself in the amount of \$50,000?

26           A     Yes.

27           Q     Did that occur on February 15th of 2006?

28           A     Yes.

1 Q On February 16th of 2006, was there a transfer  
2 from his personal account to a person by the name of Elyahu  
3 Hayon at Bank of Hapoalim?

4 A Yes.

5 Q Was that in the amount of \$25,000?

6 A Yes.

7 Q Showing you Exhibit 484, this would relate to  
8 Overt Act Number 12. Count 1 Overt Act Number 12. Did you  
9 review documents relating to an ASAP check that was payable  
10 to Lehigh Movers in October of 2006? October 13, 2006?

11 A Yes.

12 Q Was that check, although it was payable to Lehigh  
13 Movers, changed to say cash?

14 A Yes.

15 Q Is it in the amount of \$7,500?

16 A It is.

17 Q Did the person who endorsed the check identified  
18 as Maoz?

19 A That's what's written on the endorsement. Yes.

20 Q Did you believe that referred to Maoz Kadesh?

21 A Yes.

22 Q And, showing you the next page, on that same  
23 day -- excuse me -- on October 16th of 2006, was there a  
24 purchase or withdrawal of \$7,000 from the ASAP checking  
25 account?

26 A Yes.

27 Q Was the \$7,000 used to purchase a cashiers check  
28 payable to Eli Hayon on October 14, 2006?



1 A Yes.

2 Q Can you confirm that Maoz Kadesh had signature  
3 authority on the ASAP account which is identified as the  
4 account ending in 0429?

5 A Yes.

6 Q Referring you to Count 1 Overt Act 13 -- I'll  
7 identify this as Exhibit 485 -- is this the series of checks  
8 that you identified earlier that pertained to Maya Retail  
9 payments to the various people, cash, and then Tomer Mesica,  
10 Adii Therese Karter, and Ido Oren?

11 A Yes, it is the same.

12 Q Okay. Referring you to Exhibit 486, Overt Act  
13 Number 24 to Count 1. Did you identify transactions on the  
14 ASAP account where there was a withdrawal of \$15,000 on  
15 September 3rd of 2008?

16 A Yes.

17 Q And then, on September 3rd of --  
18 I'll refer you to the underlying documents. Did  
19 it appear that Maoz Kadesh was the person withdrawing  
20 \$15,000 in cash from the ASAP account?

21 A Yes.

22 Q On September 3rd of 2008, was there a purchase of  
23 a cashiers check payable to Roni Hayon in the amount of  
24 \$10,000?

25 A Yes.

26 Q On September 6th, was there a cash deposit by Roni  
27 Hayon of \$1,000 to his personal account at WaMu Bank?

28 A Yes.

1 Q Was there also a deposit of \$500 by Roni Hayon  
2 into his personal account at WaMu Bank on September 13,  
3 2008?

4 A Yes.

5 Q And then, on September 18th of 2006, was there a  
6 \$9,500 withdrawal from the ASAP checking account?

7 A Yes.

8 Q Was it indicated on the withdrawal slip number  
9 7865 that Roni Hayon was making that withdrawal?

10 A Yes.

11 Q On that date, was the funds used to purchase a  
12 cashiers check payable to Roni Hayon in the amount \$9,500?

13 A Yes.

14 Q On September 26th of 2008, was there another  
15 \$15,000 withdrawal from the ASAP checking account?

16 A Yes.

17 Q Was Maoz Kadash identified as the person making  
18 that withdrawal pursuant to the withdrawal slip number 1411  
19 that is part of Exhibit 486?

20 A Yes.

21 Q And was there noted on the back of the withdrawal  
22 slip the name Roni Hayon and Eli Hayon?

23 A Yes.

24 Q Did we recover from Wells Fargo Bank a copy of an  
25 official check in the amount of \$10,000 payable to Roni  
26 Hayon?

27 A Yes.

28 Q Was that for September 25th of 2008?

1 A Yes.

2 Q And was there a \$5,000 check payable to Eli Hayon  
3 dated September 25th, 2008?

4 A Yes.

5 Q Did it appear that Maoz Kadesh was making these  
6 cash withdrawals and purchasing cashiers checks for the  
7 benefit of Roni Hayon and his family?

