

BEFORE THE SENATE OF THE STATE OF ARIZONA  
SITTING AS A COURT OF IMPEACHMENT

In the Matter of the )  
Impeachment of: )  
 )  
EVAN MECHAM, Governor )  
of the State of Arizona. )

Phoenix, Arizona  
March 17, 1988  
9:03 a.m.

TRIAL VOLUME 14

BEFORE THE HONORABLE FRANK X. GORDON,  
PRESIDING OFFICER

For the Board of Managers: Storey & Ross  
By William P. French, Esq.  
and  
Brown & Bain  
By Paul Eckstein, Esq.

For the Respondent: Jerris Leonard, Esq.  
and  
Craft & Loesch  
By Winfred O. Craft, Jr., Esq.

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Reported by: David R. Minder  
and  
Robert M. Ferrara

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25I N D E X

<u>WITNESS</u>	<u>DIR</u>	<u>CR</u>	<u>REDIR</u>	<u>RECR</u>	<u>VOIR DIRE</u>
MECHAM, EVAN	2897	2958, 3019	3068		3016

E X H I B I T S

<u>NO.</u>	<u>DESCRIPTION</u>	<u>IN EVIDENCE</u>
26	Letter	2959
33	Calendar	3003
32	Petition	3018
24	Press Release	3029
27	Complaint	3055
28	Complaint	3058
29	Complaint	3060
30	Judgment	3060

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March 17, 1988  
9:03 a.m.

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THE PRESIDING OFFICER: Thank you, ladies and gentlemen.

The Court of Impeachment is reconvened. Show the presence of a majority of the Board of Managers, counsel for the Board of Managers, and counsel for the respondent.

The clerk will now call the roll.

THE CLERK: Senator Alston?

SENATOR ALSTON: Present.

THE CLERK: Senator Brewer?

SENATOR BREWER: Present.

THE CLERK: Senator Corpstein?

SENATOR CORPSTEIN: Here.

THE CLERK: Senator De Long?

SENATOR DE LONG: Present.

THE CLERK: Senator Gabaldon?

SENATOR GABALDON: Here.

THE CLERK: Senator Gutierrez?

SENATOR GUTIERREZ: Present.

THE CLERK: Senator Hardt?

SENATOR HARDT: Here.

THE CLERK: Senator Hays?

Senator Henderson?

1 SENATOR HENDERSON: Here.  
2 THE CLERK: Senator Higuera? Senator Higuera?  
3 SENATOR HIGUERA: Here.  
4 THE CLERK: Senator Hill?  
5 SENATOR HILL: Here.  
6 THE CLERK: Senator Kay?  
7 SENATOR KAY: Here.  
8 THE CLERK: Senator Kunasek?  
9 SENATOR KUNASEK: Here.  
10 THE CLERK: Senator Lunn?  
11 SENATOR LUNN: Here.  
12 THE CLERK: Senator MacDonald?  
13 SENATOR MacDONALD: Here.  
14 THE CLERK: Senator Mawhinney?  
15 SENATOR MAWHINNEY: Present.  
16 THE CLERK: Senator Osborn?  
17 SENATOR OSBORN: Present.  
18 THE CLERK: Senator Pena?  
19 SENATOR PENA: Here.  
20 THE CLERK: Senator Rios?  
21 Senator Runyan?  
22 SENATOR RUNYAN: Here.  
23 THE CLERK: Senator Sossaman?  
24 SENATOR SOSSAMAN: Here.  
25 THE CLERK: Senator Steiner?

1 SENATOR STEINER: Here.

2 THE CLERK: Senator Stephens?

3 SENATOR STEPHENS: Here.

4 THE CLERK: Senator Stump?

5 SENATOR STUMP: Present.

6 THE CLERK: Senator Taylor?

7 SENATOR TAYLOR: Present.

8 THE CLERK: Senator Todd?

9 SENATOR TODD: Here.

10 THE CLERK: Senator Usdane?

11 SENATOR USDANE: Here.

12 THE CLERK: Senator Walker?

13 SENATOR WALKER: Here.

14 THE CLERK: Senator West?

15 SENATOR WEST: Present.

16 THE CLERK: Senator Wright?

17 SENATOR WRIGHT: Here.

18 THE CLERK: Senator Hays?

19 SENATOR HAYS: Yeah.

20 THE CLERK: Senator Rios?

21 SENATOR RIOS: Present.

22 THE PRESIDING OFFICER: I see there's no need for a

23 motion by Senator Usdane. We have perfect attendance.

24 All 30 of the Senators are in attendance. None need to be

25 excused.

1 MR. LEONARD: Mr. Presiding Officer?

2 THE PRESIDING OFFICER: Yes, Mr. Leonard.

3 MR. LEONARD: Counsel for the Board of Managers has  
4 filed Filing No. 82, which is a motion for leave to  
5 supplement their list of witnesses and exhibits on Article  
6 III. We have not responded to it because we have no  
7 objection to it.

8 THE PRESIDING OFFICER: All right. There being no  
9 objection, it shall not be needed to be heard.

10 I would like at this time, with your  
11 forbearance, to ask a point of personal privilege. I  
12 noticed that members of the Senate have done this while  
13 you were convening, and I think it's a wonderful thing.

14 There is a wonderful lady watching these  
15 proceedings at this time in Kingman, Arizona, which is my  
16 hometown. She was the lady to whom my parents  
17 occasionally entrusted me as an infant when they were out  
18 for an evening many years ago. She was my baby-sitter,  
19 and she is my friend. Her name is Mrs. Helen Leader. She  
20 is today celebrating her 100th birthday.

21 I would like to take this opportunity to wish  
22 her good health and God's greatest blessings for many  
23 years to come, and want to thank her for being a part of  
24 my life.

25 Thank you, members of the Senate.

1                   We'll now proceed. Is Governor Mecham  
2 present?

3                   MR. CRAFT: Yes, Your Honor.

4                   THE PRESIDING OFFICER: We'll recall Governor  
5 Mecham at this time for presentation of direct  
6 examination.

7

8                                   EVAN MECHAM,  
9 a witness herein, after having been previously duly sworn,  
10 was examined and testified as follows:

11

12                   THE PRESIDING OFFICER: Good morning, Governor.  
13 Please remember, sir, you're still under oath.

14                   THE WITNESS: Yes. Do I flash this first?

15                   THE PRESIDING OFFICER: Do you want to move that  
16 microphone right in front of your face, Governor, please?

17                   MR. CRAFT: Was that a bit of the Irish there,  
18 Governor?

19                   THE WITNESS: Well, I touched a bit of Irish once.

20

21                                   CONTINUED DIRECT EXAMINATION

22 BY MR. CRAFT:

23                   Q. Governor, yesterday we were discussing your  
24 relationship with the Attorney General's Office, and you  
25 had testified earlier that all of your top assistants had

1 at one time or another been investigated or the targets of  
2 a grand jury or indicted by the Attorney General.

3 Are you currently aware of other  
4 investigations of you by the Attorney General, other than  
5 these proceedings and the allegations relevant to the  
6 Wolfson loan?

7 A. Well, I was just informed early this morning  
8 that they have a new one -- probably everybody ought to  
9 know about this -- is investigating a personal loan from  
10 the Johnsons. So, one more to go, one more on top of it.

11 Q. What would that be? What is that about,  
12 Governor?

13 A. That's a personal loan I made on December the  
14 3rd, when Eddie and Earl Johnson --

15 Q. And --

16 A. Well, apparently they feel that since that  
17 was the same time that I loaned money to the campaign,  
18 which paid off the balance of the Wolfson loans, that I  
19 guess that comes under investigation now.

20 Q. Governor, in your tenure as the chief  
21 executive officer of this state, since January of 1987 to  
22 the present, have you become aware of death threats that  
23 have been made against you?

24 A. Oh, yes, yes.

25 Q. Have there been more than one or two?

1 A. Yes, yes.

2 Q. Have there been many?

3 A. Yes, there's been many.

4 Q. Governor, do you have a Ph.D. in death  
5 threats?

6 A. Well, I don't know that I personally do. I  
7 don't get into them very much. I was kicked out of my  
8 house a week or ten days ago because supposedly somebody  
9 had slipped in and planted a bomb in the afternoon, and  
10 the door was ajar from the back when my wife came home.

11 Apparently somebody could have been in the  
12 house, and the police, of course -- and I want to say  
13 publicly how much I appreciate the efficiency of both my  
14 security detail with DPS and the Glendale Police. We have  
15 a good security system on our house, and I would like to  
16 maybe tell anybody that if anybody trips my security  
17 system, they better plan on warding off a whole cordon of  
18 Glendale Police, because my place will be surrounded  
19 within three minutes.

20 And that can be a little embarrassing if  
21 somebody trips it off inadvertently, but, yes, they --  
22 this bomb was supposed to have been planted and gone off  
23 at five after midnight, and so with some good dogs brought  
24 in from the Phoenix Police Department, they went through,  
25 and there was no -- there was nothing planted. And sure

1 enough, woke up the next morning, I wasn't dead, so it was  
2 all right.

3 Q. Governor, on previous occasions, did somebody  
4 break into your house --

5 A. Yes.

6 Q. -- when you were serving as Governor?

7 A. Well, it was before. When they got into the  
8 house, it was before I took office. A hole was cut in the  
9 roof, and they came down through the kitchen, and left  
10 their calling card, and then went, I guess, back out the  
11 same hole.

12 They attempted to get in another time after I  
13 was in the office when my wife was there, but we had  
14 erected a -- some additional protection, so it was much  
15 harder to get through. They came through the same hole  
16 again. They cut a new hole where we had patched it up,  
17 but they don't get through in the attic where they had  
18 before because we had had that stopped up where that was  
19 impossible to do. And of course at that time I -- they  
20 cut the -- they cut the telephone wires so that my wife  
21 couldn't call, but the alarm, our alarm was set up so that  
22 the cutting of the wires did send an alarm.

23 They would have come out second best, though.  
24 She knows how to use a .38, and she had it setting there  
25 on her lap, so it's a good thing for them they didn't make

1 it in.

2 Q. Governor, did these threats begin after you  
3 were elected Governor of this state?

4 A. Yes. I never heard of a threat before in my  
5 life.

6 Q. And have they persisted throughout your  
7 tenure?

8 A. Yes, m'hum.

9 Q. Have you lived with this every day?

10 A. Oh, I don't -- I wouldn't say that. I don't  
11 think of it, really, much.

12 Q. It's not preoccupying?

13 A. No, heavens, no.

14 Q. Governor, when you are told of threats, do  
15 you make a distinction between whether those threats are  
16 given directly to you, or rather indirectly to you?

17 A. Oh, yes, I haven't had any given directly to  
18 me. They've always been indirect.

19 Q. Would that make a difference in terms of your  
20 assessment of the seriousness of a threat?

21 A. Yes, yes, it would.

22 Q. Would that have less weight if it was  
23 indirectly rather rather than directly communicated to  
24 you?

25 A. Oh, yes. I -- I think most of the indirect

1 ones are -- really come in as a matter of harassment, or  
2 something. I don't take them particularly seriously. I  
3 kind of think the -- I really think if a person is ever  
4 going to try to take me out, they're not going to warn me  
5 ahead of time. They're just going to try and do it.

6 Q. Governor, when you've heard of threats, if  
7 you personally knew the alleged participants, the players,  
8 would that be part of a calculation that you would make in  
9 terms of determining the seriousness of that threat?

10 A. Sure, you bet.

11 Q. And, Governor, would the context within which  
12 those parties were operating and the pressures that they  
13 were subjected to, would that also, if you knew them, be  
14 part of your calculation to determine the seriousness of  
15 it?

16 A. Of course.

17 Q. And, Governor, if people are working under  
18 extreme pressures, would that also affect the weight you'd  
19 give to it?

20 A. Yes.

21 MR. FRENCH: Objection. He's leading this witness  
22 all the way through this area. I object.

23 THE PRESIDING OFFICER: Sustained.

24 BY MR. CRAFT:

25 Q. Governor, you know quite a little bit about

1 threats, don't you?

2 A. Yes.

3 Q. Governor, the New Times, on November 4th  
4 through the 10th, in their edition in 1987, had an article  
5 by a Mr. Lacy with a headline, "The Only Shocking Story  
6 Left," three columns, the "victim" column, the "assassin"  
7 column, and the "date" column.

8 Are you --

9 MR. FRENCH: Excuse me, Counsel. I object to him  
10 reading something that's not been marked in evidence.

11 MR. CRAFT: I haven't read it. I described what it  
12 was, Counselor.

13 THE PRESIDING OFFICER: So far it's not  
14 objectionable. Overruled.

15 BY MR. CRAFT:

16 Q. Governor, we've been focusing on the time  
17 frame November 13th, 1987, through November 15th, 1987.  
18 Do you recall this scurrilous article that appeared in the  
19 New Times which lists you as a potential victim of an  
20 assassination that puts your name underneath the names of  
21 Abraham Lincoln and other slain Americans, including  
22 Martin Luther King?

23 MR. FRENCH: Objection; leading.

24 THE PRESIDING OFFICER: Sustained. Counsel, I  
25 think we've talked about newspaper articles before, and

1 unless they have some independent legal significance as to  
2 what might be motivating the witness' conduct in some way  
3 or something else, we just can't get these matters in  
4 evidence because they're hearsay.

5 MR. CRAFT: Your Honor, it does have a direct  
6 materiality. I think that we had testimony the other day  
7 from Mr. Hawkins which asked a question of what pushed a  
8 staff member over in terms of making some kind of  
9 statement. What was it that drove Lee Watkins --

10 THE PRESIDING OFFICER: Are you going to try and  
11 prove through this witness what drove Lee Watkins through  
12 something?

13 MR. CRAFT: I'm going to ask, Your Honor, what kind  
14 of pressures, what kind of atmosphere was Mr. Watkins and  
15 the Governor operating under on November 10th to the 15th,  
16 1987. And this article, Your Honor, is very relevant and  
17 very material.

18 MR. FRENCH: Mr. Presiding Officer?

19 THE PRESIDING OFFICER: Mr. French.

20 MR. FRENCH: It's still hearsay. It's not an  
21 exception to the hearsay rule.

22 THE PRESIDING OFFICER: I'm going to overrule the  
23 objection. You can let it in.

24 BY MR. CRAFT:

25 Q. Governor, were people on your staff concerned

1 about this article?

2 A. Yes, they brought it to my attention and  
3 discussed it.

4 Q. Was I concerned about this article?

5 A. Yes, you were.

6 Q. And when Officer Johnson came in to talk to  
7 me and talk to you, did I mention this kind of an article?

8 A. Yes, you did.

9 Q. And did other staff members also mention this  
10 article to you?

11 A. Yes.

12 Q. Governor, you've assessed death threats and  
13 threats on many occasions in your career now as Governor,  
14 haven't you?

15 A. Yes.

16 Q. I want you to focus on Friday, November 13th,  
17 and I want you to tell us what the focus was of your  
18 activities on Friday, November 13th?

19 A. We were working towards the next Monday when  
20 we were going to go -- I had a program worked out with  
21 Channel 3 to make a statement on a hook-up that was going  
22 to be statewide television, relative to the activities of  
23 the Attorney General and the -- well, and the things that  
24 were being discussed every day in the newspaper in this  
25 so-called sacred grand jury activity.

1           You know, I was being tried in the paper  
2 every day, and so this was a response that I was going to  
3 have an opportunity to tell just a tiny bit of my side of  
4 the story. And we were working on that to make sure that  
5 we had all the materials ready so that the time allocated  
6 to us, that we could get all the facts into it and  
7 everything, working with the Attorney General, who had  
8 done the research on this, the people that had assured me  
9 that there had been no laws broken, and we were very  
10 anxious to be sure that this one shot that we had, that we  
11 could get this out to the public.

12           Q.     You were trying to show where the \$350,000,  
13 indeed, appeared on your financial disclosure statements? (

14           A.     That's correct.

15           Q.     And you had hired Mr. Michael Preston  
16 Green --

17           A.     That's correct.

18           Q.     -- from a very prominent law firm in town to  
19 assist you?

20           A.     Yes, he and one of his associates had done a  
21 substantial amount of research on this.

22           Q.     And, Governor, is that what you were  
23 occupying yourself with on Friday, November 13th?

24           A.     Well, I never had the luxury of occupying (  
25 myself with any one subject at any day in the office, but

1 that was the thing that we were working, to make sure was  
2 accomplished. Of course, there was always a myriad of  
3 other things going on.

4 Q. But that issue was one of your primary  
5 considerations?

6 A. That's correct.

7 Q. Governor, focus your time about lunchtime,  
8 12:30, 12:45, somewhere in that time frame. Did I come  
9 into your office?

10 A. Yes, you did.

11 Q. And did I bring someone with me?

12 A. Yes, you were accompanied by Lieutenant  
13 Johnson and Dr. Burke.

14 Q. Did you see anybody else standing at the  
15 door?

16 A. Yes. The door was open and Ken Smith, press  
17 secretary, was standing in the door.

18 Q. And what do you recall of that conversation?

19 A. Well, I recall that you came in and said,  
20 "Governor, this is something you need to hear," on the  
21 basis relative to my security. "Lieutenant Johnson has  
22 something." Lieutenant Johnson then -- I've said this  
23 before. He took offense at it, but Beau always had a hard  
24 time looking you in the eye and making a statement and  
25 starting out, and he kind of sputtered for a little bit

1 getting his motor going and said, "Governor -- well,  
2 Governor, there's been an altercation out in the parking  
3 lot between Lee Watkins and Peggy Griffith, and there's  
4 been a threat made," and he -- that was primarily the  
5 thing.

6 I think -- I'm not sure of all the details,  
7 whether he told me that -- that this had been taken by --  
8 this information, I think he told us, had been taken by  
9 Martinez. And I said -- turned to Dr. Burke, and Beau  
10 that was there at the side -- at the table -- or at the  
11 desk, and said, "Well, this is --" well, you said, "Well,  
12 Governor --" this is something you were surprised at the  
13 contents of the conversation, because you apparently  
14 thought it was something to do with my security, that  
15 there was a question on my security in the light of what  
16 had been some of these late conversations.

17 He said, "You ought to distance yourself."

18 And I says, "I don't know why this even came  
19 to my office in the first place. It's a personnel matter.  
20 Lee works for Hawkins, Department of Administration."

21 I turned to Dr. Burke, and Beau was standing  
22 over on the right side, and said, "Have Max get Lee and  
23 Peggy together and get this thing straightened out," and  
24 that was it. That was the conversation.

25 Q. Where were you standing, Governor?

1           A.     I was standing just -- just got up from my  
2 chair which I sat, you know, on my side of the desk.

3           Q.     You were in your what you call your private  
4 office?

5           A.     That's right.

6           Q.     Not in the protocol office, the one that most  
7 people think that you work out of?

8           A.     No, the working office.

9           Q.     That's a small office?

10          A.     Yeah.

11          Q.     And you were standing behind the desk?

12          A.     That's right.

13          Q.     And who was to your immediate right?

14          A.     Dr. Burke.

15          Q.     And --

16          A.     And Lieutenant Johnson, and then yourself.

17          Q.     And Lieutenant Johnson was in front of you,  
18 along with me?

19          A.     That's right, m'hum.

20          Q.     Did you instruct Lieutenant Johnson to take  
21 this matter down to Mr. Hawkins?

22          A.     Well, in effect, I thought I was instructing  
23 Dr. Burke, as the Chief of Staff, because I looked over  
24 his way more than that. But he directed Lieutenant  
25 Johnson to go ahead, apparently, with it, because it was a

1 direction, do this, and that was it.

2 Q. Did you have a file in your hands at the  
3 time?

4 A. Oh, I don't remember what I had in my hand  
5 that day. I was completely busy, and I don't remember. I  
6 always had some scattered around my desk, but --

7 Q. How long did this conversation take?

8 A. I'd say 90 seconds on the outside.

9 Q. Governor, think very carefully now. Did you  
10 ever hear the words from Lieutenant Johnson "death  
11 threat"?

12 A. I absolutely did not.

13 Q. Did you hear the word "felony"?

14 A. Absolutely not. I've been shocked to hear  
15 him say that.

16 Q. Did you hear the words "tampering with a  
17 grand jury witness"?

18 A. Not at all, absolutely not.

19 Q. Did Dr. Burke say anything?

20 A. Not a word.

21 Q. And after Lieutenant Johnson said what he  
22 said to you, did Mr. Craft say anything to you?

23 A. Nothing that I recollect.

24 Q. Did Ken Smith say anything to you?

25 A. Not a thing.

1 Q. Did any antenna go up --

2 A. Not with me.

3 Q. -- with regard to your Ph.D. in death threats  
4 that said that something is very, very wrong here?

5 A. Heavens, no. If -- if there had been  
6 anything serious, we would have certainly looked at it as  
7 serious. I guess when two people have an altercation, I  
8 guess it's serious, but when you start talking about  
9 serious in relation to serious to life and limb, that's a  
10 whole different ball game. No, nothing at all.

11 Q. But this was serious. This was a serious  
12 personnel matter, wasn't it?

13 A. Well, it was serious in the fact that when  
14 people have an altercation in the working, you've got to  
15 get it solved. Yes, it was serious in that standpoint, of  
16 course.

17 Q. Had you heard the day before or two days  
18 before about another serious altercation between employees  
19 that worked for the state?

20 A. Oh, yeah, I heard they had a fist fight down  
21 in the cafeteria, but I didn't go referee that, either.

22 Q. Governor, the time you heard this, did you  
23 think you were discharging your responsibility on the best  
24 information you had in the best way you thought it should  
25 be handled?

1           A.     Yes, I certainly did. It was a personnel  
2 matter. We sent it down to get handled by the Department  
3 of Administration head, because the prime problem in this  
4 was under his direction. Yes, that's exactly what I  
5 thought was the best way to do it.

6           Q.     Did you ever hear Lieutenant Johnson say what  
7 the words were that were used in this threat?

8           A.     No, I never heard anybody tell me what the  
9 words were that was used in the threat, quite frankly.

10          Q.     You're saying that Lieutenant Johnson never  
11 told you what Lee Watkins allegedly said to Peggy and what  
12 Peggy said to Lee Watkins?

13          A.     He did not.

14          MR. FRENCH: Objection; leading, asked and  
15 answered.

16          THE PRESIDING OFFICER: Sustained.

17          MR. CRAFT: I'm trying to clarify, Your Honor.

18 BY MR. CRAFT:

19          Q.     When did you find out what allegedly was said  
20 back and forth?

21          A.     I guess the first time I ever found out what  
22 supposedly was actually said was when I read Peggy's  
23 letter or report, substantially later than that. I mean,  
24 like, what? Three weeks or a month, or six weeks.

25          Q.     You're telling us you didn't know any of the

1 details of this allegation?

2 A. That's exactly right.

3 Q. Did anybody, on Friday, November 13th, come  
4 up to you and -- anybody at all -- and say, "This matter  
5 should be handled differently than the way you instructed  
6 it to be handled"?

7 A. It was never discussed. After it was  
8 discussed for 90 seconds in my office, and I heard nothing  
9 more about it until I heard from Max Hawkins at the tail  
10 end of the day.

11 Q. And this was Friday afternoon, lunch hour?

12 A. Correct.

13 Q. And nobody else talked to you about this  
14 issue, other than what you just alluded to that Mr.  
15 Hawkins came up and saw you later in the day, maybe --  
16 what time? Around --

17 A. I thought it was about as near noon as you  
18 could get.

19 Q. No, but when Mr. Hawkins came to you later.

20 A. Oh, he came around the tail end of the day.  
21 I suppose -- I suppose we'd say 6 o'clock, someplace  
22 around there. It was just -- I was planning to go home  
23 early that night, so I think it was around 6:00.

24 Q. It was the weekend, wasn't it?

25 A. Yes.

1 Q. TGIF?

2 A. Yeah, TGIF.

3 Q. You don't get many weekends, do you?

4 A. I get as many as anybody else. I just use  
5 them differently.

6 Q. Governor, did you think it was necessary at  
7 that time to warn anybody, particularly Donna Carlson?

8 A. Absolutely not.

9 Q. Was this the next time you addressed this  
10 issue at all, 6 o'clock at night on Friday night?

11 A. That's correct.

12 Q. And did you call for Mr. Hawkins to come up  
13 to see you on this issue?

14 A. No, no, I didn't. It had been handled by  
15 him, and I knew I would get a report back, write me a  
16 report back as soon as he was -- as I recall, there was  
17 this one other issue, as well. He had something else to  
18 come up to see me about, but I didn't call him. He came  
19 up.

20 Q. He just came up to see you about the end of  
21 the day?

22 A. Came up to report.

23 Q. Was that the primary report he was going to  
24 give you?

25 A. I don't remember whether the -- what the

1 other subject was, but this was, of course, an important  
2 one. He had been given an assignment. This was  
3 current -- I say I don't remember what the other one was  
4 to do, but there was another subject we talked about.

5 Q. What did Max Hawkins tell you?

6 A. He told me that he had talked to both Lee and  
7 Peggy, and that it was a bunch of hot air, and that it  
8 would -- and that it would go away.

9 Q. What did you tell him to do with this?

10 A. Just keep me posted if anything happened,  
11 just --

12 Q. Did you tell him to keep an eye on it?

13 A. Yes, yes, m'hum.

14 Q. Did he recommend any action at all?

15 A. No, he didn't.

16 Q. Did he tell you that he talked to Peggy?

17 A. Yes, he did.

18 Q. Did he tell you that he also talked to Lee?

19 A. Yes, he did, m'hum. He said he talked to  
20 both of them.

21 Q. Did he tell you what they had said? Did he  
22 give you details?

23 A. No, he didn't, no. The details that he gave  
24 me, that this -- this is a bunch of hot air and it would  
25 go away. And I didn't ask him for any more. I mean, I

1 don't need any more details more than that. If he thought  
2 there was anything to it, we'd look at the details. He  
3 didn't. So that's literally all that was said.

4 Q. I'm going to return to what you did next, but  
5 I want to ask you, Lieutenant Johnson had served not only  
6 you, but had served in that capacity of security for  
7 Governor Babbitt, hadn't he?

8 A. I think so, m'hum.

9 Q. Did you have any reservations about  
10 Lieutenant Johnson about that time?

11 A. Yes.

12 Q. And what was that reservation?

13 A. Well, I had -- there had been a -- some  
14 things happen. I think I mentioned this yesterday. I had  
15 a very, very definite agreement with Colonel Milstead on  
16 the activities of the security detail. Lieutenant Johnson  
17 had been observed and spent a great deal of time talking  
18 with Colonel Chilcoat, and on almost a daily basis,  
19 disturbed me somewhat, because other things that had  
20 happened -- that had happened, we had had some concern  
21 about leaks and some things of that nature, and also there  
22 was a -- in one of the many rumors, and so-called exposes  
23 on what I was going to do relative to one of the proofs  
24 that I was going to sack Milstead was the fact that a  
25 report that Thad Curtis had given us -- heavens, I think

1 he sent it to me probably in December of 1986.

2 Thad Curtis was a -- I don't know, one of the  
3 key deputies in the Pima County Sheriff's Office. I knew  
4 Thad reasonably well, and he volunteered some information,  
5 and he had his own ideas on what I ought to do with DPS.  
6 So he sent me a --

7 MR. FRENCH: Excuse me, Governor. Mr. Presiding  
8 Officer, I'm going to object. This is getting into rank  
9 hearsay.

10 THE PRESIDING OFFICER: Sustained.

11 BY MR. CRAFT:

12 Q. Governor, did you have reason to doubt that  
13 Lieutenant Johnson was keeping confidential things on the  
14 ninth floor?

15 A. Well, I had reason to believe, for example,  
16 on what I was talking about a minute ago, that he had  
17 taken -- that this report had been taken from Jim Colter's  
18 desk and delivered to DPS, and surfaced in the newspaper  
19 as proof that I was going to sack Milstead.

20 Q. Now, does the DPS detail have access to the  
21 entire ninth floor?

22 A. Sure do.

23 Q. And did you suspect that somebody on the  
24 security detail had provided that document from Mr.  
25 Curtis?

1           A.     Had reason to believe that Lieutenant Johnson  
2 had.

3           Q.     Was that in your mind on November 13th -- or  
4 I'm sorry -- on Sunday, November 15th?

5           A.     Just the general feeling, that, plus other  
6 things, that I was unhappy with Lieutenant Johnson.

7           Q.     You didn't have a good working relationship,  
8 did you?

9           A.     I hadn't seen much of Lieutenant Johnson in  
10 quite a while. He wasn't around much.

11          Q.     Where was he?

12          A.     I don't know.

13          Q.     Who were you working closely with in your  
14 detail at that time?

15          A.     Primarily Sergeant Wright and the other  
16 officers.

17          Q.     So Lieutenant Johnson, as in charge of the  
18 detail, wasn't providing the actual security protection  
19 for you on a day-to-day basis at that time?

20          A.     Well, I'd have to say in his defense that he  
21 was -- he was always peripherally involved, but he was not  
22 one of the key people in providing security. He was  
23 running the detail. I really didn't know what all he was  
24 doing otherwise, but I, for quite some time, had seen very(  
25 little of him.

1 Q. But he was being the supervisor?

2 A. Yes, m'hum.

3 Q. And he was doing his proper job as a  
4 supervisor?

5 A. Well, I wouldn't object to that. I think  
6 perhaps he was.

7 Q. But that's the reason why he wasn't engaged  
8 in actually protecting you on a day-to-day basis?

9 A. That's correct.

10 Q. Governor, did you hear any more about this  
11 alleged threat after you went home and after you had  
12 spoken to Max Hawkins on Friday night?

13 A. No, I didn't.

14 Q. What did you do Saturday morning?

15 A. I spent a good part of Saturday in a meeting  
16 with attorneys relative to things that were happening on  
17 the grand jury investigation.

18 Q. Did you meet at Mr. Miller's office along  
19 with other people on Saturday all the way up until about  
20 1:00?

21 A. Yes, or later. As I recall, it was until  
22 midafternoon, m'hum.

23 Q. And was the focus of that also getting  
24 prepared for Monday?

25 A. That's correct.

1 Q. And Monday evening?

2 A. Yes, Monday evening, the -- making sure that  
3 the attorneys could be -- they didn't even want me to go  
4 talk to the public, and I insisted on doing it. So it was  
5 trying to get a comfort level of everything so that they  
6 could be happy with what I was going to say, and how to  
7 present it, and make sure all the material -- to show that  
8 everything that was going to show that it would be all  
9 right.

10 Q. Were they assessing whether they thought  
11 maybe you should amend your financial disclosure  
12 statements?

13 A. Yes, that was one of the subjects. Mr. Green  
14 had given us quite a lengthy report on their research, and  
15 had said as -- "We don't think you've broken any laws, but  
16 to exercise an abundance of caution, you really ought to  
17 redo your report."

18 Q. Was Mr. Green going to appear with you on  
19 Monday night?

20 A. Yes, that was part of our program.

21 Q. Is this the Cameron Mitchell interview?

22 A. Cameron Harper?

23 Q. I mean Harper.

24 A. Yes, that was it.

25 Q. What time do you think that meeting at the

1 attorney's office concluded?

2 A. Well, I thought it went until, you know,  
3 maybe 2 o'clock in the afternoon. I don't recall for  
4 sure.

5 Q. Was Ken Smith there?

6 A. Yes, he was.

7 Q. Was Fred Craft there?

8 A. Yes.

9 Q. And others?

10 A. Yes, m'hum, yes.

11 Q. At any time, Governor, in that meeting that  
12 lasted until 2 o'clock, was there any discussion at all by  
13 anybody that you heard about this alleged threat?

14 A. No, no, this didn't come up. There wasn't an  
15 alleged threat, as far as you knew, so, you know, it just  
16 was not a factor.

17 Q. Governor, did you go home after that meeting  
18 about 2 o'clock?

19 A. I think so.

20 Q. Did you get any calls or any communications  
21 at all relative to this issue of an alleged threat for the  
22 rest of the Saturday?

23 A. Well, the only thing I heard -- and I have  
24 heard Peggy say it was Friday night, and I thought it was  
25 Saturday night, but she called me either Friday or

1 Saturday night, and I primarily listened.

2 And the thrust of her total conversation was,  
3 they are trying to get me to be interviewed, and I believe  
4 she mentioned so-and-so, somebody from DPS, and then  
5 somebody from the Attorney General's Office, whether it  
6 was Steve Twist, or who, and went on just really saying,  
7 "I'm not going to talk to anybody. I'm -- they can't make  
8 me talk. My husband can protect me. I don't need anybody  
9 else's help." And she was sort of emotional.

10 And I said, "Peggy, it's all right. Whatever  
11 it is, don't worry about it. Have a good weekend, and  
12 we'll look into it Monday." So, there was no details of  
13 really -- I assumed that she was talking about this same  
14 experience, but that was really the gist of the  
15 conversation.

16 Q. At that time, Governor, did you read anything  
17 into that conversation about how Mrs. Griffith's demeanor  
18 was? Was she --

19 A. I took it that Peggy was a little concerned  
20 of the fact that she had kind of stirred something up  
21 there, you know, and maybe a little bit concerned about  
22 how I'd feel about her stirring something up. That's --  
23 that would be the only reason that I would know she'd have  
24 to call me, maybe a little concerned about her job, or  
25 something. But --

1 Q. Had she, Governor, ever called you at home at  
2 night before?

3 A. Not to my recollection. I can't say that for  
4 sure, but I don't ever remember it.

5 Q. Was this an unusual call, you felt?

6 A. Yes, yes.

7 Q. Governor, when she said something about the  
8 Attorney General's Office, what did you take that to mean?

9 A. Well, the Attorney General was working pretty  
10 hard on a very publicly-displayed secret grand jury  
11 investigation into my campaign finances. As was his past  
12 bent, if there was a good way that they could slip  
13 anything that they were talking about to the newspaper, it  
14 would be a Monday morning story.

15 I think that if there was anything I would  
16 have thought of, I thought, well, I wonder how this is  
17 going to play in the paper. That's about it.

18 Q. Governor, back on Friday a moment, did  
19 anybody tell you on Friday that DPS had already informed  
20 the Attorney General of this matter, in fact, two hours  
21 before you even knew about it?

22 A. Certainly didn't.

23 Q. Did anybody inform you that the Attorney  
24 General's Office had assumed control over and authority  
25 over an investigation?

