

**Minutes and Transcript of Proceedings
Before the May 2009 – April 2010 Grand Jury,
Thompson County, State of Marshall**

June 23, 2009

Present: Assistant State's Attorney Frank Orlando; Phillip Carey, Clerk; Charles Hall, Court Reporter.

Assistant State's Attorney Orlando: Good morning, ladies and gentlemen. We are here today in the matter of this grand jury's investigation of possible illegal and prosecutable acts concerning the operation of the Lake Kennedy Federation, a not-for-profit organization headquartered in Marshall City, County of Thompson, State of Marshall. To that end, this morning we will be taking testimony from Pat Siewert, who has complied with the subpoena issued by this grand jury yesterday.

[The witness called in is sworn]

[Assistant State's Attorney Frank Orlando] Q: Please state your name and address.

[Pat Siewert] A: Pat Siewert, 5400 N. Lombard, Marshall City,

Q.: Thompson County, State of Marshall?

A: Yes.

Q: How long have you lived there?

A: All my life. It's my family's home. When my mother passed away in 2001, I inherited the house.

Q: Are you employed?

A: Yes, I am a staff worker at the Lake Kennedy Federation, here in Marshall City, downtown at 53 W. Johnson Boulevard. Been working there for five years now.

Q: Tell the ladies and gentleman what the Lake Kennedy Federation is.

A: Well, it is a not-for-profit corporation – a 501(c)(3) corporation, organized under the laws of the State of Marshall and qualified as a tax-exempt organization by the federal government. Its mission is to make the public aware of possible environmental dangers to Lake Kennedy.

Q: Who else works there?

A: The Cutters, Casey and Connie. They are a married couple. Casey is the executive director, Connie is the Associate Director and legal counsel who has a private law practice, but is in the office at the Federation almost every day. There

is also Donnie Thompson, a temp of sorts who regularly comes in. Donnie answers the phone and does some filing. There is also someone named Eddie who comes in as some kind of consultant. We also just took on an unpaid intern, Leslie Foote, who comes in two or three days a week, to earn credit at one of the local schools.

Q: What does the Lake Kennedy Federation do?

A: Well, it is set up to inform the public on how to protect the environment, especially the waterway and shoreline of Lake Kennedy. I am not real clear on the exact language of the Federation's charter. We publish pamphlets telling people about bacteria in the lake, or ecologically dangerous species of fish so that people do not throw pet fish into the lake. That kind of thing.

Q: What was your experience before coming to the Lake Kennedy Federation?

A: I have a college degree, a Bachelor of Science, in general scientific studies, from The University of Marshall, downstate campus, and I worked as a volunteer and then as a field investigator in the Marshall Marshlands Conservation Corps for three years before it lost its funding when the new governor came in and cut our budget. I worked in a law office for two years researching some environmental law, but I was mostly just a clerk. When Casey Cutter offered me a position five years ago, I went to work at the Lake Kennedy Federation where I am sort of a generalist, I do a little of everything in the office.

Q: You are familiar, then, with the Cutters.

A: Yes. We are neighbors. We live on the same block. As I said, I run the office along with Casey Cutter, make sure the bills are paid, make speeches about the environment.

Q: Are you aware of how the Lake Kennedy Federation is funded?

A: Yes. I am aware that there is a trust fund that supports the Federation. It provides something like a million dollars a year, and that other funds are supposed to come from fund-raising – donations, grants, that kind of thing.

Q: To your knowledge, does the Federation engage in fund-raising?

A: Well, not much. In 2008, I think the total number of reported donations came to about \$1,200. That's what was shown on the books. I believe that there was more income, but that it got diverted. I am pretty sure that there were cash donations that were never reported on the books, and that someone in the office kept the money for personal use.

Q: Stole the money.

A: Yes. Example: there was a mailing of a fundraiser holiday reception at the restaurant downstairs in the building last December. Connie Cutter was in charge. Many people showed up, maybe 100. During the evening, Connie Cutter gave a little talk and asked for donations. Connie said, "Checks are fine, cash is better." People were laughing, and they donated. There were only three checks, one of which was for \$1,000. Those three checks were deposited in the Foundation's checking account in the bank; the cash, which could have been several hundred dollars, never showed up on the books. I believe Connie pocketed the cash.