8 A Yes.

9 Q Referring to Count 1 Overt Act 29, on  
10 September 3rd of 2009 -- Exhibit Number 487 -- did you see  
11 records that indicated that, on September 3rd of 2009, Roni  
12 Hayon made a withdrawal of \$14,500 from the ASAP checking  
13 account?

14 A Yes.

15 Q And, referring you to the next page for  
16 September 3rd of 2009, was there a \$9,500 purchase of an  
17 official check?

18 A Yes.

19 Q And, referring you to the next page that has an  
20 official check with the numbers 9061 as the check number.  
21 Was this a check for \$9,000?

22 A Yes.

23 Q Payable to Roni Hayon?

24 A Yes. \$9,000.

25 Q Referring you to Exhibit 488, which has a cover of  
26 Count 1 Overt Act 33, on March 20th of 2010, does it appear,  
27 based on a withdrawal slip from the ASAP checking account,  
28 that Roni Hayon withdrew \$10,000?

1 A Yes.

2 Q On that same day, March 20th of 2010, did he  
3 withdraw another \$10,000?

4 A Yes.

5 Q Excuse me. Is this simply a different copy of  
6 withdrawal slip number 2019?

7 A I'm not sure.

8 Q 2019. Two different copies of it?

9 A So I gather.

10 Q On that same day, March 20th of 2010, did Roni  
11 Hayon purchase a cashiers check payable to himself in the  
12 amount of \$5,000?

13 A He did.

14 Q Did he also purchase a cashiers check payable to  
15 Elyahu Hayon in the amount of \$5,000?

16 A Yes.

17 Q Showing you Exhibit 489, I'd like you to just  
18 confirm whether this is the transaction that we've already  
19 discussed where Adii Karter went to the Chase Bank and made  
20 a deposit of \$12,860 in cash.

21 A Yes.

22 Q And that she purchased a cashiers check for the  
23 benefit of Roni Hayon on that date.

24 A Yes.

25 Q And she also deposited \$2,860 in cash?

26 A Correct.

27 Q Showing you the last page of Exhibit 489, is this  
28 the deposit slip for the \$2,860 that was deposited into

1 their personal checking account?

2 A It is.

3 Q I'd like to show you Exhibit 490, which relates to  
4 Count 1 Overt Act 38. On August 6, 2010, did Roni Hayon  
5 withdrew \$10,000 from the ASAP checking account?

6 A Yes.

7 Q On October 10th of 2010, did Roni Hayon purchase  
8 or does he withdraw \$5,000 from his personal account at  
9 Chase Bank?

10 A Yes.

11 Q Was that in the amount of \$5,000?

12 A It was.

13 Q Does it note that a cashiers check would be  
14 purchased for Elyahu Hayon?

15 A It does.

16 Q Referring you to Exhibit 491, this relates to  
17 Count 1 Overt Act 39. On March 21st of 2011, did Roni Hayon  
18 withdraw \$2,000 from the Fast Moving Van Lines Chase  
19 account?

20 A Yes.

21 Q And then did he make a cash deposit, on March 31st  
22 of 2011, into his personal account at Chase Bank in the  
23 amount of \$3,051?

24 A He did.

25 Q On April 14th of 2011, did Roni Hayon make a  
26 withdrawal of \$2,000 from the Chase Fast Moving Van Lines  
27 account number 1045?

28 A Yes.

1 Q On that date, did he purchase a cashiers check  
2 payable to ASAP Relocations --

3 A He did.

4 Q -- in the amount of \$2,000?

5 A He did.

6 Q On May 3rd of 2011, did Roni Hayon make a cash  
7 deposit of \$1,887 into his personal account at Bank of  
8 America?

9 A Yes.

10 Q And do you see his name on the credit slip for an  
11 out-of-state counter deposit?

12 A I do.

13 Q Is that from a record that Bank of America turned  
14 over pursuant to search warrant?

15 A Yes.

16 Q On June 1st of 2011, did Roni Hayon make a  
17 withdrawal of \$1,324 from the Chase account for Fast Moving  
18 Van Lines?