1 A. No.

2 Q. Did you know there was an investigation?

3 A. No.

4 Q. Did you know there was an investigation in  
5 which DPS might be involved?

6 A. No.

7 Q. Did you know anything other than your  
8 suspicion that the newspapers might be involved in looking  
9 at it?

10 A. That's it.

11 Q. This is Friday night, and this is Saturday  
12 night?

13 A. M'hum.

14 Q. And you don't know anything more than that?

15 A. That's correct.

16 Q. Sunday morning, November 15th, what did you  
17 do Sunday morning?

18 A. Well, from 8:00 to 11 o'clock, I went to  
19 church.

20 Q. And do you normally go church at that hour?

21 A. Well, that was our schedule at that time.

22 Q. You came home from church?

23 A. Yes.

24 Q. Were you at home?

25 A. I was at home the rest of the day.

1 Q. About noon on Sunday, November 15th, did you  
2 get a telephone call from Colonel Milstead?

3 A. Yes, I did.

4 Q. Had anybody talked to you up to that time  
5 about this allegation of a threat?

6 A. No, just what I've already recounted.

7 Q. Had Colonel Milstead ever called you before  
8 at home?

9 A. No, he hadn't.

10 Q. Ever called you at home since?

11 A. No, he never did.

12 Q. Did Colonel Milstead have a habit of keeping  
13 you posted on matters that were pertinent to his  
14 department by calling you at the office?

15 A. I don't ever recall getting a call of any  
16 nature of anything that he's doing, except when he came in  
17 on something to do with the drug program, or something of  
18 that nature.

19 Q. Was it rare for him to call you directly on  
20 the telephone even at work?

21 A. Very rare, very rare. I'm not even sure that  
22 I ever heard from him before by telephone.

23 Q. What did Colonel Milstead say to you?

24 A. He said that he -- he related to me, as I  
25 remember, and this has been -- what is this? This is

1 March. This has been five months ago. The -- he relayed  
2 to me that there had been an altercation in the parking  
3 lot, and that -- and he did -- and he mentioned threat.  
4 He said "this threat."

5 As I recall, that Peggy had talked to  
6 Martinez. Martinez had talked to Beau. Beau had talked  
7 to Chilcoat. Chilcoat had talked to Phelps. And then he  
8 did say that Phelps had talked to the Attorney -- had  
9 called the Attorney General, and that they wanted to  
10 take -- they wanted to bring Martinez down today for  
11 questioning. That was essentially his message to me --  
12 that's what he asked.

13 Q. Governor, Ken Smith testified here that you  
14 had a conversation with him on Sunday after you met with  
15 your lawyers on Sunday afternoon and evening. He said  
16 that you told him that Milstead had called you to  
17 apologize.

18 A. Well, the biggest part of our conversation,  
19 and it was not a long conversation, was on the fact that  
20 he -- in a sense, that was it. He apologized because this  
21 thing had been -- he said it had been badly handled, and  
22 that was -- that was very right. It had been very badly  
23 handled, because if this thing was going to be looked at  
24 as a very serious thing, then we should have all talked to  
25 each other.

1                   And of course, I spent the bigger part of the  
2 time on that conversation talking than he did, because it  
3 made me extremely angry for them to violate the agreement  
4 that he had made with me on how the security force was  
5 supposed to operate on the ninth floor. And I told him, I  
6 said -- immediately when he told me that it had gone  
7 through DPS and the Attorney General, my thoughts, of  
8 course, went to the fact that I never for a minute thought  
9 of it being anything serious except to make another  
10 newspaper expose on something that was happening in the  
11 administration, knowing the Attorney General's proclivity  
12 for that, and I pointed out that the security on the ninth  
13 floor had been breached, that nothing like this should  
14 ever happen unless it was brought to me or my Chief of  
15 Staff first. And this was sort of the straw that broke  
16 the camel's back, that I wanted to move Beau Johnson, and  
17 I wanted to put Sergeant Wright in charge of the security  
18 detail. I had full confidence in him, a very fine  
19 officer, and that -- I saw no reason, for example, for  
20 Frank Martinez to -- running down from -- from hauling him  
21 down to the Attorney General's Office to interrogate him.

22                   This is Sunday. I knew Frank had the day  
23 off. And there was -- it wasn't anything that couldn't  
24 wait until Monday. You know, I saw nothing in what he  
25 said or anybody said that they should be in that big of a

1 hurry. So that was essentially -- he said -- he said at  
2 one place, "Well, we always cooperate with the Attorney  
3 General. And what am I going to tell them?"

4 And I said, "Well, tell them that we have  
5 looked into this matter and there's nothing to it. And  
6 that's what you tell them." And if -- and he sort of --  
7 he wanted to insist that they go do that. I was sure he  
8 was going to do that. And I says, "If you want my  
9 permission, you don't have it." And that's essentially  
10 what it was.

11 Q. Governor, I want you to look at Exhibit 11.  
12 And, Debbie, if you'd show the Governor Exhibit No. 11.

13 Governor, Exhibit No. 11 is reputed to be or  
14 is the -- it's reputed to be a DR, but it is in fact a  
15 statement by Colonel Milstead that he prepared Sunday and  
16 Monday, he's testified, relative to your conversation.  
17 There are 11 quotes in this article.

18 How long did your conversation take,  
19 Governor?

20 A. Oh, my estimate at this time is three or four  
21 minutes, maybe five at the outside.

22 Q. Did Colonel Milstead ask you to slow down so  
23 he could take notes?

24 A. No, he sure didn't.

25 Q. Did --

1           A.     I don't think he needed to. I think he was  
2     taping it.

3           Q.     You thought he was taping your conversation?

4           A.     Yes, you bet I did.

5           Q.     Were you cautious about what you were saying  
6     to him?

7           A.     Oh, not necessarily. I didn't need to be  
8     cautious. I wasn't seeing anything that was wrong.

9           Q.     Well, but I mean if you knew you were being  
10    taped or thought you were being taped, would you act any  
11    different than if you weren't being taped?

12          A.     Oh, I might be a little more careful, but I  
13    don't normally say anything that I think is improper.

14          Q.     Governor, at the time you made these comments  
15    to him, did you have any intent to break any law?

16          A.     Absolutely not.

17          Q.     Did you know that something that you were  
18    saying might possibly be construed as breaking the law?

19          A.     Couldn't conceive of it, no.

20          Q.     Did Colonel Milstead stop you at any time  
21    during this conversation and say, "Whoa, Governor, I'm  
22    getting -- do I understand you correctly?" Did he say  
23    anything like that?

24          A.     No, he didn't.

25          Q.     Governor, I want you to look at this exhibit,

1 and approximately the third line up from the third  
2 paragraph, the long paragraph, there's a statement in  
3 there in quotes that says: "I don't want Frank or Beau  
4 giving any statements to the Attorney General."

5 Did you say that?

6 A. No, I didn't. The only person who was the  
7 subject of this conversation on his part was Frank  
8 Martinez. The only time Beau was brought into it is when  
9 I said I wanted Beau removed as head of the detail, and  
10 put Chuck Wright in. And it was not -- it was -- it was  
11 not statements they wanted. It was, they wanted to  
12 question Frank. That's what it was.

13 Q. And were you confused as to why they wanted  
14 to talk to Frank?

15 A. Not particularly confused. I presumed that  
16 they wanted to -- I just figured the Attorney General  
17 wanted to get Frank down there and see what he could make  
18 out of this for a good publicity release. Never dreamed  
19 there was anything that they could try to make more than  
20 that out of it.

21 Q. Did you consider Officer Martinez one of your  
22 best DPS officers?

23 A. Yes, very much so. Frank has been there for  
24 quite a while. I viewed Frank as an excellent officer,  
25 and for that matter, a good friend.

1 Q. Do you think he would have sacrificed himself  
2 to protect you, Governor?

3 A. I believe he would, yes.

4 Q. Did you have full faith in him?

5 A. You bet.

6 Q. Were you concerned for his welfare?

7 A. Yes. I was disgusted they'd want to goof up  
8 his Sunday and bring him down for questioning on something  
9 like this.

10 Q. When they could talk to him on Monday  
11 morning?

12 A. That's correct. And when we all had a  
13 chance, and we had something to talk about, let's get  
14 together and talk about it Monday morning.

15 Q. Did Colonel Milstead tell you there was a  
16 crisis?

17 A. No, no, he didn't tell me there was any  
18 crisis.

19 Q. Did he tell you that the Attorney General had  
20 been investigating this matter three hours before you even  
21 knew about it on Friday?

22 A. He told me he -- he gave me the trail of the  
23 calls, Peggy to Frank, Frank to Beau, Beau to Chilcoat, to  
24 Phelps, Phelps to the Attorney General.

25 Q. Did you think at that time that the Attorney

1 General had already known on Friday before you knew it?

2 A. Oh, I knew he had.

3 Q. You did then?

4 A. I did then when he told me, because he just  
5 got through telling me then on Sunday that they'd known it  
6 since Friday.

7 Q. Well, Governor, if he had known it since  
8 Friday, they obviously must have known what Frank Martinez  
9 knew on Friday?

10 A. Well, I would have thought so. I couldn't  
11 understand why they needed to bring him down Sunday to  
12 interrogate him.

13 Q. Did you think that Frank Martinez was a  
14 witness to the alleged threat?

15 A. Oh, no, no, no, he was just a conduit of what  
16 Peggy said.

17 Q. Who was the witness, Governor?

18 A. Well, that's what I asked him. See, when --  
19 as he talked to me, I put the things together in my mind  
20 and said, well, Peggy and Lee, nobody's talking about --  
21 they're the ones that they ought to be talking to, and  
22 that's what I asked him. And Peggy said -- she called up  
23 to say that she didn't want to talk to anybody, and I told  
24 her, "You don't have to. Nobody can make you talk to  
25 anybody, you know."

1                   And, "My husband can protect me."

2                   And I said, "Fine, that's fine. We would  
3 look into this Monday."

4                   And I asked him that very thing. Frank  
5 wasn't a witness. I says, "Well, who's your witness? If  
6 you've got an investigation, who's your witness?" And he  
7 said -- and he started talking about Frank. And I said,  
8 "No, no, who's your witness? Frank's not a witness."

9                   He says, "Oh, you mean Peggy? Well, Peggy  
10 isn't talking."

11                   And I says, "Well, if she's not talking, you  
12 know, what have you got?"

13                   Q.       Other than talking to Peggy, did he tell you  
14 that they had talked to Lee Watkins?

15                   A.       No, never mentioned Lee, except to say that  
16 this -- he was one of the participants.

17                   Q.       Did he tell you that this was a very, very  
18 serious matter, Governor?

19                   A.       I don't recall him saying that. I won't say  
20 he didn't say something about it being serious, but I  
21 don't recall it.

22                   Q.       From your knowledge at that time, you knew  
23 that it was serious. Did you know it was serious in a  
24 felony context?

25                   A.       Heavens, no, farthest thing from my mind.

1 Q. Did you think it was serious in a political  
2 context?

3 A. You bet, you bet. I knew by the time he  
4 talked to me, I knew exactly that there was going to be  
5 another front-page story in my favorite newspaper, you  
6 bet.

7 Q. Governor, did Director Milstead give you any  
8 warnings as a police officer and as an employee of yours  
9 that you should do something other than what you were  
10 telling him?

11 A. No, he didn't.

12 Q. Did he give you any suggestions of any kind?

13 A. No, he didn't.

14 Q. Governor, I want you to look at the last  
15 sentence of the third paragraph in quotes on Exhibit No.  
16 11. This is Colonel Milstead's recitation of your ten  
17 quotes: "I don't want you to help him get me."

18 Did you say that, Governor?

19 A. I don't recall saying that, no.

20 Q. "Don't tell the Attorney General anything."  
21 Did you say that?

22 A. I don't recall ever saying that.

23 Q. It is fair to say that you didn't think that  
24 there was anything here, didn't you?

25 A. Well, I did tell him this. I said, "The

1 Attorney General is trying to hang me, and I'm not going  
2 to help him."

3 Q. Governor, the last paragraph on that page,  
4 there's a statement that says: "I tried several times to  
5 persuade him to view the matter differently by saying, 'I  
6 really think we need to cooperate with the Attorney  
7 General's Office.'"

8 And you were quoted as saying: "Never, don't  
9 give him any help."

10 Did you say that?

11 A. Not to my recollection, no.

12 Q. Governor, did you tell Peggy Griffith not to  
13 cooperate with anybody?

14 A. Absolutely not.

15 Q. Governor, did you tell Officer Martinez not  
16 to cooperate with anybody?

17 A. I did not.

18 Q. Did you tell Max Hawkins not to cooperate  
19 with anybody?

20 A. I did not.

21 Q. Governor, of all of the players that are  
22 involved here, from Donna Carlson, Lee Watkins, Peggy  
23 Griffith, Dr. Burke, Fred Craft, Beau Johnson, all of the  
24 players, is there anybody that you know of at all that was  
25 involved in this that you told to hamper an investigation

1 of the Attorney General?

2 MR. FRENCH: Objection; leading.

3 THE PRESIDING OFFICER: Considerable of these  
4 questions have been leading, but I think we spend more  
5 time arguing that they are leading than just letting them  
6 be answered.

7 Overruled. You may answer, sir.

8 THE WITNESS: No, I did not.

9 BY MR. CRAFT:

10 Q. Did you think anything that you were doing  
11 was hampering?

12 A. No.

13 Q. Do you know what obstruction of justice is,  
14 Governor?

15 A. Well, I'm certainly not an attorney, and so  
16 I -- you know, in a legal sense, I would think to obstruct  
17 justice, you would have to do something that would stop  
18 something that was being done, and you'd have to overtly  
19 do something to keep something happening that without your  
20 actions would bring justice.

21 Q. Did Colonel Milstead say, "Sir, you're my  
22 boss. I am going to disobey you, and I am going to go to  
23 the Attorney General and take Mr. Martinez and Lieutenant  
24 Johnson to the Attorney General's Office"?

25 A. He did not.

1 Q. The second page of his Exhibit 11, he says  
2 that after discussing this with you, that he said, "I  
3 ended the conversation by saying, 'Okay,' and I hung up."

4 Is that what he did?

5 A. I think so. I don't recall the detail,  
6 whether he said, "Okay," but it was kind of that way that  
7 the conversation ended.

8 Q. Did you have any inkling at that time that he  
9 was going to go to the Attorney General no matter what you  
10 had said?

11 A. Oh, I figured he would, sure.

12 Q. Governor, if a law enforcement officer  
13 believes that a law has been broken, do you believe that  
14 that law enforcement officer needs to have your permission  
15 to go to the proper authorities with that information?

16 A. Of course.

17 MR. FRENCH: Objection; no foundation.

18 THE PRESIDING OFFICER: Sustained.

19 BY MR. CRAFT:

20 Q. Governor, do you believe that law enforcement  
21 officers have duties to report laws that are broken?

22 A. You bet, you bet.

23 THE PRESIDING OFFICER: Counsel, by saying it  
24 faster doesn't make it any better.

25 MR. CRAFT: I'm trying to lay the foundation, Your

1 Honor, and I'm not trying to speed it up in order to get  
2 it in.

3 THE PRESIDING OFFICER: Why don't you just ask him  
4 what he believes?

5 BY MR. CRAFT:

6 Q. What do you believe is the duty of an officer  
7 in terms of reporting violations of laws?

8 A. To report them to proper authorities.

9 Q. And can you think of anything that you did to  
10 interfere with that?

11 A. Not at all.

12 Q. Governor, you're not an attorney, but Dr.  
13 Burke is an attorney, isn't he?

14 A. He is.

15 Q. And Mr. Craft is an attorney, isn't he?

16 A. Yes. And I like them both in spite of that.  
17 Go ahead.

18 Q. When somebody reports something to you, you  
19 don't take those reports in the context of a background of  
20 law enforcement, do you?

21 A. No.

22 Q. And so what might be evident to one who is  
23 trained in the law enforcement area might be different  
24 from somebody that's not?

25 MR. FRENCH: Objection, Your Honor. He's leading

1 this witness. He's testifying. I object.

2 THE PRESIDING OFFICER: Sustained. He's leading  
3 this witness.

4 BY MR. CRAFT:

5 Q. Governor, if this conversation with Colonel  
6 Milstead wasn't taped, do you think it might have been  
7 taken down by some other method?

8 MR. FRENCH: Objection; speculation.

9 THE PRESIDING OFFICER: Overruled. You may answer  
10 if you can, sir.

11 THE WITNESS: I don't know what other method he  
12 would use. I don't know. I was utterly amazed when I saw  
13 his testimony and his report that -- according to what he  
14 said, he said he didn't take any notes until five hours  
15 after we talked, and then he didn't dictate the report  
16 until the next day, and then he destroyed the notes. I  
17 found that all very suspicious in my mind, and what I do  
18 know about enforcement officers, when they make a report,  
19 and I was rather amazed, but -- at what his report was,  
20 but I, myself, couldn't tell.

21 BY MR. CRAFT:

22 Q. Is Exhibit 11, Colonel Milstead's statement,  
23 a full recitation of the conversation you had with him on  
24 that Sunday?

25 A. This -- the things that he alleges here is

1 the minor part of the conversation. The major part of the  
2 conversation was relative to him breaking the agreement,  
3 and the security detail not handling the affairs of the  
4 ninth floor as they should have done. This was the major  
5 part of that conversation.

6 Q. And you disagree with some of the things that  
7 he's written in here?

8 A. Yes, I do.

9 Q. Is the thrust of it wrong, in your opinion?

10 MR. FRENCH: Objection, Your Honor. It's leading.  
11 Mr. Craft is testifying. This Court is here to hear from  
12 Mr. Mecham, not Mr. Craft.

13 THE PRESIDING OFFICER: Sustained.

14 BY MR. CRAFT:

15 Q. Governor, if anybody had told you that what  
16 you were saying might constitute a crime, would you have  
17 clarified your position?

18 A. Of course.

19 Q. Did anybody ever give you an opportunity to  
20 clarify it?

21 A. No.

22 Q. Governor, there's been testimony presented to  
23 this Court of Impeachment that everybody knew that Donna  
24 Carlson was a grand jury witness, and was going to appear  
25 before the grand jury.

1 Do you know how many grand jury witnesses had  
2 been subpoenaed on the Wolfson loan issue?

3 A. I did not.

4 Q. We've heard testimony that it was 32. Were  
5 you cognizant of the fact that Donna Carlson was a grand  
6 jury witness?

7 A. I don't recall whether I knew she was a  
8 witness or not. I didn't try to keep up with them, quite  
9 frankly.

10 Q. Did you know that Peggy Griffith was a grand  
11 jury witness?

12 A. I don't recall having known one way or the  
13 other.

14 Q. Did you know that Lee Watkins was a grand  
15 jury witness?

16 A. I don't know that one way or the other.

17 Q. Did you know that Max Hawkins was a grand  
18 jury witness?

19 A. Same. I don't recall knowing it one way or  
20 the other. May very well have, but I don't recall today  
21 whether I did or didn't know that.

22 Q. I could go on and on, Governor. Do you now  
23 know how many people that worked for you on the ninth  
24 floor were required to get lawyers and go to the grand  
25 jury on this issue?

1           A.     Just about all of them, I think everybody.

2           Q.     In your mind, when they were talking even on  
3 Sunday with Colonel Milstead, what was your focus on,  
4 vis-a-vis, the threat or grand jury?

5           A.     On Sunday?

6           Q.     Yes, when Colonel Milstead called you and  
7 talked to you.

8           A.     I don't recall that there was any focus on  
9 grand jury.

10          Q.     What was the focus on?

11          A.     The fact that he wanted to take or was  
12 telling me he was -- wanted to take Frank down to the  
13 Attorney General's Office for questioning, and my focus  
14 was on the fact, as he told me what I had considered we  
15 had handled on Friday, and had had no information that  
16 would indicate otherwise, except if I wanted to  
17 interpolate what Peggy had said when she called me, that  
18 they were wanting to get involved in it, then I had no  
19 prior knowledge, and when I am told that this is trying to  
20 be fanned into a big thing, then my focus was on how badly  
21 I had been served by the head of my security detail, and  
22 that I wanted to make that change having already been  
23 unhappy with him on other things that I suspected, and I  
24 was very unhappy at the leadership of DPS itself for  
25 participating in this.

1 I think Milstead had said he said something  
2 about blind-siding me. He may very well have done -- and  
3 this was sure not any way to keep me from getting  
4 blind-sided. I mean, this was blind-siding me.

5 Q. Governor, did the Attorney General, on  
6 Sunday, call you and talk to you about these allegations  
7 of an alleged threat?

8 A. No, sir.

9 Q. Governor, to this day, have you ever heard  
10 from the Attorney General regarding this so-called threat?

11 A. I have not -- I take that back. I got a  
12 subpoena to the grand jury. That was the -- the Attorney  
13 General -- apparently you could say that, was they  
14 contacted me, because one of their people came and gave me  
15 a subpoena to appear as a witness.

16 Q. Governor, when did you get subpoenaed to  
17 appear in front of the grand jury on the alleged threat  
18 issue?

19 A. I think it was on Monday.

20 Q. Let's see. That would be November 15 or the  
21 16th?

22 A. Yes, whatever the date, but it was Monday.

23 Q. The next day after Milstead talked to you?

24 A. M'hum, yes.

25 Q. Did you appear in front of the grand jury?

1           A.     I did.

2           Q.     Governor, did the Attorney General's Office  
3 tell you that you were the focus of a grand jury  
4 investigation on this issue?

5           A.     He did not.

6           Q.     Do you know whether the grand jury has ever  
7 investigated you with regard to the allegations that are  
8 contained in Article I for obstruction of justice?

9           A.     I'm not aware of it if they did.

10          Q.     When you appeared on Tuesday in front of the  
11 grand jury, Governor, were you allowed to have your  
12 attorney with you in the grand jury proceedings?

13          A.     No, I was not.

14          Q.     And why were you not allowed to have your  
15 lawyer there at the grand jury proceedings?

16          A.     The discussion with the Assistant --  
17 Assistant Attorney General was related to that, and it was  
18 that if you're not a target, or subject of the activities  
19 themselves, then you have no -- the attorney is not  
20 allowed to go with you. And they said, "You can't take  
21 your attorney in because you're not a target of the grand  
22 jury proceedings."

23          Q.     Are you saying, then, the Attorney General  
24 never took the matters that we're dealing with in Article  
25 I, this obstruction of justice, to a grand jury to address

1 your role in it?

2 MR. FRENCH: Objection; leading.

3 THE PRESIDING OFFICER: Sustained.

4 BY MR. CRAFT:

5 Q. To this day, have you ever had to hire a  
6 lawyer to defend yourself in a court of law or a grand  
7 jury proceedings relative to the items and the issues that  
8 are involved in Article I?

9 MR. FRENCH: Objection. It's leading. He's  
10 testifying. I ask that he be admonished.

11 MR. CRAFT: I'm not. I'm asking him a simple  
12 question, Mr. French, and that is whether he had to hire  
13 an attorney ever --

14 THE PRESIDING OFFICER: Just a minute, Counsel --

15 MR. CRAFT: -- to defend himself --

16 THE PRESIDING OFFICER: Just a minute, Counsel.  
17 Don't overlap -- don't get involved in these little  
18 bickerings between counsel.

19 I'm going to overrule the objection, because  
20 I feel you have added an element to it that you hadn't in  
21 your previous question. So I'll allow the question to be  
22 answered.

23 THE WITNESS: No, I never have.

24 BY MR. CRAFT:

25 Q. So other than the subpoena, you've never

1 talked to the Attorney General's Office about these  
2 issues?

3 A. That's correct.

4 Q. Governor, I want to draw your attention now  
5 to Monday -- let me back up for just a second.

6 After that telephone conversation on Sunday  
7 with Colonel Milstead, did you have any more discussions  
8 about this issue with anybody?

9 A. I think -- I think the only thing was when I  
10 talked to Ken Smith. We were naturally -- Ken was the  
11 press secretary, and we were anticipating what this was  
12 going to be blown up to do in the next day's newspaper.

13 THE PRESIDING OFFICER: Counsel, it's 10:15. We'll  
14 take our morning recess until 10:30.

15 (Recessed at 10:16 a.m.)

16 (Reconvened at 10:33 a.m.)

17 THE PRESIDING OFFICER: Thank you, ladies and  
18 gentlemen. The Court of Impeachment is reconvened.

19 I think we are missing one member of the  
20 Board of Managers -- no, we have now a majority of the  
21 members of the Board of Managers, and -- do we not?  
22 Sorry, I thought we did. We're still shy one.

23 We now have a majority of the members of the  
24 Board of Managers present, their counsel, and counsel for  
25 the respondent.

1                   We'll now proceed. And, Governor, I'll  
2 remind you, you're still under oath.

3                   THE WITNESS: Thank you.

4 BY MR. CRAFT:

5                   Q.       Governor, I was asking you as we took the  
6 break to focus now on Monday, the following Monday, the  
7 16th of November, and on the 16th of November, Friday -- I  
8 mean on Monday, the 16th, were you preoccupied during that  
9 day with a particular item?

10                  A.       Yes, I was.

11                  Q.       And what was that?

12                  A.       That was the television appearance that  
13 evening.

14                  Q.       And what was the main purpose for that  
15 television interview that evening?

16                  A.       Well, it was to make sure that we could get  
17 out to the public what was really happening while the --  
18 how the report that was being investigated --

19                  Q.       Which report, Governor?

20                  A.       The campaign finance report, and the  
21 allegations that were being made in the press every day,  
22 to get what really happened out.

23                  Q.       Were you being asked by the press to show  
24 exactly where the \$350,000 loan was in your financial  
25 disclosure statement?

1 A. Yes, I was.

2 Q. Governor, on Monday, did you talk to anyone  
3 in the morning about this alleged threat?

4 A. No, only to the extent that -- you see, I was  
5 under -- I had received a subpoena, I believe, to go, if I  
6 recollect properly, to go the next day. And Dr. Burke had  
7 been subpoenaed, and he went down, I think, sometime  
8 Monday, and that sort of inhibits discussion of anything  
9 when anybody has had a grand jury subpoena. So, to my  
10 recollection, there was no conversation.

11 Q. After your conversation with Colonel Milstead  
12 on Sunday night, and other than talking to Ken Smith, your  
13 press secretary, are you testifying that you didn't have  
14 any more contact or any more discussions about this  
15 alleged threat issue with anybody?

16 MR. FRENCH: Objection; leading.

17 THE PRESIDING OFFICER: Sustained.

18 BY MR. CRAFT:

19 Q. Did you have any discussions with anybody,  
20 Governor, after talking with Ken Smith?

21 A. Not to my recollection, I didn't.

22 Q. The next day, Monday, you were subpoenaed to  
23 appear in front of the grand jury?

24 A. Yes.

25 Q. To discuss what?

1           A.     What I knew about, I presume, the  
2     Watkins-Griffith affair. I better be careful. I mean,  
3     the -- when I say "affair," I mean the altercation in the  
4     parking lot.

5           Q.     Were you also subpoenaed to appear on the  
6     Wolfson loan issue?

7           A.     Yes.

8           Q.     So Monday morning, did you have any other  
9     conversations, other than the fact about subpoenas being  
10    issued, with anybody?

11          A.     I don't recall any. I don't recall anything  
12    in -- at that time. As I said, it inhibits conversation  
13    when you've been issued a subpoena.

14          Q.     Governor, during this time frame, were you  
15    very cautious about what taking the air waves and talking  
16    about the loan issue?

17          A.     Yes, I was careful.

18          Q.     Why?

19          A.     My lawyer was very nervous about talking  
20    about anything where I was involved in this grand jury  
21    investigation.

22          Q.     Did your press secretary have instructions  
23    relative to boundaries for discussions?

24          A.     Oh, yes, definitely.

25          Q.     What were those?

1           A.     To not get into -- we had very narrow  
2 parameters. We agreed to go on to Channel 3 to tell this  
3 very narrow parameter of this is the area we talk about.  
4 We had I think it was about 15 minutes to cover the  
5 subject, and we wanted to cover it in proper detail so  
6 that everybody could understand it, and stay with that  
7 subject, period.

8           Q.     Was there a formal agreement that you had  
9 with -- I mean an informal agreement you had with Channel  
10 3?

11          A.     Oh, I was told that it was an absolute  
12 agreement, that -- that the subject, the conversation, the  
13 questions would be limited exactly to that one subject.

14          Q.     Which was the Wolfson loan issue?

15          A.     That's correct.

16          Q.     And the disclosure?

17          A.     That's correct.

18          Q.     Who told you about this agreement?

19          A.     Ken Smith.

20          Q.     Governor, did you have prepared remarks?

21          A.     Yes, we did.

22          Q.     Where did you telecast this?

23          A.     In the protocol room.

24          Q.     What time was it scheduled for?

25          A.     I don't know. I believe it was 6:30.

1 Q. Was it also going to be telecast other than  
2 locally?

3 A. Yes, it was hooked up statewide.

4 Q. Governor, did you already have a press  
5 statement prepared relative to the issue of the alleged  
6 threat --

7 A. I don't recall.

8 Q. -- at that time?

9 A. I don't recall.

10 Q. Had you been talking to the press about this  
11 issue?

12 A. No, no, I hadn't.

13 Q. Would this interview with Cameron Harper have  
14 been the first opportunity for any press to actually  
15 address this issue to you?

16 A. I'll never say it's the first for them to ask  
17 me, but I was not commenting, of course, on it. So I was  
18 not involved with the press on this particular issue,  
19 period.

20 Q. Were you even thinking about the alleged  
21 threat issue at all that day?

22 A. No, not -- well, you know, peripherally, I  
23 read a piece in the paper coming down to the office. As  
24 expected, it made a big story. I read that, and that's  
25 literally all.

1 Q. Governor, do you recall going on the air  
2 about 6:30?

3 A. Yes.

4 Q. Did you give your prepared statement?

5 A. I did.

6 Q. And did anything go wrong in the middle of  
7 that?

8 A. Yeah, everything. We had prepared, we  
9 thought, very carefully, first of all, to -- we had to  
10 have a teleprompter so that we could read the statement  
11 from the teleprompter, and that was unable -- I don't  
12 remember whether it didn't function or what was wrong. I  
13 could not use it. So I had to change, and fortunately,  
14 had the teleprompter copy, that I could read it, holding  
15 on my lap, so I did that.

16 When we got to the place where we had the  
17 slide set up to display what we were talking about, like,  
18 "Here it is," and I say, "Here it is," and nothing was  
19 there.

20 Q. What were you referring to where "Here it  
21 is"?

22 A. Well, it was the report itself, and with a  
23 notation showing where the loan had been reported, and  
24 giving the details.

25 Q. One slide showing the actual piece of paper?

1 A. That's correct.

2 Q. And circling where the 350 loan was?

3 A. That's right.

4 Q. What happened?

5 A. I don't know. They didn't do it.

6 Q. So the screen was blank?

7 A. Well, I didn't see the other side, but what  
8 we intended to be there wasn't there, and I knew the  
9 audience didn't see what I was talking about.

10 Q. This was one of the major purposes for you  
11 going on the air, wasn't it?

12 A. That's correct.

13 Q. Governor, I'd like you to look at Exhibit 21,  
14 and I think it's 21-A. I have an A, but I'm not sure  
15 whether it's -- is it 21-A? The excerpt from the  
16 one-on-one interview with Cameron Harper. I'd like you to  
17 look at that for a moment.

18 At the top of that, it starts asking you a  
19 question relative to this alleged threat, and you  
20 responded to Mr. Harper. Governor, there is some question  
21 as to whether you told the truth when Mr. Harper asked you  
22 a question directly, and you gave a response.

23 Would you tell us what you were attempting to  
24 say and what you did say?

25 A. Cameron was taking it upon himself to become

1 a cross-examiner, of course, and I pointed out to him that  
2 this was not proper, that we had an agreement. He said we  
3 didn't have an agreement. Of course, I knew we did. I  
4 didn't want to be rude and just get up and walk off the  
5 set. Probably should have done it, but I didn't. I never  
6 try to be rude. And --

7 Q. Governor, at that time had the telecast  
8 already run over past its scheduled time?

9 A. Yes, it had.

10 Q. It was due to go on for 30 minutes?

11 A. That's correct. The thing was, he was trying  
12 to get me to answer something there relative to this. I  
13 was under -- I had been subpoenaed. I wasn't to talk  
14 about it, and I pointed out to him two times that I did  
15 not know the details of this particular subject.

16 Q. What did you say?

17 A. Well, I'll see what he said, what this --  
18 apparently this is a --

19 Q. At the bottom of 21-A.

20 A. Yeah. I said, "...and I'll answer or not  
21 answer because I frankly know very little about the  
22 details," which is a very correct statement.

23 Q. Was that a truthful statement, Governor?

24 A. True statement.

25 And, let's see. It said someplace else,

1 there's a thing here -- let's see. He's talking about the  
2 allegation, and then he comes up with something, as I've  
3 read this, he makes his speech, "There's an allegation of  
4 a threat against your former," deal.

5 He finally gets it in, and I agree to sit  
6 there while he asks this:

7 "...in which Watkins allegedly said to Peggy  
8 Griffith, who runs your office of Women's Services  
9 that, 'Your friend Donna Carlson talks too much.'  
10 The implication --" and this is him. "The  
11 implication was that if she didn't stop talking,  
12 she'd wind up dead."

13 Well, now, he's putting a compound thing, and  
14 in his mind, he's adding something. He also makes a  
15 statement here: "Your friend Donna Carlson talks too  
16 much."

17 Well, that's his statement, but then he adds,  
18 "The implication," and he adds the "threat," that I don't  
19 know there's a threat. He says: "Did you know about that  
20 threat?" The implication that if she talks too much, and  
21 he then says, "the implication," that "she'd wind up  
22 dead." I knew nothing about any implication that she'd  
23 wind up dead.

24 So I said: "No, I didn't."

25 And did anybody else? I had not talked,

1 except with Dr. Burke, relative to this subject, that I  
2 knew he had been down and talked to the grand jury that  
3 day. I went the next day. So, we didn't talk about it.  
4 And I didn't know. But what -- if anybody did, it would  
5 probably be Dick Burke, because I didn't know what he had  
6 testified to or what he knew.

7 So that was what I was saying. Maybe my  
8 Chief of Staff. I don't really know. Everything I said  
9 was totally true.

10 Q. Governor, at that stage, had anybody told you  
11 the exact words that were used in the threat?

12 A. No, they hadn't.

13 Q. Had anybody told you any of the details?

14 A. No, they hadn't.

15 Q. Other than an overview?

16 A. No, they hadn't.

17 Q. Governor, would you stand on what you said to  
18 Mr. Harper even to this day?

19 A. You bet.

20 Q. Governor, after all of what has happened  
21 relative to the events of Friday, Saturday, and Sunday and  
22 Monday, and you appeared before the grand jury on  
23 Tuesday -- we've heard testimony that Dr. Burke ordered  
24 Director Hawkins to cease and desist as of sometime on  
25 Thursday.

