

1 THE COURT: Call your next witness, please.

2 MS. PERZEL: Your Honor, the United States calls
3 Dianne Birk.

4 (Witness sworn.)

5 THE COURT: Good afternoon.

6 THE WITNESS: Good afternoon.

7 THE COURT: I need you to pull up to that
8 microphone. Would you state your true and correct name for
9 the record, please, spelling your first and last name for
10 the record.

11 THE WITNESS: Dianne, D-i-a-n-n-e. Last name is
12 B-i-r-k.

13 THE COURT: You may inquire.

14 MS. PERZEL: Thank you, Your Honor.

15 THE COURT: How do you pronounce your last name?

16 THE WITNESS: Birk.

17 THE COURT: Thank you.

18 (Dianne Birk)

19 DIRECT EXAMINATION

20 BY MS. PERZEL:

21 Q. Mrs. Birk, good afternoon.

22 A. Good afternoon.

23 Q. We're here today to talk a little bit about Bo Beckman.

24 How are you related to Bo Beckman?

25 A. He's my son-in-law.

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(612) 664-5104

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1 Q. And who is your daughter?

2 A. Hollie.

3 Q. Do you know when they were married, ma'am?

4 A. I think it was July 3rd of 2003.

5 Q. Who is your husband?

6 A. Robert Birk.

7 Q. And I want to go into a little bit of your family tree
8 just a little bit because there's some information relevant
9 in this case. Who are your brothers or sisters?

10 A. You want all my brothers' and sisters' names?

11 Q. Well, let me ask you this. Is one of your brothers Doug
12 Moore?

13 A. Yes.

14 Q. And is Mary Birk a relative of your husband, a sister of
15 your husband?

16 A. My sister-in-law.

17 Q. Is Patty Gorman your sister?

18 A. Patricia Gorman is my sister.

19 Q. And does she also go by Patricia Edenborg-Gorman?

20 A. Yes, she does.

21 Q. To whom is Patricia Edenborg-Gorman married?

22 A. Dennis Gorman.

23 Q. And does Patty Edenborg-Gorman have a son?

24 A. She does.

25 Q. What is his name?

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(612) 664-5104

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1 A. Adam and I think it's just Edenborg.

2 Q. I want to talk for a minute about your daughter.

3 There's an aspect of this case that involves taxes. Did
4 Hollie Beckman work at Minneapolis Plastic Surgery?

5 A. She did.

6 Q. And did she work there with you?

7 A. Yes.

8 Q. What did she do for a living?

9 A. What did she do?

10 Q. Yes.

11 A. I believe her title was the patient coordinator. I
12 don't know. Something like --

13 Q. Do you know what she did?

14 A. Yeah, it actually was like a closer. Worked for a
15 plastic surgery company and she met with all the patients
16 and gave them the cost figures for surgery, walked them
17 through the whole surgery, get everything ready, collected
18 the money, scheduled the surgery.

19 MS. PERZEL: Your Honor, at this time the United
20 States offers Government Exhibit 603.

21 MR. ALTMAN: No objection.

22 MR. TODER: No objection.

23 MR. MAHMOUD: No objection.

24 THE COURT: 603 will be admitted.

25 BY MS. PERZEL:

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(612) 664-5104

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1 Q. I just want to take a minute to show you a couple of
2 pages of 603 and then we will get into the rest of your
3 testimony. Looking, for example -- let me show you page 2
4 of this exhibit. Does this document --

5 A. I'm sorry, but I can't --

6 Q. There you go.

7 A. That's a little better.

8 Q. Is this document a W-2 form in the name of Minneapolis
9 Plastic Surgery on behalf of your daughter as an employee,
10 Hollie Beckman?

11 A. It appears to be that, yes.

12 Q. Okay. And I can tell that you these are certified
13 business records from Minneapolis Plastic Surgery, but
14 looking up here, for example, does it reflect your
15 daughter's wages for the tax year 2007?

16 A. That appears when she worked real part-time, yes.

17 Q. So in tax year 2007 does it appear that she was making
18 approximately \$14,000 in taxable earnings from her work at
19 Minneapolis Plastic Surgery?

20 A. That's what it appears to be.

21 Q. I'm going to back up because you said "part-time." It
22 looks like that was -- so let me back up to 2006. We're
23 looking at page 3 of the same exhibit and I will go ahead
24 and zoom in. Does this look like more what you were
25 thinking your daughter was making as far as full-time wages

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(612) 664-5104

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1 would have been for her work at Minneapolis Plastic Surgery?