19 A Yes.

20 Q On June 1st of 2011, did he make a withdrawal of  
21 \$2,300 from the Fast Moving Van Lines account?

22 A Yes.

23 Q On July 2nd of 2011, did he deposit \$1,450 cash  
24 into his Bank of America checking account?

25 A Yes.

26 Q On July 21st of 2011, did he withdraw \$2,500 from  
27 the Chase Fast Moving Van Lines account?

28 A Yes.

1 Q On July 22nd, 2011, did he withdraw \$1,700 from  
2 the ASAP checking account?

3 A Yes.

4 Q On May 3rd of 2011, did he deposit \$3,000 in  
5 cash -- excuse me -- August 3rd, 2011, did he deposit \$3,000  
6 in cash to his B of A checking account?

7 A Yes.

8 MS. DONOHOE: How about we take our break for  
9 15 minutes?

10 (Recess.)

11 Q (BY MS. DONOHOE) Over the break, did you take a  
12 look at Exhibit 430 and as to the Fast Moves account?

13 A I did.

14 Q Was the Fast Moves account used to pay various  
15 individuals with Hispanic surnames in round numbers?

16 A It was.

17 Q And does it appear to you that it was used to pay  
18 for work that was performed for Fast Moving Van Lines?

19 A Yes.

20 Q I'd like to return to Count 2 Overt Act 19. Did  
21 you see, between April 1st, 2009, and December 31st, 2011,  
22 that Roni Hayon made multiple types of withdrawals from the  
23 Fast Moves account, including bank withdrawals of cash,  
24 checks payable to himself, and ATM withdrawals?

25 A Yes.

26 Q And so we've looked at cash withdrawals. We've  
27 looked at checks. And I'd like to show you a page of  
28 Exhibit 492. Does it include in the packet transactions

1 from the Fast Moves account that involved withdrawals at  
2 ATM's located in Las Vegas?

3 A Yes.

4 Q Did you know Mr. Hayon to be a gambler?

5 A Yes.

6 Q And did you see multiple times where cash  
7 withdrawals were taking place at ATM's in Las Vegas?

8 A Yes.

9 Q Are we looking at a page for July 2010?

10 A We are.

11 Q Cash withdrawals at Harrah's Las Vegas?

12 A Yes.

13 Q And August 2010 where there's multiple withdrawals  
14 in Las Vegas at ATM's?

15 A Yes.

16 Q Referring you to Count 21, on May 12, 2009, was  
17 there a \$10,000 cash deposit to the account for Roni Hayon  
18 at Chase Bank or WaMu Bank?

19 A Yes.

20 Q Showing you the deposit slip, do you see a cash  
21 deposit being made on that day, May 12, 2009?

22 A Yes.

23 Q Referring you to Exhibit 494, which relates to  
24 Count 22, on June 10, 2009, was there a \$5,000 cash deposit  
25 by Roni Hayon to the Fast Moves checking account?

26 A Yes.

27 Q And is the deposit slip attached within  
28 Exhibit 494?



1 A Yes.

2 Q Does it show Roni Hayon made the cash deposit?

3 A Yes.

4 Q Does it also show that, on June 10th of 2009, that  
5 Roni Hayon purchased an official check payable to himself?

6 A Yes.

7 Q Does it show that, on June 10th, he also purchased  
8 a check payable to Eti Hayon in the amount of \$5,000?

9 A Yes.

10 Q Are those sorts of transactions classic money  
11 laundering activity?

12 A Yes.

13 Q Why?

14 A The intent is to take funds and either change  
15 their form, location, or whom they are associated with and  
16 separate them from the origin.

17 Q Does it have the effect of disguising who is  
18 obtaining the cashiers check payable to an individual?

19 A Some cashiers checks had prints on them who  
20 provided or who purchased it. So yes. But, once that  
21 cashiers check is deposited, it does conceal the origin  
22 unless you are able to find that original check somewhere in  
23 the bank documents.