1                   In all of that time frame, have you  
2 formulated an opinion with regard to what you think this  
3 matter is all about, or was all about?

4                   A.     Yes, I certainly have. Two somewhat  
5 excitable people had a verbal exchange, and along the  
6 line, there were those who determined that they would make  
7 something out of it, and manufacture an incident out of  
8 something that wasn't there. And it's a totally  
9 manufactured thing, a disservice to me, a disservice to  
10 those people and a disservice to the state, certainly a  
11 disservice to the taxpayers, to spend all the time when  
12 there isn't a piece of evidence that I had any intention  
13 at all to obstruct any kind of justice.

14                   If there had have been -- if I'd have had any  
15 idea or anybody would have told me, or brought to my  
16 attention at any time that anyone was in danger, I would  
17 have been the first one there to see that was taken care  
18 of. This is the biggest miscarriage of justice I've ever  
19 seen in my life.

20                   Q.     And you would have moved to protect anybody,  
21 wouldn't you?

22                   A.     You bet.

23                   Q.     Including Donna Carlson?

24                   A.     You bet. If I would have thought she was in  
25 danger, I would have moved a heck of a lot quicker than

1 anybody did in calling her. She would have got called  
2 right then.

3 MR. CRAFT: I have no further questions.

4 THE PRESIDING OFFICER: Thank you, Governor.

5 You may cross-examine.  
6

7 CROSS-EXAMINATION

8 BY MR. ECKSTEIN:

9 Q. Good morning, Governor.

10 A. Good morning, Mr. Eckstein.

11 Q. Governor, yesterday you testified that when  
12 the issue of paying Mr. Craft's expenses first erupted,  
13 you did not know that the bill had been paid or submitted,  
14 and that Julia Ayers had just gone ahead and paid it,  
15 correct?

16 A. I didn't say she just had gone ahead and paid  
17 it. She probably had somebody okay to pay it, but it  
18 would have been paid, yes.

19 Q. But you didn't know about the payment before  
20 it was made, did you?

21 A. No, I did not.

22 Q. Governor, I've had marked as Exhibit 26 in  
23 this proceeding a copy of a letter from W.O. Craft, Jr.,  
24 dated December 22, 1986, to Sam Steiger, setting forth  
25 certain out-of-pocket expenses adding up to \$1980.34.

1                   Would you please hand the exhibit to Governor  
2 Mecham?

3                   Governor, you see some writing right above  
4 Mr. Craft's signature, do you not?

5           A.       Yes, I do.

6           Q.       And would you kindly read that to this group?

7           A.       "Approved 1/14/87, Ev Mecham."

8           Q.       That's your signature, is it not?

9           A.       That's correct.

10          Q.       And you approved this before it was paid, did  
11 you not?

12          A.       I did.

13          MR. ECKSTEIN: I would move that Exhibit 26 be  
14 admitted into evidence.

15          MR. CRAFT: I have no objection, Your Honor.

16          THE PRESIDING OFFICER: There being no objection,  
17 it shall be admitted.

18 BY MR. ECKSTEIN:

19          Q.       So, Governor, when you testified here  
20 yesterday that you did not know about the payment before  
21 it was made, that was not quite correct, was it?

22          A.       No, that was exactly correct. I didn't make  
23 the payment. I approved it as legitimate expenses when it  
24 came through in the first place. I passed it on through  
25 for proper handling. I did not think it had been paid.

1 Q. In other words, what you're saying is, you  
2 approved it, but you didn't write the check?

3 A. I approved it to be processed and handled,  
4 Mr. Eckstein. I didn't write any of the checks. I left  
5 others to make sure that it was processed and that it was  
6 legal to pay, but I approved that it was a legitimate  
7 expense. That's what I approved.

8 Q. You testified yesterday that you did not  
9 order that Lee Watkins be fired from his position with the  
10 Department of Administration as Executive Director of  
11 Prison Construction. Do you remember that?

12 A. That I didn't order him to be fired.

13 Q. And that was your testimony?

14 A. That's right.

15 Q. And you also testified that Max Hawkins did  
16 not order him to be fired, as he ended up giving his  
17 resignation; isn't that correct?

18 A. Would you please read that again?

19 Q. You testified that Max Hawkins didn't order  
20 him to be fired, either. Don't you recall that?

21 A. I don't recall that, but it's my  
22 understanding that Max did not order him to be fired.

23 Q. Well, Governor, you're aware, are you not,  
24 that your former Chief of Staff, Dr. Burke, testified  
25 before this Court that you told Mr. Hawkins that Lee

1 Watkins should be fired? Do you recall that testimony?

2 A. No, I don't recall it.

3 Q. But you dispute it; is that correct?

4 A. I didn't say that. I just don't recall it.

5 Q. Do you agree with it or do you disagree with  
6 it?

7 A. I didn't -- I didn't participate in Lee  
8 Watkins' firing. That was handled in the department.

9 Q. So what you're saying --

10 A. It's my recollection that he resigned.

11 Q. So it is your testimony that Dr. Burke is in  
12 error when he testified that you ordered Max Hawkins to  
13 fire Lee Watkins; is that correct?

14 A. Mr. Eckstein, I can testify what I know and  
15 what I said. That's what I've done, sir.

16 Q. Well, in addition, Governor Mecham, you're  
17 aware, are you not, that Max Hawkins testified before this  
18 Court of Impeachment that you ordered Lee Watkins to be  
19 fired?

20 A. I did not listen to Mr. Hawkins' testimony to  
21 that extent. I am not aware that he said that.

22 Q. But you disagree with Max Hawkins' statement  
23 that you ordered him to fire Lee Watkins; is that correct?

24 A. I have made my statement, Mr. Eckstein. I'll  
25 repeat it again, if you'd like.

1 Q. Do you disagree with Max Hawkins' statement  
2 before this Court of Impeachment that you ordered Lee  
3 Watkins to be fired?

4 MR. LEONARD: Objection, Your Honor. That's  
5 argumentative. The witness has answered the question with  
6 respect to what his recollection is.

7 MR. ECKSTEIN: I don't think I've gotten an answer  
8 to this question, Your Honor.

9 THE PRESIDING OFFICER: That's correct. The  
10 objection is overruled.

11 You may answer, sir.

12 THE WITNESS: I have told you, Mr. Eckstein, what I  
13 recollect. I cannot -- I have not listened to what  
14 everybody else said, and that's all I can do.

15 BY MR. ECKSTEIN:

16 Q. Let me try one more time. The question is:  
17 Do you disagree with Max Hawkins' statement before this  
18 Court of Impeachment where he said that you ordered him to  
19 fire Lee Watkins?

20 A. Mr. Eckstein, I do not recall ordering him to  
21 fire Watkins. Watkins, in my recollection, handed in his  
22 resignation.

23 Q. Governor, you testified in direct testimony  
24 yesterday that you could not use the lawyers on your staff  
25 for legal advice. Do you recall that?

1           A.     That's correct.

2           Q.     And at one time or another, you had at least  
3 three lawyers on your staff; Jim Colter, Richard Burke,  
4 and Fred Craft. Is that correct?

5           A.     No, that isn't correct. I didn't have Jim  
6 Colter and Fred Craft and Dick Burke at the same time.  
7 Maybe that isn't what you meant.

8                     I had them at different times. In fact,  
9 there was four at one time. John McGowan was also on the  
10 staff.

11          Q.     And it is your testimony that Dr. Burke, a  
12 lawyer on your staff, was prohibited from giving legal  
13 advice to you; is that correct?

14          A.     That's correct.

15          Q.     And that Fred Craft, a lawyer on your staff,  
16 was prohibited from giving legal advice to you; is that  
17 correct?

18          A.     That's correct.

19          Q.     And that Jim Colter, your Chief of Staff, is  
20 a lawyer, was prohibited from giving legal advice to you;  
21 is that correct?

22          A.     That is correct.

23          Q.     So as I understand your testimony, if Jim  
24 Colter or Dick Burke or Fred Craft saw that you were about  
25 to do something illegal, they would be prohibited from

1 giving legal advice to you to prevent you from doing that;  
2 is that correct?

3 A. Well, I think you're trying to carry that to  
4 an extreme. I'm sure that if anybody saw me doing  
5 something illegal, I don't believe they'd have to be an  
6 attorney to say if you're doing something illegal. I  
7 believe if Sam Steiger had saw me doing something illegal,  
8 or Edith Richardson or Ray Russell, they'd say, "Governor,  
9 I think you're doing something illegal." I don't think it  
10 takes a lawyer to point out to somebody on the staff or to  
11 a Governor that he's doing something illegal.

12 Q. Governor, you're not saying that just because  
13 a person was a lawyer, he couldn't give you legal advice,  
14 are you?

15 A. Mr. Eckstein, I think we're battling over  
16 semantics. Let's say whether we're looking for legal  
17 opinions specifically as it relates to law. I think you  
18 better refine it more carefully, if that's what you're  
19 really after. I'll be happy to answer any question, but  
20 do refine it so we know exactly what we're talking about  
21 and not making any broadbrush, please, for my benefit.

22 Q. Let's just refine it, if we can.

23 A. Okay.

24 Q. You know that Mr. Craft gave you legal advice  
25 from time to time; isn't that correct?

1           A.     No, he didn't give me legal advice in my  
2 sense of legal advice, no.

3           Q.     Do you recall an incident several months ago  
4 where Mr. Craft told you that you were required by a  
5 recent decision of the Supreme Court of the United States  
6 to sign extradition papers for a person you didn't want to  
7 extradite?

8           A.     I don't recall whether Mr. Craft said that or  
9 not. I was told that I should do that.

10          Q.     You don't recall a very spirited conversation  
11 with Mr. Craft where he told you that you had to sign an  
12 extradition paper to a person to the State of Tennessee  
13 that you did not want to sign, and he told you you had to  
14 sign that because of a change in law brought about by the  
15 Supreme Court of the United States?

16          A.     I think there was several of us discussing  
17 that. I think Mr. Burke was in on it. We discussed that  
18 over a period of two or three days. The information that  
19 was coming in, the information was fed in, I believe --  
20 I'm not sure, but I think the Attorney General's Office  
21 was contacted. I think the -- if I remember right, Mr.  
22 Neely, I know in the spectrum of talking about this issue,  
23 that Mr. Neely had some input, and I know that Judge  
24 Chatwin, a friend of mine, had come in and talked to me  
25 about it.

1                   So, we had quite a broad discussion about  
2 that, Mr. Eckstein. I don't recall specifically what  
3 you're talking about, but I remember there was a great  
4 deal of discussion which did convince me that this would  
5 be taken to the Supreme Court, and the Supreme Court would  
6 override it if I didn't sign the extradition.

7                   MR. ECKSTEIN: Mr. Presiding Officer, I would ask  
8 that you admonish the witness to listen to my questions  
9 and respond to my questions. I asked whether he had had a  
10 discussion with Mr. Craft, not with other people. And I  
11 would ask that you instruct the witness and admonish the  
12 witness to respond directly to my question.

13                   THE PRESIDING OFFICER: Yes, counsel.

14                   I must tell you, Governor, please answer just  
15 the question that is asked.

16                   Mr. Leonard?

17                   MR. LEONARD: Mr. Presiding Officer, do I take it  
18 that that's a ruling that this witness, after he answers  
19 the question, has no right to comment further?

20                   THE PRESIDING OFFICER: I did not say that. I just  
21 said that first he must answer the question, and he hasn't  
22 done that yet.

23                   MR. LEONARD: But then he has a right, does he not,  
24 to explain his answer and to go on to flush it out and  
25 tell the entire story, does he not?

1 MR. ECKSTEIN: Mr. Presiding Officer --

2 THE PRESIDING OFFICER: Just a minute. Mr.

3 Eckstein has a right to proceed to ask him the questions  
4 he feels are appropriate. You, on redirect, can bring out  
5 any matter you feel that misleads this Court by not being  
6 able to finish his answer.

7 MR. ECKSTEIN: Thank you.

8 BY MR. ECKSTEIN:

9 Q. Now, in fact, Governor, you recall going to  
10 Mr. Craft after a very spirited discussion and telling  
11 him, well, I guess he was right, and you had to follow the  
12 law of the Supreme Court; isn't that correct?

13 A. I don't specifically remember that. It could  
14 have happened, Mr. Eckstein.

15 Q. Now, Governor, I want to talk about some  
16 specifics. Let's talk about Mr. Colter and some legal  
17 advice that he gave you.

18 You recall an incident in the summer of 1987  
19 when there was some discussion about an \$80,000 loan from  
20 the protocol fund to Mecham Pontiac, don't you?

21 A. Yes, I remember that very well.

22 Q. And you recall having that discussion with  
23 Mr. Colter, do you not?

24 A. I do.

25 Q. And you recall Mr. Colter telling you that

1 that loan had to be documented by a note and secured by a  
2 deed of trust, don't you?

3 A. I don't recall that specifically. My  
4 conversation with him relating that, Mr. Eckstein, was  
5 that he should look for a higher interest rate, and that  
6 if he wanted to --

7 Q. Excuse me, excuse me. My question was very  
8 narrow with respect to a note and a deed of trust, and I  
9 would ask you, please respond directly to my question.

10 A. I'll try and do that.

11 MR. ECKSTEIN: Would you repeat the question? Mr.  
12 Reporter, could you read it back.

13 (Question read.)

14 THE WITNESS: Don't recall those details, no.

15 BY MR. ECKSTEIN:

16 Q. You don't recall testifying to that in the  
17 House of Representatives before the Select Committee?

18 A. Mr. Eckstein, today I don't recall those  
19 details. I do not.

20 Q. That was legal advice, was it not, that Mr.  
21 Colter was giving you?

22 A. Oh, I would -- I don't think so. I'm not a  
23 lawyer, and if someone asks me how do you secure a loan or  
24 a note, I've handled a lot of them. I'd say, well, secure  
25 it with a -- get a loan and then get some security behind

1 it, and probably today we handle a deed of trust -- I know  
2 all about deeds of trust, Mr. Eckstein, and I know about a  
3 line --

4 Q. Governor, you testified in direct testimony  
5 yesterday, and I think you've confirmed it this morning,  
6 that every member of your staff, except Doris Stafford and  
7 Julia Ayers, was investigated in one way or another by the  
8 Attorney General's Office, correct?

9 A. The key members of the staff. I was joking a  
10 little bit about the secretaries, but I'm talking about  
11 the policy members, the executive assistants.

12 Q. Dr. Burke was a key member of your staff, was  
13 he not?

14 A. Yes, he was.

15 Q. He wasn't investigated by the Attorney  
16 General, was he?

17 A. Well, he wasn't there long enough. They  
18 would have got to him if he would have been there a little  
19 longer, I'm sure.

20 Q. Donna Carlson was a key member of your staff?

21 A. Yes.

22 Q. She wasn't investigated by the Attorney  
23 General's Office, was she?

24 A. She apparently had a special association.

25 Q. Sam Udall was a key member of your staff, was

1 he not?

2 A. Not really, no.

3 Q. He was the person in charge of appointments  
4 to boards and commissions. You didn't consider him to be  
5 a key member of your staff?

6 A. His position was -- not discounting Sam's,  
7 the importance of the job, but it was not policy. It was  
8 clerical, in a sense.

9 Q. He wasn't investigated by the Attorney  
10 General, was he?

11 A. I'm not sure. I don't even know how many  
12 were, but I'm not aware if he was.

13 Q. Mack Matheson was a key member of your staff,  
14 was he not?

15 A. No, he wasn't a key member. He's on the  
16 staff, but you mentioned key members, Mr. Eckstein.

17 Q. Mack Matheson was in charge of constituents'  
18 mail?

19 A. Yes, that's correct.

20 Q. That was not a key position on your staff?

21 A. Not really, no.

22 Q. He wasn't investigated by the Attorney  
23 General, was he?

24 A. Well, I wouldn't swear to it, but I'm not  
25 aware of it.

1 Q. Was Ray Russell a key member of your staff?

2 A. Yes, Ray was.

3 Q. He wasn't investigated by the Attorney  
4 General, was he?

5 A. Yes, there was an attempt to investigate Ray  
6 Russell. There was.

7 Q. Somewhere Ray Russell was subpoenaed to  
8 appear before the grand jury. You're not saying that that  
9 constituted an investigation of Ray Russell, are you?

10 A. No, that didn't at that time.

11 Q. Governor, you testified yesterday in direct  
12 testimony that the DPS officers' detail to protect you  
13 reported only to you; isn't that correct?

14 A. That was our agreement. That was the  
15 agreement, except in the case of their own personnel  
16 matters.

17 Q. Now, you didn't mean to suggest by that  
18 statement that a DPS officer, who was a member of your  
19 security force, who observed a crime could only report  
20 that crime to you, did you?

21 A. No. I testified earlier that wouldn't be the  
22 case. They could report to any authority.

23 Q. Governor, you testified in direct testimony  
24 yesterday that you felt uncomfortable with a young lady  
25 DPS officer by the name of Laurie because you did not

1 think it was proper for you and her to be in an automobile  
2 without somebody else driving; is that correct?

3 A. Not necessarily drive. She is a female. I'm  
4 a male. I just thought it was inappropriate for me to be  
5 by myself with a young lady in a car just from an  
6 appearance standpoint, nothing else. She drove very well.

7 Q. Let me read you your testimony yesterday,  
8 Page 2870:

9 "QUESTION: Early on, did you ask that  
10 somebody be transferred off of that?

11 "ANSWER: Yes, I did.

12 "QUESTION: Can you recall what that  
13 incident was, or why?

14 "ANSWER: Well, I didn't ask. One, there  
15 was a young lady there, Laurie was her first name,  
16 and Laurie was in the detail. I didn't ask for her  
17 to be transferred, but I pointed out that I thought  
18 that it was not proper for she and I to be in an  
19 automobile without somebody else driving, and,  
20 therefore, I felt uncomfortable, not that I am  
21 anybody that a woman has to be afraid of or I  
22 wasn't afraid of her, but I felt that certainly the  
23 appearances were very -- to be totally careful and,  
24 therefore, I asked that she not drive me, and she  
25 was as a result transferred.

1 "QUESTION: But did you ask for her to be  
2 transferred?

3 "ANSWER: No, I didn't ask for her to be  
4 transferred. I just said don't have her drive me."

5 Do you recall that testimony?

6 A. Yes, I do.

7 Q. So your testimony today is that you thought  
8 she was a pretty good driver?

9 A. She drove well.

10 Q. You understood then, and you understand now,  
11 that driving the automobile for the Governor is a major  
12 part of the responsibility for the Governor's security  
13 detail, correct?

14 A. Well, no, I wouldn't say it's a major part,  
15 no. It's a very integral and important part, but handling  
16 the advance and the overall protection and the security of  
17 the ninth floor is the part of their detail. It includes  
18 driving me when I'm going someplace.

19 Q. If a person could not drive, for all  
20 practical purposes, that person could not be on the  
21 Governor's security detail; isn't that correct?

22 A. No, I don't think so. I don't know why. She  
23 stayed there quite a little while before she was  
24 transferred, and she didn't drive me. She did other  
25 things.

1 Q. Governor, you testified in direct testimony  
2 yesterday, and I think you confirmed it again today, that  
3 at the time of your conversation with Colonel Milstead on  
4 Sunday, November 15, 1987, Lee Watkins wasn't even in your  
5 mind. Do you recall that?

6 A. Yes, I recall that.

7 Q. Was Lee Watkins in your mind after Colonel  
8 Milstead called you?

9 A. After he did?

10 Q. Yes.

11 A. Oh, a little more than he was before.

12 Q. I take it right after Colonel Milstead called  
13 you, you quickly got him out of your mind?

14 A. Oh, I wouldn't say that. I can't remember  
15 what I did in my mind five months ago, Mr. Eckstein.

16 Q. Governor, you testified in direct testimony  
17 yesterday that you never rewarded people because of their  
18 campaign contributions, correct?

19 A. That's correct.

20 Q. And that included your Chief of Staff and  
21 three top special assistants, correct?

22 A. That's correct.

23 Q. And those people were Jim Colter, Edith  
24 Richardson, Sam Steiger, Ray Russell?

25 A. That's correct.

1 Q. It would include other people like Donna  
2 Carlson and Max Hawkins, correct?

3 A. Yes, that's right.

4 Q. Well, in fact, Governor, all those people  
5 made substantial contributions to your campaign,  
6 contributions and time, didn't they?

7 A. Most of them did, m'hum.

8 Q. Governor, you testified in direct testimony  
9 yesterday that in your mind, loans to a campaign are not  
10 contributions?

11 A. That's correct.

12 Q. Well, you understand now, don't you, that for  
13 campaign reporting purposes, loans must be listed as  
14 contributions?

15 A. I know that they're listed as contributions,  
16 but they are still not contributions. They're still  
17 loans, unless you don't plan to pay them back. And we  
18 paid them back, so they were not contributions. They were  
19 loans, Mr. Eckstein.

20 Q. Governor, you testified during direct  
21 examination yesterday that you are concerned about  
22 people's reputations. Do you recall that?

23 A. You bet, you bet.

24 Q. You don't think that Jim Skelly would agree  
25 with your statement that you're concerned about his

1 reputation, do you?

2 A. If you really want me to get in with Mr.  
3 Skelly -- is that what you're doing, Mr. Eckstein?

4 Q. It calls for a yes or no answer, Governor.

5 A. Yes, I'm concerned about his reputation.

6 Q. You're concerned about his reputation to the  
7 extent of providing information to the FBI and to other  
8 agencies --

9 A. Yes.

10 Q. -- and saying things before the House of  
11 Representatives that are not true?

12 Is that being concerned about his reputation?

13 A. I'm considerably more concerned about his  
14 reputation than he is mine, Mr. Eckstein. And let me tell  
15 you, I've done nothing to sully Jim Skelly's reputation  
16 and to call to attention and to seek to have a very  
17 serious allegation that he was involved in as to sully his  
18 reputation, Mr. Eckstein. I'm surprised you'd bring it  
19 up.

20 Q. You don't think that Burton Barr would agree  
21 with your statement that you're concerned about people's  
22 reputation, do you?

23 A. You bet. What did I ever say about Mr.  
24 Barr's reputation? Could you be specific, Mr. Eckstein,  
25 to show anything different than that?

1           Q.       You're testifying before this Court of  
2 Impeachment that you never said or wrote anything about  
3 Burton Barr that was damaging to his reputation? Is that  
4 your testimony?

5           A.       Mr. Eckstein, my testimony is written down on  
6 paper to be read. Will you please read it, and if you can  
7 find that I said anything about him, I am not responsible  
8 for anyone's acts themselves, and I'm not the one that  
9 writes articles.

10                   I am kind of tired of this kind of baloney  
11 that I sullied Burton Barr's reputation. I never did. I  
12 never called him a crook, or called him anything. All I  
13 ever did in 1986 was call in a question, is a conflict of  
14 interest. Now, you and others have very improperly, to  
15 me, said I damaged his reputation. I didn't damage his  
16 reputation one iota.

17                   I brought his record out, and what others had  
18 said, for people to say, as I thought was the thing to do,  
19 because if he had not had those problems, I wouldn't have  
20 been running against him, Mr. Eckstein. So, yes, I'm  
21 concerned, and I never called him any names, although so  
22 many have called me the names, and never gave me or  
23 accorded me the same privileges.

24           Q.       Governor, you don't think that Joe Lane would  
25 agree with your statement that you are concerned about

1 people's reputations, do you?

2 A. Yes -- well, I don't know that Joe would,  
3 because he sure is -- Joe, he certainly hasn't been  
4 concerned about mine when he said, "We're going to get him  
5 on 15," and, "He's a liar," and some of those things. I  
6 don't think he's been too concerned about that.

7 I have said very little about Joe Lane or  
8 Burton Barr or Jim Skelly or anybody else. I am the  
9 attackee, not the attacker, Mr. Eckstein.

10 Q. Governor Mecham, you testified yesterday that  
11 one of your campaign themes was to rid the state of  
12 corruption?

13 A. That's correct.

14 Q. Did you think that you were helping rid the  
15 state of corruption when you appointed an insurance  
16 consultant who later pled guilty to six felony counts?

17 A. Who are you talking about, Mr. Eckstein?

18 Q. Did you --

19 A. No, no. Tell me who you're talking about.

20 Q. The answer is no?

21 A. The answer is no. I did not appoint any  
22 attorney consultants. Come on. Let's be honest in the  
23 questions, Mr. Eckstein, please.

24 Q. Governor, I won't argue with you. I'm asking  
25 questions.

1           A.     The answer is no, I did not appoint anybody.

2           Q.     That's fine.

3           A.     Okay.

4           Q.     Governor, do you think you were ridding the  
5 state of corruption when you placed a person on the  
6 Housing Finance Review Board with ties to someone who was  
7 being investigated by the Attorney General for  
8 racketeering and corrupt influences with regard to certain  
9 bond transactions?

10          A.     I'm not aware of appointing anybody with ties  
11 to that.

12          Q.     Governor, did you think you were ridding the  
13 state of corruption when you appointed a person to the  
14 head of the Revenue Department whose company later pled  
15 guilty to a misdemeanor charge and paid the sum of \$13,000  
16 as a fine?

17          A.     Mr. Ritchie is a fine servant and he's  
18 serving very fine as the Assistant Department of Revenue  
19 Director, and if you think he is part of the corruption in  
20 this state, you should bring charges and remove him, Mr.  
21 Eckstein. It really -- it really is too bad for you to  
22 try to sully people's character in this matter to try to  
23 get at me. Come on, just get at me direct. Don't try to  
24 use that.

25          MR. ECKSTEIN: Mr. Presiding Officer, I would again

1 ask that you admonish the witness to listen to my  
2 questions and respond to my questions.

3 THE PRESIDING OFFICER: Your counsel, Governor  
4 Mecham, can bring these matters out, I'm sure. But it is  
5 important that you respond directly to the questions, if  
6 you can.

7 If you don't have the knowledge or  
8 information, say so. But if the answer is capable of an  
9 answer, you should respond directly to the question, sir.

10 THE WITNESS: Even the kinds of questions these  
11 are, is that --

12 MR. LEONARD: Mr. Presiding Officer, this is a  
13 political trial, if the Chief Justice please. Those are  
14 political questions. They go the the political nature of  
15 the person who is on trial here.

16 I believe that the Presiding Officer should  
17 substantially expand the rules that you would find in an  
18 ordinary court proceeding. This cross-examination is to  
19 hammer away at the credibility and the honesty and the  
20 character of the person who's on trial here.

21 We can't defend the respondent in this  
22 proceeding. He's got to defend himself. This is his  
23 opportunity to defend himself. And I ask the Presiding  
24 Officer to put aside the ordinary rules with respect to  
25 the responsiveness of a witness to questions on

1 cross-examination, and let the Governor and Mr. Eckstein  
2 have at it.

3 I think the members of the body want to see  
4 this, and I think that's the purpose of this, to let the  
5 Governor tell his story. And I ask the Court, please, and  
6 most respectfully, Mr. Chief Justice, put aside the  
7 ordinary rules with respect to a witness on  
8 cross-examination and let them go to it. We won't object.  
9 Why should anybody else object?

10 THE PRESIDING OFFICER: Counsel, it's very tempting  
11 to just throw all the rules away, but I'm not going to do  
12 that. I don't think it's fair to this Court. It isn't  
13 fair to your witnesses when you put them on that I throw  
14 the rules away.

15 You will have the opportunity on redirect to  
16 resurrect any misconception you feel is brought by this  
17 testimony, but I just don't think it's right, and that's  
18 not my obligation here. I was brought before this body to  
19 attempt to see to it that the rules are complied with.  
20 One of the rules are the Rules of Evidence, and I'm going  
21 to see to it that the rights of the parties under  
22 cross-examination, even yours, are in fact protected.

23 I have substantially allowed the rules to be  
24 bent, in fact fractured in many cases in this matter, but  
25 I think it's important that the witnesses respond directly

1 to the questions. Anything else would make a total farce  
2 out of this situation.

3 You may proceed.

4 MR. ECKSTEIN: Thank you, Mr. Presiding Officer.

5 BY MR. ECKSTEIN:

6 Q. Governor, in your testimony yesterday, you  
7 stated that campaign contributions were not used as a  
8 criteria to get anyone a job. Do you recall that?

9 A. Yes, I do.

10 Q. You do recall, however, a time when a  
11 gentleman, I believe by the name of Jim Hennis, was to be  
12 reappointed to the Arizona Power Commission, and that was  
13 brought to your attention by Representative Henry Evans,  
14 and you told him that you had decided to appoint a James  
15 Accomazzo in his stead. You recall that, don't you?

16 A. Yes, I do.

17 Q. And in fact, you told Mr. Evans in that  
18 conversation that Mr. Accomazzo needed to be rewarded for  
19 the active part he played in your campaign? You recall  
20 that, don't you?

21 A. No, I don't think it was reward. I knew Jim  
22 Accomazzo, and I knew his -- his thinking, and his  
23 actions, and the things would be very much along the line  
24 of my same policies, and that I may very well have said  
25 Jim had been supportive. Because, Mr. Eckstein, people do

1 support people of like ideas and like principles, and that  
2 was the thing that I wanted about Mr. Accomazzo, and of  
3 course Mr. Accomazzo was also known to Mr. Evans.

4 Q. Governor, you testified yesterday that you  
5 didn't spend money on accountants, lawyers, or other  
6 professionals in your 1986 campaign. You recall that,  
7 don't you?

8 A. I do.

9 Q. Governor, you're acquainted with the Gemini  
10 Group, aren't you?

11 A. Gemini? I don't recall who they are at this  
12 time.

13 Q. Never heard of them?

14 A. Oh, I won't say that. I just don't recall  
15 today who they are. Tell me.

16 Q. You and your campaign paid a substantial sum  
17 of money to them during the campaign; isn't that true?

18 A. Tell me who they are. I don't recall them.

19 Q. In fact, the Gemini Group is a group of  
20 professional media consultants; isn't that correct?

21 A. I don't recall of us hiring media  
22 consultants. It may have been something else listed as  
23 that. If this would be a list under which Ron Bell -- Ron  
24 was operating, very well could have been. He might have  
25 done some things under his company name, but we did not

1 pay for the services. So the answer is no, we didn't hire  
2 the Gemini Group to be media consultants.

3 Q. Would it surprise you if they showed up on  
4 your campaign expenditure and contribution reports as  
5 being hired by the campaign?

6 A. No, I think you have to say -- they weren't  
7 hired, Mr. Eckstein. I think you have to have a  
8 difference. If I let them pay for advertising, that's a  
9 lot different than hiring them as consultants. We didn't  
10 hire them as consultants, and we may very well have paid  
11 for advertising through them for some of the advertising  
12 we purchased.

13 Q. Governor, you testified yesterday and today  
14 at some length about Lee Watkins. If I recall your  
15 testimony correctly, you recall meeting Mr. Watkins in  
16 your 1982 campaign for Governor?

17 A. Yes, I think that's when it was.

18 Q. Do you recall meeting him before then?

19 A. I don't recall that I did.

20 Q. You also testified yesterday that Mr. Lee  
21 Watkins raised a substantial amount of money for your 1986  
22 gubernatorial campaign; isn't that correct?

23 A. No, that isn't what I testified.

24 Q. You didn't testify to that?

25 A. No, I don't think so.

1 Q. Was Lee Watkins responsible for raising a  
2 substantial amount of money for your 1986 campaign?

3 A. I think I testified yesterday, Mr. Eckstein,  
4 that there was quite a number of people involved, that  
5 this had come about saying that he had raised a lot of  
6 money. He was the one who brought Mr. Wolfson and Mr.  
7 Gregan in, and they were responsible for the two largest  
8 contributions to the campaign, which was \$15,000 each, and  
9 then Mr. Wolfson, to the loan of \$350,000. The money that  
10 was raised for the campaign otherwise was a joint effort  
11 by a number of people, and Lee perhaps was responsible for  
12 bringing some other money in. I think that's what I  
13 testified.

14 Q. You would acknowledge that \$15,000 from two  
15 individuals, for a total of \$30,000, was a substantial sum  
16 of money?

17 A. Sure. To me it's a big sum of money.

18 Q. No one else gave that amount of money,  
19 correct?

20 A. That's correct.

21 Q. You would acknowledge that a \$350,000 loan  
22 was a substantial loan to your campaign; isn't that  
23 correct?

24 A. Sure, you bet.

25 Q. No one else loaned that kind of money to your

1 campaign?

2 A. Oh, yes. Yes, I did in one way or the other,  
3 m'hum.

4 Q. Other than you?

5 A. That's right.

6 Q. No other individual?

7 A. That's right.

8 Q. Lee Watkins introduced Barry Wolfson and Hugh  
9 Gregan to you in late September or early October 1986;  
10 isn't that correct?

11 A. That is correct.

12 Q. And after Lee Watkins introduced Barry  
13 Wolfson and Hugh Gregan to you, they each contributed  
14 \$15,000 to your '86 campaign; isn't that correct?

15 A. That's correct.

16 Q. And after Lee Watkins introduced Barry  
17 Wolfson to you, Mr. Wolfson loaned \$350,000 to your 1986  
18 campaign; isn't that correct?

19 A. That is correct.

20 Q. After Lee Watkins introduced Barry Wolfson to  
21 you, Mr. Wolfson made a \$600,000 line of credit available  
22 to your 1986 campaign; isn't that correct?

23 A. I believe that's correct.

24 Q. It was in early October, 1986, that Barry  
25 Wolfson promised to make that \$600,000 line of credit

1 available to your 1986 campaign; isn't that correct?

2 A. It was within the month of October, you're  
3 probably correct.

4 Q. In fact, you testified in the House of  
5 Representatives that it was in early October; isn't that  
6 correct?

7 A. I don't recall that I testified. I'm telling  
8 you now that it was in the October time, and since the  
9 events took some time to transpire, I think I remember  
10 that the money came in -- the first money came in in the  
11 early 20s, so that would make it in the first half of the  
12 month, and I won't argue with you on that at all.

13 Q. Now, a factor in determining what kind of  
14 position a person obtained in the Mecham administration  
15 was that person's participation in your 1986 campaign;  
16 isn't that correct?

17 A. Absolutely not.

18 Q. Participation in the campaign was not a  
19 factor in determining what kind of position a person got  
20 in your administration; is that correct?

21 A. Absolutely not, Mr. Eckstein.

22 Q. Governor, did you offer Lee Watkins a job  
23 after you were elected to the office of Governor?

24 A. Yes, yes, we did.

25 Q. Initially, Mr. Watkins acted as a consultant

1 to the office of Governor; isn't that correct?