2 A. When she was full-time I think it was more in the 30s,
3 more in the high 30s.

4 Q. Okay. So then let's back up to page 5 of the exhibit.
5 In 2004 is this what you are talking about, Mrs. Birk?

6 A. That looks more correct, right.

7 Q. So tax year 2004, \$32,682.61; is that correct?

8 A. Well, the 34 was --

9 Q. Oh, I'm sorry. The actual wages that would have been
10 taxed by Medicare -- related to Medicare or Social Security?

11 A. Correct.

12 Q. Okay. Did you ever know her when she was working at
13 Minneapolis Plastic Surgery to make substantially more than
14 those amounts?

15 A. No.

16 Q. Okay. I want to turn your attention, if I could, to
17 2008 and the time period that precedes May of 2008. In that
18 time period were you and your husband contemplating retiring
19 or trying to retire?

20 A. We were, yes.

21 Q. And in that mid 2008 time frame could you have afforded
22 to retire, to basically quit working and to stop receiving a
23 paycheck?

24 A. No.

25 Q. Did your son-in-law and your daughter come to you with

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(612) 664-5104

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1 an idea of how you could, in fact, retire?

2 A. They came to us and wanted to help my husband out, yes,
3 and get him out of the job that he was at.

4 Q. Okay. And so they came to you with a way that would
5 help you retire where you could still receive some money; is
6 that correct?

7 A. That's correct.

8 Q. To what state at that time were you hoping to retire?

9 A. In Texas.

10 Q. Who lived in Texas that you wanted to be close to?

11 A. My mom and dad had been down there for years and my
12 sister was moving down there because of a disability.

13 Q. Your sister Patty Edenberg-Gorman?

14 A. Correct.

15 Q. Was her husband Dennis also going down there?

16 A. When he could retire, yes.

17 Q. Was the primary basis for or one of the bases for your
18 inability to retire the fact that health care was very
19 expensive?

20 A. Yes, it was.

21 Q. And when you --

22 MS. PERZEL: Your Honor, the United States would
23 offer Government Exhibit 85.

24 MR. ALTMAN: No objection.

25 MR. TODER: No objection.

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(612) 664-5104

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1 MR. MAHMOUD: No objection.

2 THE COURT: Be admitted.

3 BY MS. PERZEL:

4 Q. How much would you estimate it would have cost you to
5 pay health insurance for you and your husband in a month?

6 A. Through the COBRA plan through my husband's company it
7 would have been about \$1,800.

8 Q. What was the plan that Mr. Beckman and Mrs. Beckman
9 offered you to ease yourselves into retirement?

10 A. We were going to work for Bo's company and help do what
11 we could to bring business in and also we could get
12 insurance through them.

13 Q. Were you also going to receive a paycheck?

14 A. Yes.

15 Q. Do you know how much you were to be paid?

16 A. I believe we each got \$233 every two weeks.

17 Q. \$233?

18 A. I mean 2,223. It was 33 or 33 cents or something.

19 Q. So about \$2,300?

20 A. Every two weeks.

21 Q. Biweekly?

22 A. Correct.

23 Q. Who negotiated with you on those amounts?

24 A. Well, I think we took a look at what we were making with
25 our salary and said that, you know, if we're going to do

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1 this, we have to match our salary until we can sell our
2 house in Minnesota.

3 Q. Okay. So the idea was that your husband could get out
4 from under his job, you could get out from under your job,
5 and then you could move down to the city that you wanted to
6 retire in in Texas and still have some money?

7 A. We could still have some money, but it also was an
8 opportunity for us to work for Bo.

9 Q. And what did you understand you were going to be doing
10 for Mr. Beckman?

11 A. That we were going to try and grow his business down
12 there.

13 Q. Would it be fair to say that your job was to introduce
14 him to clients or to contacts?

15 A. Absolutely.

16 Q. Did you have any kind of training or experience in the
17 financial industry when you went down to Texas?

18 A. You mean from the type of thing that Bo does?

19 Q. Exactly.

20 A. No.

21 Q. Were you going to be working out of the business
22 location at the mansion, the Van Dusen Mansion?

23 A. Yes and no. I mean, also out of our home, out of the
24 home that we lived in in Texas. That's where we met people
25 that we were going to try and introduce to Bo.

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(612) 664-5104

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1 Q. Well, I guess what I was asking you is: Was your place
2 of employment going to be the Van Dusen Mansion, the
3 location off of LaSalle Avenue in Minneapolis?

4 A. I don't know how to answer that.

5 Q. Did you ever go to work there?

6 A. Yeah, I did things there.

7 Q. Okay. What did you do there?

8 A. Well, there was a film that we filmed. I had to be
9 there -- not a film. A video that Bo did that I had to be
10 there to help with.