24 Q Did you see many examples of cashiers checks that  
25 would have ASAP Relocations as the purchaser or Fast Moving  
26 Van Lines as the purchaser?

27 A There were a few but not as many as there are with  
28 Hayon names.

1 Q I'm asking about the purchaser identity.

2 A Don't recall.

3 Q Showing you Exhibit 495, which relates to Count  
4 Number 23. On July 13th of 2009, was there a cash deposit  
5 of \$6,000 into the Bank of America checking account?

6 A Yes.

7 Q And was that by Roni Hayon?

8 A Yes.

9 Q On July 14th of 2009, was there a transaction -- a  
10 withdrawal of \$9,000 from Fast Moving Van Lines account to  
11 purchase a \$5,000 cashiers check payable to Roni Hayon and a  
12 \$4,000 cashiers check payable to Eti Hayon?

13 A Yes.

14 Q Regarding Count 24, on July 3rd of 2009, was there  
15 a \$14,500 withdrawal from the ASAP checking account?

16 A Yes.

17 Q And, on September 3rd, 2009, was there a purchase  
18 of an official check in the amount of \$9,000 payable to Roni  
19 Hayon?

20 A Yes.

21 Q Taken from the Fast Moves account?

22 A Yes.

23 Q Showing you a check ending in 9061, is this the  
24 \$9,000 check that was purchased for the benefit of Roni  
25 Hayon?

26 A Yes.

27 Q Does it also have the bank stamp of Bank of  
28 Hapoalim?

1 A It does.

2 Q Does it indicate that that bank transacted on the  
3 check on September 13th of 2009?

4 A Yes, it does.

5 Q Referring to Count 26, on July 7, 2010, was there  
6 a two thousand -- the exhibit number is 497 -- on July 6th,  
7 from withdrawal slip number 3395, was there a withdrawal of  
8 \$2,000 by Roni Hayon from the ASAP checking account?

9 A Yes.

10 Q And, on July 7th of 2010, was there a withdrawal  
11 of \$2,500 from the ASAP checking account?

12 A Yes.

13 Q On July 9th, was there a \$2,860 cash deposit by  
14 Adii Karter into the Hayon/Karter personal account?

15 A Yes.

16 Q On July 21st, was there a \$5,000 cashiers check  
17 payable to Roni Hayon?

18 A Yes.

19 Q On July 9, 2010, was there a cashiers check  
20 payable to Elyahu Hayon?

21 A Yes.

22 Q I'd like to show you Exhibit 498, which relates to  
23 Count 27. On September 15, 2010, was there a \$7,000  
24 withdrawal by Roni Hayon from the Fast Moving Van Lines  
25 account?

26 A Yes.

27 Q Does it appear that there was a check purchased  
28 for the benefit of Elyahu Hayon?

1 A Yes.

2 Q Showing you the next page, is that a copy of the  
3 cashiers check payable to Elyahu Hayon?

4 A Yes.

5 Q Does this appear that it was transacted on Bank  
6 Yahab on September 27th of 2010?

7 A It does.

8 Q Showing you Exhibit 499, relating to Count 28, on  
9 December 9, 2010, was there a \$4,860 withdrawal by Roni  
10 Hayon from the ASAP checking account?

11 A Yes.

12 Q And, on December 9th of 2010, was there a \$1,400  
13 deposit into the Hayon personal account?

14 A Yes.

15 Q The check as to the amount \$4,860 that was  
16 withdrawn, does it appear that, on December 9, 2010, Roni  
17 Hayon purchased a check payable to the Santa Clara County  
18 Tax Collector?

19 A It does.

20 Q Did you see something unusual happened with that  
21 check later on?

22 A Yes. I'd have to go back and look.

23 Q I'll withdraw my question for now.

24 Showing you Exhibit 500, which relates to Count  
25 29, on January 18, 2011, was there a cashiers check  
26 purchased by Roni Hayon for the benefit of Linda Reyna?

27 A Yes.

28 Q And did you see evidence that the withdrawal came

1 from the personal account of Roni Hayon at Chase Bank?