2 A. No, no, he didn't.

3 Q. He was on the Governor's payroll from January  
4 15, 1987, through March 10, 1987. You recall that, don't  
5 you?

6 A. Yes, but not as a consultant, Mr. Eckstein.

7 Q. You appointed Lee Watkins, I believe your  
8 testimony was yesterday, as the head of the Alliance for  
9 Drug Free Arizona, or what was to become that?

10 A. That's the job that he had, yes.

11 Q. And I believe you testified yesterday that  
12 Mr. Watkins resigned shortly after he took this job; isn't  
13 that correct?

14 A. No, no, no, he -- he had been on the job for  
15 a while.

16 Q. Well, in fact, Lee Watkins resigned three  
17 days after assuming his duties as the head of the Alliance  
18 for Drug Free Arizona; isn't that correct?

19 A. I don't recall it being that soon, no. Lee  
20 was functioning, I thought, for quite a while. I haven't  
21 looked the dates back up, but it's my recollection that he  
22 was there for a while.

23 Q. It would surprise you if he resigned three  
24 days after he assumed those duties?

25 A. Well, I could go back and look, and you may

1 be right. I don't recall it that way.

2 Q. At the time you appointed Lee Watkins to be  
3 head of the Alliance for Drug Free Arizona, you knew that  
4 he had not had any previous experience in drug  
5 enforcement, didn't you?

6 A. I didn't hire him for drug enforcement, Mr.  
7 Eckstein. I didn't ask him about experience. That wasn't  
8 what I was looking for.

9 Q. Well, perhaps you'd be kind enough to answer  
10 my question. I'll try to repeat it.

11 A. M'hum.

12 Q. At the time you appointed Lee Watkins to be  
13 head of the Alliance for Drug Free Arizona, you knew that  
14 that he did not have any previous experience in drug  
15 enforcement?

16 A. No, I didn't really know. I didn't ask him.

17 Q. You didn't ask him and you didn't care?

18 A. I didn't ask him, and I didn't need to have  
19 that.

20 Q. Fine. Then after Mr. Watkins resigned as the  
21 head of the Alliance for Drug Free Arizona, he was given a  
22 post on the Governor's audit and management team; isn't  
23 that correct?

24 A. That's correct.

25 Q. However, the audit team lost its funding for

1 fiscal year '86-'87, and was disbanded?

2 A. That's correct.

3 Q. Now, at the time you appointed Lee Watkins to  
4 a post on the Governor's audit and management team, you  
5 knew that he did not have any previous experience as an  
6 auditor, didn't you?

7 A. No, I didn't know that.

8 Q. That didn't matter whether he had it or not;  
9 is that correct?

10 A. Oh, it may have mattered. Lee knew business  
11 generally, and that qualified him.

12 Q. Now, in September, 1987, Lee Watkins was  
13 appointed to the position of Executive Manager of Prison  
14 Construction for the Department of Administration; isn't  
15 that correct?

16 A. Well, you've added a term to it. I'm not  
17 sure that the word "executive" is there, but he was  
18 appointed to handle prison construction as the head of  
19 that sub-department of the Department of Administration.

20 Q. You would accept the question if I said he  
21 was appointed Manager of Prison Construction; is that  
22 correct?

23 A. Yes, I think that was correct.

24 Q. You take issue with the word "executive"  
25 being in the title?

1           A.     I didn't take issue. You just said in the  
2 question. I am not sure that was a proper one. It just  
3 seemed that you were gilding the lilly a little by putting  
4 "executive" in it.

5           Q.     Is it your testimony that you did not appoint  
6 Mr. Lee Watkins to that position?

7           A.     I did not.

8           Q.     It's your testimony, as I understand it, that  
9 Mr. Max Hawkins appointed him to that position; is that  
10 correct?

11          A.     That's correct.

12          Q.     You're not saying, however, that Mr. Hawkins  
13 didn't talk to you about Mr. Watkins prior to making the  
14 appointment, are you?

15          A.     He may very well have done it. I don't  
16 recall.

17          Q.     You just have no recollection of that?

18          A.     I don't recall specifically that he did.

19          Q.     You know, don't you, that Mr. Watkins'  
20 primary duty in that position as manager, and we'll refer  
21 to it as manager, was to oversee prison construction;  
22 isn't that correct?

23          A.     It was to run the department, and that's what  
24 their job was, yes.

25          Q.     You knew at the time that Mr. Watkins was

1 appointed that he didn't have any prior experience in  
2 prison construction, didn't you?

3 A. That wasn't the word I got. He had been  
4 involved somewhat in construction, as he was growing up,  
5 and my recollection seems -- seems like his father was  
6 involved in building, and he had been involved, and he did  
7 have some experience in it. And I think probably he had  
8 substantially more experience than the person he replaced,  
9 who was a double English major and had never had any.  
10 So --

11 Q. As a youth, Mr. Watkins had worked in his  
12 family's construction business. My question was: You  
13 knew that Mr. Lee Watkins did not have any prior  
14 experience in prison construction at the time he was  
15 appointed; isn't that correct?

16 A. Oh, yes. Yes, I -- that's for sure.

17 Q. You knew about Lee Watkins' lack of  
18 experience in prison construction when Max Hawkins  
19 appointed him to the position of Manager of Prison  
20 Construction; isn't that correct?

21 A. Yes.

22 Q. At the time Max Hawkins appointed Lee Watkins  
23 to this position, you knew that, however, that Lee Watkins  
24 did have some prior experience with prisons; isn't that  
25 correct?

1 A. No, I didn't.

2 Q. You had no idea?

3 A. That's right.

4 Q. Sam Steiger testified in this proceeding  
5 before this Court of Impeachment that in the summer of  
6 1987, he told you about a conversation he had had with Sam  
7 Lewis, in which Lee Watkins told Sam Lewis that he was  
8 entitled to a good job in the Mecham administration, and  
9 that he could bring your administration down if he wanted  
10 to and if he didn't get the job.

11 You do recall Sam Steiger telling you that,  
12 don't you?

13 A. I certainly do not.

14 Q. You have no recollection?

15 A. I certainly don't. If he would have issued a  
16 statement like that, I would have called Lee on account  
17 and asked him what he was talking about, called a press  
18 conference and let him tell the world, anything that he  
19 had, you bet.

20 Q. While you were acting as Governor, you did  
21 receive reports concerning the criminal records of persons  
22 you wanted to appoint to various positions; isn't that  
23 correct?

24 A. That's correct.

25 Q. As I understand it, it was a policy of yours

1 not to appoint a person to a sensitive position who had  
2 been convicted of a DWI; is that correct?

3 A. Pretty much, pretty much.

4 Q. And if someone had been convicted of two  
5 DWIs, that would have made it even more difficult for that  
6 person to be appointed?

7 A. Pretty much, pretty much, m'hum. That's  
8 right.

9 Q. Were you aware of any persons in your  
10 administration who had been convicted of two DWIs who were  
11 appointed to positions?

12 A. I'm not presently aware of that. It's  
13 possible, but I'm not aware of it.

14 Q. Sometime in January or February of 1987, you  
15 were informed of Lee Watkins' record; isn't that correct?

16 A. That's correct.

17 Q. And you were informed of that record by  
18 Lieutenant Beau Johnson.

19 A. That is correct.

20 Q. Lieutenant Johnson informed you that Mr.  
21 Watkins had been convicted of an assault; is that correct?

22 A. Yes. There was an assault, a misdemeanor on  
23 his record. We talked about that, m'hum, that it had been  
24 an assault, and that it was a misdemeanor, and that it had  
25 been 20, 20-some years before.

1 Q. Lieutenant Johnson also informed you that Mr.  
2 Watkins had been convicted of a robbery of a postal worker  
3 at the age of 19; isn't that correct?

4 A. Absolutely not.

5 Q. That never happened?

6 A. Oh, I didn't say it didn't happen. It came  
7 out later that it did, but at that time there was nothing  
8 on the record. He didn't tell me. I didn't know, and Lee  
9 didn't tell me.

10 Q. I believe your testimony yesterday was that  
11 it came out just before Mr. Watkins resigned his position  
12 as head of the Drug Enforcement Agency; is that correct?

13 A. I think that's true.

14 Q. And that would have been sometime in the  
15 spring of 1987?

16 A. Whatever the time frame was, Mr. Eckstein.

17 Q. And that was well before Mr. Watkins was  
18 appointed head of the prison construction project for DOA;  
19 isn't that correct?

20 A. That is correct.

21 Q. So all that was public knowledge at the time  
22 that Mr. Watkins was appointed head of the prison  
23 construction project; isn't that correct?

24 A. That's correct.

25 Q. You learned about Lee Watkins' robbery

1 conviction through a newspaper account, or had you heard  
2 of it before?

3 A. I'm not sure whether I heard about it from  
4 the newspaper or whether I got advanced warning that it  
5 was coming out, Mr. Eckstein.

6 Q. Governor, you're familiar with a man by the  
7 name of Ron Ludders?

8 A. Yes, I know Ron very well.

9 Q. Did he work on some of your previous  
10 campaigns?

11 A. Oh, probably.

12 Q. You appointed him to your management and  
13 audit team in February of 1987?

14 A. Well, you say I appointed him. No, I didn't  
15 appoint him. Max Hawkins did. It worked in this -- this  
16 team worked in the Department of Administration, and Max  
17 hired he and two or three other people in that department.

18 Q. Mr. Ludders, in fact, contacted you about  
19 getting a position in government, did he not?

20 A. Yes, he did.

21 Q. Then you went to Mr. Hawkins and said this  
22 person would do a good job, why don't you hire him?

23 A. No, no, I didn't do that. I told Ron to go  
24 see Max Hawkins and give him his qualifications. I never  
25 told anybody to hire anybody, Mr. Eckstein. I always said

1 go see and find -- if you got qualifications for a job,  
2 and that was the extent of my recommendation.

3 Q. And then you never called Max to tell him  
4 that Ron Ludders was coming over?

5 A. Oh, I may have, but I never told him to hire  
6 him.

7 Q. Directing your attention to July 21, 1987,  
8 Governor, you recall that Mr. Ludders called you on that  
9 day and told you that Lee Watkins had assaulted him?

10 A. I don't know the word "assault" was said. He  
11 said he had torn his shirt, if I remember right, and had  
12 pushed him, or something.

13 Q. You would not consider someone pushing and  
14 tearing a shirt to be an assault?

15 A. Well, you know, if you want to go into  
16 semantics, yeah, I think if he hauled off and busted him  
17 beside the head and, you know, knocked him down, that  
18 would be assault. If he grabbed him and tore his shirt, I  
19 think you'd have to question whether that's an assault. I  
20 mean, we're bandying words, but I recognized what had  
21 happened, Mr. Eckstein.

22 Q. Mr. Ludders told you, in fact, that Lee  
23 Watkins had grabbed him, shook him, ripped his shirt for  
24 no real reason; is that correct?

25 A. I remember that he tore his shirt. I think

1 he said he had grabbed him. It's been quite a while ago.  
2 I don't remember every detail, and that he had ripped the  
3 pocket on his shirt, I think.

4 Q. By November 13, 1987, Governor, you knew that  
5 Lee Watkins had prior criminal convictions for an assault  
6 and for robbery, and you knew that Lee Watkins had  
7 assaulted a fellow state employee in the summer of 1987;  
8 isn't that correct?

9 A. I knew the things that I've testified to, Mr.  
10 Eckstein.

11 Q. Governor, did you also know that within the  
12 two or three years immediately prior to 1987, Lee Watkins  
13 had been charged with beating up on his wife?

14 A. No, I didn't know that.

15 Q. You never heard that?

16 A. I don't recall ever hearing that.

17 Q. You never read that in the paper?

18 A. I don't think so.

19 Q. And no one ever called it to your attention?

20 A. I don't believe so. Is it a fact? Could you  
21 tell me?

22 Q. Governor, I would like to direct your  
23 attention to Friday, November 13, 1987. You recall  
24 meeting with Lieutenant Johnson in your office on that  
25 morning, do you not?

1           A.     Yes, I do.

2           Q.     In fact, you recall that Peggy Griffith had  
3 an appointment to meet with you early that morning?

4           A.     No, no, I don't recall that.

5           Q.     You don't deny that, do you?

6           A.     Yes, I do, m'hum. It was not on my schedule.  
7 I've looked back, because I've heard her say that, that  
8 she had an appointment. I looked back on my schedule.  
9 She didn't have an appointment on my schedule, no.

10          MR. ECKSTEIN: Excuse me, just a moment.

11                   (Discussion off the record.)

12 BY MR. ECKSTEIN:

13          Q.     Governor, I've asked the clerk to hand you  
14 what has been marked as Exhibit 33, a set of pages from  
15 your November, 1987 calendar, picking up days from  
16 November 10 through November 19, and you actually have the  
17 original marked.

18                   Would you look on the morning of November 13,  
19 at 10:00, and tell me whether you see the word "Peggy"  
20 written in there?

21          A.     No, I don't.

22          Q.     You don't?

23          A.     Oh, when? November 10?

24          Q.     No, November 13 at 10:00 a.m.

25          A.     No, I don't. November 13th, the first item

1 here is "10:50, leave for Senate Hearing Room No. 1; 11  
2 o'clock, Governor's Advisory Council on aging; 12 o'clock,  
3 reception, refreshments in the Capitol Museum; 1:00 p.m.,  
4 Jane Hull."

5 Q. Governor, you're reading one side of the  
6 page. Now read the left-hand side of the page.

7 A. This isn't anything I have. I don't know  
8 whose this is. I can see "Peggy" written up there. Whose  
9 sheet is that? That isn't mine.

10 MR. ECKSTEIN: May I approach the witness?

11 THE PRESIDING OFFICER: Yes, you may.

12 THE WITNESS: Oh, I see what you're talking about,  
13 just a little scribbling there with "Peggy," yeah.

14 BY MR. ECKSTEIN:

15 Q. A little scribbling in there that says  
16 "Peggy." Now, you do see that; is that correct

17 A. Yes, I see it very well.

18 THE PRESIDING OFFICER: Excuse me.

19 MR. CRAFT: Mr. Presiding Officer, I am confused as  
20 to what he's asking him to look at. I did not hear which  
21 document he's asking for, and I'm confused, looking at  
22 what I've been given. And I'd just like it clarified to  
23 say what it is we're looking at.

24 THE PRESIDING OFFICER: As I understand it, you're  
25 looking at Document No. 33.

1 MR. ECKSTEIN: We are looking at Exhibit No. 33.  
2 There are two pages for each date, and on one of the pages  
3 for Friday, November 13, at 10:00 a.m., and the original,  
4 you can see "Peggy." On the copy, it is difficult to see,  
5 but it is there on the original.

6 BY MR. ECKSTEIN:

7 Q. Governor, that is your calendar for November,  
8 at least part of it, is it not?

9 A. No, it isn't, no. This is my calendar, Mr.  
10 Eckstein, right here. This is the calendar that I always  
11 had, and had in my book, and was given to me and the one  
12 that I went by, and this one starts out at 10:30, if you'd  
13 like to look.

14 Q. The calendar that you've just been looking at  
15 is a calendar kept by your secretary; is that right?

16 A. I don't really know. I couldn't tell you.

17 Q. I will avow to you that your counsel gave it  
18 to us and represented to us that it was your calendar from  
19 your office. Will you accept that?

20 Is that correct, Counsel?

21 MR. LEONARD: Mr. Presiding Officer, that is not a  
22 correct characterization of what the representation was.

23 The representation, Mr. Eckstein, was that  
24 the page that you're referring to, the handwritten notes,  
25 was a document or a record kept by the Governor's

1 secretary of people who requested, who requested to see  
2 the Governor; that the calendar for the Governor was the  
3 typewritten calendar. And I at no time represented to you  
4 that the Governor even knew what was on the handwritten  
5 pages that you're referring to.

6 I'm not objecting to your trying to point out  
7 that Peggy Griffith -- or Peggy's name may be written on  
8 the handwritten calendar, but this witness' testimony thus  
9 far is that he has no knowledge of what's on this sheet,  
10 and I don't think you ought to characterize or try to  
11 characterize -- I'm not suggesting that you did, but you  
12 should not try to characterize this witness, as far as I  
13 know, of having any knowledge of what's on the handwritten  
14 sheets.

15 MR. ECKSTEIN: I was not attempting to characterize  
16 it that way. My point was that Peggy's name showed up on  
17 the calendar used by the Governor's secretary.

18 MR. LEONARD: I think you referred to it as his  
19 calendar, and I do not believe that's an accurate  
20 description. What it is, it's a calendar, admittedly, but  
21 it's something that's kept by his secretary of people who  
22 request appointments, which subsequently are either  
23 granted or not granted. But the Governor's point is that  
24 his calendar is the typewritten one.

25 MR. ECKSTEIN: At any rate, Mr. Leonard, you

1 produced that document pursuant to subpoena; is that  
2 correct.

3 MR. LEONARD: That's correct.

4 MR. ECKSTEIN: I would move its admission into  
5 evidence.

6 THE PRESIDING OFFICER: No objection? It shall be  
7 admitted.

8 BY MR. ECKSTEIN:

9 Q. Now, moving forward -- let me go back to this  
10 point. I gather your testimony is that you had no idea  
11 that Peggy Griffith wanted to see you on the morning of  
12 Friday, November 13; is that correct?

13 A. To the best of my recollection, that's true.

14 Q. No one ever told you that?

15 A. No.

16 Q. And no one ever told you that she made a  
17 request to meet with you?

18 A. The only time I knew it is when this came out  
19 and I started reading her statement.

20 Q. Now, directing your attention to the meeting  
21 that took place at about noon on Friday, November 13, you  
22 testified, I believe this morning, that Dr. Burke and Mr.  
23 Craft were present at that meeting, and that Mr. Ken Smith  
24 was kind of in the doorway at that meeting; is that  
25 correct?

1           A.     That's correct.

2           Q.     At this meeting, Lieutenant Johnson told you  
3 about a threat that Lee Watkins had made to Peggy Griffith  
4 concerning Donna Carlson; isn't that correct?

5           A.     Generally speaking, I think you can say  
6 that's right.

7           Q.     You heard all those words? You heard  
8 "threat," you heard "Lee Watkins," you heard "Peggy  
9 Griffith," and you heard "Donna Carlson"?

10          A.     I'm not sure that I heard "Donna Carlson,"  
11 but I heard "Lee Watkins and Peggy Griffith in the parking  
12 lot."

13          Q.     Lieutenant Johnson told you that a threat had  
14 been made to Donna?

15          A.     Well, I'm not aware for sure that he said  
16 that. It's a little hard to say what you're aware at that  
17 time, but it was a very surface conversation and a very  
18 quick hurry, as I said, and I'm not sure that the word  
19 "threat to Donna" was there, but I wouldn't say that it  
20 wasn't.

21          Q.     Governor, you recall testifying with respect  
22 to this matter in the House of Representatives, do you  
23 not?

24          A.     Yes, I do.

25          Q.     And you recall that you testified on February

1 3, 1988, regarding this allegation?

2 A. Yes, I do.

3 Q. Do you recall being asked, at page 96 of that  
4 proceeding:

5 "No, let's go through it. Simple answer,  
6 would you please, Governor?

7 "ANSWER: No, no, no." This is line 9.  
8 "You keep bodily harm -- I heard no 'bodily harm.'  
9 I heard no 'death threat.' I heard 'threat,'  
10 period, and I assigned it to the proper sources to  
11 look into it.

12 "QUESTION: You heard 'threat,' Governor?

13 "ANSWER: I heard that one thing, the one  
14 word, yes, I've mentioned before, there was in this  
15 altercation a threat to Donna. That's all I was  
16 told. There was a threat to Donna."

17 A. M'hum.

18 Q. So you heard that there was a threat to  
19 Donna; is that correct?

20 A. Apparently I remembered hearing that in  
21 February. Today -- I've heard so many things, I'm not  
22 sure what we heard there, because I'm not even sure that  
23 that much was said at that time. Perhaps it was.

24 Q. You were testifying truthfully when you  
25 testified in the House?

1           A.       I always testify truthfully, Mr. Eckstein,  
2 including today and every time. I don't even have to be  
3 under oath to testify truthfully.

4           Q.       At the time that Lieutenant Johnson told you  
5 of the threat, you believed that Donna Carlson was going  
6 to be a witness in a grand jury investigation of the  
7 reporting of the Wolfson loan; isn't that correct?

8           A.       I don't recall whether I believed she was a  
9 witness or not. I didn't see that it was a material fact.

10          Q.       Well, you assumed that she was going to be a  
11 witness, did you not?

12          A.       I didn't assume anything, Mr. Eckstein. I've  
13 learned not to assume.

14          Q.       Governor, would you open up that book, Tab 8,  
15 to page 59 of your testimony before the House of  
16 Representatives. Page 59, line 12, were you asked this  
17 question:

18                    "At the time Lieutenant Johnson told you of  
19 the threat, did you know that Donna Carlson was a  
20 witness in a grand jury investigation?

21                    "ANSWER: I probably assumed that.

22                    "QUESTION: You assumed that?

23                    "ANSWER: I would probably. I don't know  
24 that I knew it, but I would assume she was."

25                    Did you give that testimony on February 3,

1 1988?

2 A. I probably did. I assume I did, Mr.  
3 Eckstein.

4 Q. You don't assume anything?

5 A. M'hum.

6 Q. Well, Governor, in fact, you knew that Donna  
7 Carlson was going to be a star witness for the state,  
8 didn't you?

9 A. Star witness?

10 Q. Yes.

11 A. What's a star witness, Mr. Eckstein? I'm  
12 sorry. I'm not to ask you the questions. At that --  
13 you're talking about November?

14 Q. November 13, 1987.

15 A. I don't know that I knew she was going to be  
16 a star witness. I don't know that. I can't tell you yes  
17 or no.

18 THE PRESIDING OFFICER: Senator Kunasek?

19 SENATOR KUNASEK: Mr. Presiding Officer, during  
20 this brief interlude, I wonder if, with regard to the last  
21 exhibit that was introduced, I understand from counsel  
22 that the entries that were referred to are not legible on  
23 the copy; is that correct?

24 If that be the case, I wonder if the counsel  
25 and the Presiding Officer could arrive at some way to make

1 that exhibit distributed to us in a way that it's  
2 meaningful before our staff goes through the expense of  
3 reproducing it. I understand it's a number of pages that  
4 would be involved in the reproduction, and if the point in  
5 contention is not legible on reproduction, I would hope we  
6 could work it out over the next lunch recess.

7 THE PRESIDING OFFICER: Hopefully the reproduction  
8 process will allow the marking to be shown. If it is not,  
9 perhaps we can make it legible so that it will be shown  
10 without harming anybody's rights in this matter.

11 It is about time to take our noon break, but  
12 I know Mr. Leonard had a matter he would like to raise at  
13 this point. And, Governor, we will excuse you at this  
14 time until 1:00 this afternoon, and we will expect you  
15 back at that time.

16 Mr. Leonard?

17 MR. LEONARD: Mr. Presiding Officer, as I  
18 understand it, when the Court of Impeachment recesses, it  
19 was its intention to do so until 1 o'clock. I would  
20 respectfully request that the Court of Impeachment not  
21 change its hours of meeting on the very day that the  
22 respondent's last witness, the respondent himself, is the  
23 witness.

24 I don't know how many of you have testified  
25 in trials or hearings before at any length, but I think

1 it's -- I have -- I have been an expert witness and been  
2 on the stand a couple of days at a time, and it is very  
3 grueling and very difficult to listen to questions and  
4 listen to them carefully, and attempt to respond as  
5 honestly and fully and completely as you can.

6 If you would, in my view, change the rule on  
7 the very day that the Governor's giving his testimony, I  
8 think that he needs a couple of hours to rest and relax.  
9 I don't know whether Mr. Eckstein is close to closing his  
10 cross-examination. There will be some redirect  
11 examination, I know.

12 And I would appeal to the Senate that you not  
13 change the hours of your meeting today. I would appeal to  
14 you, if you're going to do that, let's start fresh with  
15 the second count, or the second Article, so that we all  
16 play under the same rules. And I would hope that some  
17 member of this body would move, for today at least, or  
18 through this Article, which we're just about done with --  
19 I understand from Mr. French, he has possibly only one  
20 rebuttal witness. He has one, we will have none, I don't  
21 think, and we'll probably be through with this count by  
22 tomorrow, would be my guess.

23 I don't want to speak for him, but that's the  
24 way it looks, depending on how much longer the Governor  
25 goes. I know you have questions for him, and we certainly

1 would expect you to have, but I would think in any event,  
2 it would be appropriate to stick to the regular hours for  
3 the balance of this Article.

4 MR. ECKSTEIN: Mr. Presiding Officer, for the Board  
5 of Managers, we have no objection to that. I think  
6 there's merit in what counsel's saying.

7 THE PRESIDING OFFICER: We actually, by motion,  
8 adopted the change of time. However, if the body does  
9 desire to not impose that at this recess, you could, by  
10 motion of one of the members, alter that regular  
11 proceeding. We now are on the eight-hour a day  
12 proceeding. If you'd like to change that for this recess,  
13 you're entitled to do so, but I would request you to do it  
14 by motion.

15 Senator Kunasek?

16 SENATOR KUNASEK: Mr. Presiding Officer, I would  
17 ask of both counsel if that applies only to the noon hour,  
18 lunch hour recess, or would that also apply to the 6  
19 o'clock hour?

20 THE PRESIDING OFFICER: My understanding, the  
21 request is only for today, and it's only for a recess of  
22 from 12 o'clock to 2:00, for this witness alone. Is that  
23 right, Mr. Leonard?

24 MR. LEONARD: Mr. Presiding Officer, I apologize. (  
25 What I meant was that we stick to the former schedule for

1 the balance, at least of this Article, Senator and  
2 President Kunasek. My request is that for the balance of  
3 this Article, that we stay with the schedule that was  
4 established from the beginning.

5 SENATOR KUNASEK: Mr. Presiding Officer, I would  
6 move that for the balance of the testimony and evidence on  
7 Article I, that the time schedule that we have been  
8 adhering to up until this point in time be maintained  
9 until completion of that evidence and testimony.

10 THE PRESIDING OFFICER: Senator Stephens?

11 SENATOR STEPHENS: Mr. Presiding Officer, I would  
12 rise in support, with the understanding that we're almost  
13 to the end of the testimony with Article I, and that this  
14 will not go on in to the next week, and disrupt the plans  
15 that this Senate adopted in terms of trying to add some  
16 more hours to the trial day.

17 THE PRESIDING OFFICER: Any further debate on this  
18 motion? There's no further debate.

19 It would require a majority of the members of  
20 the Court of Impeachment to adopt this change back to the  
21 original schedule for the balance of this Article. All  
22 those in favor signify by saying "aye." All opposed say  
23 "no."

24 The "ayes" appear to have it. They do have  
25 it. It's so ordered.

1 We'll resume at 2:00 p.m. this afternoon.

2 (Recessed at 12:00 p.m.)

3 (Reconvened at 2:05 p.m.)

4 THE PRESIDING OFFICER: Thank you, ladies and  
5 gentlemen. The Court of Impeachment is reconvened. The  
6 record will show the presence of a majority of the Board  
7 of Managers, the Board of Managers' counsel, and counsel  
8 for the respondent.

9 We will have Governor Mecham resume on  
10 cross-examination.

11 I'll remind you, Governor Mecham, you are  
12 still under oath.

13 THE WITNESS: Thank you.

14

15 CONTINUED CROSS-EXAMINATION

16 BY MR. ECKSTEIN:

17 Q. Good afternoon, Governor.

18 A. Good afternoon, Mr. Eckstein.

19 Q. Before we broke for the noon recess we were  
20 talking about a reference to Donna Carlson as a star  
21 witness for the State. Do you recall that that's what we  
22 were talking about before we broke?

23 A. Yes, I do.

24 Q. On November 13, you were represented by  
25 Murray Miller; is that not correct?

1           A.     That's correct.

2           Q.     You were represented by Mr. Murray Miller in  
3 the matter of the State Grand Jury Inquiry No. 23,  
4 correct?

5           A.     Yes, sir.

6           Q.     You do recall, do you not, that earlier in  
7 that week Mr. Miller argued to the Arizona Supreme Court  
8 that the Attorney General should be disqualified because  
9 of a conflict of interest?

10          A.     I remember he argued that, Mr. Eckstein. I  
11 don't put everything in its proper time frame that far  
12 back, but I remember that and I would say yes.

13          Q.     Sometime in early November?

14          A.     Right.

15          Q.     Do you recall that the Supreme Court of the  
16 State of Arizona ruled that there was no conflict, per se,  
17 but that if Mr. Miller could demonstrate there was some  
18 particular conflict on some particular advice, that that  
19 matter would be considered and ought to be considered by  
20 the trial court?

21          A.     I don't remember the details, but I would say  
22 that's fine.

23          Q.     Pretty accurate?

24          A.     Well, relatively. I just don't remember the  
25 details, but go ahead.

1 Q. You also recall that then on November 13,  
2 Mr. Miller filed a petition for an evidentiary hearing to  
3 remove the Attorney General from the proceeding on the  
4 grounds that that was a conflict?

5 A. I remember the evidentiary hearing, yes, that  
6 him asking for it, yes, I do.

7 Q. You recall that a pleading was filed asking  
8 for that evidentiary hearing, do you not?

9 A. Yes, I do.

10 Q. You also recall the trial court denied that  
11 request?

12 A. I do.

13 Q. Would the clerk please hand Governor Mecham  
14 Exhibit No. 32.

15 Governor, you have in front of you Exhibit  
16 No. 32 which is a petition for evidentiary hearing for the  
17 removal of the Attorney General's Office from the  
18 proceeding before the State Grand Jury relating to  
19 Governor Mecham and his office.

20 You will see on page 13 that this was filed  
21 on November 13, 1987, Friday the 13th.

22 Do you see that?

23 A. Yes, I see that.

24 Q. You see it was signed by Murray Miller?

25 A. Yes, sir.

1 Q. Now, turning to page 12 --

2 Incidentally, I move the admission of this  
3 exhibit into evidence.

4 MR. LEONARD: Mr. Presiding Officer, I don't think  
5 we have a copy of it. I am not sure we have seen it.

6 MR. ECKSTEIN: I am sorry you do not. That was one  
7 that was listed.

8 MR. ECKSTEIN: (Handing)

9 THE PRESIDING OFFICER: Give counsel a second to  
10 look at the exhibit.

11 MR. LEONARD: Your Honor, as I understand it,  
12 counsel has represented that this was listed on their  
13 exhibit list, but to my knowledge we have not been  
14 provided with a copy of it up to this point. I would  
15 object to it, however, on the grounds that although it  
16 appears to be --

17 May I ask counsel a question?

18 THE PRESIDING OFFICER: Yes, you may.

19 MR. LEONARD: Counsel, you are representing that  
20 this is in fact a pleading that was filed in that  
21 proceeding and signed by Mr. Miller?

22 MR. ECKSTEIN: That is correct.

23 MR. LEONARD: I assume if I were to object you are  
24 prepared to call Mr. Miller to testify that he in fact  
25 signed it and filed it?

1 MR. ECKSTEIN: We obtained the document from the  
2 court file.

3 MR. LEONARD: I have no objection.

4 MR. ECKSTEIN: I should point out that the various  
5 affidavits and exhibits to that motion are not attached.  
6 We have attached just the motion.

7 MR. LEONARD: Well, could I just momentarily voir  
8 dire the witness on the document?

9 THE PRESIDING OFFICER: Certainly.

10

11

VOIR DIRE EXAMINATION

12

BY MR. LEONARD:

13

14

Q. Governor Mecham, have you actually ever seen  
this document prior to today?

15

A. I don't recall having seen it, Mr. Leonard.

16

17

Q. Did you have an opportunity to discuss the  
contents of it with Mr. Miller?

18

19

20

A. I knew Mr. Miller was filing the action that  
Mr. Eckstein is talking about, but I have not got into the  
details of the pleadings or that sort of thing.

21

22

23

MR. LEONARD: Mr. Eckstein, I guess I have to ask  
you another question with the permission of the Presiding  
Officer.

24

25

Can you tell us what the relevance of the  
attachments to the filing would be?

1           MR. ECKSTEIN: I don't believe the attachments are  
2 relevant, and that is why they weren't included. I did  
3 not want to bulk the record. The only purpose is for the  
4 statement made on page 12.

5           MR. LEONARD: If the Court please, I would not  
6 object to counsel examining the witness with respect to  
7 the document. I would at this point in time object to it  
8 being admitted into evidence, but I have no objection if  
9 counsel wants to use the document for the purpose of  
10 attempting to determine whether or not the witness has any  
11 specific recollection with respect to any of the contents  
12 of the document. I am not sure that the appropriate  
13 foundation has been laid for it.

14                       I don't want to be obstreperous in any way; I  
15 recognize what the document is and that counsel could  
16 probably call Mr. Miller to get it in to evidence. I  
17 guess my objection is with respect to the relevancy of it,  
18 until counsel has laid the foundation as to what knowledge  
19 this witness might have of the contents of it.

20           MR. ECKSTEIN: Mr. Presiding Officer, if I could be  
21 heard on that.

22           THE PRESIDING OFFICER: Yes, you may.

23           MR. ECKSTEIN: Counsel has not objected on any  
24 grounds other than relevancy. The document is relevant  
25 because it has an admission that can be taken against

1 Governor Mecham on page 12, lines 10 through 12. That  
2 admission is an admission made by Governor Mecham's  
3 counsel at the time, and it is the subject of what we have  
4 been talking about. It clearly is relevant to this  
5 proceeding.

6 MR. LEONARD: Mr. Presiding Officer.

7 THE PRESIDING OFFICER: Yes, Mr. Leonard.

8 MR. LEONARD: Respondent will stipulate that Donna  
9 Carlson in this document is characterized as "a star  
10 witness for the state." I'm not at all sure, in fact, I  
11 have grave doubt as to whether or not that description and  
12 that statement by the Governor's counsel can be attributed  
13 to him. But I'll stipulate to the fact that Mr. Miller so  
14 characterized Donna Carlson.

15 I don't know what that has to do with this  
16 witness' knowledge with respect to whether or not  
17 Miss Carlson was a star witness, an ordinary witness,  
18 sub-star witness, et cetera, but I think counsel ought to  
19 examine the witness on his opinion with respect to whether  
20 or not Donna Carlson was an important witness, whether he  
21 knows that, and if so, what his knowledge is.

22 THE PRESIDING OFFICER: The objection is overruled.  
23 Exhibit No. 32 will be admitted in evidence.

24

25

## 1 CONTINUED CROSS-EXAMINATION

2 BY MR. ECKSTEIN:

3 Q. Governor Mecham, turn to page 12, and perhaps  
4 you could read the first sentence of the paragraph  
5 beginning on line 10 into the record.