11 Q. Are you talking about the Van Dusen Mansion in the state
12 of Minnesota?

13 A. Oh, I'm sorry. I'm sorry. I'm sorry. I hear
14 mansion and -- I'm sorry.

15 Q. That's okay. I just want to make sure I'm not confused.

16 A. I am totally -- I have been to the Van Dusen Mansion to
17 visit. I have never worked out of the Van Dusen Mansion.

18 Q. That's what I was getting at.

19 A. I'm sorry.

20 Q. That's all right.

21 When you were going to introduce Mr. Beckman to
22 contacts, what was it exactly that you were going to do to
23 make those introductions?

24 A. Well, we needed to get to know people in the community
25 and then I had looked at several different ways that people

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(612) 664-5104

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1 introduce things. I was familiar with symposiums through my
2 work where you bring -- in fact, I put a bunch of them
3 together -- where you invite people for a dinner and they
4 listen to a speaker.

5 Q. Did you ever hold such a symposium?

6 A. We didn't, no. We didn't have enough time to do that.

7 Q. When you're talking about getting to know people in the
8 community, that that was part of your job, was it kind of
9 like you would if you were retired, that you would get to
10 know people in the community?

11 A. I don't think we did spend so much time in all the
12 different parks.

13 Q. Okay. Did you pitch this investment to friends or
14 neighbors?

15 A. I wasn't really pitching an investment.

16 Q. What was it that you were trying to connect Bo with
17 investors to do?

18 A. At the time we were trying to introduce people to Bo and
19 get them to know -- we used the big house, brought tons of
20 people up there to see it, and then of course everybody
21 wanted to know what Bo did for a living and that was a
22 perfect opportunity to start to tell people about him.

23 Q. So you would kind of show people this amazing mansion
24 and then they would express an interest in what Mr. Beckman
25 did and those would then become contacts for Mr. Beckman; is

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1 that what you are telling us you did?

2 A. That's part of it, yes.

3 Q. Did you also learn to golf?

4 A. I did. Not very well, but I did.

5 Q. And did you take friends and acquaintances down in Texas
6 out to golf with Mr. Beckman?

7 A. Yes.

8 Q. And was that part of the job that you were getting paid
9 to do?

10 A. Well, yes, I would consider that part, but it also --
11 you know, you are also mixing family here too. So, yes,
12 that was part of it, but also some of those people just
13 because -- he's my family. He taught me how to golf and I
14 am proud of his golfing. So you are mixing different things
15 here.

16 Q. And I'm not trying to. I guess I'm trying to get at
17 what exactly it is that you and your husband did in order to
18 get \$2,300 every two weeks, both of you.

19 MS. PERZEL: Your Honor, the United States would
20 offer Government Exhibit 461.

21 MR. ALTMAN: No objection.

22 MR. TODER: No objection.

23 MR. MAHMOUD: No objection.

24 THE COURT: Be admitted.

25 BY MS. PERZEL:

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(612) 664-5104

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1 Q. When was it that you and your husband moved down to
2 Texas?

3 A. I think we went down the end of September of '08.

4 Q. Had the Golf Drive property already been purchased by
5 the time you moved down there?

6 A. It was purchased, but under some construction.

7 Q. Did you select that house?

8 A. Yes.

9 Q. Did you pay for that house?

10 A. We paid for the remodeling, not for the actual purchase.

11 Q. How much did the remodeling cost?

12 A. About 35,000.

13 Q. Okay. And what was that remodeling for?

14 A. The house originally was set up handicapped accessible
15 and we needed also to bump out and build onto the dining
16 room. I like to cook. I wanted to invite people over to
17 our home and cook and get to know them and, in fact, I did
18 lots of them.

19 So we increased the dining room, took countertops
20 and made them a height that worked for me instead of someone
21 in a wheelchair, brought a bunch of my antiques, but that
22 was more to decorate it to my liking.

23 Q. Okay. I'm showing you what's admitted as Government
24 Exhibit 74. Is that the house that you and your husband
25 lived in down in Texas?

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1 A. It is.

2 Q. Before you went down to Texas were you doing any
3 substantive work here in Minnesota on behalf of Mr. Beckman?
4 I mean, were you soliciting clients here in Minnesota on
5 behalf of Mr. Beckman?

6 A. Yes.

7 Q. Can you tell us which clients ultimately invested with
8 Mr. Beckman that you solicited.

9 A. My sister-in-law Mary.

10 Q. Other than family, did anyone that you have solicited
11 invest with Mr. Beckman?

12 A. I don't know the answer to that.

13 Q. Did Mr. Beckman ever come to you and say, wow, you are
14 doing such a great job with all these people that you have
15 gotten invested for us?

16 A. No, I don't think he said that.

17 Q. Did he ever come to you and say thank you for sending X
18 person to me, X person invested, even just as to one person?