2 A Yes.

3 Q Was that withdrawn in the amount of \$3,000?

4 A It was.

5 Q On January 18, 2011, was there also a cash deposit  
6 of \$2,849 into the Hayon personal account?

7 A Yes.

8 Q On January 25th, 2011, was there a deposit of  
9 \$4,860.62?

10 A Yes.

11 Q Was that by way of the check that was payable to  
12 the tax collector?

13 A Yes.

14 Q I believe we've already covered Count 30 which was  
15 the transaction involving Olga Avetan and Roni Hayon, the  
16 \$15,500 deposit into the Hayon/Karter account. All right.  
17 So that completes the money laundering subject of your  
18 examination.

19 I'd like to ask if you have reviewed, in  
20 preparation for today's testimony, tape recording that you  
21 made of Linda Reyna at the time that you were engaged in the  
22 undercover operation.

23 A I have.

24 Q And did you have occasion to talk to her on  
25 multiple occasions? While you were engaged in the  
26 undercover operation as Mark Lewis, were you speaking with  
27 Linda Reyna among other people?

28 A I did.

1           Q     During that time when you dealt with her, what  
2 sorts of things would you talk to her about?

3           A     The context of my calls were I was complaining  
4 about things that occurred when they were loading the truck  
5 and then we had follow-up conversations regarding the amount  
6 that I was going to be billed, and I was complaining because  
7 the amount changed from the estimate.

8           Q     Were you trying to get in touch with the manager  
9 or someone in control of the business when you were  
10 contacting and complaining about those things?

11          A     Yes.

12          Q     And who would you have to speak to in order to --  
13 or who were you required to speak to in order to express the  
14 things that you wanted to say about the bill?

15          A     She required that I only speak with her.

16          Q     Were you permitted to talk to anyone above her?

17          A     No.

18          Q     Did you discuss with her the representations that  
19 had been maybe to you over the telephone by Wayne Allen?

20          A     I did.

21          Q     Did you make an effort to speak to the owner of  
22 the business?

23          A     I did.

24          Q     All right. Have we reviewed a series of clips  
25 from the various conversations that you had with Linda Reyna  
26 during that undercover operation?

27          A     Yes.

28          Q     Were most of those conversations over the

1 telephone?

2 A They were.

3 Q Was one of the conversations in person?

4 A It was.

5 Q When did the in-person conversation occur?

6 A Let me refresh. I'll give you a specific date and  
7 time.

8 The personal conversation I had with her was on  
9 January 14th at, approximately, 2:03 p.m.

10 Q And under what circumstances were you speaking  
11 with her in person?

12 A When I was speaking with her in person, we'd had  
13 conversations by phone earlier in the day. One of the  
14 elements of our conversation was she demanded that I pay her  
15 an additional \$230, I think. \$230 either in cash or postal  
16 money order in order for her to schedule the visit.

17 The context of that was that, when they picked up  
18 the household goods, we -- my partners and I -- paid postal  
19 money orders in the amount that they requested. I have to  
20 refresh what that exact amount was. But the agreement was  
21 that that payment in total had to be 50 percent of the bill.  
22 But, since they raised the bill, I had to increase or pay  
23 her additional \$230 so that she had 50 percent of the total  
24 bill on hand before she would schedule delivery.

25 Q So you were required to bring the amount of your  
26 half deposit -- you had to have 50 percent with them before  
27 they would schedule you for a delivery of your belongings?

28 A Correct.

1           Q     So, in order to accomplish getting the amount to  
2     50 percent, did you do something?

3           A     I did. I explained to her that I was new to the  
4     area. I had their address but didn't know where it was. So  
5     my quote/unquote brother-in-law, which was another  
6     detective, and I would come to her location and deliver cash  
7     in order that she would schedule the delivery for the  
8     following day.

9           Q     Did you ultimately see Linda Reyna at the office  
10    at Ringwood?

11          A     I did.

12          Q     I'm going to play a clip for you as to the --  
13                 First of all, have you reviewed these clips today?

14          A     Yes.

15          Q     Are they an accurate recording of the various  
16    telephone calls and conversations that you had with Linda  
17    Reyna?