6 A. "By various accounts, including the  
7 newspaper, a former --"

8 Do you want me to read more? You said the  
9 first sentence. Do you mean the three sentences?

10 Q. The first sentence is not the first line?

11 A. Oh, all right. Excuse me. Pardon me.

12 "A former disgruntled member of the  
13 Governor's office, Donna Carlson, appears to be a star  
14 witness for the state."

15 Q. And the next sentence reads as follows: "She  
16 has apparently told investigators that she was not aware  
17 of a Wolfson/Gregan loan at the time she was asked to sign  
18 a note to act as security for this loan."

19 In fact, Governor, there was discussion  
20 between you and your counsel that Donna Carlson was going  
21 to be a witness against you before the grand jury on the  
22 Wolfson/Gregan loan; isn't that correct?

23 A. When you say against me, I am not so sure we  
24 are talking against or for. There was discussion about  
25 her being a witness at that --

1 Q. That she would testify that she did not know  
2 about the Wolfson/Gregan loan; isn't that correct?

3 A. Yes, I think that's probably correct.

4 Q. You understood that Donna Carlson had that  
5 view, at least as of November 13, 1987?

6 A. I didn't know what her view was, except I had  
7 seen, I guess, the same thing that my counsel had, is that  
8 I think there was some account in the newspaper that she  
9 said that she hadn't known about the Wolfson loan.

10 Q. In fact, there was discussion between you and  
11 your counsel and others on your staff that that just  
12 couldn't be the case?

13 A. Well, that's true. This here covers that as  
14 we go on is because Peggy Griffith was saying that she  
15 knew that Donna was lying when she said that.

16 Q. You didn't believe it?

17 A. I didn't believe what?

18 Q. You didn't believe Donna Carlson's statements  
19 as reported in the press?

20 A. I didn't hear them. Donna said one thing and  
21 other people said another. I had no firsthand information  
22 of either one.

23 Q. But there were people who were reporting to  
24 you that Donna Carlson was not telling the truth; isn't  
25 that correct?

1           A.       Peggy said she wasn't telling the truth, and  
2 there perhaps was others that said the same thing.

3           Q.       These conversations were going on at least  
4 before November 13, 1987?

5           A.       Probably are. And this shows that evidently  
6 it was at that time, Mr. Eckstein, because I can't put the  
7 timing of each one. If it is important I can always go  
8 back and look at newspaper accounts and see, but I can't  
9 go back five months and put it in to this week or that  
10 week, but I mean I certainly am not trying to object to  
11 what you are saying at all.

12          Q.       Now, during the week of November 9, 1987,  
13 which ended on November 13, at least on Friday, you had  
14 several meetings with your lawyers and with your staff  
15 members regarding the grand jury probe of the Wolfson  
16 loan. I believe you testified to that on direct?

17          A.       Yes.

18          Q.       Indeed, you were preoccupied with that during  
19 that week.

20          A.       I spent some time every day. I was doing a  
21 lot of other things, but I generally spent some time each  
22 day on that.

23          Q.       I don't mean to suggest that you were only  
24 dealing with the grand jury probe of the Wolfson loan.  
25 You certainly spent a lot of time worrying about the

1 Wolfson loan grand jury probe during the week of November  
2 9; isn't that correct?

3 A. I think you are using the word "worry." I  
4 never worried about it, Mr. Eckstein. It was discussed a  
5 little every day, but it would be wrong to characterize me  
6 as preoccupied and worried. I was not.

7 Q. Now, you testified on direct this morning  
8 that you spent some time on Saturday, approximately four  
9 hours, this would be Saturday, November 14th, meeting with  
10 your lawyers in an attempt to come up with a statement  
11 that would be broadcast on Monday, November 16, with  
12 respect to the Wolfson loan; is that correct?

13 A. We spent time that morning to get involved --  
14 that was going to be involved. There was Mr. Green to be  
15 involved, because he was going to take a part, so it was  
16 put in together, and that would be correct.

17 Q. You also met for four hours on Sunday  
18 afternoon with your lawyers to discuss strategy on how to  
19 defend the allegations about the Wolfson loan; isn't that  
20 correct?

21 A. I don't recall whether we met. We met some  
22 Sundays. I would have to go back and put it together to  
23 see if we met that Sunday or -- I cannot tell you yes or  
24 no on that.

25 Q. I'll represent to you that your press

1 secretary at the time, Ken Smith, testified before this  
2 Court of Impeachment that sometime during the afternoon, I  
3 believe for about four hours, there was a meeting at  
4 Murray Miller's house that was attended by various  
5 lawyers, Michael Preston, Green, Murray Miller, Nicholas  
6 Udall, were names he mentioned at which the strategy on  
7 how to defend the allegations relating to the Wolfson loan  
8 was being held.

9           You recall that, don't you?

10           A.     As I said, I cannot tell you of my own  
11 recollection yes or no. But I wouldn't object to that if  
12 Ken remembers it, because we did meet some Sunday  
13 afternoons.

14           Q.     You recall Ken Smith driving you home that  
15 evening, don't you?

16           A.     Mr. Eckstein, I wish I could tell you that I  
17 remember that day. I remember we had some meetings. I  
18 know Ken took me. If he remembers it was that day, I  
19 wouldn't dispute him. I don't happen to remember directly  
20 that it was that day. I could probably go back to my  
21 notes and my schedule and find that; had I known that, I  
22 would have been glad to brought it. But, you know, if it  
23 is material, I'll be glad to do that.

24           Q.     After Lieutenant Johnson told you about the  
25 threat on Friday noon, November 13, Mr. Craft told you

1 that you should distance yourself from this matter; isn't  
2 that correct?

3 A. That's right.

4 Q. You then directed that the matter be turned  
5 over to Max Hawkins to investigate it; isn't that correct?

6 A. That's correct.

7 Q. And the reason you did that was because you  
8 felt it was a personnel matter; isn't that correct?

9 A. That's correct.

10 Q. Now, you know that Donna Carlson was not an  
11 employee of the Governor's office in November, 1987, don't  
12 you?

13 A. That's right.

14 Q. You know that she resigned her position with  
15 the Governor's office on October 13, 1987 or thereabouts?

16 A. Yes.

17 Q. Incidentally, what was Max Hawkins' position  
18 on November 13?

19 A. He was Director of the Department of  
20 Administration.

21 Q. How long had Mr. Hawkins been the Director of  
22 the Department of Administration as of November 13, 1987?

23 A. Since the early part of the year. I can't  
24 remember the time, but early in 1987.

25 Q. What was Mr. Hawkins' role in your 1986

1 campaign?

2 A. Max assisted a great deal in the primary  
3 race, and also through into the general.

4 Q. He was the manager of the campaign during the  
5 primary race, was he not?

6 A. Well, pretty much, pretty much. We didn't  
7 have a totally formal organization, but, yes, he  
8 functioned as manager.

9 Q. He was the person who persuaded you to run in  
10 1986, did he not?

11 A. I wouldn't say that, but let's say that he  
12 was a catalyst and had an effect on it.

13 Q. He did, in any event, direct the draft Mechem  
14 effort, did he not?

15 A. He started that, yes.

16 Q. You would agree that Max Hawkins is and was a  
17 close political confidant?

18 A. Yes, I would say that.

19 Q. On November 13, 1987, you understood that Max  
20 Hawkins was a loyal supporter of yours who you knew would  
21 protect your political interests?

22 A. No more than anyone else, but I would hope he  
23 would, yes.

24 Q. Max Hawkins is not a trained police officer,  
25 is he?

1 A. No, he isn't.

2 Q. Dr. Burke and Mr. Craft did not undertake to  
3 do an investigation of the Lee Watkins threat, did they?

4 A. No, they didn't.

5 Q. Now, I believe your testimony is that you  
6 ordered the investigation of the Lee Watkins threat to be  
7 turned over to Max Hawkins sometime a little around noon,  
8 before noon on Friday, November 13; is that correct?

9 A. I directed the report to me of an altercation  
10 between Peggy and Lee on the parking lot to be  
11 investigated, looked into, and gotten together and solved  
12 by Max Hawkins in the Department of Administration at that  
13 time.

14 Q. Mr. Hawkins met with you, I believe your  
15 testimony is from this morning, late in the afternoon to  
16 discuss the results of his investigation; is that correct?

17 A. That is correct.

18 Q. That meeting took place in your office?

19 A. I believe it did.

20 Q. There was no one else there?

21 A. I don't recall anyone else there.

22 Q. Mr. Hawkins has described that meeting, and I  
23 believe you did this morning, as lasting about five  
24 minutes.

25 A. I don't recall saying how long; it was not a

1 long meeting.

2 Q. You wouldn't disagree with Mr. Hawkins'  
3 characterization and estimate of the time as being about  
4 five minutes, would you?

5 A. I have no reason to agree or disagree. I  
6 don't remember how long it was.

7 Q. I may be wrong, Governor, but I thought your  
8 testimony this morning was that you thought it lasted  
9 about five minutes. Perhaps I am wrong.

10 A. As I say, I don't remember a time frame. But  
11 it was not a long meeting, and I wouldn't argue with five  
12 minutes. That's fine.

13 Q. Mr. Hawkins told you what Peggy Griffith had  
14 told him and what what Lee Watkins had told him, hadn't  
15 he?

16 A. No, he didn't tell me that.

17 Q. He didn't repeat to you what they had told  
18 him?

19 A. No, he really didn't.

20 Q. He didn't repeat to you that their stories  
21 were basically the same?

22 A. He may or may not have done -- the basic  
23 thing that he told me was that it was a bunch of hot air,  
24 it would go away, and that is essentially his report on  
25 that subject.

1 Q. He told you the incident would go away?

2 A. That's what I said. He said it's a bunch of  
3 hot air and it will go away.

4 Q. Governor, that doesn't take five minutes to  
5 say that. You don't recall anything else that Max Hawkins  
6 told you on the evening of Friday the 13th about this  
7 matter?

8 A. Mr. Eckstein, I believe I have said before  
9 there was another subject that he was coming up to see me  
10 on, and also made the report on this.

11 I would have to tell you that of the tens and  
12 thousands of items that have come to my attention, that I  
13 don't clearly remember on a given day five months ago all  
14 the items that came in any conversation with anybody.

15 Q. I believe you made that statement with  
16 reference to the telephone conversation you had with  
17 Colonel Milstead; isn't that correct?

18 A. I think so.

19 Q. Now, going back to this meeting with Mr. Max  
20 Hawkins on the evening of Friday, November 13, 1987, did  
21 you ask Mr. Hawkins for a written report?

22 A. No, I did not.

23 Q. You didn't receive a written report that  
24 evening, did you?

25 A. No, I didn't.

1 Q. In fact, you didn't receive a written report  
2 from Mr. Hawkins that weekend, did you?

3 A. I didn't receive a written report from  
4 anybody.

5 Q. You did receive a written report from Max  
6 Hawkins just about the time that the House Impeachment  
7 Hearings were beginning, didn't you?

8 A. Max -- I got a report. I don't know, seems  
9 like it was a part of -- when he had a news conference or  
10 something, I received a copy of that.

11 Q. Would the clerk please hand Governor Mecham  
12 Exhibit No. 24.

13 I have had marked as Exhibit No. 24 in this  
14 matter a press release entitled: My Topic this Morning  
15 Concerns the French Report Part Three. This is the press  
16 release that Max Hawkins released as the House Impeachment  
17 Hearings were beginning and that he provided to you in mid  
18 January, 1988; is that not correct?

19 A. Yes, it is.

20 MR. ECKSTEIN: I move its admission into evidence.

21 MR. LEONARD: No objection.

22 THE PRESIDING OFFICER: No objection, it will be  
23 admitted.

24 BY MR. ECKSTEIN:

25 Q. Now, Governor Mecham, did you have occasion

1 to discuss this report with Mr. Hawkins?

2 A. I don't recall that I discussed it with him.

3 Q. Did you read it at the time?

4 A. I think I did, yes.

5 Q. Did you tell Mr. Hawkins that he had  
6 portrayed the events accurately?

7 A. No, I don't recall.

8 Q. Did you tell him he had portrayed events  
9 inaccurately?

10 A. I don't recall that I told him anything,  
11 quite frankly.

12 Q. Were you happy with the fact that he held  
13 this press conference and issued this press release?

14 A. I don't know that I was happy or satisfied.  
15 I don't recall any emotion relating to it.

16 Q. What did you do with the press release when  
17 you got it?

18 A. Probably put it in my file.

19 Q. You had no discussions with Mr. Hawkins about  
20 this press release; is that correct?

21 A. I do not recall any discussion with him about  
22 it.

23 Q. When you testified in the House, you  
24 testified that you had received a report from Mr. Hawkins,  
25 and this is the report that you are referring to; is that

1 correct?

2 A. I think this would be it, yes.

3 Q. Now, moving to the evening, late evening of  
4 Friday, November 13, 1987, after hearing from Max Hawkins,  
5 I take it you went home that evening; is that correct?

6 A. Very shortly thereafter.

7 Q. And sometime that evening you received a  
8 telephone call from Peggy Griffith; isn't that correct?

9 A. I'm not sure. As I've looked back, I had in  
10 my mind that it was Saturday evening. I could be wrong;  
11 it could have been Friday.

12 Q. I think you had some doubt when you testified  
13 in the House; you thought it might be Saturday, it might  
14 be Friday. You weren't exactly sure?

15 A. That's right.

16 Q. You would not take issue with Peggy  
17 Griffith's statement that it was in fact on Friday, would  
18 you?

19 A. I would not, be a matter of contention.

20 Q. Do you recall what time of night that  
21 telephone call was made?

22 A. I don't really.

23 Q. You do recall, however, do you not, that  
24 Peggy Griffith told you that someone was calling her from  
25 the Attorney General's Office?

1           A.     As I recollect what we talked about, and  
2     I --

3           Q.     Governor, I think that calls for a yes or no  
4     answer.

5           A.     Okay.

6           Q.     You either do or you don't recall that?

7           A.     Yes, I recall that was included in.

8           Q.     Thank you.

9                     You also recall that Peggy Griffith told you  
10    that the Attorney General's Office wanted to talk to her;  
11    isn't that correct?

12          A.     She said someone from the Attorney General's  
13    Office had called her, and, yes, and wanted to talk to  
14    her, yes.

15          Q.     And you also recall that Peggy Griffith told  
16    you that she was not going to talk to them; isn't that  
17    correct?

18          A.     Yes.

19          Q.     She was pretty adamant in that?

20          A.     That's right.

21          Q.     It is fair to say, is it not, Governor  
22    Mecham, on the evening of Friday, November 13, 1987, you  
23    understood that someone from the Attorney General's Office  
24    was trying to talk with Peggy Griffith, and that she was  
25    not going to talk with them?

1           A.     Yes.  That's -- I gathered that among the  
2 other things from her conversation.

3           Q.     One of the other things you talked about in  
4 that telephone conversation was, you told Peggy Griffith  
5 not to worry about this matter; isn't that correct?

6           A.     I told her not to worry; if there was a  
7 problem, we would look into it Monday.

8           Q.     Going to Sunday, November 15th, 1987, do you  
9 recall, as I believe you did this morning, receiving a  
10 telephone call from Colonel Ralph Milstead sometime  
11 between 11:15 and 12:00 that morning?

12          A.     Yes, I do.

13          Q.     Colonel Milstead told you in that telephone  
14 conversation that Peggy Griffith had told Officer Martinez  
15 of the threat toward Donna Carlson; isn't that correct?

16          A.     I can't recall the details of what the -- you  
17 know, that, but as I said earlier in my testimony, that he  
18 said that they had this altercation, that she had told  
19 Martinez, Martinez told Beau, and he went through the  
20 deal, as I testified earlier.

21          Q.     Governor, when you testified in the House of  
22 Representatives you actually gave an opening statement,  
23 did you not?

24          A.     Yes, I did.

25          Q.     And that was on the first day of your

1 testimony, correct?

2 A. That's correct.

3 Q. And that opening statement is reported in  
4 Volume 7 of the reporter's transcript at page 27, and that  
5 took place on February 1st.

6 Do you recall saying at that time as follows:

7 "On Sunday, November the 15th at  
8 approximately 11:15 in the morning, I received a  
9 phone call from Ralph Milstead. The conversation  
10 was fairly brief, and Colonel Milstead mentioned to  
11 me that Peggy had told Frank Martinez about Lee  
12 Watkins' threatening words toward Donna Carlson,  
13 and that Frank Martinez then told Beau Johnson, who  
14 in turn spoke to Lieutenant Colonel Phelps, who in  
15 turn called the Attorney General's Office."

16 Do you recall making that statement at that  
17 time?

18 A. Yes, I do.

19 Q. That statement was true when you made it, was  
20 it not?

21 A. To the best of my knowledge.

22 Q. And you have no reason to change that  
23 testimony at this time, do you?

24 A. No, I don't.

25 Q. It is a fair summary of your conversation

1 with Colonel Milstead, at least in part, that Colonel  
2 Milstead told you that the threat had been reported up the  
3 chain of command to DPS through Lieutenant Colonel Phelps  
4 and then to the Attorney General. Is that not a fair  
5 description of at least that part of the conversation?

6 A. He told me at that time, that's correct.

7 Q. Colonel Milstead also told you that the  
8 Attorney General wanted to talk to Frank Martinez; is that  
9 not correct?

10 A. It was my recollection that he said he wanted  
11 to, to more than talk to, he wanted to interrogate or he  
12 wanted to interview him. I guess you could say that's the  
13 same thing; maybe "talk" is the same thing.

14 Q. You recall again testifying before the House  
15 of Representatives on February 3 with respect to this  
16 matter at page 13, line 3:

17 "I heard no more until Director Milstead,  
18 the first time and the only time since I been  
19 Governor that the Director ever called me about  
20 anything relating to any kind of enforcement of  
21 anything. He, and as we talked, he mentioned the  
22 Attorney General, that they wanted to talk to Frank  
23 Martinez. This was a Sunday."

24 That was your testimony at that time; is that  
25 correct?

1           A.     That is correct, I presume it was, because  
2 that's as I remember it.

3           Q.     Now, at least as of noon on Sunday, you knew  
4 that the Attorney General was involved in the  
5 investigation of the threat made by Lee Watkins; isn't  
6 that correct?

7           A.     I didn't know he was involved in an  
8 investigation, no. The answer to that is no, I did not  
9 know. I knew he had been trying to, apparently he and  
10 people from the DPS had been trying to talk to Peggy, and  
11 I always knew that he then said that Colonel Milstead said  
12 that they wanted to talk to Frank Martinez. The word  
13 "investigation" was never mentioned to me.

14          Q.     Governor, you recall on February 3 being  
15 asked the following question at page 16 of Volume 8  
16 beginning at line 1:

17                    "So, if that's true, whether it is Friday or  
18 even Saturday, then on Monday, November 16, you  
19 knew that the Attorney General was trying to obtain  
20 information on the threat.

21                    "ANSWER: I knew the Attorney General was  
22 involved in it, because I saw that from two things,  
23 the words from Milstead, and also there was an  
24 article in the paper."

25                    Do you recall giving that testimony?

1 A. Yes.

2 Q. You told Colonel Milstead that if he was  
3 asking for your permission to take Frank Martinez down to  
4 the Attorney General for an interview, you would not give  
5 it; isn't that correct?

6 A. That's correct.

7 Q. You did not want Colonel Milstead to take  
8 Frank Martinez to the Attorney General's Office, because  
9 you did not want to ruin Frank Martinez' Sunday; isn't  
10 that correct?

11 A. That's correct.

12 Q. Governor, you were so concerned about Frank  
13 Martinez' Sunday being ruined that you called his home  
14 about 3:15 that afternoon; is that correct?

15 A. I think it was earlier than that. I think --  
16 if I recollect, I called Frank's home right after -- I  
17 think, you know, it is a long time ago, but to the best of  
18 my recollection, I called Frank's home just to talk to  
19 him, to assure him that I didn't see any reason for him  
20 goofing up his Sunday. But he wasn't there.

21 Q. You did not reach him at that time?

22 A. No, I didn't.

23 Q. You placed that telephone call from your  
24 house?

25 A. Yes, I did.

1 Q. Governor, Colonel Milstead told you in the  
2 November 15th, 1987 telephone conversation that the  
3 Department of Public Safety normally cooperates with the  
4 Attorney General's investigations; isn't that correct?

5 A. That's correct.

6 Q. You recall asking Colonel Milstead who his  
7 witness was, don't you?

8 A. Yes.

9 Q. In fact, you recall asking that several  
10 times, "Who's your witness, who's your witness"?

11 A. No, I didn't ask him several times.

12 Q. You recall asking that once?

13 A. No -- but in the course of the conversation,  
14 we are talking about Frank Martinez. Martinez was not a  
15 witness to anything. I was surprised that they wanted to  
16 get ahold of Frank Martinez, and if they were looking into  
17 anything, and that's why I asked him the question. Who is  
18 your witness.

19 Q. Governor, Colonel Milstead told you in that  
20 conversation that Peggy Griffith was not saying anything  
21 at the time, and that she would not tell him what Lee  
22 Watkins had said; isn't that correct?

23 A. I think so.

24 Q. So you knew that Peggy Griffith was not going  
25 to be a witness, and you knew that from Peggy Griffith's

1 own telephone conversation with you on Friday, November  
2 13, didn't you?

3 A. Mr. Eckstein, Frank was not a witness. He  
4 didn't witness anything.

5 Q. Governor, we are not talking about Frank, we  
6 are talking about Peggy Griffith. You knew that Peggy  
7 Griffith was not going to be a witness. She told you that  
8 she was not going to talk to the Attorney General on  
9 Friday, November 13, correct?

10 A. She told me that, and I'll answer that, but  
11 the rest of your question that she wasn't going to be a  
12 witness, I can't answer. You got to tell me what you are  
13 talking about. A witness to what? When? What action?  
14 Please keep it in to one question, if you will, please.

15 Q. Colonel Milstead also told you on Sunday,  
16 November 15th in this five-minute telephone conversation  
17 that Peggy Griffith was not saying anything at this time,  
18 and that she would not tell him what Lee Watkins had said,  
19 correct?

20 A. I believe that was his conversation.

21 Q. And when you heard that, you told Colonel  
22 Milstead that without Peggy Griffith he didn't have a  
23 case, didn't you tell him that?

24 A. I probably did.

25 Q. Governor, you also told Colonel Milstead that

1 the Attorney General was out to hang you, didn't you?

2 A. Yes, I sure did.

3 Q. And during this telephone conversation, you  
4 told Colonel Milstead that you wanted Lieutenant Johnson  
5 transferred. Do you recall that being said?

6 A. As I testified this morning, yes.

7 Q. Now, you, I believe testified that you wanted  
8 Lieutenant Johnson transferred because you had lost  
9 confidence in him.

10 A. That is correct.

11 Q. Did you ever tell anyone at DPS that you had  
12 lost confidence in Lieutenant Johnson prior to Sunday,  
13 November 15th, 1987?

14 A. I never talked to anybody at DPS about him at  
15 any time, except this one time to Colonel Milstead.

16 Q. You had lost confidence in Lieutenant Johnson  
17 because of the way he handled the threat; isn't that  
18 correct?

19 A. No, not necessarily. That was the straw that  
20 broke the camel's back.

21 Q. One of the elements?

22 A. That's right.

23 Q. Now, if Lieutenant Johnson believed in his  
24 own mind that a crime had been committed on the ninth  
25 floor of the State Capitol Tower, it would have been

1 proper for him to go to the proper law enforcement agency  
2 to report it; isn't that correct?

3 A. If Lieutenant Johnson thought a crime was  
4 committed, he should have come and told me a crime was  
5 committed, and then it would have been directed to the  
6 right law enforcement people. That is the way it should  
7 have been done.

8 Q. Should he have reported it through you?

9 A. Me or my Chief of Staff.

10 Q. Governor, you acknowledge, don't you, that  
11 any kind of threat is serious?

12 A. No, I don't acknowledge that. When you talk  
13 about threat, for heaven's sake, you have to get your  
14 words right. When you start, it's a serious threat, was a  
15 serious threat, I am going to threaten my child, I am  
16 going to spank them if they do this, or get a cookie.

17 What is serious? Let's get our semantics  
18 right. Let's put it in the case where it should be. We  
19 flip words around here and it is very difficult in trying  
20 to trap anybody in what is serious and what isn't. Let's  
21 put it in its right perspective.

22 Q. Governor, on February 3, 1988 at the House  
23 Impeachment Hearings you were asked the following question  
24 by Mr. Weiss, page 92, line 14. You are giving this  
25 answer:

1                   "Mr. Weiss, aren't we here to see if I have  
2 obstructed justice or not?"

3                   Mr. Weiss then says: "That is exactly why  
4 we are here, Governor."

5                   And you say: "I think this tells the story,  
6 and I think we have covered these many times. And  
7 when you talk about serious, I said any kind of  
8 threat would be serious."

9                   Did you say that at that time?

10                  A.     Probably did.

11                  Q.     Could you please hand Exhibit No. 11 to the  
12 witness.

13                   Governor, I have handed to you Exhibit No. 11  
14 which is the report signed by Colonel Milstead. You  
15 talked about that this morning, did you not?

16                  A.     Yes, I did.

17                  Q.     You were asked some rather specific questions  
18 with respect to certain statements that are reported  
19 there, and you gave some rather specific answers this  
20 morning, and I would like to probe those a little bit.

21                   Directing your attention to the statements in  
22 the last sentence in the third paragraph from the bottom  
23 which read as follows:

24                   "The Governor sounded very emotional on the  
25 phone, and said 'I don't want you to help him get

1 me, period. Don't tell the Attorney General  
2 anything.'"

3 You were asked whether you made those  
4 statements on Sunday morning, November 15th, 1987, and  
5 this morning you said, you couldn't recall whether you  
6 made those statements or not; isn't that correct?

7 A. I said I didn't think I made them. I  
8 certainly didn't recall making them.

9 Q. You don't deny that you made them, do you?

10 A. Yes, I don't think I made that statement that  
11 way, to tell him "don't tell him anything," and I  
12 certainly wasn't emotional.

13 Q. Referring to the particular quotes, put to  
14 one side the comment that you were emotional, you do not  
15 deny that you could have said, "I don't want you to help  
16 him get me" after you told Colonel Milstead that the  
17 Attorney General was out to hang you, do you?

18 A. My recollection, Mr. Eckstein, is that I told  
19 him I wasn't going to help him in any way.

20 Q. You don't deny that you made these  
21 statements?

22 A. I have already said what I said just a minute  
23 ago.

24 Q. You just don't recall making them?

25 A. No, I said I didn't think I made them.

1 Q. I believe your testimony this morning was you  
2 didn't recall making that statement or the statement  
3 contained in the last sentence on the page which says  
4 "never, don't give him any help."

5 Do you recall this morning saying you didn't  
6 recall making that statement?

7 A. Yes, you bet.

8 Q. You don't recall making it now, do you?

9 A. No, I don't.

10 Q. You don't deny that you made it, you just  
11 don't recall whether you made it?

12 A. I can't, in the context of my thinking, think  
13 that I would have said that.

14 Q. You do recall that in fact you ordered  
15 Colonel Milstead not to meet with Attorney General Corbin  
16 regarding the Lee Watkins death threat, don't you?

17 A. I told Colonel Milstead to not take Frank  
18 down on Sunday, if he wanted my permission, and I told him  
19 we would work this out on Monday; it had been handled  
20 improperly. And that's what my recollection of that part  
21 of the conversation was.

22 Q. Governor, you did not answer my question. My  
23 question was: You do recall ordering Colonel Milstead not  
24 to meet with Attorney General Corbin regarding the Lee  
25 Watkins death threat, don't you?

1 A. No, I do not.

2 Q. You do know that that is exactly what Max  
3 Hawkins said you did when he issued his press release in  
4 mid January, 1987 in an exhibit that we have had marked  
5 and as introduced in evidence as Exhibit No. 24, don't  
6 you?

7 A. I am aware of what Max said.

8 Q. Max didn't make that up, did he?

9 A. He must have. He set it up to suit himself.  
10 He was concerned about getting Milstead on the line for  
11 disregarding something that he felt he was imposing on me.

12 Max didn't ask me on that. He did that  
13 himself.

14 Q. Governor, you know Terri Fields, don't you?

15 A. Yes, I know Terri.

16 Q. Did you watch her testimony in this case?

17 A. I believe I watched maybe 20 or 25 percent of  
18 it.

19 Q. Did you watch that part where she said that  
20 the only persons with whom she had discussed the Lee  
21 Watkins threat before last week, which was the week she  
22 testified, were her mother and Peggy Griffith?

23 A. Well, I watched that when she said after  
24 there was a period of time there relative to her appearing  
25 after that. I think that's what she was talking about.

1 That was my understanding.

2 Q. Well, you know that statement isn't true,  
3 don't you?

4 A. No, I don't know it isn't true.

5 Q. Terri Fields had several conversations with  
6 you about the Lee Watkins death threat, didn't she?

7 A. No, no, she didn't. She had one that I  
8 recall, possibly two, but it was much before that; it was  
9 much before the period of time she was talking about.

10 I think you have to listen carefully to what  
11 she was saying and the time frame she was saying it in.  
12 She was talking about after she was a grand jury witness.

13 Q. You had one maybe two conversations with  
14 Terri Fields about the Lee Watkins threat. Is that your  
15 testimony?

16 A. Yes.

17 Q. And when did this those conversations take  
18 place?

19 A. As I recall, they were pretty early.

20 Q. Well, Governor, in fact, didn't you call her  
21 at her home on more than one occasion to talk to her about  
22 the Lee Watkins death threat?

23 A. I have never called Terri Fields at her home.  
24 I don't know where she lives, I don't know her telephone  
25 number.

1                   That answer is absolutely no, Mr. Eckstein.

2                   Q.     All of your conversations, or both of your  
3                   conversations, if you only had two with Terri Fields about  
4                   the Lee Watkins threat, took place in your office?

5                   A.     That's correct.

6                   Q.     They took place within a couple of weeks  
7                   after November 13, 1987. Is that your testimony?

8                   A.     My testimony is that I don't remember exactly  
9                   the time frame. It seemed like it was early on.

10                  Q.     But you know it was well before last week?

11                  A.     Yes.

12                  Q.     You haven't had occasion to talk to Terri  
13                  Fields in the last week or so about this matter, have you?

14                  A.     No, I haven't, Mr. Eckstein.

15                  Q.     I believe it is your testimony that Colonel  
16                  Milstead had a duty to let you know that the Attorney  
17                  General was investigating the Lee Watkins threat before he  
18                  did that on Sunday; isn't that correct?

19                  A.     A duty? I had never considered nor neither  
20                  did he that he had a detail to inform me about anything,  
21                  apparently, because he never did.

22                  Q.     Do you believe that he had a duty to inform  
23                  you about the Lee Watkins threat before Sunday November  
24                  15th?

25                  A.     I believe there was a duty of everybody

1 involved to get everybody together. There was a duty of  
2 Lieutenant Johnson to tell me before calling DPS. There  
3 was a duty of Colonel Phelps to call me, as I heard him so  
4 painfully go through in his testimony on how he wanted to  
5 hold him and didn't want him, and he upheld at least the  
6 threat of the agreement that we had of the security detail  
7 and there was a duty on the part of the Attorney General's  
8 Office --

9 Q. Governor, I'm reluctant to interrupt you, but  
10 my question only related to Colonel Milstead. It did not  
11 relate to anyone else.

12 A. I know, but I think that's important for  
13 everybody to know what I feel, too. You are talking about  
14 duty; I think it is important to add to it.

15 Q. We are talking about Colonel Milstead. We  
16 can come back to that. Just listen to my question very  
17 carefully.

18 A. Forgive me, Mr. Eckstein. Once in awhile I  
19 just -- I am not a lawyer and I haven't been on the  
20 witness stand very much in my life, so forgive me.

21 Q. You haven't had occasion to be a witness very  
22 much?

23 A. Very little.

24 Q. Haven't been involved in too many legal  
25 proceedings; is that correct?

1           A.       Worse thing I have ever being accused of  
2 before is a traffic ticket, and I never had to take the  
3 witness stand for those.

4           Q.       We will talk about that in a minute.

5                   Governor, let's go back; let's go back to  
6 Colonel Milstead. I would like to get an answer, if I  
7 can, to the very simple question that I asked. I'll ask  
8 it again; I suppose I'll ask it until I get an answer.

9                   You believe that Colonel Milstead had a duty  
10 to let you know that the Attorney General was  
11 investigating the Lee Watkins threat before he did so on  
12 Sunday; isn't that correct?

13           A.       I think he had a duty to tell me when he got  
14 back in town, since I think there was a duty for  
15 Mr. Phelps, when Colonel Phelps, when he hadn't told me, I  
16 think the first duty that the Colonel had, Colonel  
17 Milstead had, was to call me, which he didn't do.

18           Q.       So the duty blossomed at 4:30 Friday  
19 afternoon; is that correct?

20           A.       The duty was to anything happening to the  
21 security detail for me to be informed at that time, you  
22 bet.

23           Q.       Governor Mecham, Dr. Burke testified that as  
24 of Friday night, November 13, 1987, he knew that the  
25 Attorney General and DPS had open lines of communication

1 regarding the Lee Watkins threat.

2 Do you believe that Dr. Burke had a duty to  
3 tell you that the Attorney General and DPS had open lines  
4 of communication regarding the Lee Watkins threat?

5 A. What time are you talking about?

6 Q. On Friday night, November 13, 1987.

7 A. If he knew that there were lines there, he  
8 should have told me, yes.

9 Q. He didn't tell you, did he?

10 A. No.

11 Q. Mel McDonald testified in this Court of  
12 Impeachment several days ago that on Saturday night,  
13 November 13, 1987, he told Dr. Ray Russell that the  
14 Attorney General was looking into the Lee Watkins threat.

15 Do you believe that Dr. Russell had a duty to  
16 tell you that the Attorney General was looking into the  
17 Lee Watkins threat on Saturday night, November 14, 1987?

18 A. I am missing something. Did Ray know  
19 Saturday night that there was -- please ask that question  
20 again.

21 Q. That is Mel McDonald's testimony. Assuming  
22 that Ray knew, which was Mel McDonald's testimony, isn't  
23 it true that Dr. Russell had a duty to tell you that the  
24 Attorney General was looking into the Lee Watkins threat  
25 that night?

1           A.     I am missing something. I'm not sure that  
2 Ray Russell knew anything about it. I don't think, I  
3 didn't hear all of Judge McDonald's testimony, but to my  
4 understanding, they did not reach Ray Russell. In the  
5 alternative, they reached Judge MacDonalD, and that they  
6 were trying to, it was my understanding that they had  
7 found this great big conspiracy and that Ray was part of  
8 it. But they never reached Ray; it was Judge MacDonalD  
9 they reached.