19 A. You mean other than family?

20 Q. Beyond family.

21 A. No.

22 Q. I am going to show you the first page of Government
23 Exhibit 461. What are we seeing on page 1 of Government
24 Exhibit 461?

25 A. It appears to be a paycheck made out to my husband.

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(612) 664-5104

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1 Q. Were you and your husband working on behalf of Bo
2 Beckman at Oxford Global Advisors?
3 A. Well, first of all, the time frame, I wasn't working for
4 anybody other than --
5 Q. Was your husband working on behalf of Oxford Global
6 Advisors in May of 2008?
7 A. Our understanding we were working for Bo Beckman.
8 Q. And so you got paid from Bo Beckman through Oxford
9 Global Advisors; is that fair?
10 A. That's fair.
11 Q. And looking at the amount, you had said before that it
12 was about \$2,300 a week, but is this reflective of a lesser
13 payment due to taxes being taken out?
14 A. That's what it appears to be to me, yes.
15 Q. At some point did that change to where you were no
16 longer employees, but you were considered independent
17 contractors?
18 A. And we had to pay our own taxes, yes.
19 Q. So when we go through and look at the payments, the
20 amounts actually increase to being that \$2,300 --
21 A. Correct.
22 Q. -- amount for you and your husband, correct?
23 A. Correct.
24 Q. And so I'm just going to look through these real quick
25 and we will get to one that's got your name on it. You

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(612) 664-5104

1 started getting paid in about September of 2008; is that
2 true?

3 A. Yes.

4 Q. Does that show, Mrs. Birk, on Exhibit 461, page 9, one
5 of the paychecks that you would have begun to receive in or
6 about September of 2008?

7 A. It does.

8 Q. And this signature down here, does this look like the
9 signature of your son-in-law, Jason Bo-Alan Beckman?

10 A. I don't know.

11 Q. I want to approach and show you just really quickly, so
12 you can leaf through them, Government Exhibit 461 and tell
13 me if these, in fact, do appear to be paychecks that you and
14 your husband received over the course of time that you were
15 involved with Mr. Beckman.

16 (Pause.)

17 A. I don't think this (indicating) is a paycheck.

18 Q. I can represent to you that these are the same checks
19 that I showed to you about two weeks ago when you were at
20 the United States Attorney's Office.

21 (Pause.)

22 A. Some of these I can't read them.

23 Q. Well, take your time.

24 (Pause.)

25 Q. You pulled the one out?

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1 A. I don't know about that one.

2 Q. As to all the other ones, do those appear to be
3 paychecks?

4 A. Yes.

5 Q. As to the one you're not sure about, why don't we talk
6 about that one. We'll look at Government Exhibit 461,
7 page 5. Were there times when you and your husband would
8 receive a single paycheck for both of you where the amount
9 was actually double what it otherwise would have been and
10 you got paid by one check?

11 MR. ALTMAN: Objection, Your Honor. I believe the
12 witness testified she started working in September of '08.
13 This check is July of '08.

14 MS. PERZEL: I can ask the question again.

15 BY MS. PERZEL:

16 Q. Were there times where you and your husband got paid for
17 maybe a month in a single check versus getting biweekly
18 checks?

19 A. I believe there was later on.

20 Q. So if this check is basically double \$1,743, does this
21 maybe appear to be a check for a full month to your husband?

22 A. Well, I thought that, but then I looked back and saw one
23 for the second. I don't know what this is and why it's
24 different.

25 Q. Okay. Mrs. Beckman -- or Mrs. Birk, excuse me, by the

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1 time that your husband started working with -- by the time
2 you and your husband were contemplating this arrangement
3 with Mr. Beckman, had you invested in the foreign currency
4 program or with Mr. Beckman on the equity side of the house?

5 A. I didn't invest with Mr. Beckman until September.

6 Q. Did Mr. Beckman come to you in advance of May of 2008
7 and say to you I've got this great foreign currency program
8 and I would love to have you and Robert come down and look
9 at it?

10 A. He did not.

11 Q. He never tried to pitch you on this program?

12 A. No. Just the opposite. I went to him.

13 Q. So fair to say he kind of kept you out of the program up
14 until May of 2008?

15 A. Absolutely not. I knew what he was doing. He knew that
16 I was not an equity investor and, in fact, stocks and bonds
17 I hate. And he also -- I think I had mentioned to him that
18 I was hearing good things. I worked with somebody that had
19 put some money in it that was in my office every day asking
20 me why I wasn't invested. So I had asked him about the
21 program, but he also knew my money was sitting where I
22 couldn't get at it.

23 Q. And so is that a guy named Darin Hill --

24 A. Yes, it is.

25 Q. -- the individual in the office that you were talking

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1 about?

2 A. It is.

3 Q. Did your husband ever, to your knowledge, get approached
4 prior to the time of this arrangement with Mr. Beckman about
5 investing in the currency program?