18          A     Yes.

19          Q     Do they occur over the course of a number of  
20    different occasions? Two different days, at least?

21          A     Yes.

22          Q     And, on the day of the move, did you talk to her  
23    about the wrapping that was taking place?

24          A     I did.

25          Q     And did you talk to her multiple times about the  
26    packing process?

27          A     During that conversation, yes, I kept coming back  
28    to that issue.



1 Q Did you ask to talk to Wayne?

2 A Yes.

3 Q Okay. I'll play this first clip and ask you if  
4 it's an accurate clip of at least one of the conversations  
5 that you had on moving day.

6 (Begin transcription.)

7 SPEAKER: We are the professional movers. They are  
8 going in our truck. We are liable for any damages. We are  
9 not trying to take your items here in Santa Clara and have  
10 them all destroyed. That's not the way it works. We are a  
11 professional moving company.

12 SPEAKER: All right.

13 (End transcription.)

14 Q (BY MS. DONOHOE) Can you tell us what she was  
15 explaining at that point? What was the nature of your  
16 conversation with her?

17 A I was calling the moving company to complain that  
18 they were excessively wrapping the items to be moved from  
19 Las Vegas to Santa Clara. And Special Agent Glazzy, who was  
20 with them at that moment, playing the role of my wife, was  
21 upset, and they refused to follow her instructions or answer  
22 any specifics about why we needed this just prior to this.  
23 So I called the office of the moving company ASAP  
24 Relocations and asked to speak with Wayne Allen who was the  
25 sales person I spoke with prior.

26 Ms. Reyna said, since it was an on-going move, I  
27 could not speak with Wayne Allen, that I had to speak with  
28 her. This was part of her conversation. And then I

1 complained about this packing that was going on and that why  
2 didn't Wayne tell us about it, this was not what we had  
3 agreed on, why are you doing this? And that answer was why  
4 they were doing it.

5 Q Okay. Now, as you were dealing with her over the  
6 course of the time you dealt with her, did she have to ask  
7 direction from anyone else in terms of how she handled your  
8 complaints?

9 A No. As a matter of fact, she identified herself  
10 as the contact person.

11 Q I'd like to play the next clip. Did you make an  
12 effort, at some point, to get more information about who was  
13 in charge of the company?

14 A I did.

15 Q I'll play you this clip.

16 (Begin transcription.)

17 SPEAKER: Who owns this business? Who does this  
18 business belong to?

19 SPEAKER: It belongs to Joe.

20 SPEAKER: Joe?

21 SPEAKER: Yes.

22 SPEAKER: Is there any way I can talk to him about this  
23 problem?

24 SPEAKER: Actually, no. He's, actually, out of the  
25 country. I'm the one that's left in charge.

26 (End transcription.)

27 Q (BY MS. DONOHOE) Were you ever permitted to speak  
28 to anyone above Linda Reyna?

1 A No.

2 Q And then is this third clip a clip of your  
3 in-person conversation with Linda Reyna?

4 A Yes.

5 Q Can you tell us, at that point, what information  
6 were you trying to get from her during the conversation?

7 A I was trying to find out why the things she was  
8 saying to me and demanding from me to complete the move were  
9 different than the representations made by Wayne Allen.

10 Q All right. Can you tell us whether this is an  
11 accurate clip of a portion of that conversation?

12 (Begin transcription.)

13 SPEAKER: Wayne, when I talked to him, said the reason  
14 he said I had 4,400 pounds of stuff was so that, if it was  
15 less, I wouldn't have to pay as much so my bill wouldn't be  
16 high. So, based on what he said, I should only pay you  
17 \$1,490.

18 SPEAKER: Yeah. See --

19 SPEAKER: Instead of the -- instead of the -- let me  
20 look at my notes here -- instead of the \$2,200. Because he  
21 said the move was at a rate -- a weight rate of \$0.50 a  
22 pound.