10           Q.     Governor, I know that you have probably had  
11 better things to do than to watch the entirety of these  
12 proceedings, but I'll avow to you that Mel McDonald  
13 testified from that very chair that you are sitting in  
14 that he did reach Ray Russell on the evening of November  
15 14, 1987, and told him that the Attorney General was  
16 looking into the Lee Watkins' threat.

17                     Assuming that to be the case, do you believe  
18 that Dr. Russell had a duty to tell you that the Attorney  
19 General was looking into the Lee Watkins threat?

20           A.     Not necessarily. Ray -- this was not in line  
21 with what Ray was doing. I don't know if he had a duty;  
22 it would have been nice if he had done it. I don't know  
23 if he was the one that had the duty.

24           Q.     Governor, you know who Colonel Milstead was  
25 reporting to in mid November, 1987?

1 A. Who was he reporting to?

2 Q. Dr. Ray Russell. You didn't know that?

3 A. Well, I knew that he had been assigned to  
4 DPS, yes.

5 Q. He had been assigned to cover DPS?

6 A. Uh-huh.

7 Q. You knew that?

8 A. Oh, are you saying that Milstead reported to  
9 Ray? Go ahead --

10 Q. In any event, Dr. Russell didn't tell you on  
11 Saturday, November 14, that the Attorney General was  
12 involved in the Lee Watkins threat, did he?

13 A. No, he didn't.

14 Q. Now, Max Hawkins testified from the same  
15 chair that you are sitting in that he learned on Sunday,  
16 November 15th, 1987 that the Arizona Republic was going to  
17 carry a story that the Attorney General was investigating  
18 the Lee Watkins death threat, and that that story was  
19 going to be carried in the newspaper on the morning of  
20 Monday, November 16, 1987.

21 Mr. Hawkins couldn't recall whether he had  
22 talked to you on the evening of November 15th about that  
23 call that he received from Dale Anderson.

24 Do you recall talking with Max Hawkins that  
25 evening?

1           A.     No, I don't.

2           Q.     Do you deny that a telephone conversation  
3 took place, or you just simply don't recall?

4           A.     I think I would have remembered if there had  
5 been.

6           Q.     Do you believe that Max Hawkins had a duty to  
7 tell you that the Republic was going to publish an article  
8 that could be damaging to your administration the next  
9 morning?

10          A.     Well, if he would have reported to me every  
11 time he thought that, he would have been calling me twice  
12 a day. I don't think so.

13          Q.     He didn't call you, did he?

14          A.     No.

15          Q.     Governor, I think you testified a moment ago,  
16 and indeed you testified in the House of Representatives  
17 that you, before you became Governor, had never been  
18 accused of being dishonest or accused of lying.

19          A.     That's right.

20          Q.     Governor, you would agree that a claim of  
21 fraud against you is a claim that you were dishonest,  
22 wouldn't you?

23          A.     Tell me more, Mr. Eckstein.

24          Q.     Governor, have you ever heard of the name  
25 Arthur W. Garrelts?

1           A.     Not to my recollection.

2           Q.     Isn't it a fact, Governor, that Mr. Garrelts  
3 filed a lawsuit against you on February 23, 1981, in  
4 Maricopa County Superior Court, and that the third cause  
5 of action in that complaint accused you personally of  
6 fraud, deceit, and misrepresentation?

7           A.     Mr. Eckstein, I have been in business for 37  
8 years. I have sold well over 100,000 automobiles. I have  
9 been accused very, very few times. And I may have been  
10 accused by Mr. Garrelts, I don't remember it. And at that  
11 time -- but very, very few times, and when I say that,  
12 nobody has ever found me guilty of lying or cheating or  
13 defrauding anyone. Once in awhile somebody will accuse me  
14 in business from a standpoint of business that my firm  
15 didn't do something that they liked, but --

16          Q.     I believe your testimony in the House and  
17 here was that you had never been accused. Now you are  
18 changing it, but we will get back to what the findings  
19 were.

20                    Would you show Governor Mecham Exhibit  
21 No. 27.

22                    Governor, you have --

23           MR. LEONARD: Excuse me, Mr. Eckstein. I object  
24 until we have a copy of the exhibit.

25           MR. ECKSTEIN: I would ask the clerk to give copies

1 of Exhibits 27 through 31 to counsel.

2 MR. LEONARD: Mr. Presiding Officer, a fast glance  
3 at this document that appears to be a complaint, I object  
4 to any reference to it. This is without foundation. It  
5 is nothing more than a complaint in a civil action.

6 THE PRESIDING OFFICER: I am sorry, Counsel;  
7 senators cannot hear you. Would you speak up a little  
8 bit.

9 MR. LEONARD: I object. The document is without  
10 foundation, if counsel is offering it or is going to ask  
11 any questions about it. It is nothing more than a  
12 complaint in a civil action from 1981, if I am not  
13 mistaken. I object to its relevancy, its materiality,  
14 also competence and it is without foundation.

15 THE PRESIDING OFFICER: I don't believe it is being  
16 offered at this time.

17 MR. ECKSTEIN: I'll offer it, Mr. Presiding  
18 Officer, it is a self-authenticating document. It is a  
19 public record and I do offer it in evidence.

20 THE PRESIDING OFFICER: The objection is overruled.  
21 It will be admitted. That is Number 27.

22 BY MR. ECKSTEIN:

23 Q. Governor, does this refresh your recollection  
24 as to the allegations of dishonesty and fraud and  
25 misrepresentation that were made by the Garrelts against

1 you personally in 1981?

2 A. I think this was against my company,  
3 Mr. Eckstein, and as the president of the company, it  
4 would include me. And, no, it doesn't refresh my memory.  
5 I don't remember it.

6 Q. You were named individually as a defendant in  
7 that action; is that not correct?

8 A. I think it was the company and I probably was  
9 also co-named, yes.

10 Q. You can tell that from the caption, can you  
11 not?

12 A. I said that, I believe, Mr. Eckstein.

13 Q. Do you recall what happened in that lawsuit? (

14 A. I really don't.

15 Q. You wouldn't disagree if I told you that that  
16 lawsuit was settled out of Court, would you?

17 A. Mr. Eckstein, I believe if I said I don't  
18 remember, I wouldn't dispute whatever you say, except that  
19 I defrauded somebody. I would dispute that.

20 Q. Governor, have you ever heard the name Frank  
21 S. Elliot and Mary Ann Elliot?

22 A. Yes, I certainly have.

23 Q. That is one you remember?

24 A. Yes, very well. They cost me an awful lot of  
25 money.

1 Q. Isn't it a fact that the Elliots filed a  
2 lawsuit against you on November 2, 1981, in Maricopa  
3 County Superior Court?

4 A. Me and some other people, yes.

5 Q. And isn't it a fact that in that complaint  
6 the Elliots accused you of conspiring with your brothers,  
7 Willard and Wayne, and with Dan Morris, to defraud Elliot  
8 out of his interest in a company called Thermal --

9 A. Yes, that was -- yes, that was -- we brought  
10 money in to save the company, and Frank helped spend it  
11 and then turned around and accused us, because he lied to  
12 us.

13 Oh, no, I think it has to be told. You are  
14 trying to impugn my honesty, Mr. Eckstein. Let me tell  
15 you something: If you are going to bring that in, then  
16 you better bring in both sides of it.

17 Q. I am just asking you questions.

18 A. You have to bring both --

19 Q. Your counsel will ask you questions on  
20 redirect.

21 A. You are not going to leave that a lie.

22 Q. Listen to my questions and respond to them;  
23 that is all I am asking you to do.

24 A. I'll respond, and add to my response, and I  
25 earn the right to respond as I see fit, Mr. Eckstein,

1 please.

2 Q. Governor, have you ever heard of a person by  
3 the name of Laurie Ann Heltzel?

4 A. Yes, I have.

5 Q. Incidentally, would you show the witness  
6 Exhibit No. 28.

7 Governor, I have had marked as Exhibit No. 28  
8 in this matter a copy of the complaint in action C-447493  
9 in the Maricopa County Superior Court, Frank S. Elliot  
10 versus Dan R. Morris, others, and Evan Mecham.

11 You recall receiving this complaint?

12 A. Yes, I do.

13 MR. ECKSTEIN: I offer Exhibit No. 28 in evidence.

14 MR. LEONARD: Same objection: materiality,  
15 relevance, foundation.

16 THE PRESIDING OFFICER: Overruled. It shall be  
17 admitted.

18 BY MR. ECKSTEIN:

19 Q. Governor, going back to Laurie Ann Heltzel,  
20 you recall that Laurie Ann Heltzel filed a lawsuit against  
21 you on March 2, 1983, in Maricopa County Superior Court,  
22 do you not?

23 A. Yes, I remember.

24 Q. Isn't it a fact, Governor, that in that  
25 complaint, she accused you personally of defrauding her by

1 making false statements which you knew to be false?

2 A. That was her accusation.

3 Q. Isn't it a fact that a jury found for her and  
4 against you in that lawsuit?

5 A. It's a fact that the jury found for what I  
6 had been trying to do for her, that I offered to give her  
7 money back because she couldn't qualify for the -- to get  
8 the car financed. And we had let her use the car until we  
9 found out we couldn't, it was too late, and she couldn't  
10 get it financed, and we asked her to bring it back. And  
11 she wouldn't bring it back and we went and got it from  
12 her, offered her money back, and she wouldn't take it and  
13 she sued.

14 Q. Would you please show the witness Exhibits 29  
15 and 30.

16 Governor, you have exhibits 29 and 30 in  
17 front of you. Exhibit No. 29 is a copy of a complaint in  
18 Laurie Ann Heltzel vs. Mecham Pontiac and Evan Mecham,  
19 action number C-481786 in the Maricopa County Superior  
20 Court, a complaint for fraud, contract and conversion, and  
21 Exhibit No. 30 is a judgment, copy of a judgment in that  
22 case.

23 You recall seeing these before, don't you?

24 A. Yes, I do.

25 MR. ECKSTEIN: I offer Exhibits 29 and 30 in

1 evidence.

2 MR. LEONARD: Same objection.

3 THE PRESIDING OFFICER: Same ruling. Both shall be  
4 admitted, 29 and 30.

5 BY MR. ECKSTEIN:

6 Q. Now, Governor, directing your attention to  
7 Exhibit No. 30, which is the judgment. You recall, do you  
8 not, that the jury in that case awarded punitive damages  
9 against you?

10 A. Yes, I do.

11 Q. And that the punitive damages they awarded  
12 were in excess of \$8,000; is that correct?

13 A. That's correct.

14 Q. Governor, each of these lawsuits alleged that  
15 you were dishonest; isn't that correct?

16 A. I believe they did.

17 Q. And each of these lawsuits, each of these  
18 allegations were made before you became Governor?

19 A. That's right.

20 Q. So your sworn statement before the House of  
21 Representatives and your statement 20 minutes ago or so  
22 before this Court of Impeachment that you had never been  
23 accused of lying or anything more serious than DWI wasn't  
24 quite correct, was it?

25 A. Yes, it was in the context, Mr. Eckstein, you

1 bet it was. In my business, as I said, I have done  
2 100,000 business transactions. Somebody through a  
3 business transaction will accuse you of something -- no,  
4 no, you must listen to me; you must listen to me. It  
5 is --

6 Q. Excuse me.

7 A. I insist on answering this question.

8 MR. CRAFT: Ever --

9 THE PRESIDING OFFICER: Your own counsel is rising.  
10 Let him speak, sir.

11 Mr. Craft.

12 MR. CRAFT: The Governor ought to be afforded the  
13 privilege to answer the question that Mr. Eckstein has  
14 presented to him, and that is what he is trying to do.

15 THE PRESIDING OFFICER: I think I made this point  
16 before: The rules of the game are the same for both  
17 sides. The purpose of cross-examination, which is  
18 perfectly good cross-examination at this point, is to ask  
19 questions, and the Governor is supposed to answer them  
20 directly. He'll have an opportunity to explain these  
21 things as you bring them out on redirect.

22 So, Governor, please just answer the  
23 questions.

24 THE WITNESS: I am answering the question, Your  
25 Honor.

1 MR. ECKSTEIN: There is no question pending.

2 THE WITNESS: Yes, there is.

3 I did not fully understand your question, and  
4 before I'll answer anything else, I insist on finishing  
5 answering that question.

6 MR. ECKSTEIN: Governor, you will be given an  
7 opportunity to answer whatever questions are proper on  
8 redirect by presentation from your counsel.

9 BY MR. ECKSTEIN:

10 Q. Governor, I would like for us to review the  
11 number of times between noon on Friday, November 13, 1987  
12 and 6:30 p.m. on Monday, November 16, that you talked to  
13 various people about the Lee Watkins threat.

14 First, Lieutenant Johnson told you about the  
15 threat on Friday about noon; isn't that correct?

16 A. Lieutenant Johnson talked to me about noon on  
17 Friday.

18 Q. About 5:00 that evening Max Hawkins talked to  
19 you for about five minutes and gave his report to you; is  
20 that correct?

21 A. More like 6:00, but that's fine.

22 Q. Later that evening, third, Peggy Griffith  
23 called you and told you that someone from the Attorney  
24 General's office was trying to talk to her about the  
25 threat; isn't that correct?

1           A.       Somebody from DPS and the Attorney General's  
2 Office was trying to talk to her.

3           Q.       Number four, on Sunday Colonel Milstead  
4 called you and told you the Attorney General wanted to  
5 talk to Frank Martinez; isn't that correct?

6           A.       That is correct.

7           Q.       And then fifth, you woke up Monday morning  
8 and you read an article on the front page of the Arizona  
9 Republic describing the threat in great detail, didn't  
10 you?

11          A.       I read it. I didn't wake up to read the  
12 newspaper. I enjoy my day a little before I get to that,  
13 and --

14          Q.       You did read it?

15          A.       I think I perhaps scanned it coming down to  
16 the office.

17          Q.       It would be fair to say that story didn't  
18 make your day, did it?

19          A.       It -- I wasn't disturbed by it, Mr. Eckstein.

20          Q.       Governor, you recall being interviewed on  
21 television by Cameron Harper beginning at 6:30 p.m. on  
22 Monday, November 16, 1987?

23          A.       Yes.

24          Q.       You recall that Cameron Harper asked you some  
25 questions about the threat, don't you?

1 A. Some; he asked me I think one.

2 Q. He asked you one question?

3 A. I think that was it.

4 Q. Just one?

5 A. Well, I don't know. Have it your way,  
6 whatever he asked, he asked. I really don't know.

7 Q. You told him that night that you knew very  
8 little about the details of the threat; isn't that  
9 correct?

10 A. That's correct.

11 Q. You also told him that you did not know of  
12 the threat; isn't that correct?

13 A. To answer that, Mr. Eckstein, I am going to  
14 have to read you what we answered. I said frankly, I know  
15 very little about the details which was true.

16 Q. Governor --

17 A. No, no. You have to have more of an answer.  
18 There is not a yes or no answer to this.

19 He said, he talked about an implication of  
20 death; we talked about this this morning. You know that.  
21 The implication that if she didn't stop talking she would  
22 wind up dead, did you know about that threat.

23 I knew nothing about any threat that said  
24 she'd end up dead. The answer was no, I didn't. That is  
25 the style, the same answer, Mr. Eckstein.

1 Q. You read the entire exhibit, Governor?

2 A. No, I didn't. I will if you would like me  
3 to, I'll be glad to read it to you. Shall we start at the  
4 top?

5 Q. Governor, you told Cameron Harper that night  
6 you did not know of the threat?

7 A. The threat that was the implication that if  
8 she didn't stop talking she'd be dead. I said no, I knew  
9 nothing of that threat.

10 Q. You said you didn't know of the threat twice  
11 in that interview.

12 A. That threat, exactly what are we talking  
13 about?

14 Q. Governor, you didn't tell Cameron Harper that  
15 it was just a little spat between employees and that it  
16 was nothing, did you?

17 A. Quite frankly, Mr. Eckstein, I was through  
18 talking to Cameron Harper, and we talked very little about  
19 it. I don't know whether he was on your payroll or not.  
20 Somebody was trying to cross-examine me to try to trap me  
21 into saying something. I was under grand jury subpoena.

22 Q. Governor, please answer the questions.

23 You did not tell Cameron Harper that it was  
24 just a little spat between employees and it was nothing,  
25 did you?

1 A. He did not ask me that question.

2 Q. You didn't tell Cameron Harper that you  
3 looked into the matter and that it was nothing, did you?

4 A. I don't think so.

5 Q. You didn't tell Cameron Harper that Max  
6 Hawkins had investigated the threat and that it was  
7 nothing?

8 A. That's right, I did not.

9 Q. Cameron Harper asked you if you or anyone on  
10 your staff was informed that the threat had been made;  
11 isn't that correct?

12 A. If a death threat had been made, that's what  
13 he said.

14 Q. You responded by saying that your Chief of  
15 Staff was informed?

16 A. No, I didn't; no, I didn't. No.

17 Let's be honest, Mr. Eckstein. Please don't  
18 misrepresent the wording, he says -- he says, I said,  
19 perhaps my Chief of Staff --

20 Q. Perhaps your Chief of Staff?

21 A. That is a big word in there. I didn't know.  
22 We hadn't talked about it.

23 Q. You told Cameron Harper that you were not  
24 informed?

25 A. I was informed of no death threat, and that

1 was right.

2 Q. You believed on November 15th, 1987, that the  
3 Attorney General was out to hang you, didn't you?

4 A. That was evident. Didn't you?

5 Q. On November 15th, 1987, you believed that the  
6 Attorney General was looking for something to bring your  
7 administration down, wasn't he?

8 A. He had been working for months on it,  
9 Mr. Eckstein, every way he could.

10 Q. On November 15th, 1987, you were afraid that  
11 if the Attorney General found out about the Lee Watkins  
12 threat, that it would harm your administration, didn't  
13 you?

14 A. Not necessarily. There was nothing in the  
15 threat to harm me, except bad publicity in the newspaper.

16 Q. You weren't worried about it?

17 A. That's right.

18 Q. On November 15th, 1987, you were concerned if  
19 the Lee Watkins threat was reported in the paper it would  
20 harm your administration, weren't you?

21 A. Not necessarily.

22 MR. ECKSTEIN: I have no further questions.

23 THE PRESIDING OFFICER: Looks like it is time for  
24 our afternoon recess. We will stand at recess until 3:30.

25 (Recessed at 3:15 p.m.)

1 (Reconvened at 3:35 p.m.)

2 THE PRESIDING OFFICER: Thank you, ladies and  
3 gentlemen. The Court of Impeachment is reconvened.

4 The record will show the presence of a  
5 majority of the Board of Managers, their counsel, and  
6 counsel for the respondent.

7 We will resume now with Governor Mecham on  
8 the stand.

9 I'll remind you, you are still under oath,  
10 Governor.

11 THE WITNESS: Thank you.

12

13 REDIRECT EXAMINATION

14 BY MR. CRAFT:

15 Q. Ladies and gentlemen of the Court of  
16 Impeachment, Governor Mecham.

17 Governor, questions were asked you on  
18 cross-examination relative to the question of receiving  
19 legal advice when you were on the ninth floor from various  
20 members of your staff.

21 Do you recall those questions?

22 A. Yes, I do.

23 Q. Do you distinguish between conversations  
24 about law and formal legal opinions, Governor?

25 A. Yes, of course.

1 Q. What is the distinction in your mind?

2 A. Well, when you are talking about legal  
3 advice, you have a lawyer who researches the law, writes  
4 an opinion, says after researching the law this is what I  
5 find and this is my advice and this is what I recommend  
6 you follow. That's much different than in a conversation  
7 in the hallway or something saying well, I think this or  
8 this or this.

9 Q. Did Mr. Colter provide legal advice in that  
10 sense to you?

11 A. No, he didn't.

12 Q. Did Dr. Burke?

13 A. No.

14 Q. Did Fred Craft?

15 A. No.

16 Q. Governor, in terms of your fund raising  
17 activities for your campaign for Governor in 1986, from  
18 whom was the largest source of funds for your campaign?

19 A. Well, directly or indirectly, myself.

20 Q. Yourself?

21 A. Uh-huh.

22 Q. Governor, you were asked questions from  
23 Mr. Eckstein about the question of prior experience for  
24 management positions in state government.

25 What is your feeling with regard to the

1 necessity for prior experience for appointment to  
2 management positions in government?

3 A. Well, most cases for a particular job there  
4 isn't prior experience, that's where you get it. Most  
5 people do not have prior experience in a given position.

6 Q. Could you give us an example of what you are  
7 talking about?

8 A. Well, I haven't been Governor before. There  
9 are those guys who say maybe I should have to have prior  
10 experience. They don't have a school for it, but I  
11 probably shouldn't say that kiddingly.

12 But most of the people that you appoint to a  
13 position, you look at them for the background and  
14 experience and education and that type thing that they  
15 have. We worked very hard to get people who had as near  
16 experience in a given area and a given level in all the  
17 appointments that we made, and I think succeeded quite  
18 well according to one research that was done on it.

19 But, for example, Gene Hazlin in the Land  
20 Department, Gene didn't have prior experience in the Land  
21 Department, but he certainly had some of the other  
22 experience, that he knew a lot about public lands, and  
23 different ones in like positions, so they don't -- the  
24 attitude that they have got to have, prior experience is  
25 really one that you can't really follow.

1 Q. Governor, I would like you to look again at  
2 the exhibit -- and I don't have the number -- which is the  
3 calendar, and Exhibit No. 33, Governor.

4 A. Yes.

5 Q. I think earlier on direct examination, and  
6 you were talking on cross-examination about what you were  
7 doing on Friday, November the 13th and then Saturday,  
8 November the 14th.

9 Would you look at the calendar? And there is  
10 two of them: One is your calendar and the other one  
11 apparently is Doris Stafford's, your secretary's; is that  
12 right?

13 A. That's right.

14 Q. Do you recall what you did after you attended  
15 on Saturday morning, November the 14th, the meeting at  
16 Murray Miller's office with Michael Green and others that  
17 you have testified?

18 A. Yes, yes. As I looked at this calendar it  
19 reminded me that I did. I didn't follow this calendar,  
20 but I did later go up to Payson.

21 Q. Do you recall about what time you went to  
22 Payson?

23 A. Got up there just -- we had some meetings  
24 scheduled before, but meetings in Miller's office took  
25 long enough that we had to meet the others and just went

1 up for this luncheon meeting. I probably left the office  
2 around 11:00, sometime little after 11:00.

3 Q. This calendar then is inaccurate, isn't it,  
4 Governor?

5 A. That's correct.

6 Q. And that would not be unusual, would it?

7 A. Oh, no. You have to do what you need to do.  
8 This calendar doesn't have the fact that we are going to  
9 have a meeting at Murray's office for that matter. But  
10 everything wasn't on the calendar; it was a guide, and we  
11 tried to go by it.

12 Q. Is it a factual recitation of what happened  
13 on Saturday, November the 14th, from looking at that  
14 schedule?

15 A. No, it isn't.

16 Q. Is there anything sinister about that?

17 A. Not at all.

18 Q. Governor, when Lieutenant Johnson came in and  
19 talked to you on Friday at noon sometime, or between noon  
20 and 1:00 when Lieutenant Johnson gave you his report about  
21 the parking lot incident, when did you think that event  
22 had occurred?

23 A. From my -- you know, the way it came in, I  
24 thought it just occurred.

25 Q. You thought it happened just then?

1           A.     Yes.

2           Q.     You don't recall Lieutenant Johnson saying  
3 this happened two nights ago?

4           A.     I don't.

5           Q.     Governor, would you look at Exhibit 2,  
6 Governor, the second paragraph, Governor, where it says:  
7           "Mr. Lee Watkins of the Department of  
8           Administration had walked up to her in the  
9           Governor's staff parking lot in the late afternoon  
10          of Wednesday, November the 11th, and told her," et  
11          cetera.

12                     Do you see that?

13          A.     Yes, I see that.

14          Q.     This is lieutenant Johnson's written report  
15 of his recitation of what his conversation with Peggy  
16 Griffith on Friday was.

17                     Do you remember Lieutenant Johnson ever  
18 saying anything about the event taking place in the late  
19 afternoon of Wednesday, November the 11th?

20          A.     No, I don't.

21          Q.     Governor, I would like you to look at Volume  
22 8 of February the 3rd, 1988, the Special House Select  
23 Committee hearings regarding impeachment and the  
24 reporter's transcript. Is that there? You were asked a  
25 question by counsel on page 92, starting at line 9, or

1 what my notes said, and the question of what your focus  
2 was at that time.

3 Do you recall that question?

4 A. Somewhat.

5 Q. And Mr. Eckstein asked you and related to you  
6 a question you had for Mr. Weiss about "aren't we here to  
7 see if I obstructed justice or not." Starting at line 16,  
8 question: "That's exactly why we are here, Governor."

9 A. Yes.

10 Q. I would like to hand you this, starting at  
11 line 17, and you were asked, and you gave part of the  
12 answer that you gave with regard to the issue of  
13 seriousness.

14 Does that refresh your recollection?

15 A. Yes, you bet.

16 Q. I would like to hand you that transcript and  
17 ask you to look at your entire answer to that relative to  
18 line 17 through 23.

19 A. I think this tells the story, and I think  
20 we've covered these many times. And when you talk about  
21 serious, I said any kind of a threat would be serious, and  
22 the report that I had was that I went down to Mr. Hawkins;  
23 Mr. Hawkins called me and said it's a bunch of hot air and  
24 it will go away. Then I forgot it and attached no  
25 significance or seriousness to it.

1 Q. Governor, is that the context within which  
2 you were talking about seriousness in response to the  
3 question that you were asked?

4 A. Yes.

5 Q. Your focus at that time was on what, in terms  
6 of vis-a-vis a felony or a personnel matter?

7 MR. ECKSTEIN: Objection; leading. It is not  
8 specific as to time either.

9 THE PRESIDING OFFICER: Overruled.

10 You may answer, if you can.

11 THE WITNESS: This was in the context of whether  
12 this was viewed by me as a serious threat, what was my  
13 state of mind. That was as I recall it, and that whereas  
14 my response was in the area that any time you have an  
15 altercation, it must be viewed as being serious. The  
16 investigation by Mr. Hawkins and his report to me said  
17 that it wasn't serious, and, therefore, dissipated any  
18 concern on my part of it being serious and that was it.

19 BY MR. CRAFT:

20 Q. Governor, of all the threats that have been  
21 made against you, has anybody ever been apprehended?

22 A. No.

23 Q. No one has ever been prosecuted?

24 A. No, they haven't.

25 Q. Governor, you were asked a question about

1 Exhibit No. 32, which I think is a petition for removal of  
2 the Attorney General from prosecuting you, and the  
3 question came up with regard to star witness. That legal  
4 pleading that was made, Governor, do you read these legal  
5 pleadings?

6 A. No, I don't.

7 Q. Does your lawyer consult with you about what  
8 language the lawyer uses to put into the pleadings?

9 A. No. We talk English when we talk, I don't go  
10 into the lawyer talk.

11 Q. Governor, you read some lawyer talk before in  
12 terms of business complaints, haven't you?

13 A. Yes, I have.

14 Q. You distinguish for us what you think, as a  
15 layman, occurs, and then when you look at it and put it in  
16 legalese, how you feel about that language?

17 MR. ECKSTEIN: Objection; compound and utterly  
18 confusing.

19 THE PRESIDING OFFICER: Overruled.

20 You may answer, if you can, sir.

21 THE WITNESS: A very simple thing that between two  
22 people are a question, when it is put in legalese and it  
23 becomes a matter of a pleading, can look like a capital  
24 crime after they get through putting all of the frauds and  
25 the "this's" and the "that's" into it, so that's my

1 experience.

2 Incidentally, I am not complaining about  
3 lawyers; I'm beginning to like them more all the time.

4 MR. CRAFT: Some of them are pretty nice guys.

5 THE WITNESS: Yeah.

6 BY MR. CRAFT:

7 Q. When you were talking to Colonel Milstead on  
8 the telephone on Sunday and your conversation was going  
9 back and forth, and you understood that the Attorney  
10 General wanted to take or to interview Officer Martinez,  
11 were you attempting to stop Officer Martinez from ever  
12 going to the Attorney General's Office?

13 A. Oh, no, no, not at all. I just -- this was  
14 Sunday -- saw no reason for this crisis, goof up his  
15 Sunday, and quite frankly, said let's wait until Monday  
16 and see what this is all about.

17 Q. That's what you were talking about saying no?

18 A. That's right.

19 Q. You have my permission to take him now?

20 A. That's right, he wasn't talking about getting  
21 a report. You see this later thing that he was report --  
22 that wasn't what he said. He said we want to take him  
23 down to interrogate him. I thought surely there had been  
24 reports filed on this. I thought surely they had made  
25 reports.

1 Q. Governor, did Colonel Milstead tell you there  
2 was a crisis?

3 A. No, he didn't.

4 Q. Was there anything that you could glean from  
5 anything that he said that you perceived this was a  
6 crisis?

7 A. Not at all.

8 Q. That you should seek legal help or anything  
9 else?

10 A. No.

11 Q. Governor, with regard to Peggy Griffith's  
12 conversation with you on Saturday night or Friday night,  
13 whenever that took place, in terms of your knowledge of an  
14 investigation, in quotes, an investigation, were the words  
15 "investigation" ever used that you could recall?

16 A. They never were.

17 Q. What was your assumption when she talked  
18 about the Attorney General's Office?

19 A. I didn't assume much. Peggy, as I said, was  
20 kind of emotional on it. I was, you know, taken back a  
21 little bit. But she talked, and I said, you know, it was  
22 merely calm her down, say "Peggy, if we got a problem, we  
23 will solve it Monday, have a good weekend," you know, and  
24 that was the extent of it.

25 Q. At that time, what was said to you

1 communicating to you that there was an investigation under  
2 way?

3 A. Oh, absolutely not.

4 MR. ECKSTEIN: Asked and answered. Objection.

5 THE PRESIDING OFFICER: Sustained.

6 BY MR. CRAFT:

7 Q. Governor, with regard to Peggy Griffith and  
8 your conversation with her, was it your understanding that  
9 she was never going to cooperate with the Attorney General  
10 on this matter?

11 A. Oh, no, no, that was not, that was really not  
12 a subject at all. She just was telling me that, you know,  
13 they were trying -- here we are going into a weekend, and  
14 they were trying to call her, and I just calmed her down  
15 and said, you know, "Nobody can make you talk, Peggy, and  
16 we will look into this Monday."

17 Q. Did you think that maybe she would go to the  
18 Attorney General at the beginning of the week, starting  
19 the next week?

20 A. Quite frankly, I had no idea, because it was  
21 the farthest thing from my mind that this would be an  
22 Attorney General or anybody's investigation.

23 Q. Governor, the question was raised with regard  
24 to Dr. Russell. We heard testimony from Dr. Russell that  
25 he was called sometime about 11:00 on Saturday night by

1 his attorney, Judge McDonald.

2 Do you believe that Ray Russell had a duty to  
3 call you after 11:00 at night on Saturday night with  
4 regard to this matter?

5 A. Not really.

6 Q. Did Ray Russell talk to you on that Monday  
7 about this issue?

8 A. I don't remember that he did.

9 Q. Governor, you were asked a number of  
10 questions about your business. What is the name of your  
11 business?

12 A. Mecham Pontiac.

13 Q. You have been in business for how long,  
14 Governor?

15 A. Since 1950.

16 Q. I think you testified you sold over or had  
17 over 100,000 transactions?

18 A. Yes.

19 Q. You have dealt directly with the public?

20 A. Oh, yes.

21 Q. Governor, let's talk for a moment about what  
22 you meant when you said the best of your knowledge you  
23 hadn't been charged with anything more than a traffic  
24 ticket.

25 A. Personal, individual, I was talking in a

1 concept of my personal -- never being arrested, never  
2 being charged with anything except a speeding ticket, and  
3 I hadn't had one of those in a number of years.

4 Q. Ever been arrested in a vice raid?

5 A. Oh, no, no.

6 Q. Governor, you were talking about in the  
7 context then of your personal life?

8 A. That's right.

9 Q. Are you aware that there are complaints in  
10 all businesses?

11 A. Oh, yes. Even lawyers have complaints, I'm  
12 told.

13 Q. Well, on occasion.

14 Let me ask you: The name of Frank Elliot  
15 came up. I think that's Exhibit No. 28.

16 Would you hand the Governor Exhibit No. 28.

17 A. I probably still have it. Okay. You do a  
18 good job.

19 Q. Governor, I'll give you a chance to tell this  
20 Court of Impeachment what was the issue involved with  
21 Mr. Elliot in a capsule form as briefly as you can give it  
22 to us.

23 A. We had a man named Dan Morris who was doing  
24 some legal work, who we trusted, and he and Frank Elliot  
25 in a company they had called Thermal. And we had

1 confidence in Dan. And Frank told us of the great  
2 potential in this, and they needed some money, \$75,000,  
3 and if we would come in and help them save the company,  
4 and we could buy a sizeable interest in it and provide  
5 some management for it, without checking the company and  
6 taking the representations, which was foolish for us to  
7 do. But we did it in the context of trust; we went into  
8 it, put our money in; found that Mr. Elliot's wife, who  
9 had been handling the books, had drawers full of bills  
10 that hadn't been paid or reported, \$27,000 in unpaid,  
11 withholding taxes that hadn't been paid.

12 But once we got in it, took up most of our  
13 money to solve problems that weren't even revealed. I am  
14 not happy to state that, because we were dealing with a  
15 person we trusted, we didn't check out.

16 I am talking about Mr. Morris, not  
17 Mr. Elliot; didn't know Mr. Elliot before. But after we  
18 put \$175,000 in, we decided to walk away and leave it,  
19 gave it back to them. And Mr. Elliot wanted more, and he  
20 sued hoping that he could sue us for something that we had  
21 done, which was more than lost \$175,000. It was really  
22 bizarre.

23 Q. This issue was settled out of court?

24 A. Wasn't settled. We just walked away and left  
25 it. The lawsuit that they filed against us never went to

1 fruition. It didn't happen. It didn't -- wasn't -- it  
2 was not continued.

3 Q. Governor, did you do anything wrong in this  
4 instance with Mr. Elliot?

5 A. Not with him. With my people who were  
6 responsible to me to use good business judgment, we wasted  
7 some of the family money.