A: Why Connie?

A: Connie did the collecting. And Connie has a kind of reputation for keeping money, cash or whatever.

A: Please elaborate.

A: Well, for example, last March we had a dinner with a lot of people who are members of a group called Friends of Lake Kennedy. Everybody understood they were to pay for their own dinner, and about 40 people were there. We had the upper room at the South Bank Club, a restaurant here in Marshall City. At the end of the dinner, everyone – except Connie – shared the cost by putting \$50 on the table, so there was about \$2,000 in cash there. Connie collected the cash, said there would be no fundraising that night because this was just a friendly dinner. But Connie did not use that cash to pay for the dinner. Connie paid for the dinner with the Federation's credit card. When the credit card bill came in, the Federation paid for the dinner with Federation funds. In other words, Connie pocketed the cash, and the books looked as if this was a legitimate Federation bill. I saw this happen a couple more times this spring, where Connie would collect all the cash on the table, then pay for it with a Federation credit card, then the Federation would pay the credit card bill several weeks later by using a Federation check from the Federation's bank account. I believe Connie kept the cash each time.

Q: What else?

A: Well, there is the matter of the SUV. See, every other year the Federation buys a brand new SUV, with all the extras. Big enough to carry maybe ten people. In the back there's a TV monitor that can play DVDs for the passengers, a little refrigerator, great stereo AM-FM-tape-CD-iPod player, a cell phone, and so forth. This is supposed to be for Federation business and travel. Connie and Casey use it almost exclusively for personal use, like commuting to and from home and work, so-called business vacations at Woods Hole, Disney World, Yellowstone Park, Mardi Gras in New Orleans, San Francisco, and so on. The point is that the Cutters take their three children on these trips, stay for maybe ten days at top-of-the-line hotels, enjoy the better restaurants – and charge it all, I mean all, to the Federation. They park the SUV in the garage next to the Federation office, I heard that on some of these trips other people would pay for meals or meetings, but Connie always provided a receipt and a note that the meal or whatever was paid

with cash, and Connie would put in for reimbursement from the Federation. This happened on one trip that we made to Chicago, when I was along. Connie stopped to get gas and claimed that the credit cards and the cash were in a briefcase that was stored in the luggage compartment, and asked me to pay for the fuel. It was \$48.50. It was put on my credit card, and I paid it off when the next bill came in. I kept asking Connie for reimbursement, but I keep getting the runaround, like, "I don't have it today, I'll get it to you tomorrow. It's embarrassing. I am asking my boss to reimburse me for money, and I don't feel I can make too big a deal out of it because, I mean, like, Connie is my boss. I found out that Connie used my receipt to get a payment from the Federation's checking account, and Connie kept the money, or at least has not paid me back yet.

Q: When did this trip take place?

A: Ah, it was Memorial Day weekend. There was a Great Lakes conference in Chicago, and I went along as a staff member. Actually, I was the only one who went to any of the meetings. The Cutter family took off and enjoyed the long weekend. I did all the actual work.

Q: Do you have any evidence for that payment?

A: No. Connie kept the receipt. There may be a copy in the Federation files, because I am sure that Connie billed the Federation, too. Paper copies of bills and receipts are kept in Federation files in the office, and most are scanned and kept in electronic files in the hard drives of one of the Federation's computers.

Q: You have more than one computer?

A: There are three laptops, actually. They network to a common hard drive in the office. I use one of the laptops; the Cutters have the other two. I usually take mine home and work from there at night, or the next day if I don't go into the office. The Cutters each have a laptop, I don't know why they need two, and they usually take theirs home at night and on weekends and trips, too.

Q: So, is there anything left at the office at night?

A: Sure. The common hard drive. It carries copies of all the Federation files. I have most files downloaded onto my laptop, but I also have email files and access to Google, so I can use the laptop for private stuff, like personal letters to friends. But I probably have, or can get, all the Federation's bills, receipts, invoices, salaries, tax returns. See, each laptop is a backup, just in case. I can check to see what I have on the "A" files in my laptop.