6 A. No.

7 Q. You said your husband quit his job I think you said in
8 May of 2008 and then you quit your job in September of 2008?

9 A. I retired from my job in 2008.

10 Q. Exactly. And then at that point you moved down to Texas
11 in the house that we saw before; is that true?

12 A. That's correct.

13 Q. And you said, I think, in your testimony that you helped
14 pick out the house, but that you guys weren't paying rent on
15 the house, correct?

16 A. No, I didn't pay rent. We put money into the house. We
17 didn't pay rent.

18 Q. I want to ask you about that, if I can, just for a
19 minute. If I can find it quickly, I want to show you
20 something and tell me if it assists your recollection in how
21 much those improvements cost that you were talking about
22 earlier.

23 A. That was the construction amount, which ended up being
24 more than that.

25 Q. Okay. So you had said \$35,000, I believe, before?

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1 A. Right.

2 Q. Okay. How were you going to ever get that money back or
3 were you going to get that money back?

4 A. I expected to get it back when we sold the house.

5 Q. Okay. So it was kind of like you wouldn't pay rent, but
6 you would also get the money back that you had invested in
7 the house if the house sold; is that true?

8 A. Yes. We looked at it as kind of a mutual.

9 Q. In terms of the big house -- are you familiar with the
10 big house down in Texas?

11 A. I am very familiar with the big house in Texas.

12 Q. Just for clarification on the Golf Drive property, I
13 think we saw it at Government Exhibit 74, who bought the
14 house, this property? The property you lived in, who bought
15 the house?

16 A. Bo and Hollie bought it.

17 Q. And they bought it before you moved down there in this
18 arrangement with Mr. Beckman; is that true?

19 A. Of our going to work, you mean? No.

20 Q. I guess if you characterize it that way.

21 A. No, we had decided to go to work before we bought the
22 house.

23 Q. Well, you didn't move down there before the house was
24 bought, did you?

25 A. No.

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1 Q. Okay. So the house was bought before you moved down to
2 Texas, correct?

3 A. Yes.

4 Q. Okay. That's all I was asking.

5 Looking at Government Exhibit 73, what is that?

6 A. That looks like the front of -- an angle of the front of
7 the big house.

8 Q. I can show you a different picture of it.

9 A. That's the big house.

10 Q. Okay. Was the big house -- well, whose house is the big
11 house, first of all?

12 A. I believe it's in Bo's name.

13 Q. Okay. And when it was purchased, it was basically
14 purchased as a vacation house; is that right?

15 A. I don't know the answer to that for sure. Part of me
16 thinks yes. Part of me thinks no.

17 Q. Do you remember testifying in front of a United States
18 grand jury, Mrs. Birk?

19 A. I do.

20 Q. Okay. Would it assist your recollection to review your
21 transcript from July 18, 2011 for that same question? Why
22 don't you take a look at your answer to that question and
23 then when you're done reading it, why don't you look up and
24 tell me if that refreshes your recollection.

25 A. It says it started out as a vacation house, but I think

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1 the intent --

2 Q. Don't read it out loud. Does it refresh your
3 recollection?

4 A. I think that's kind of the same answer I just gave you.
5 I don't know for sure. I believe it started out as, but the
6 intent was always there to work from it.

7 Q. Did it start out as a vacation house?

8 A. I believe it probably started out as a vacation house.

9 Q. I mean, did you have family gatherings there at the
10 vacation house?

11 A. Absolutely.

12 Q. Okay. You and your friends and relatives would go there
13 and have gatherings?

14 A. And people we would bring to introduce to Bo. We had a
15 huge party for my mom and dad's 60th wedding anniversary,
16 yes.

17 Q. So the people that you would bring and introduce to Bo,
18 were these people that you otherwise wouldn't have hung out
19 with down in Texas, I mean, are they people you didn't like
20 and they weren't friends or --

21 A. Those set of people that came to my mom and dad's --

22 Q. No, I'm talking about what you mentioned. You said two
23 things, I think, in the same answer. You said you had a
24 60th anniversary?

25 A. We did.

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1 Q. And you also said you had parties there where you would
2 bring people to introduce them to Mr. Beckman. Do you
3 remember that?

4 A. Correct.

5 Q. So the people that you would bring to introduce to
6 Mr. Beckman, were these people that you otherwise would not
7 have socialized with down in Texas but for this arrangement
8 with Mr. Beckman?

9 A. We would have socialized with them probably in our own
10 home setting. There would have been no reason, unless we
11 wanted them to meet Bo, to bring them to the big house.

12 Q. Let me ask you this. Down in Texas -- did Mr. Beckman
13 give an investment presentation down in Texas at the big
14 house when these people would come to be introduced to him?