23 SPEAKER: I will have to talk to Wayne about that, but  
24 the rates --

25 SPEAKER: I read that.

26 SPEAKER: Yeah. Because this is saying -- you see  
27 right here?

28 SPEAKER: Uh-huh.

1 SPEAKER: For the first 5,000 pounds, \$2,200.

2 SPEAKER: Yes.

3 SPEAKER: It doesn't say, well, you know, work it out  
4 for the rate that you --

5 SPEAKER: No. As I said, that's what Wayne said on the  
6 phone. I asked him that specific question.

7 SPEAKER: I'll have to ask him and --

8 SPEAKER: Can you get him and have him come in here?  
9 We can clarify that.

10 SPEAKER: Actually, he's on his lunch, I believe. But  
11 yeah. No. He is not -- anything pertaining to the  
12 dispatch, it has to be conducted by me. I will later,  
13 myself, talk to him as to how he presents things with the  
14 customers. But he's been with the company for a long time,  
15 and this is the first time I actually hear of this.  
16 Usually, he's, you know, one of our best sales reps here.

17 (End transcription.)

18 Q (BY MS. DONOHOE) Is it an accurate clip of the  
19 portion of the conversation?

20 A Yes.

21 Q And did you ever get to talk to Wayne?

22 A No.

23 Q And, when she was talking about look here, what  
24 was happening?

25 A She was looking at a value on the document -- the  
26 estimate -- and she referred to it as a minimum repeatedly.  
27 So I responded and I said, well, I've looked at your  
28 contract. I even looked at the backside with the small

1 print. And there's no description, in this contract,  
2 defining what this minimum is. So she actually took my  
3 document, looked at it -- appeared to look at it -- and  
4 goes, oh, it's not here, but it's company policy, and handed  
5 the document back to me.

6 MS. DONOHOE: All right. I think that completes my  
7 questioning. Do the grand jurors have any questions?

8 Juror number one?

9 THE GRAND JUROR: I got one question. The withdrawals  
10 that have the name Maoz Kadash, especially the ones in 2008  
11 that were associated with buying certified checks for Roni  
12 Hayon, was there a hundred percent evidence that was  
13 actually Maoz's signature associated with those withdrawals?

14 MS. DONOHOE: Well, first of all, I don't think this  
15 witness would be qualified to answer that question.

16 THE GRAND JUROR: So the answer is no?

17 MS. DONOHOE: Yes. I can't even ask him that question.

18 THE GRAND JUROR: Okay.

19 MS. DONOHOE: Yes. Juror number 12?

20 THE GRAND JUROR: Was there an accounting done of how  
21 much money was spent on cashiers checks or official checks  
22 for Roni Hayon or his family members?

23 MS. DONOHOE: No. There's no final accounting of that  
24 amount.

25 Juror number five?

26 THE GRAND JUROR: Would the bank or someone have a  
27 listing of the different names that someone might go by? In  
28 other words, could -- should I use the specific example?

1        Could Roni deposit a check into his own account if he might  
2        also go by the name Elyahu or something like that? Is there  
3        a document of other names that he might go by?

4                MS. DONOHOE: We don't -- this witness could not answer  
5        that, either. But we did have earlier testimony from  
6        Juliana Hungerford that Elyahu was the name of Roni Hayon's  
7        father.

8                Any other questions? Juror number five?

9                THE GRAND JUROR: I have another one. Again, I don't  
10       know that this is -- if this witness could answer this. But  
11       how is it possible for someone to deposit a check to  
12       themselves if the check says payable to Santa Clara County  
13       Tax Collector?

14               MS. DONOHOE: I don't believe --

15               Q        (BY MS. DONOHOE) Do you know the answer, Mr. Levy?  
16       Do you know how a check payable to the Santa Clara County  
17       Tax Collector could be deposited to an individual's account?

18               A        Through my experience with bank accounts and many  
19       years, first of all, most deposits are made electronically  
20       and the scanning system identifies numbers. And most banks  
21       or every bank I've had experience with will take a check for  
22       deposit and there's very limited screening about the origin  
23       of that check.

24               There is more complete screening if you do it in  
25       person. Even then, I've had cases where a person  
26       unassociated with the account, not the named person, making  
27       the deposit. It's in the name of a third person. It was a  
28       stolen check. It was, literally, taken over to the counter

1 of the bank and deposited. The screening process you are  
2 asking about is extremely limited.