8 Q. That's what you are guilty of?

9 A. Yes, I am guilty of that.

10 Q. Did you learn from that lesson?

11 A. You better believe it.

12 Q. Governor, a name has been used of Laurie Ann  
13 Heltzel.

14 By the way, what year was the issue on  
15 Mr. Elliot?

16 A. Oh, back 1981 or thereabouts, if I remember.  
17 Yes, 1981.

18 Q. The issue of Laurie Ann Heltzel.

19 A. I think this was in about 1983. We had,  
20 myself --

21 Q. What is a thumbnail sketch of that issue?

22 A. Miss Heltzel wanted to buy a car, a Trans Am,  
23 from us. She traded in a little Volkswagen that we  
24 allowed her \$1400 on, and \$700 or \$800 in cash. We  
25 couldn't get her financed.

1 I wasn't involved in it until it was a  
2 Friday, New Year's Eve. Everybody was closed. And the  
3 salesman -- it was, oh, 7:00 -- the salesman come over and  
4 pleaded with me, said she was over in the showroom crying,  
5 she wanted the car so bad, she had her brother-in-law, and  
6 looked like he would be a good co-signer, and GMAC would  
7 surely approve the financing.

8 I went over, looked at the credit statement,  
9 looked at it, and made a judgment call and said, yeah, I  
10 guess maybe they will; worse that we can do is have to  
11 take the car back. And so we changed her tears to joy and  
12 let her drive that Trans Am out.

13 Well, Monday, when GMAC was open, they  
14 wouldn't approve the co-signer. We called her and asked  
15 her to come and let us give her down payment back and  
16 bring the car back, and she wouldn't do that.

17 The contracts, incidentally, are very clear,  
18 the contract under which you sell a car, and the  
19 salesman -- the customer, since knowing this is not a  
20 completed contract or completed deal until the conditional  
21 sales contract is approved by a financing institution.

22 So it was very contractually correct, but she  
23 went through about three or four lawyers, finally got one  
24 over a period of time. And we went to court, and the  
25 judgment was that we do exactly what we tried to do three

1 or four years before, and that's give her -- well, in the  
2 meantime we had sold the car for \$350, but we gave her  
3 1450 for a car we wholesaled for about 350, and the rest  
4 of her money back, but the 2200 -- but the jury also  
5 thought that I ought to be penalized, and so they put a  
6 punitive damages on, which the Judge, I thought  
7 improperly, let stand. He had a choice in that. He  
8 wasn't one of my appointees, but any way, he chose not to.

9 We appealed it to the Appellate Court and it  
10 was overturned on the material facts, which was appealed  
11 to the Supreme Court, which they overturned the Appellate  
12 Court, so that -- but we were factually correct, we were  
13 contractually correct, we felt.

14 But the interesting thing, I think, was my  
15 attorney's talk to the jury, and they said, well --

16 MR. ECKSTEIN: Excuse me, Your Honor. I think the  
17 question called for a description of the action. The  
18 witness is going well beyond that.

19 THE PRESIDING OFFICER: Overruled.

20 You may answer.

21 BY MR. CRAFT:

22 Q. What did the jury say?

23 A. The jury said if they were able to they would  
24 have charged me \$30,000 punitive damages, just because  
25 they hear I am this businessman picking on this poor girl.

1 But they didn't want her to have the money, and they  
2 didn't know how else to do it so they only nailed me.  
3 That is the only thing I disputed was the punitive damages  
4 that is what I was objected to.

5 Q. Again, was this in the line of your business  
6 as opposed to you personally?

7 A. It was in the line of the business. There  
8 was no lie, there was no fraud, no lack of integrity on  
9 anybody's part. It was one of those things that we lost  
10 that we should have won.

11 Q. Are you married?

12 A. I'm married.

13 Q. How long have you been married?

14 A. Forty-three years next June.

15 Q. How many children do you have?

16 A. Seven.

17 Q. How many grandchildren?

18 A. Eighteen.

19 MR. CRAFT: One moment, Your Honor.

20 (Pause in the proceedings.)

21 MR. CRAFT: Governor, I thank you very much.

22 Your Honor, I have no further questions.

23 THE PRESIDING OFFICER: Questions by Senators.

24 Senator Kay.

25 SENATOR KAY: Governor Mecham, you first learned

1 about the Watkins threat noon on November 13. And that  
2 evening, and speaking with Peggy Griffith, you learned  
3 that the Attorney General's Office had knowledge of this  
4 affair; is that correct?

5 THE WITNESS: Well, I can't say they did or they  
6 didn't, Senator, because what she told me was that both  
7 somebody from DPS, Colonel Chilcoat, I believe it was, and  
8 she mentioned somebody, perhaps Steve Twist from the  
9 Attorney General's Office, was wanting her to talk to  
10 them. That was the extent of the knowledge. That's what  
11 she told me.

12 SENATOR KAY: When, sir, was the first time that  
13 you knew that the Attorney General's Office was aware of  
14 the threat that the information that you had found out on  
15 noon on November 13?

16 THE WITNESS: When Colonel Milstead talked to me on  
17 Sunday and told me that he wanted, they wanted Frank down  
18 there to interrogate him.

19 SENATOR KAY: That was the first time that you knew  
20 that the AG was in on it?

21 THE WITNESS: That's right.

22 SENATOR KAY: Thank you, sir.

23 THE PRESIDING OFFICER: Senator Sossaman.

24 SENATOR SOSSAMAN: Mr. Presiding Officer, Governor  
25 Mecham, I am a little reluctant to ask another question

1 after yesterday morning, but I am going to give it a try  
2 here.

3 I guess the thing that disturbs me in this  
4 whole scenario that we have heard so far is the total  
5 breakdown between the Attorney General's Office and the  
6 Governor's office.

7 I guess my question of you: Was there ever a  
8 time in your administration in which there was an attorney  
9 assigned to you from the Attorney General's Office?

10 THE WITNESS: We had -- Jessica handled some things  
11 for us, but it was according to what the question was,  
12 Senator, primarily. It was apparently in the area.

13 When we asked for opinions or advice, it was  
14 generally went to whoever, I guess, was expert in that  
15 one.

16 Jessica, I don't remember her last name, did  
17 more things for our office than any, and -- but it would  
18 be different people.

19 The case on Craft, for example, was a  
20 different person.

21 SENATOR SOSSAMAN: So there was never a permanent  
22 attorney assigned to you to be on the ninth floor or in  
23 your office that you could get at a moment's notice? It  
24 was always you had to relay your request through the  
25 Attorney General's Office, and then it was then farmed out

1 to whatever attorney that was the expert in that field; is  
2 that what you are saying?

3 THE WITNESS: That is correct.

4 SENATOR SOSSAMAN: Do you know if that was the way  
5 the previous administration handled his legal question?

6 THE WITNESS: I do not know.

7 SENATOR SOSSAMAN: There was never anyone that you  
8 really felt comfortable with that was permanently assigned  
9 to you on a full-time basis?

10 THE WITNESS: Oh, no, no, there wasn't.

11 SENATOR SOSSAMAN: Thank you.

12 THE PRESIDING OFFICER: Other questions by  
13 Senators?

14 Senator Usdane.

15 SENATOR USDANE: Mr. Presiding Officer, Governor,  
16 I'm confused about just a couple of things, and if I may  
17 ask you briefly, in order to straighten it out in my mind,  
18 it would be helpful to me.

19 THE WITNESS: Sure.

20 SENATOR USDANE: All right. I am going to talk  
21 about the time that you spoke with Colonel Milstead on the  
22 phone, and see if I got the comments from you or heard  
23 them by other people's testimony, okay?

24 One was, I think you stated today, that you  
25 thought that he was taping the conversation; is that

1 correct?

2 THE WITNESS: I had that feeling.

3 SENATOR USDANE: Thank you.

4 Secondly, you asked him on the phone who his  
5 witness was; I think you made that statement.

6 THE WITNESS: Yes.

7 SENATOR USDANE: Then in talking to Peggy, I  
8 thought I heard you say that you had told her that "nobody  
9 can make you talk to anybody," in trying to make her feel  
10 better. Is that correct also?

11 THE WITNESS: Yes.

12 Can I say in what context that was, please,  
13 Senator?

14 SENATOR USDANE: Please.

15 THE WITNESS: She called me, and it's out of the  
16 blue, and she says, "They are trying to get ahold of me."  
17 And she was rather excited and that -- I don't, you know,  
18 "I am not going to talk to them, and I am -- my husband  
19 can protect me," and it was kind of like she felt that she  
20 was under threat of some kind.

21 And I said, and all I did was -- that was  
22 literally all the information that she gave me. She was  
23 disturbed. I said, "Peggy, don't worry about it. We will  
24 take care of it Monday and look into it."

25 SENATOR USDANE: Thank you. That answers that.

1 I just have one more question. In talking to  
2 Colonel Milstead, am I correct in the fact that I thought  
3 I heard you say "if Peggy's not talking what have you  
4 got"?

5 THE WITNESS: Yes, words to that effect. They want  
6 to talk to Frank. I'm wondering why they want to talk to  
7 Frank anyway; here is Sunday, what is the big rush to talk  
8 to him. Who is their witness? If they have got some kind  
9 of a claim, complaint, they must have a witness.

10 SENATOR USDANE: I see. Thank you very much,  
11 Governor.

12 THE PRESIDING OFFICER: Senator Stephens.

13 SENATOR STEPHENS: Thank you, Mr. Presiding  
14 Officer.

15 Governor Mecham, just to clear up a few facts  
16 in my mind, I would like to ask a couple of questions.

17 Number one, at one point when Mr. Craft was  
18 questioning you, you mentioned that you didn't recall if  
19 you knew that Donna Carlson or Peggy Griffith or Max  
20 Hawkins were grand jury witnesses on Friday November 13.  
21 And then when Mr. Eckstein, through cross-examination,  
22 brought up the petition for evidentiary hearing that was  
23 filed by your attorney, Mr. Miller, and read you a  
24 statement on page 12, you agreed that in fact you did know  
25 at the time that Mrs. Carlson and Mrs. Griffith probably

1 were grand jury witnesses at that time.

2 I was wondering if that was in fact true, and  
3 that you did know that at least Mrs. Griffith and  
4 Mrs. Carlson were grand jury witnesses at the time or  
5 potential grand jury witnesses on November 13, Friday?

6 THE WITNESS: Senator, I'm not sure that I knew  
7 that, knew who was and who wasn't. Subpoenas were being  
8 sent out by the bushel basket full, and I didn't know the  
9 list. There was things -- but what I was primarily  
10 bringing up is that I didn't go back to try to recollect  
11 within a stream of time exactly what. Ultimately I  
12 probably knew half of who was the witnesses, or maybe  
13 two-thirds of them ultimately as things progressed.

14 When you asked me today what I knew at a  
15 given time, then Mr. Eckstein gave me something that  
16 showed that obviously you knew on the, whatever that date  
17 was, 12th or 13th of November, by this, that my attorney  
18 did, and I'm sure that I knew at that time.

19 When you asked me what did I know, I have got  
20 to go back and recollect. I really didn't go back and try  
21 to say, well, did I know this date or that. I wasn't that  
22 sure.

23 SENATOR STEPHENS: While you specifically can't  
24 recall for a fact that you did know, you probably did  
25 know, based on the petition that is in front of us?

1 THE WITNESS: Probably did, yes.

2 SENATOR STEPHENS: On the issue of the Milstead --  
3 not a departmental report, whatever report that he put  
4 together which is Exhibit No. 11 -- I wonder if you have  
5 that in front of you, because that is an issue also where  
6 at least at times you talk about not recalling certain  
7 statements, if you made them or not, and then later you  
8 said that you categorically denied that you made certain  
9 statements.

10 Specifically, Governor, a couple of areas  
11 that I have concern with. There is a statement, just not  
12 the last sentence, but I think the third sentence from the  
13 bottom which is your quote where you start off as saying,  
14 I guess one, two, the fifth line from the bottom of the  
15 third paragraph, "I have looked into this and it's nothing  
16 serious."

17 The Governor went on to say, "I don't want  
18 Frank or Beau giving any statements to the Attorney  
19 General. The Attorney General is out to hang me and I'm  
20 not going to help him in any way."

21 When that was first asked this morning, you  
22 said you didn't recall whether you had made that statement  
23 or not specifically, and then later upon cross-examination  
24 you said you denied making that statement.

25 Do you not recall it, or do you deny making

1 that statement?

2 THE WITNESS: No, I said this is not a correct  
3 statement, Senator. I said, first of all, Beau was never  
4 mentioned by Colonel Milstead, that I am the only one that  
5 mentioned Beau, and I did that in relation to his lack of  
6 handling the detail properly.

7 This was, and this is another place when it  
8 said giving any statements. I didn't say statements.  
9 They were asking to take Frank down to interrogate him.  
10 It wasn't a matter of statements. I assumed by that time  
11 that they had made statements and this was interrogation.  
12 So that is an incorrect statement. I did not make that  
13 statement.

14 SENATOR STEPHENS: Governor, going on the next  
15 line, the next section of that, "The Attorney General was  
16 out to hang me and I am not going to help him in any way."  
17 Do you deny making that statement?

18 THE WITNESS: No. I said I am not going to help  
19 him in any way. I'll say that today: I am not going to  
20 help him hang me.

21 SENATOR STEPHENS: And the last line, again, of the  
22 third paragraph, I don't want to help, I don't want you to  
23 help me get or help him get me, don't tell the Attorney  
24 General anything, do you deny making that statement?

25 THE WITNESS: Yes. I don't think I made that,

1 Senator.

2 SENATOR STEPHENS: Governor, at the bottom  
3 paragraph of the first page which starts off, "The  
4 Governor was very emphatic when he sent this, and repeated  
5 the statements or very similar statements several times,"  
6 I meaning I guess Mr. Milstead tried several times to  
7 persuade him to view the matter differently by saying "I  
8 really think it's -- we need to cooperate with the  
9 Attorney General."

10 From your memory, did Colonel Milstead go  
11 over these statements several times with you, as he has  
12 alluded to in the last paragraph?

13 THE WITNESS: No, he didn't. As I said earlier I  
14 did much more of the talking than he did, and it was  
15 relating to the fact of how this had been handled, and our  
16 agreement on the handling of the security detail on the  
17 ninth floor and his agreement, and the fact that that  
18 agreement had been broken. That was more the thrust of my  
19 comments than anything else.

20 SENATOR STEPHENS: Governor, you mentioned that on  
21 Saturday you didn't have discussion about this issue, but  
22 you did meet with your lawyers, or a group of lawyers in  
23 regards to, I guess, the upcoming grand jury proceedings  
24 for a long time on Saturday. And you mentioned a couple  
25 of the people there, I was wondering if you could tell me

1 who attended that meeting.

2 THE WITNESS: It was at Murray Miller's office. I  
3 think I can remember most of them. Ken Smith was there.  
4 He was, of course, we were working on what was going to  
5 happen Monday. Mike Green was there. I am not sure  
6 whether Mike's partner, who had also done research or not  
7 was there. I believe Rick Miller was. There, I think  
8 Fred Craft was there. I am trying to think -- seems like  
9 there was another one or two people there. Today I don't  
10 remember the others.

11 SENATOR STEPHENS: Governor, you did state that  
12 nothing was discussed there in relation to the alleged  
13 threat issue involving Lee Watkins and Peggy Griffith?

14 THE WITNESS: That's right. That was not an issue  
15 in anybody's mind at that time.

16 SENATOR STEPHENS: Finally, Governor, you talked  
17 about the issue of appointments, and the fact that it was  
18 your belief that in general there weren't very many  
19 qualifications for people to be appointed to government  
20 positions; you sort of learned on the job.

21 And I just wanted to read you something in  
22 regards to a recent advertisement that appeared in the  
23 newspaper for prison construction director from the  
24 Department of Administration, which was the job that was  
25 formerly held by Lee Watkins, and the requirements there.

1 They are seeking candidates with a B.S. degree in civil or  
2 construction engineering, architecture or a closely  
3 related field, and at least five years experience,  
4 including direct management and coordination of large  
5 construction projects for government or private industry.

6 Governor, to your recollection, does Lee  
7 Watkins come even close to having those qualifications?

8 THE WITNESS: I don't believe he does.

9 SENATOR STEPHENS: Thank you.

10 THE PRESIDING OFFICER: Senator Walker is next.

11 SENATOR WALKER: Governor, I know that you have  
12 testified earlier that in your conversation with Max  
13 Hawkins late Friday afternoon that you don't recall much  
14 of that conversation. But do you recall if Max may  
15 possibly have said that Peggy Griffith said she was going  
16 to go to DPS and give them a sworn statement?

17 THE WITNESS: Senator, what I didn't recall was  
18 there were two subjects that he talked to me on, and the  
19 one, the one relating to this, was that it was a bunch of  
20 hot air. He talked to both of them. It was a bunch of  
21 hot air and it would go away. And we went to the other.  
22 He did not tell me what Peggy said. He did not tell me  
23 what Lee said. I didn't ask him the question either.

24 SENATOR WALKER: Governor, did you talk to Lee  
25 Watkins late Friday, November the 13th, either personally

1 or on the telephone?

2 THE WITNESS: When?

3 SENATOR WALKER: Late Friday afternoon, November  
4 13. Did you talk to Lee Watkins?

5 THE WITNESS: No, I didn't.

6 SENATOR WALKER: Are you aware in Colonel  
7 Chilcoat's testimony that he said Lee Watkins called him  
8 at home, and that Lee Watkins told him that you called him  
9 and he was calling Colonel Chilcoat to find out what was  
10 going on?

11 THE WITNESS: Seems to me like I heard something  
12 that there was, that Colonel Chilcoat called Lee on Sunday  
13 night or returned his call. Seems like that did come up  
14 in someone's conversation. If it did, it isn't true. I  
15 never called Lee Watkins, I never talked to him.

16 SENATOR WALKER: Let's talk a little bit about  
17 Peggy Griffith. There have been a couple witnesses here  
18 who have made some insinuations about Peggy Griffith's  
19 truthfulness.

20 I am taking it that you have known Peggy for  
21 a number of years?

22 THE WITNESS: Yes, I have known Peggy over the  
23 years.

24 SENATOR WALKER: In those years have you known  
25 Peggy to be untruthful?

1 THE WITNESS: I haven't personally known untruthful  
2 things about her.

3 SENATOR WALKER: Have you known Peggy to be a very  
4 excitable person who kind of just flitters around?

5 THE WITNESS: Yes, Peggy can be excitable, yes.

6 SENATOR WALKER: Governor, is that why perhaps  
7 Mr. Hawkins may not have taken her as seriously as some  
8 other people did when she reported that Lee Watkins had  
9 threatened Donna Carlson on the 13th?

10 THE WITNESS: I can -- I could only speculate. I  
11 don't really know.

12 SENATOR WALKER: Was that why you perhaps may not  
13 have taken that very seriously, because Peggy tends to  
14 flutter around, exaggerate a little bit?

15 THE WITNESS: Keep in mind I didn't talk to Peggy  
16 except when she called me. But at this time -- see, when  
17 Max told me that he had talked to both Peggy and Lee, who,  
18 incidentally, nobody else did at any time, and he said  
19 it's a bunch of hot air, well, now, Peggy and Lee both are  
20 excitable people, and when he says it is a bunch of hot  
21 air, that could certainly fit and it would go away.

22 They are not, you know, neither one of them,  
23 in my opinion, violent people, so that fit, and I didn't  
24 concern myself with it beyond that.

25 SENATOR WALKER: Governor, my final question is:

1 On Friday night, Peggy Griffith said she called you. Now,  
2 do you recall if you, by any chance, happened to mention  
3 to Peggy not to talk to anyone unless your attorney Murray  
4 Miller was beside her?

5 THE WITNESS: No, I sure didn't. No, I wouldn't  
6 tell her that.

7 THE PRESIDING OFFICER: Senator Higuera, did you  
8 have a question?

9 SENATOR HIGUERA: Thank you, Mr. Presiding Officer.

10 Governor Mecham, during direct examination  
11 Mr. Craft asked you, and these are quotes, sir, "Do you  
12 know of anybody in your administration that you used a  
13 criteria for appointing people to positions because of an  
14 instruction that they might have had from somebody other  
15 than you to apply this criteria for jobs in your  
16 administration?" And your answer: "I know of no time  
17 that that was ever used."

18 You went on to say, "I always reminded them.  
19 Ralph assured me it was always used. And everyone that  
20 went out always used the same thing, and that is," and  
21 this is a quote "In this campaign the contribution of  
22 money buys you better government and nothing else."

23 Mr. Ralph Watkins was your finance chairman;  
24 is that right?

25 THE WITNESS: Yes, he was, Senator.

1           SENATOR HIGUERA: Governor, do you know Dale  
2 Haggard?

3           THE WITNESS: Yes, I know Dale.

4           SENATOR HIGUERA: Is he related to Ralph Watkins?

5           THE WITNESS: He's Ralph's son-in-law.

6           SENATOR HIGUERA: And, Governor, am I right to  
7 assume that Mr. Ralph Watkins had Dale Haggard placed as  
8 facility planning and construction manager in the  
9 Department of Administration under Max Hawkins?

10          THE WITNESS: Well, Ralph couldn't have anybody  
11 placed. Ralph could make sure Dale came in and made an  
12 application, as so many did, as we requested them to do,  
13 but Ralph didn't have any authority to have anybody  
14 placed.

15          SENATOR HIGUERA: Thank you, Governor Mecham.

16                   Do you know what qualifications Dale Haggard  
17 had to assume that role as manager of planning and  
18 construction for state facilities?

19          THE WITNESS: I really don't.

20          SENATOR HIGUERA: I believe the gentleman was  
21 working at a dairy farm, but you also mentioned something  
22 today it doesn't matter, as long as a person had something  
23 in common. I guess milking cows is the same as working  
24 for the state.

25          THE WITNESS: Well, it's both a job of milking.

1 One time it is cows, the other is taxpayers, I guess, but  
2 we are all in that.

3 SENATOR HIGUERA: I guess that is why we are here  
4 in this Court, sir.

5 Let me go into another area.

6 Did Officer Camacho work for you in your  
7 security detail?

8 THE WITNESS: He did.

9 SENATOR HIGUERA: Did you have him transferred?

10 THE WITNESS: Yes, I did.

11 SENATOR HIGUERA: For what reason, sir?

12 THE WITNESS: As I mentioned before when I was  
13 asked this, Wes didn't like me, and it is uncomfortable to  
14 be around anyone who obviously doesn't like you.

15 He had worked, you know, he was on the detail  
16 when I came. It is possible that, you know, he felt more  
17 comfortable with my predecessor. I didn't ask that  
18 everybody be changed and I start out with a new bunch. It  
19 was just quite obvious Wes didn't like me. That is an  
20 uncomfortable feeling. And as I said before, relating to  
21 Wes, I didn't see anything wrong with him other than that.  
22 But it is important to feel comfortable.

23 And also, as I say, I am not super concerned  
24 about safety, but I guess if you are going to have  
25 security, you do want someone that you figure likes you

1 enough that they would work pretty hard to make sure you  
2 are safe.

3 SENATOR HIGUERA: Thank you very much.

4 Did you not ask Officer Johnson if Officer  
5 Camacho was part black?

6 THE WITNESS: No, I did not.

7 SENATOR HIGUERA: Isn't it the real reason that you  
8 transferred Camacho, because he was too dark?

9 THE WITNESS: Heavens, no, that's not it at all,  
10 Senator, not in the least. He wasn't as dark as Frank  
11 Martinez, and Frank Martinez was one of my favorite people  
12 on the detail.

13 SENATOR HIGUERA: Governor, I was going to sit  
14 down, but isn't it the real reason that you transferred  
15 Mr. Camacho because he had kinky hair? I know Frank  
16 Martinez doesn't.

17 THE WITNESS: Senator, I believe we should talk  
18 about that a little bit. I have noted that you have  
19 wondered if there was ethnic slurs on the ninth floor with  
20 a number of people, and I think maybe if you will allow me  
21 to, we will take a look at my record relating to  
22 minorities.

23 I think you look and see that I have  
24 appointed minorities to positions. I appointed the first  
25 black to a major job in the state government, Ted -- as

1 you know Ted Williams. The head -- I think you will also  
2 note that I appointed Dr. Brown as head of the Department  
3 of Economic Security. But I hasten to say it was because  
4 of the quality of the people. I don't look at the quality  
5 relative to the color or the skin or the facial features  
6 or anything else. It is the quality of the people.

7 I believe my record will demonstrate that I  
8 abhor anything that would be relative to discrimination.  
9 I think if you would look and see the color of the  
10 kinkiness of the hair and the color, you'd look at a case  
11 of Mr. Lee Limbs. Chief Limbs, I found Chief Limbs down  
12 in the basement of the Capitol in a disgraceful situation,  
13 where he had been sitting at taxpayers' expense for 14  
14 months, drawing about \$4,000 a month, because he had been  
15 deposed as the head of Capitol Security, it was reported  
16 to me. A former U.S. Marshal, certainly a man -- if you  
17 look at Lee he's got a smile that would melt an iceberg,  
18 and certainly a man very well qualified. We put Lee back  
19 as the head of Capitol Security. Does that sound like a  
20 person who would discharge somebody from his detail  
21 because somebody's skin was too dark? I don't think Wes  
22 had skin very dark at all.

23 SENATOR HIGUERA: Thank you, Governor.

24 I also have a press release here, and it is a  
25 draft only, that was sent out by Robert Avilla, who works

1 for Wolfson and Wolfson -- it came in yesterday -- where  
2 Mr. Avilla had forwarded some names for the Agricultural  
3 Employment Relations Board. We have Francis, Dr. Francis  
4 Evara, David Moreno, Antonio Rascon, Frederico Elle.

5 I understand that this press release was  
6 going to go out, but somebody else came in with other  
7 folks, and they weren't minorities, and I know they  
8 weren't appointed to the Agricultural Relations Board.

9 And Mr. Aguillar testified under oath that he  
10 was under the impression, because of his fund raising  
11 activities, he would be privileged to submitting some  
12 names and actually put them on boards. But I don't think  
13 I need a response to that.

14 THE PRESIDING OFFICER: Senator Taylor is next.

15 SENATOR TAYLOR: Mr. Presiding Officer, Governor  
16 Mecham, at the time you had your drug bill drafted, what  
17 attorneys did you use in connection with that job?

18 THE WITNESS: We used the one who's head of the  
19 County Attorney's Association and Steve Twist, Senator.

20 Steve Twist, at that time I thought Steve  
21 Twist was involved in it. Had you had any problems with  
22 the Attorney General at that time, at the time he drafted  
23 or worked with you on the drug bill?

24 THE WITNESS: This was very early on, and we didn't  
25 recognize that we were getting into problems. There was a

1 thing or two I asked him to do that wasn't coming about,  
2 but this was too early to draw conclusions.

3 SENATOR TAYLOR: But Steve worked with you?

4 THE WITNESS: Yes.

5 SENATOR TAYLOR: Without any problems?

6 THE WITNESS: Yes.

7 SENATOR TAYLOR: I am concerned, frankly, about the  
8 differences that exist, seemingly, between agencies of the  
9 state, and particularly with the Governor and the Attorney  
10 General, and I don't think we can go forward with that  
11 condition prevailing.

12 Now, have you thought any about resolution of  
13 that problem?

14 THE WITNESS: Yes. Very simple, Senator.  
15 Hopefully I'll be back on the ninth floor in the near  
16 future, and I would like to get the legislature to make  
17 one change and add one other resolution to that for the  
18 ones who can have their own legal counsel, and I'll absorb  
19 it in my own office, as I am legally allowed to hire a  
20 lawyer to give me legal advice on my staff.

21 I would be early in making -- I asked for  
22 that last year, and it just kind of got caught up in  
23 details because it was late when we asked. And this I  
24 think would resolve it, as far as I am concerned.

25 SENATOR TAYLOR: Thank you very much, Governor.

1 THE PRESIDING OFFICER: Senator Gutierrez next,  
2 then Rios and Stephens.

3 SENATOR GUTIERREZ: Good afternoon.

4 You have mentioned that the transfer of Beau  
5 Johnson, that at least in my estimation was a cumulative  
6 type of situation, that is, I believe it's the language  
7 that you were losing confidence in Beau Johnson. Can you  
8 give me some specific examples that resulted in you losing  
9 confidence in Beau Johnson?

10 THE WITNESS: Yes, I think I can, Senator. I had  
11 known for quite sometime that Beau was spending a lot of  
12 time with Lieutenant Colonel Chilcoat, which I thought was  
13 counter to what our agreement was. Mind you, I wasn't too  
14 fussy about what anybody could be saying about, you know,  
15 me or my family or any of those things, because I didn't  
16 think we were engaged in anything that anybody could  
17 report that was of any problem. But that was of a little  
18 concern to me.

19 There came another time in one of these many  
20 rumors of what was going to happen and what I was supposed  
21 to be doing, and so often those rumors were, had no  
22 foundation. Sometimes once in awhile they stemmed out of  
23 a discussion in a staff meeting, but so many times they  
24 didn't even stem out of that.

25 In this particular case a big expose was made

1 out of a report that had been given to me, or a plan or an  
2 idea, that Thad Curtis had sent up to me before we got in  
3 office, and apparently there were two copies of that.

4 I scanned it quickly. I didn't ever give it  
5 very much credence. It was relating to some changes in  
6 DPS. Thad was looking at it, I guess, from the Sheriff's  
7 Department, and that was never discussed in any staff  
8 meeting or never given credence, but suddenly this appears  
9 in the newspaper as the basis of what I'm going to do to  
10 tear up DPS and overhaul it and change it.

11 Jim Colter said as near as he knew that that  
12 was missing from his desk, and we thought that is the only  
13 other copy. I didn't even know Jim had a copy, but he  
14 told me he did. We later found, and it was verified, that  
15 Beau Johnson had handed that to the head people at DPS,  
16 which he had no business getting into Jim's desk there and  
17 taking it. So this was just a cumulative effect.

18 I didn't make big ripples because I tried to  
19 make as few changes as possible until we got over some of  
20 these difficult times. But this happening then showed me  
21 that to have everybody involved and me not know about it  
22 with my own security details, that he certainly was not  
23 handling things right as far as I was concerned, and I had  
24 to put a stop to that, and that is why I asked him to be  
25 changed.

1           SENATOR GUTIERREZ: Governor, that, I think, is a  
2 fairly serious charge, that in fact Beau Johnson took  
3 that, I guess commonly called as a Curtis report.

4                     Did you ever confront Lieutenant Johnson?  
5 And if you did, what was his response?

6           THE WITNESS: I did not. I have, since he left,  
7 had complete confirmation that he was the one that did it.  
8 We sort of suspected, but, you know, you kind of hate to  
9 accuse anybody unless you have got some proof, and we just  
10 were a little more careful after that.

11           SENATOR GUTIERREZ: Was that an eyewitness? You  
12 indicated that you had thought, that you were unsure that  
13 there was another copy of that report, and sure enough you  
14 said there was another copy, and I believe it was in  
15 Mr. Colter's desk, and he had a copy. You don't perhaps  
16 think that there may have been a third copy or fourth  
17 copy?

18           THE WITNESS: I have no way of knowing if others  
19 were copied, Senator. That was what I was told. Jim  
20 Colter had a copy and I had a copy and I still have mine.  
21 So that really almost had to be, and his was missing.

22           SENATOR GUTIERREZ: Let me move on to another  
23 subject, Terri Fields. Did you though know Miss Fields  
24 prior to her employment at the Governor's office?

25           THE WITNESS: No, I didn't.

1           SENATOR GUTIERREZ: You indicated during your  
2 testimony that you spoke to Miss Fields once or twice, and  
3 I believe you were unsure whether it was twice.

4                       What was the topic of the conversation?

5           THE WITNESS: The conversation was that she had  
6 been present when Peggy and Lee had had their conversation  
7 in the parking lot, and that it was not at all like it was  
8 being represented.

9           SENATOR GUTIERREZ: Did she mention to you the  
10 document that she prepared at the request of Peggy  
11 Griffith?

12           THE WITNESS: Which document, Senator?

13           SENATOR GUTIERREZ: I believe it is the Exhibit No.  
14 10, I believe. It is the Peggy Griffith document.

15           THE WITNESS: To the House Committee?

16           SENATOR GUTIERREZ: Yes, sir.

17           THE WITNESS: No. I think she talked to me before  
18 that. I think she talked to me before she was -- I don't  
19 know, it was my opinion before she was a grand jury  
20 witness.

21           SENATOR GUTIERREZ: Why were you giving her a call  
22 as opposed to Mr. Hawkins?

23           THE WITNESS: Why was I giving --

24           SENATOR GUTIERREZ: Miss Fields a call as opposed  
25 to Mr. Hawkins.

1 THE WITNESS: I didn't give her a call. I never  
2 called her.

3 SENATOR GUTIERREZ: Excuse me then. You did ask,  
4 did she come up to your office on her own volition?

5 THE WITNESS: Yes, she did.

6 SENATOR GUTIERREZ: That was to discuss, again, the  
7 parking lot incident that took place?

8 THE WITNESS: Yes.

9 SENATOR GUTIERREZ: Lee Watkins, I believe that  
10 Beau Johnson spoke to you about Mr. Watkins' criminal  
11 background.

12 THE WITNESS: I think criminal background is a  
13 little rough, Senator. I have heard him called a  
14 criminal. I am not trying to cover anything up for Lee,  
15 but the background that I knew of in this whole span of  
16 time was that he had had an assault that was a misdemeanor  
17 and that was the extent of it. It was quite some time  
18 later before anything came out relative to the situation  
19 when he was a teenager, and I was quite disappointed and  
20 angry at Lee over that for the simple reason that I think  
21 in our society we recognize that if somebody has made a  
22 mistake in their life that we don't hold that against them  
23 for the rest of their life, but I was very disappointed  
24 that he didn't tell me about it. That was a big thing  
25 there. But I didn't see -- I really hate to hear the word

1 "criminal," because that's a pretty serious word when you  
2 make a criminal out of somebody.

3 SENATOR GUTIERREZ: I don't know if we made  
4 criminals out of somebody. I guess we always assume they  
5 are responsible for their actions.

6 When he spoke to you about the rap sheet, how  
7 many charges did he discuss with you? One, two, three?  
8 Do you remember, Governor?

9 THE WITNESS: One.

10 SENATOR GUTIERREZ: So if I recall Lieutenant  
11 Johnson's testimony, I believe he said he discussed two  
12 charges with you, and you were surprised at one. You  
13 would then perhaps characterize Lieutenant Johnson's  
14 testimony as not being correct?

15 THE WITNESS: I remember only discussing the one,  
16 because we seldom used anybody who had any charges. And  
17 in this case we did make some exceptions according to the  
18 case, and this one, it had happened a long time ago, and  
19 it was a misdemeanor, and therefore, I let him serve, even  
20 though it was on his record.