15 A. No, we hadn't got to that point yet.

16 Q. So Mr. Beckman wasn't making investment pitches down in
17 the big house in Texas; is that fair?

18 A. Well, I know he did talk to some friends of ours, but he
19 told them that they -- he thought their investment was good.
20 Is that an investment pitch? I don't know.

21 Q. What I'm asking you is: Were there seminars in the --

22 A. No, there were no seminars yet, no.

23 Q. I mean, when you were --

24 A. We didn't get to that point.

25 Q. When you were there this was generally a vacation house;

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1 is that a fair statement?

2 A. No, it's not because Bo worked from it all the time.

3 Q. Okay. He sat in a room in the vacation house and maybe
4 did something on the computer; would that be fair?

5 A. He did things on the -- he was back and forth on the
6 computer. We did the video.

7 Q. Is this a video that was to be presented at a seminar
8 here in the state of Minnesota when Mr. Beckman could not be
9 present --

10 A. It was.

11 Q. -- for seminars?

12 A. It was.

13 Q. Okay. So to make sure that Mr. Beckman's presence would
14 be known at seminars in Minnesota for Oxford, Mr. Beckman
15 went to the trouble of recording a video down in the house
16 in Texas that could then be played at the seminars; is that
17 fair?

18 A. Do you want to run that one by me again?

19 Q. Was there a seminar videorecorded down in Texas where
20 Mr. Beckman was speaking?

21 A. There was.

22 Q. And was that for the purposes of presenting Mr. Beckman
23 at the seminars here in Minnesota when he couldn't be there?

24 A. Yes.

25 Q. Did you help pick out the big house?

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(612) 664-5104

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1 A. I toured it.

2 Q. Did it have a tennis court?

3 A. No.

4 Q. Was a tennis court built for Mr. and Mrs. Beckman by
5 Mr. and Mrs. Beckman using a company called O.J. Morales?

6 A. Yes.

7 Q. Did it have a pool and a spa?

8 A. Yes.

9 Q. Was it -- did O.J. Morales also build a shuffleboard on
10 the property for Mr. and Mrs. Beckman?

11 A. We did.

12 Q. Were there any other things like that, tennis court,
13 shuffleboard, that O.J. Morales built on behalf of Mr. and
14 Mrs. Beckman at that house?

15 A. A gazebo.

16 Q. I am assuming when you were down there you probably saw
17 some of the vehicles that Mr. and Mrs. Beckman had down in
18 Texas and specific to Texas.

19 I'm showing you Government Exhibit 462. Does that
20 appear to be the Toyota Highlander and the two ATVs that
21 Mr. and Mrs. Beckman maintained down in the state of Texas?

22 A. It does.

23 MS. PERZEL: Your Honor, the United States offers
24 Government Exhibit 462.

25 MR. ALTMAN: No objection.

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(612) 664-5104

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1 MR. TODER: No objection.

2 MR. MAHMOUD: No objection.

3 THE COURT: 642 will be admitted.

4 MS. PERZEL: I'm sorry. 462, Your Honor, if I
5 misspoke.

6 THE COURT: 462.

7 BY MS. PERZEL:

8 Q. Showing you page I believe it's 2 of Government
9 Exhibit 462, is that the new Highlander that Mr. and
10 Mrs. Beckman had obtained for use down in Texas?

11 A. It looks like it is.

12 Q. Did they drive that back and forth? Did it come back
13 here when they weren't down there?

14 A. No.

15 Q. Just a vehicle for down in Texas?

16 A. Correct.

17 Q. And then I'm going to show you Government Exhibit 462,
18 page 1. Do you recognize that?

19 A. I do.

20 Q. What are those?

21 A. Those are the four-wheelers.

22 Q. Is one of those marked Hollie and is the other one
23 marked Spencer?

24 A. It is.

25 Q. Who's Spencer?

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(612) 664-5104

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1 A. My grandson.

2 Q. And who is Hollie?

3 A. My daughter.

4 Q. I want to talk with you about the amounts of money that
5 you got paid.

6 MS. PERZEL: Your Honor, did I offer Government
7 Exhibit 85?

8 THE COURT: Not to my knowledge. Did it come in?

9 THE CLERK: Yes.

10 THE COURT: It came in.

11 MS. PERZEL: Thank you, Your Honor.

12 BY MS. PERZEL:

13 Q. First of all I want to talk about health insurance,
14 because we talked a moment ago about how prohibitive it
15 would have been for you to retire without health insurance
16 given that it is so expensive.

17 I'm showing you page 1 of Government Exhibit 85.
18 It doesn't help to zoom much, does it? Let me see if I can
19 do it better. Let's start on this side. Mrs. Birk, does
20 this appear to be some type of an invoice for Oxford Global
21 Advisors?

