

ID34-12/3/01 – 12/4/01 – Watkins talking to FBI Agent Murphy

Murphy: another thought I had was on the petty cash part, assuming this is accurate, I saw him put in there when Mike first started asking for petty cash, if you recall the first amounts of denominations he was asking for, it was too much for stamps.

Watkins: sure, because it was 250 or 500 bucks.

Murphy: I don't want you to put a point on it if it's not abundantly clear, if he's asking for 500 and you're only spending 50 on stamps, if it's clear, absurd that the money was truly for postage, that ...

Watkins: yeah, that's true. I can't remember the amounts, but the amount was never 50. Unless it was someone mooching money upstairs.

Murphy: In the context of when Mike started taking money to put to postage, I will assume it's accurate that the amount he was asking for it was abundantly clear that he wasn't using it for postage. I'm just trying to make it clear that, shoot down this idea that the thing that Harvey's trying to do to you, so I thought putting a phrase in to that effect.

Watkins: I'm trying to find where that spot is (looking at statement, reading from statement).

Murphy: so what if we said petty cash to pay for stamps, the amounts used to purchase stamps usually range from 10 to 50 dollars, at that time more than 20 years ago Mr. Segal asked to charge his withdrawals to petty cash to postage, even though stamps were available to his assistant and the amounts charged to pay petty cash were clearly more than ... I need to break this down. [Reworking that part of statement]. It was clear to me that because there were ample stamps available to his assistant and the amounts he was requesting ranging from whatever, that these withdrawals were not for postage.

Watkins: Well, it would have been approximately 250 or more, 250, 500 or more?

Murphy: I know you're flashing back 20 years, but how much did you used to pay for postage?

Watkins: I would buy 2-3 rolls at a time.

Murphy: How much were stamps back then? 15 cents? So 50 bucks probably.

Watkins: [reading from statement, Watkins and Murphy revising statement].

Murphy: He's trying to box you in there, add in a "furthermore, the amounts he typically withdrew at that time... ah, what did you say the amounts were?"

Watkins: 250, 500

Murphy: I don't want to pin you down on those.

Watkins: I should maybe say approximately 250 and more or something like that.

Murphy: Which, ah... write down something like "all of this made it clear to me that these withdrawals were not for postage." The point I'm trying to make is that even though he never said, "This isn't really for postage, Dan, this is so I can go do whatever I want to do," you're a logical human being, you're looking at the circumstances, and it's obvious to you that this was not for postage, contrary to what Silets is trying to say.

Watkins: he's definitely trying to say that, that he was spending it on postage.

Murphy: that's what he's trying to say!

Watkins: so he's saying that he started out being for postage.

Murphy: here he lays out the foundation that this was a legit procedure that this was actually used for postage. [reads from statement] It never even says here, he's more clever than I realized, that he's going to go out and buy stamps. He only makes reference that Segal is taking money from petty cash to postage. You read this thing, and it tells me that Segal is only getting money for postage. So I'm trying to totally contradict that. Is it fair to say that he obviously is not getting postage?

Watkins: I mean, why would he do that, it doesn't make sense!

Murphy: [inaudible, reading from statement, writing] "Thus, it was clear to me that these withdrawals were not for postage." Who knows what it was for, but it certainly wasn't postage. Now it makes it totally clear to any logical person that he was not really using it for postage.

Watkins: how does Harvey get around the fact that he keeps asking me for cash?

Murphy: His point is that Mike was, at that time, asking for small amounts to pay for postage. And you just kept charging any petty cash for Mike to postage. Rather than asking him what the money is for, you're assuming that he wants it to go to postage, and he's assuming that you're taking care of it properly.

Watkins: How did I take care of it properly though? What do I do?

Murphy: When the guy never comes for cash like that? He's got to provide some documentation. In theory, when Segal takes \$1000 from you, he needs to give you some kind of receipt or documentation.

Watkins: Well, that's what I do for everything else, you've seen it in there.