3 MS. DONOHOE: Any other questions? Juror number 12?

4 THE GRAND JUROR: Did investigators contact the Bank of  
5 Hapoalim to see if we can get documentation of the Hayon  
6 accounts?

7 Q (BY MS. DONOHOE) Investigator Levy, did you make  
8 contact with Bank of Hapoalim?

9 A I did.

10 Q And what happened when you made contact with Bank  
11 of Hapoalim?

12 A I went to San Francisco and learned that they  
13 closed the San Francisco branch. I contacted their single  
14 remaining branch in the United States, and they stated that  
15 they could not, would not respond to our search warrant  
16 regarding any account that was held overseas.

17 MS. DONOHOE: Any other questions?

18 All right. The foreperson will read you an  
19 admonishment and then you are free to go.

20 (Witness admonished and excused.)

21 MS. DONOHOE: I only have three or four questions of my  
22 paralegal. So I'm hoping we can get him in and we will be  
23 done.

24 (Witness resumed the stand.)

25 TESTIMONY OF DAVID OCAMPO

26 EXAMINATION

27 BY MS. DONOHOE:

28 Q Mr. Ocampo, you've previously been sworn. You are

1 still under oath. We have to go very quickly. But did I  
2 ask you to prepare, for the grand jury, a listing which is  
3 identified as Exhibit 501, a listing of all the indexes for  
4 the search warrant at Ringwood and elsewhere?

5 A Yes.

6 Q And does this listing cover specifically the  
7 Ringwood search warrant?

8 A Yes, it does.

9 Q And so does it list out the different locations?  
10 So if it was room A or F, it would give some indication as  
11 to the source of the document that's Bates stamped in our  
12 exhibit?

13 A Yes.

14 Q All right. Did I also ask you to review the  
15 savings account for Roni -- or for ASAP Relocations? You  
16 had already testified about having reviewed the bank  
17 account -- the checking account -- for deposits in the year  
18 2005 to look to see if \$152,000 had been deposited in the  
19 checking account; correct?

20 A That's correct.

21 Q And you did not find \$152,000 being deposited by  
22 Roni Hayon?

23 A Correct.

24 Q Did you also check the savings account to confirm  
25 that \$152,000 was not deposited?

26 A I did.

27 Q What did you determine about the savings account?

28 A There's only intra-account transfers from the



1 checking to the savings and some interest on the savings  
2 account. There was no moneys attributed from Roni Hayon.

3 Q And were you also involved in preparing an export  
4 which is Exhibit 387 for the FTK list for item 2-B-1?

5 A Yes.

6 Q And so did you receive a disk from the crime lab,  
7 and you, then, printed out the listing of all the files that  
8 was on that disk?

9 A That's correct.

10 Q And can you use that item, then, to identify  
11 something as coming from that particular computer tower  
12 2-B-1?

13 A Yes, you can.

14 MS. DONOHOE: All right. I have no further questions.  
15 Do the grand jurors have any questions?

16 All right. You are free to go.

17 (Witness admonished and excused.)

18 (Grand jury admonished by the  
19 foreperson.)

20 MS. DONOHOE: All right. We will see you next Tuesday.

21 Leave them on your chairs and what we will do is  
22 we will clamp them and we are going to put them in the  
23 locked box. But, if you could put a number on the top so we  
24 know who to pass them out to, that would be wonderful.

25 (Adjourned.)

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STATE OF CALIFORNIA            )  
  )    ss  
COUNTY OF SANTA CLARA        )

I, ASHLEY PARROTT, do hereby certify that foregoing is a full, true and correct transcript of the proceedings had in the within-entitled action on FEBRUARY 28, 2013.

That, I reported the same in stenotype being the qualified and acting official court reporter of the Superior Court of the State of California, in and for the County of Santa Clara, appointed to said court, and thereafter had the same transcribed into typewriting as herein appears.

I further certify that I have complied with CCP Section 237(a)(2), in that all personal juror identifying information has been redacted, if applicable.

Ashley Parrott, CSR No. 13157