22 A. It does at the top, but it's really so blurry underneath
23 it, I can't read it.

24 Q. And I will try to enlarge it for you. Let me see if I
25 can do it just by person here. Okay. There we go. There's

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(612) 664-5104

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1 a chunk of it. Does that appear to reflect your husband,
2 Robert J. Birk, and then "Medical"?

3 A. It does.

4 Q. Okay. And if I were to tell you that this was an
5 invoice for Medica and that the amount of invoice that would
6 be paid on your behalf per month, you and your husband, was
7 \$1,258.97 for medical insurance, would you have any reason
8 to dispute that?

9 A. No.

10 Q. Now let's look down at the bottom. We can see down at
11 the bottom it talks about "for Medica billing purposes."
12 So, in fact, this does, in fact, appear to be a Medica
13 statement; is that true?

14 A. It appears to be.

15 Q. Okay. So when your husband quit work in May of 2008,
16 did you start getting health insurance through Mr. Beckman's
17 company?

18 A. After the time that we needed to -- I think we had to
19 wait two months or something like that.

20 Q. So maybe by June or July?

21 A. Correct.

22 Q. How long did you continue to receive health insurance
23 coverage through Mr. Beckman's company from June or July of
24 2008?

25 A. I believe they made the first -- I think August of '09.

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(612) 664-5104

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1 Q. August of 2009?

2 A. Right.

3 Q. Did you also receive dental insurance through your
4 husband's -- excuse me -- through your son-in-law's company?

5 A. I don't remember if we did or not.

6 Q. Did you and your husband pay the \$1,258 premium for the
7 health insurance?

8 THE COURT: Can I have a sidebar.

9 Why don't you stretch.

10 **(At sidebar.)**

11 THE COURT: Can we get a stipulation to all this?
12 Why are we having her on the stand? Let's just get a
13 stipulation. You want to get the information about health
14 insurance and everything else. Let's just stipulate. You
15 don't have any problems -- it was paid.

16 MS. PERZEL: I'm almost done, Your Honor.

17 THE COURT: Why are you putting her through the
18 pain of being on the stand? Is there something else that
19 you want to bring out?

20 MS. PERZEL: No, Your Honor. I was just going to
21 introduce the payments.

22 THE COURT: Let's just -- it's not right, it just
23 isn't, because you can get a stipulation. Let's get that
24 done and we can move on.

25 MR. ALTMAN: I'll --

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(612) 664-5104

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1 THE COURT: She's going to be an unindicted
2 co-conspirator that you --

3 MS. PERZEL: For heaven's sake, Your Honor, she is
4 not. She had no idea about the criminality of what was
5 going on here. But, Your Honor, what it does reflect,
6 respectfully, in my opinion is just the use of this money
7 just in a very haphazard way by Mr. Beckman. That's all.

8 THE COURT: I understand.

9 MS. PERZEL: And I understand the Court's point, I
10 do.

11 THE COURT: To use your co-counsel's phrase, let's
12 get out of the weeds and do the 20,000-foot picture.

13 MS. PERZEL: We will.

14 THE COURT: All right. I think everybody
15 understands that you are going to have other evidence
16 showing that it's haphazard and bringing the mother-in-law
17 on the stand to show that is just -- she's been on the stand
18 for 45 minutes and you could have had a stipulation and been
19 done in two minutes.

20 MS. PERZEL: Well, I guess I wasn't aware that
21 Mr. Beckman would have been willing to stipulate.

22 THE COURT: Well, then I have to call you up on
23 each witness to see if there's a stipulation? You know
24 better.

25 MR. ALTMAN: I don't think so, Your Honor.

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1 THE COURT: All right. Let's get this done. Take
2 two minutes and work out a stipulation.

3 (Discussion off the record between
4 Ms. Perzel and Mr. Altman.)

5 **(In open court.)**

6 MS. PERZEL: Your Honor, I believe Mr. Altman and
7 I have reached a stipulation.

8 THE COURT: All right.

9 MS. PERZEL: May I indicate what that is for the
10 Court?

11 THE COURT: Please.

12 MS. PERZEL: Thank you. Your Honor, as I
13 understand it, Mr. Altman is stipulating on Mr. Beckman's
14 behalf that to the extent that Mr. and Mrs. Birk received
15 medical coverage, that that medical coverage was paid for in
16 the time frame identified by Mrs. Birk and it was paid for
17 specifically by Bo Beckman or someone acting on Bo Beckman's
18 behalf; that to the extent that they received dental
19 coverage, that that dental coverage was paid for by
20 Mr. Beckman or by someone acting on Mr. Beckman's behalf.