Q: The "A" files?

A: Yes, the "A" file is the one devoted to all the Federation business. In my laptop I have other files, like the "C" file is my personal file and is not shared by anyone else. I'm sure the other two laptops have "C" files for Connie and Casey.

Q: Well, do you know what the Cutters are paid? Salaries?

A: That's easy, and the books and files and some federal forms will show that Casey as executive director received \$200,000 in 2008, the same for all the years I have been there, plus medical and retirement amounting to about another 40%, and Connie was paid \$175,000.00 thousand, plus another 40% or so in benefits. My salary is \$55,000, with medical only. The other staffer, Donnie Thompson, is paid by a third party, Eddie. Eddie hired Donnie to do office work that Eddie is supposed to do, so I guess you could call Donnie a temp who is with the Federation on a subcontract. Donnie is paid \$10 an hour, I think, by Eddie, and probably does not get social security, medical, or anything other than the \$10 an hour from Eddie. Eddie is paid as a consultant and part-time employee, and gets \$100,000 plus medical and retirement. If you do the math, and add in the SUV, most of the million a year trust fund money is used up. I can provide a more detailed report and print it out.

Q: Why is Eddie the part-timer getting \$100,000 a year?

A: That's just it. I don't know. Eddie is some kind of friend or relative and is like a consultant who drafts the pamphlets, makes arrangements for the trips and conferences, and sets up the occasional dinner or office party. It is sure not worth that kind of money, and I could do it just as easily, but for no extra money. I hear the Eddie sometimes travels with the Cutters on their road trips.

Q: Any other matters you know about?

A: Yes. There was the incident at Starbuck's.

Q: Starbuck's?

A: Yes, last summer. I was having a coffee, and Connie came in and I guess did not see me. Connie goes to the counter, see, and has some kind of coupon, and orders a scoop of free ice cream. Mango, maybe. The guy behind the counter gets a scoop of ice-cream from behind the counter, and puts the ice cream down behind the counter. Connie gives the clerk this coupon and the clerk looks at it and gives it back. The clerk does not speak good English, and says, "No good." Connie gives it back and says, "Sure, it's OK, It's good." The clerk says, "No. Bad date. Two months old. No good." Connie is smiling and laughing and hands it back and says, "No, it's OK. You can take it." And Connie starts to reach for the dish of ice cream. The clerk gets a little loud, and says, "No good. Bad date. You got to pay for the ice cream." The clerk is waving the coupon. Connie takes the coupon, crunches it up, and waves off the clerk, you know, in disgust. Connie throws the ticket back at the clerk. So, after Connie leaves, I go over and pick up the crunched up coupon and sure enough the it clearly says, "Expires June 15, 2008" And this is August 15 or so. Can you imagine? Here is this rich person trying to get a free \$2 scoop of ice cream from some employee who is working behind the counter at Starbuck's, and

could get in trouble or maybe lose his job for giving free ice cream to somebody, and Connie does not care. Connie is trying as usual to get something for nothing. It's a game. Connie has all this money. They make almost \$400,000 a year, with all the perks, and is still trying to bully some poor guy out of a \$2 scoop of ice cream. Connie could have paid for the ice cream, but it probably went to waste because, well, I don't know.

Q: Let's go back to the matter of the Federation. Do you believe that there are records in the Federation's offices and those laptops and hard drive that would support or substantiate what you have told this jury, and perhaps there are records showing other matters that might be of interest to this grand jury? For example, are there records showing payments to Eddie, or showing matters that others paid for but Connie Cutter charged to the Federation and pocketed the Federation's payments?

A: I am sure of it. I also have and can get backup records on my laptop computer. I just think that, well, I think that Connie Cutter is going to get away with fraud.

Q: Well, maybe we should strike that last comment. Thank you. We will probably call you back. I cannot tell you not to talk about this outside this grand jury room. Such secrecy is not imposed on witnesses, but I think it appropriate to advise you to be prudent and discrete. Thank you.

WHEREUPON, the Grand Jury took up other matters.