21 SENATOR GUTIERREZ: Mr. Watkins resigned from the  
22 drug position, and I believe you accepted his resignation?

23 THE WITNESS: Yes, I did.

24 SENATOR GUTIERREZ: Did you express any concern to  
25 Mr. Hawkins when it was revealed that Mr. Watkins had been

1 hired as the prison chief, that is, the prison  
2 construction manager?

3 THE WITNESS: No, I didn't.

4 SENATOR GUTIERREZ: Even though he had resigned  
5 from a previous position?

6 THE WITNESS: That's correct.

7 SENATOR GUTIERREZ: Thank you, Governor.

8 THE PRESIDING OFFICER: Senator Rios.

9 SENATOR RIOS: Mr. Presiding Officer, the questions  
10 that I had of the Governor were regarding Lee Watkins'  
11 criminal background. And they have been covered by  
12 Senator Gutierrez' questions, so I'll pass.

13 THE PRESIDING OFFICER: Thank you.

14 Senator Stephens.

15 SENATOR STEPHENS: Thank you. Mr. Presiding  
16 Officer, I am sorry to rise again, but Senator Taylor  
17 asked a couple of question which jelled a thought.

18 Governor, since the start of this trial, the  
19 evidence and this charge, we have heard from the defense a  
20 story that there may have been a number of people or  
21 number of groups and individuals, elected officials, who  
22 were not supportive of your administration, in particular,  
23 the Attorney General.

24 You yourself in testimony have said that you  
25 believed almost everybody, all your key staff at one time

1 or another, were being investigated by the Attorney  
2 General, and that in fact DPS may have been working with  
3 the Attorney General in this specific issue in terms of  
4 creating a situation which led to the proceedings today  
5 involving this charge.

6 I have always been curious. You were the  
7 first Republican Governor elected, I guess, in 12 years,  
8 and Attorney General Bob Corbin has been Attorney General  
9 since 1978 as a Republican Attorney General.

10 And what do you think motivated him? You  
11 were both, I thought, general philosophy in terms of  
12 conservative, supportive of law and order type issues.  
13 What do you think motivated the Attorney General to decide  
14 that he needed to start a campaign to oust you from  
15 office?

16 THE WITNESS: Senator, if we really knew that -- I  
17 suspect some things -- but if we really knew that that  
18 would be the \$64 answer to the 64 -- well, it may be the  
19 millions of dollar question now.

20 I wish I knew. You know, I always had a good  
21 opinion of Attorney General Corbin; in fact, as late as  
22 February of 1986, I urged him to run for Governor, and had  
23 he done so, I would have supported him and I wouldn't have  
24 run. So I wish I knew.

25 There is one particular suspicious element

1 that is much different between the two of us, and that is,  
2 that there is a fellow named Pat Murphy that is publisher  
3 of some very, very important newspapers in this town, and  
4 Pat hates me and loves and protects him. Perhaps that has  
5 something to do with it.

6 SENATOR STEPHENS: Mr. Presiding Officer, Governor  
7 Mecham, you would see the alliances being a little larger  
8 just perhaps out of the Attorney General's Office, also  
9 including perhaps the Phoenix newspapers in this case,  
10 perhaps the Department of Public Safety, would that be  
11 correct?

12 THE WITNESS: Well, Senator, I think if we get into  
13 that -- may I expand just a bit? I campaigned for the  
14 office on the basis that it was time that the people of  
15 Arizona were represented in the Governor's office instead  
16 of the Phoenix 40 in the Phoenix newspapers, a couple of  
17 the people that was into the Phoenix 40, some heavy  
18 utilities, and that type thing, and that there were some  
19 changes that needed to be made in direction of the state.

20 I widely publicized that and mailed out to a  
21 million households exactly the direction we thought should  
22 it go, and then I tried to do exactly what I said, and I  
23 believe that my whole program was consistent.

24 So perhaps it gets into, farther, is the  
25 Phoenix newspapers and the establishment elite in Phoenix

1 going to run Arizona or are the people going to have the  
2 big say to run Arizona? And I believe that that's what  
3 really is at the bottom of this whole thing, Senator.

4 I think we had on the 5th of November some  
5 people review the events that happened and said, we are  
6 not going to allow this election to happen, we are going  
7 to unwind this election as quickly as possible. And I was  
8 told this as early as February of 1986, and I didn't  
9 believe it.

10 I am pretty naive in many ways. I keep  
11 thinking everybody is properly motivated and that we are  
12 all kind of in one big team, we think rah-rah, what is  
13 best for Arizona. I find that isn't the case, so now  
14 circumstances tell me that I was very naive thinking that  
15 the election would settle things and that everybody would  
16 get on the same team.

17 SENATOR STEPHENS: Governor, I'm happy you have had  
18 a chance to tell your side of the story in terms of what  
19 you think motivates the Attorney General, because I think  
20 a lot of people in Arizona wanted to hear all the facts in  
21 this case.

22 One other question I have; it is a curious  
23 question because. I have a limited knowledge of how other  
24 Governors worked in the state. Jack Williams had  
25 attorneys on his staff. I think John McGowan was on his

1 staff. Raul Castro had attorneys on staff; I believe Dino  
2 DeConcini and others were members of his staff. Bruce  
3 Babbitt oftentimes was often criticized for having too  
4 many lawyers on his staff. And I was always under the  
5 opinion that Governor's called on their attorneys often  
6 times to steer them in the right direction in terms of as  
7 staff members, but also attorneys and officers of the  
8 Court steer them away from areas that could be potentially  
9 either politically troublesome to them, or may present a  
10 legal hazard.

11           Yet in this particular case, where you had  
12 two lawyers in a meeting with you, with Lieutenant Beau  
13 Johnson, one attorney, Mr. Fred Craft, the other attorney  
14 former U.S. Attorney, a person who worked for U.S. Justice  
15 Department, Dr. Burke, in the office with you, and either  
16 you didn't ask them or they didn't offer any  
17 interpretation of what Mr. Beau Johnson was telling you,  
18 what Lieutenant Johnson was telling you in regards to a  
19 threat involving a couple of your employees, that is, I am  
20 just -- I am amazed Governor, very frankly, that in your  
21 defense today you have talked about the fact that you  
22 didn't seek legal advice from the attorneys on staff  
23 because you believed you couldn't get it.

24           I guess that is more a form of a statement  
25 than a question, but again, I just remember how other

1   Governors have worked, and they tend to rely on staff  
2   members who were attorneys to steer them in the right  
3   direction on legal issues. I am not giving them formal  
4   legal opinions, because that is the role of the Attorney  
5   General, but certainly when issues came up involving  
6   potential wrongdoing, I would think that a Governor would  
7   turn to an officer of the court who happened to be in  
8   their employ and at least just ask a simple question.

9           THE WITNESS: Senator, can I comment on that? I  
10   think you have hit the crux of this whole situation. I  
11   think you have just got the key log, and that is that I  
12   certainly did not feel -- Mr. Craft and Mr. Burke were not  
13   short in the area of giving me counsel and advice. They  
14   spoke out very quickly and very firmly and very loudly and  
15   at all times. I liked to have people around me who are  
16   not bashful about telling me what is on their mind,  
17   because that is the way you keep from hopefully, if you  
18   got the right people, putting your foot in a bear trap.

19           I had two men who were legally trained. It  
20   was the last thing on my mind that they would allow me to  
21   refer something that had any seeds of danger in it  
22   relative to a law enforcement program, when in reality it  
23   was a personnel matter. That's the way it was handled.

24           Doing it again, I would have no other choice.  
25   Had they seen the slightest danger that there was

1 something that has been since, after this was all put  
2 together by DPS and leadership and the Attorney General to  
3 try to make something out of it -- and may I point out  
4 that the Attorney General did not see fit to ever bring  
5 this up where I was a target in the grand jury. He also  
6 saw nothing legally wrong, because as much as he would  
7 like to nail my hide to the door, don't you think he would  
8 have just loved to have added that and added me as a  
9 target of the grand jury when he was trying so hard to get  
10 an indictment on me. Why, of course, so you see you have  
11 actually found the key log in the whole thing. There  
12 really was not any serious thing. These learned  
13 barristers would have not let me do anything wrong.

14 THE PRESIDING OFFICER: Senator Hays.

15 SENATOR HAYS: Yes. Thank you, Mr. Presiding  
16 Officer.

17 Governor Mecham, you made a statement a few  
18 moments ago that disturbs me greatly. Could you tell us  
19 how you discovered that disloyalty and subsequently  
20 confirmed your suspicions of Beau Johnson having taken a  
21 copy of the Curtis report from Mr. Colter's desk?

22 THE WITNESS: The verification that I got was --  
23 came from DPS, Senator, that it was him that brought it  
24 in.

25 SENATOR HAYS: Mr. Presiding Officer, Governor

1 Mecham, there has been a great deal of testimony given  
2 here in the last few days by people from your staff of  
3 constant security leaks, saying that the thoughts would  
4 occur one day, they would be in the Republic and Gazette  
5 the next day.

6 Did the removal of Beau Johnson from your  
7 office stop those leaks?

8 THE WITNESS: I never -- Beau was not the source of  
9 all the leaks, Senator, I have never said that, I never  
10 ascribed that to him at all. I have said the things that  
11 I was unhappy with Beau about, but certainly didn't point  
12 to him, heavens.

13 And the other thing was, the only leaks that  
14 were a problem to me where they came to disrupt things of  
15 advanced word before you could probably handing out, for  
16 example, appointments, things like that, no, I never did  
17 say that Beau was the source of all the leaks in the  
18 office, and I'm sure when I get back up there and we do  
19 have better security, I'm sure there will still be some  
20 leaks come somewhere, because people somehow or other like  
21 to talk.

22 I have observed or had others observe that my  
23 own secretary would be talking on the phone and telling  
24 somebody who was in talking to me by somebody calling on  
25 the phone from the outside. There's a leak, see. So it

1 just happens, somehow or other the air up there changes  
2 people and they talk.

3 SENATOR HAYS: Thank you.

4 THE PRESIDING OFFICER: Senator Mawhinney.

5 SENATOR MAWHINNEY: Mr. Presiding Officer, Governor  
6 Mecham, you have given, I think, the impression that the  
7 Attorney General, Mr. Corbin, notified you regarding the  
8 Martin Luther King holiday as a function of your election,  
9 and yet I heard earlier, I believe, one of the people  
10 testify that all candidates for Governor received a letter  
11 that outlined the Attorney General's official position  
12 that the former Governor had illegally declared a holiday.

13 Do you have any idea about whether that is  
14 true, whether there were letters to all the gubernatorial  
15 candidates on that subject?

16 THE WITNESS: Senator, I was assured by the  
17 Attorney General himself that he had informed all three  
18 candidates. I can only go by what he said. I assumed he  
19 had and have no reason to disbelieve that because he did  
20 tell me.

21 SENATOR MAWHINNEY: So then presumably he would  
22 have taken the same action, and Carolyn Warner or Mr.  
23 Schulz, whoever had come into office would have had that  
24 same threat of the Attorney General saying we would charge  
25 this to your personal account if it went ahead?

1 THE WITNESS: I would assume so.

2 SENATOR MAWHINNEY: When you asked for advice from  
3 the Attorney General regarding the hiring of Mr. Craft, at  
4 that time when you asked, had either the law regarding  
5 contracting out or the statutes or the rules and  
6 regulations about purchasing already been violated?

7 THE WITNESS: With the payment, with the payment of  
8 that bill, it perhaps had, Senator. As I say, I okayed it  
9 as a legitimate -- it was one of the things that coming  
10 into the office that we had to learn a lot. We kept Julia  
11 Ayers from the previous administration, because Julia was  
12 quite knowledgeable. And she was the bookkeeper, the  
13 office manager; we kept her. We were all pretty green and  
14 sort of relied on Julia to keep us between the fences on  
15 that. We were trying to go 100 miles an hour and didn't  
16 look at every detail, so, I was just -- I knew  
17 Mr. Craft had spent the money; I wanted to see him get  
18 paid. I approved it as being legitimate expenses and  
19 passed it through.

20 SENATOR MAWHINNEY: You would agree, wouldn't you,  
21 Governor, there is two ways of using attorneys that I have  
22 learned, especially in the last couple of weeks. One is  
23 when you call an attorney in to ask his advice before you  
24 do something so he can keep you out of trouble, and the  
25 other is when you call an attorney to say, "I am in

1 trouble; defend my interests."

2           Wouldn't you agree that the Attorney General  
3 was put perhaps in an unusual situation, in that a  
4 violation of the law had already occurred, you were in a  
5 position of advising him that that had occurred, and  
6 didn't you think that perhaps he had a conflict there as a  
7 law enforcement advisor, or not advisor, but was a law  
8 enforcement individual on one hand and as an advisor to  
9 the Governor on the other?

10           THE WITNESS: It would have been up to him to  
11 inform us if that was the case. He did not do that.

12           We were desirous of finding a way to hire  
13 Mr. Craft on the staff. He was performing things for me  
14 in Washington and getting no pay for it, which I didn't  
15 think was fair. I didn't think that any of us expected  
16 that of him. And we looked at two or three things, and I  
17 finally said to him: Mr. Colter, will you just take this  
18 offer to the Attorney General's Office and find out how we  
19 legally can do this, what do we have to do to legally, can  
20 we legally do this.

21           Coming in from the business world where you  
22 make decisions on a different basis, I was learning. And  
23 the information that was taken, if Mr. Corbin was going to  
24 investigate us for that, it was his obligation to say.  
25 But keep in mind at that time I didn't know the bill had

1 been paid. I just knew that I had okayed it, as it was  
2 legitimately expended in my behalf. I thought Julia would  
3 be looking at that, and she probably did, and she may not  
4 have known.

5 But at any rate, I think if that was the case  
6 it was his responsibility to say: I'm going to have to  
7 look into it for breaking the law, rather than -- keep in  
8 mind this went on for three weeks. We heard nothing. He  
9 received nothing except what we gave him. And then it  
10 came out in the paper without even the courtesy of a  
11 telephone call that we are going to be investigated for  
12 breaking the purchasing code.

13 SENATOR MAWHINNEY: In the newspaper article,  
14 Governor, did it say that this was a release by the  
15 Attorney General, or was it a story from one of your  
16 favorite reporters?

17 THE WITNESS: Senator, let me tell you how it  
18 happens. I have talked to the Attorney General several  
19 times on this very thing, when stories have come out when  
20 only they would have had the information. There is a  
21 certain element in the Attorney General's Office who one  
22 of their favorite reporters happens to be Sam Stanton. He  
23 gets the information. The Attorney General then, always  
24 in his most righteous voice says: Well, I can't do  
25 anything because when they ask me the question, what the

1 hell do you expect me to do about it? I can't lie to  
2 them, they already fed him the information. Of course  
3 they fed it out the back door. It comes to the front.  
4 That is the way they operate. Very simple.

5 SENATOR MAWHINNEY: The answer to the question was  
6 that it was not an Attorney General's press release, but  
7 it was leaked somehow to the press?

8 THE WITNESS: That's what he told me, that they  
9 asked him the question. And yet nobody had -- I'll tell  
10 you how serious it was, Senator: Had we known that we  
11 were in all out war with the Attorney General's Office,  
12 Mr. Colter told me, he said we should go to the Bar  
13 Association and see if this doesn't fit the qualifications  
14 and have him disbarred. And we didn't want to start World  
15 War III. I said heavens no, don't do that, but let's talk  
16 to him about it.

17 SENATOR MAWHINNEY: Didn't you just say earlier  
18 that you had trouble with your office with leaks?

19 THE WITNESS: Yes.

20 SENATOR MAWHINNEY: Would it be possible Mr. Corbin  
21 had trouble with leaks?

22 THE WITNESS: We will give him every ounce of  
23 credit we can.

24 SENATOR MAWHINNEY: You talked earlier about  
25 running for office on the platform of ridding this state

1 for corruption.

2 THE WITNESS: Uh-huh.

3 SENATOR MAWHINNEY: I have to tell you there is a  
4 load of people here who are inclined to cooperate in any  
5 way possible of ridding the state of corruption. You have  
6 knowledge of corruption, and maybe I ought to ask you to  
7 define that, because I am not quite sure what you mean,  
8 whether people are stealing from the state, or whether  
9 people are acting illegally, people are using their office  
10 for ill-gotten gains. What type of corruption are you  
11 talking about when you say you ran for office to rid the  
12 state of corruption? It suggests to me a certain level of  
13 corruption.

14 What do you mean by corruption, Governor?

15 THE WITNESS: I mean the fact that there must be  
16 reasons that little has been accomplished over all these  
17 years relative to the drug traffic, Senator.

18 And I think that there are some answers to  
19 that. I think one of the areas where there was sort of  
20 legalized corruption was in the sweetheart land trades  
21 that were made where much of Arizona's wealth in land, our  
22 gold in the wealth of land that should be building up the  
23 education endowment fund, for example, over the periods  
24 from the time, 1981 through 1986 that hundreds of millions  
25 of dollars of valuable state land that had not even really

1 started reaching its value was traded for land, which some  
2 of very questionable value but all legally done as far as  
3 MAI appraisals in there.

4           When I put a land commissioner in Gene  
5 Hassle, we went back through to see, we suspected we found  
6 that very clearly all of those had been handled. Some of  
7 them, I'm sure, were very good, but no value to the state  
8 to make these trades, for example, and yet great value to  
9 the people who were on the inside to make rules and  
10 regulations so that sales of land and trades of land  
11 benefited these people in huge amounts of money.

12           That's an example.

13           SENATOR MAWHINNEY: Wouldn't that argument then be  
14 with this body and with the body across the street, if  
15 they did it legally and people were unduly enriched at the  
16 expense of the general public, then wouldn't the argument  
17 be here to come and change the laws so that full value  
18 could be received for that land rather than to suggest  
19 that corruption -- which seems to me like an illegal act,  
20 when you talk about corruption I think about something  
21 illegal. If it is under the law it may be dumb, it may be  
22 inappropriate, a bunch of things, but I can't imagine it  
23 being corrupt.

24           I guess what I want to say: Shouldn't you  
25 have been here fixing that type of inequity rather than

1 elsewhere when you talk about corruption?

2 THE WITNESS: Senator, you asked, and I just named  
3 two. I have a number of others. This one is, this one I  
4 have mentioned changing the law, and I would hope that  
5 when I leave this office that the law would be changed,  
6 but I changed the effect of how it was being handled by  
7 immediately ordering Mr. Hassle to not accept anything in  
8 the area of the exchanges like they had been, and said,  
9 just lease commercial property and sell in a proper bid  
10 process the others, so we took care of that right there  
11 and then.

12 Incidentally, if you will check the education  
13 endowment fund you will find that it has grown  
14 substantially since I came to office since we changed  
15 those rules in money.

16 SENATOR MAWHINNEY: Are you familiar with the  
17 state's conflict of interest laws?

18 THE WITNESS: Yes.

19 SENATOR MAWHINNEY: You aware they apply to the  
20 Regents?

21 THE WITNESS: Yes.

22 SENATOR MAWHINNEY: Are you aware that in the cases  
23 that I presume you were instrumental in having  
24 investigated, the two Regents that were involved in the  
25 cotton land deal, in both cases they followed the state's

1 conflict of interest laws?

2 THE WITNESS: Yes, I am. I talked to both of those  
3 Regents about that.

4 SENATOR MAWHINNEY: Were you comforted that they  
5 followed the state's conflict law.

6 THE WITNESS: No, I wasn't comforted at all. I  
7 think they took the state for a sizeable amount of money.  
8 I wasn't comforted at all. But legally they could do it.

9 And, Senator, legal corruption is far more  
10 widespread than illegal corruption in many ways. And they  
11 followed the conflict of interest laws, they did it very  
12 carefully, and they did -- and it was wrong what they did,  
13 and there wasn't a thing I could do about it.

14 SENATOR MAWHINNEY: Do you have, Governor,  
15 informants in the Department of Public Safety?

16 THE WITNESS: Do I have informants?

17 SENATOR MAWHINNEY: Yes, sir.

18 THE WITNESS: No, I don't have informants. I have  
19 one person there I have known for a long time. When you  
20 say "informants," I may have an informant, but I don't  
21 have informants.

22 SENATOR MAWHINNEY: You mentioned DPS confirmed for  
23 you Lieutenant Johnson was the source of the leak of the  
24 Curtis report. Was that officially the Department of  
25 Public Safety, or was that someone who worked in the

1 Department of Public Safety?

2 THE WITNESS: It's a person in the Department of  
3 Public Safety.

4 SENATOR MAWHINNEY: There wasn't an  
5 investigation --

6 THE WITNESS: Was there an investigation? No,  
7 there wasn't. That didn't warrant an investigation,  
8 Senator.

9 SENATOR MAWHINNEY: Well, Governor, it would seem  
10 to me -- and I am getting off questioning, though -- but  
11 if I were the Governor and the head of my security detail  
12 had leaked information that I thought was detrimental to  
13 be leaked, and I could prove it of him, I would have him  
14 removed immediately. And you chose not to do that. And  
15 that's just, I guess I wondered about whether it was an  
16 official investigation so that you could take official  
17 action and it was not so I understand.

18 You mentioned another time Juliet, and  
19 somebody said Juliet Ayers.

20 THE WITNESS: Julia Ayers.

21 SENATOR MAWHINNEY: Is she a relation to the  
22 Captain Ayers that you mentioned in the Department of  
23 Public Safety?

24 THE WITNESS: I have never asked her. I doubt it. (

25 SENATOR MAWHINNEY: You mentioned the Department of

1 Public Safety spent \$300,000 to \$400,000 on an  
2 investigation of something or the other, and I am not sure  
3 what it was.

4 But I wondered, where did you hear that  
5 amount of money and --

6 THE WITNESS: That is an estimation of the  
7 attorneys figuring out the number of people that were put  
8 on the investigation of Captain Ayers. The months they  
9 spent, the numbers of people, and the expenditure of the  
10 attorneys and this type thing.

11 SENATOR MAWHINNEY: During this particular period  
12 of time I had an interest in the budget of the department,  
13 and I would have, I would have noticed an appropriation  
14 for \$300,000 or \$400,000 for an investigation. So I  
15 presume that whatever they did, they did by shifting  
16 resources and priorities or doing it in the normal course  
17 of their investigatory budget.

18 THE WITNESS: It would not be a separate budget by  
19 all means. If they had a separate budget you would see  
20 quite a number of those, but you wouldn't see that as a  
21 separate budget. That's the cost of a very expensive  
22 internal affairs department in DPS, and that is in the  
23 budget.

24 SENATOR MAWHINNEY: You said that concerning  
25 Director Milstead, that when you learned that Mrs. Carlson

1 went to a number of legislators who she thought would be  
2 inclined to support the director, that had you found that  
3 out, that you would have fired the director immediately.

4 Do you remember saying that?

5 THE WITNESS: That what?

6 SENATOR MAWHINNEY: That you would have fired the  
7 director immediately for cause; that as soon as you found  
8 out that Mrs. Carlson had gone to the legislators to  
9 gather support for the director, you would have let her go  
10 and fired him immediately for cause.

11 THE WITNESS: No, that wasn't what I said, Senator.  
12 What I said was, Mrs. Carlson started working with  
13 Director Milstead to feed information to him starting in  
14 September. The question was, had I known that would I  
15 have fired her. I said yes, I would have fired them both.  
16 Had I known that, to have a department head and a member  
17 of my staff working behind my back funneling information  
18 out of the ninth floor against what we were doing, I would  
19 have fired them both.

20 SENATOR MAWHINNEY: Governor, would you agree that  
21 for the Attorney General to slip information to the press  
22 on grand jury matters would be a felony?

23 THE WITNESS: Well, I don't know too much about the  
24 law, but I think I have read that it is, and I am sure  
25 they don't slip in a way that anybody can prove anything.

1           SENATOR MAWHINNEY: You also testified, I believe,  
2 that you believed that the Attorney General was waiting  
3 for and found the opportunity to manufacture an incident,  
4 the incident being what we are all about here today, to  
5 lead us here.

6                     Did you believe that the Attorney General is  
7 waiting to manufacture an incident?

8           THE WITNESS: I think it would be wrong to  
9 characterize it as waiting for that. It was very  
10 opportunistically trying to make an incident out of  
11 something that happened. He didn't cause Lee and Donna to  
12 have a squabble in the parking lot. They manufactured  
13 that all by themselves. The manufacturing job was what  
14 came out of that, which tried to build something out and  
15 make a whole cloth out of something that really doesn't  
16 exist, that is me obstructing justice.

17                     Had the Attorney General felt when they got  
18 into trying to make something of that that really all it  
19 was, was a newspaper article, but had they not felt, had  
20 they felt that they really had something, as Mr. Twist  
21 felt Saturday night that he did have when he was trying to  
22 get to Ray Russell, as he was getting ahold of Judge  
23 MacDonald, then they would have had it in the grand jury.  
24 When they found there what was nothing legally there,  
25 Senator, then they had to drop it as far as a legal

1 question.

2 SENATOR MAWHINNEY: Are you aware that Judge  
3 MacDonald testified here that during the many, many years  
4 and all the close relationships that he has had with the  
5 director of the Department of Public Safety, that he  
6 believed him to be a fine director and a man of integrity.

7 THE WITNESS: I don't recall. I didn't hear that  
8 much of it, but I wouldn't object to that. He certainly  
9 is entitled to his opinion.

10 SENATOR MAWHINNEY: The results of Mr. Sam  
11 Steiger's investigation, along with Mr. Alberto Gutier,  
12 and I am not sure who else suggested to you that you  
13 should retain the director of Department of Public Safety,  
14 is that accurate?

15 THE WITNESS: Not entirely. Sam suggested that we  
16 didn't find enough to accept the upheaval that moving him  
17 would take, and he said there wasn't enough. I frankly  
18 felt that there was enough, as far as cause if we were  
19 just looking for a reason to get rid of him, that we did  
20 have cause, but I did not utilize it and dismiss him.

21 SENATOR MAWHINNEY: Is there anyone else on your  
22 staff who believed it would be wise to remove the Director  
23 of Public Safety other than Mr. Hawkins?

24 THE WITNESS: Mr. Hawkins didn't pass an opinion,  
25 Senator, relating to that. He was not on my executive

1 staff. He never was in these conversations when we had  
2 executive staff meetings. I do not recall Mr. Hawkins  
3 ever advising me one way or the other on Director  
4 Milstead, to get rid of him or keep him.

5 SENATOR MAWHINNEY: I would like to return, to just  
6 finish this -- I know you are tired and want to go home.

7 THE WITNESS: I'll stay as long as you want to  
8 stay, sir.

9 SENATOR MAWHINNEY: Thank you.

10 I want to go back to the meeting in your  
11 office and what occurred prior to it with Officer  
12 Martinez, who told Lieutenant Johnson; Lieutenant Johnson  
13 called Lieutenant Colonel Chilcoat, his boss; Chilcoat  
14 calls back and says: To the best of my recollection --  
15 and I am sure there is enough people around here to  
16 straighten out if I get off the straight and narrow -- but  
17 he said: Tell the Governor. Beau Johnson gets up and he  
18 goes first to your Chief of Staff Dr. Burke. Dr. Burke  
19 says, effectively, I am a new fellow on the block, we  
20 better both go to Mr. Craft, who's been around and  
21 understands the lay of the game.

22 They both go and talk to Mr. Craft.  
23 Mr. Craft is reported in the transcript or in the  
24 testimony here, and I don't know that it has been refuted,  
25 when he heard the story he said, "He ought to be fired,"

1 meaning Mr. Watkins.

2 So clearly Mr. Craft must have taken it  
3 seriously.

4 Dr. Burke testified when he was here that he  
5 believed that it was appropriate that a DPS investigation  
6 be started immediately based on what he had heard, and  
7 that is that he thought that a witness had been tampered  
8 with, perhaps, and there was a death threat or an alleged  
9 threat or whatever.

10 So Dr. Burke went into the meeting thinking,  
11 one, DPS is involved in this, not the security detail but  
12 the Department of Public Safety; and two, Mr. Craft goes  
13 into the meeting saying: We got to this get this guy  
14 fired. They come with your head of your security  
15 department and they stand up and they say: According to  
16 what we have heard so far, Mr. Craft says, "Governor, you  
17 better listen to this," something close to that.

18 Now, you have got a meeting that wasn't  
19 called, you got your security director, you have got your  
20 two chief officials, you got Mr. Smith standing outside  
21 the door, not listening, and Lieutenant Johnson says  
22 something about an altercation.

23 Now, Lieutenant Johnson testified here,  
24 Governor, I believe he testified, and I am reaching back  
25 now, but I think he said he made it clear to you in his

1 mind that a felony had been committed -- I think he used  
2 that word two or three times -- a felony had been  
3 committed. And you testified that Lieutenant Johnson and  
4 you were not getting along, you didn't trust him, and he  
5 didn't have the ability to communicate very well with you.

6 Mr. Craft reportedly says: Governor, you  
7 better distance yourself from this one. And then  
8 according to what we have heard, and I am not sure about  
9 this, he says: Give it to Max Hawkins to handle.

10 Did he say that or did you? Was it your idea  
11 or his to give it to Mr. Hawkins?

12 THE WITNESS: This is another part of Lieutenant  
13 Johnson's testimony that is totally not right. I made the  
14 statement when I heard him testify in the House that the  
15 man's perjured himself, that I think Lieutenant Johnson  
16 perjured himself in his testimony under oath in the House.

17 SENATOR MAWHINNEY: Would you tell us how?

18 THE WITNESS: Because he said things that he did  
19 not say. I think we will have to put the weight on the  
20 responsibility of three people who are used to listening  
21 quite well. And here is a lieutenant -- first of all,  
22 let's go back to the first of the story.

23 Lieutenant Colonel Chilcoat said the Governor  
24 should be told. Well, that wasn't why Beau Johnson said  
25 he came in to see me. He came in to see me because Peggy

1 said "I want to go talk to the Governor." Peggy said, "I  
2 want to tell him my story." We were busy. She had talked  
3 to apparently Doris to get in to see me. She wasn't  
4 allowed to come in. I was busy doing other things that  
5 needed to be done. So she went to them and talked to  
6 them, and in her words said: I gave them just an  
7 overview, didn't tell them the details.

8           And then if you will follow through, he came  
9 in and ostensibly was to tell me and he told Peggy to come  
10 so that she could come and see me. Now, he didn't say "I  
11 have talked to Lieutenant Colonel Chilcoat and he said you  
12 ought to know about this Governor." I would have thought  
13 much differently if he had. If he had mentioned the word  
14 "felony," Senator, I would have heard "felony." I do  
15 understand the importance of the word felony. He did not.

16           He said they had an argument and there was a  
17 threat in the parking lot. And I think he did say threat  
18 of some kind there to Donna, and it was an argument  
19 between two people. Fred didn't say a word about that.  
20 The only thing Fred said is that when he first heard Beau  
21 come and say something about in the parking lot, we were  
22 in an atmosphere of a little confusion, this thing coming  
23 out and the times, the this, the this, the threats, he  
24 thought it was some threat to my security is why he  
25 brought him into me. I said this is a personnel matter.

1 It shouldn't even be in my office. That was my answer to  
2 him.

3 Now, I turned, as I testified in the House  
4 and here, here is Dick Burke standing here, here is Beau  
5 Johnson here, here is Fred Craft here, and I turned to my  
6 new Chief of Staff primarily -- he is supposed to handle  
7 all of these kinds of things -- and said, what, Ken work  
8 for Max Johnson in administration, have him look into this  
9 and get the two of them together and get this straightened  
10 out. That was my instructions.

11 MR. LEONARD: Mr. Presiding Officer.

12 THE PRESIDING OFFICER: Yes.

13 MR. LEONARD: What I just observed -- Senator, I am  
14 sorry to interrupt. I have noticed that in the last two  
15 answers the Governor gave he twice identified the wrong  
16 person. I think that is what happens when you keep  
17 somebody on the stand this long. I would respectfully  
18 request that we adjourn for the evening.

19 THE PRESIDING OFFICER: I would agree. It is  
20 getting late. I noticed that we had two Senators still to  
21 ask questions, Senator Hill and Senator Gutierrez.

22 Were there others also that would be? I see  
23 there will be several. I won't write your names right  
24 now. It seems appropriate to recess at this time.

25 Senator Urdane.

1           SENATOR USDANE: Mr. Presiding Officer, I would not  
2 like to take the floor unless Senator Mawhinney yields it.

3           THE PRESIDING OFFICER: You do yield?

4           SENATOR MAWHINNEY: Yes.

5           SENATOR USDANE: Mr. Presiding Officer, I move the  
6 Court of Impeachment stand at recess until Friday, March  
7 the 18th, 1988 at 9:00 a.m.

8           THE PRESIDING OFFICER: All right. I'll excuse the  
9 Governor at this time subject to returning tomorrow.

10                   Thank you, Governor.

11                   There is a motion before the body. All in  
12 favor signify by saying "aye." All opposed say "no."

13                   The "ayes" appear to and do have it. We are  
14 recessed until tomorrow.

15                           (Recessed at 5:15 p.m.)

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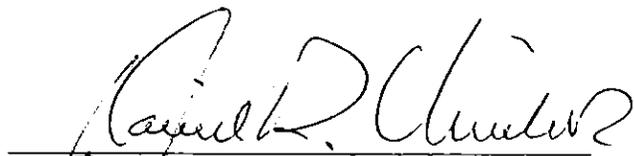
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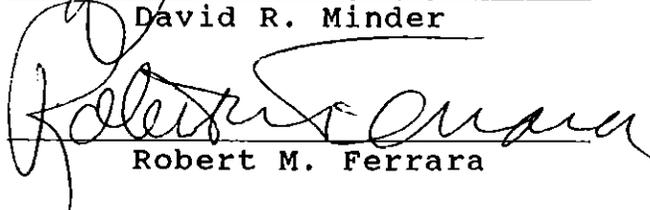
STATE OF ARIZONA                    )  
  )  
DISTRICT OF ARIZONA                )            ss.

I HEREBY CERTIFY that I am a duly appointed, qualified and acting Official Court Reporter before the Senate of the State of Arizona sitting as a Court of Impeachment.

I FURTHER CERTIFY that the foregoing printed pages, numbered 2891 to 3141, inclusive, constitute a full, true, and accurate transcript of all of that portion of the proceedings contained herein, had in the above-entitled cause on the date specified therein, and that said transcript was prepared under my direction.

DATED at Phoenix, Arizona, this 17th day of March, 1988.

  
\_\_\_\_\_  
David R. Minder

  
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Robert M. Ferrara

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