21 And then specifically as to Government
22 Exhibit 395, which has already been admitted, what I
23 understand our stipulation to be is that, in fact, that
24 schedule is true and correct -- this is one of
25 Mr. Hlavacek's schedules, Your Honor, memorializing

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(612) 664-5104

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1 payments -- Funds To and From Beckman's Relatives is exactly
2 how it's captioned, it is three pages in length -- and that,
3 in fact, the sum total of the numbers -- payments from
4 Mr. Beckman or entities or individuals acting on behalf of
5 Mr. Beckman in the amount of \$286,305.04 is accurate, that
6 deposits by Mr. and Mrs. Birk in the amount of \$186,779.36
7 is accurate, and that as a result Mr. and Mrs. Birk received
8 \$99,525.68 more than they would have put into the program.

9 That, I believe, is our stipulation.

10 MR. ALTMAN: Those are the terms of the
11 stipulation, Your Honor.

12 THE COURT: All right.

13 MS. PERZEL: And I have no further questions based
14 on that, Your Honor.

15 THE COURT: Ma'am, you may step down.

16 THE WITNESS: Oh, thank you.

17 MR. ALTMAN: Judge, can I cross-examine a little
18 bit?

19 THE COURT: No. That's why I called for the
20 stipulation.

21 MR. ALTMAN: All right. Very well.

22 THE COURT: Thank you. Call your next witness,
23 please.

24 MS. PERZEL: Thank you, Your Honor. The United
25 States calls Jennifer Abernathy.

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1 MR. MACLAUGHLIN: Your Honor, may we approach
2 briefly?

3 THE COURT: Yes.

4 **(At sidebar.)**

5 MR. MACLAUGHLIN: Your Honor, I have a concern
6 that Mr. Beckman should be allowed to cross-examine this
7 witness. The confrontation clause is front and center. I
8 mean, I am just afraid it might be error to not allow
9 Mr. Altman to cross-examine her and I wanted to bring that
10 to the attention of the Court.

11 THE COURT: Bring her back in.

12 **(In open court.)**

13 THE COURT: Mr. Altman, you will be able to
14 examine the witness.

15 MR. ALTMAN: Thank you, Your Honor. It will be
16 brief.

17 THE COURT: You may inquire.

18 MR. ALTMAN: Thank you, Your Honor.

19 **CROSS EXAMINATION**

20 BY MR. ALTMAN:

21 Q. Mrs. Birk, your field was employee human resource
22 issues, wasn't it?

23 A. Well, I worked in the medical field and I did employee
24 and the financial, worked with the corporate lawyers.

25 Q. Were you conversant with employee human resource issues?

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1 A. Yes.

2 Q. And as a matter of fact, did you assist Mr. Beckman --
3 in this time frame when your husband started receiving
4 payments, did you assist him with human resource issues at
5 Oxford Private Client Group?

6 A. In regards to with my husband or with a question that he
7 had on something else?

8 Q. With a question he had about something else.

9 A. I did with a question on something he had.

10 Q. Now, would it be fair to say that one of your jobs down
11 in Texas was to watch over the properties?

12 A. Absolutely.

13 MR. ALTMAN: If I could have 461, page 1, and blow
14 up the signature.

15 BY MR. ALTMAN:

16 Q. Does that appear to be Chris Pettengill's signature?

17 A. It looks like the last name is Pettengill, but I
18 wouldn't know Chris Pettengill's signature.

19 Q. Okay. Let me ask you this, ma'am. Beginning in
20 September of '08, about how many parties did you have at
21 your homes in which you were trying to attract customers to
22 your son-in-law?

23 A. Oh, we didn't have them right away because we had to get
24 all of the houses -- the big house needed a lot of work and
25 my whole family and Bo and Hollie, besides the people who

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1 were hired, worked night and day on those.

2 Q. When all that was done, about how many parties did you
3 have?

4 A. Oh, I probably had four or five of them up there during
5 the --

6 Q. The time frame?

7 A. Yes.

8 Q. And how often did you go golfing with prospective
9 clients or hoped-for prospective clients?

10 A. Once we started golfing, we golfed about four or five
11 times a week.

12 Q. Foursomes or twosomes?

13 A. Well, some of them were foursomes, but a lot of them was
14 through we had joined couples leagues and so you got to know
15 a whole bunch of people, not just the foursome that you were
16 golfing with.

17 MR. ALTMAN: Thank you very much. No further
18 questions, Your Honor.

19 MS. PERZEL: I have no further questions, Your
20 Honor.

21 THE COURT: You may step down.

22 THE WITNESS: Okay. Thank you.

23 THE COURT: Call your next witness, please.

24 MS. PERZEL: Your Honor, the United States calls
25 Jennifer Abernathy.

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(612) 664-5104

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