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Besselsen - direct

1 DIRECT EXAMINATION

2 BY MR. [REDACTED]:

3 Q. Good afternoon, Mr. Besselsen.

4 A. Good afternoon.

5 Q. Mr. Besselsen, where do you work?

6 A. I work at Interlochen Center for the Arts.

7 Q. What is Interlochen Center for the Arts?

8 A. Interlochen is a nonprofit organization focused on arts
9 education. We have our two largest programs, a arts camp in
10 the summer, and a boarding high school during September through
11 May. And we're focused on arts education, as I mentioned. So
12 we have visual arts, music, creative writing, dance, theater,
13 creative writing types of programming.

14 Q. Where is Interlochen located?

15 A. We're located in Interlochen, Michigan.

16 Q. Where is Interlochen, Michigan?

17 A. It's northern Michigan; it's about 20 minutes southwest of
18 Traverse City, Michigan, which is the largest town in northern
19 Michigan.

20 Q. How long have you worked there?

21 A. I've worked there 16 years.

22 Q. What's your title?

23 A. My title is assistant vice president of finance.

24 Q. And what are your responsibilities as an assistant vice
25 president of finance?

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1 A. I oversee the finance department, including accounts
2 payable, accounts receivable, our purchasing, payroll. I'm
3 involved in overseeing director of campus safety and security,
4 as well as the director of dining services. And I'm involved
5 with the auditors, the banks, the investment companies, as well
6 as external audits.

7 Q. And in that capacity, are you familiar with the normal
8 business practices of Interlochen?

9 A. Yes.

10 Q. In particular, are you familiar with the business practices
11 regarding communications with donors?

12 A. Yes.

13 Q. Does Interlochen maintain records of its communications
14 with donors?

15 A. Yes.

16 Q. What sorts of records?

17 A. For our major donors or prospects, we keep all
18 correspondence with donors, whether it might be a letter, email
19 correspondence, records of phone conversations, notes from
20 visits with donors, things like that.

21 Q. Let's talk about letters in particular. How are letters
22 that are written to donors created?

23 A. The letters are created by an individual in our advancement
24 department who's charged with managing that particular donor
25 relationship. And so they would be the ones that would write a

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1 letter to a donor or to a foundation.

2 Q. Is there any relationship between the level of donation
3 given and the person writing the letter to the donor?

4 A. Yes. Yup. For example, our vice president of advancement
5 or even our president would handle a higher-end donor that
6 might be capable of donating half a million dollars or more,
7 for example. And we would have major gift officers that would
8 be below that vice president of advancement that would handle
9 folks with capacity to give \$100,000, \$200,000, something like
10 that.

11 Q. When these letters are written to donors, does Interlochen
12 put them in any sort of file?

13 A. Yes, yup. We keep track of all correspondence with donors.
14 Nowadays, it's all electronic within Salesforce, which is the
15 software we use to track fundraising and donations.
16 Historically, we have hard copy letters, for example. Prior to
17 using Salesforce, we've got manila folders or files that we
18 kept for each donor that includes all of the correspondence
19 over time with that donor.

20 Q. How long are those records kept?

21 A. They are kept forever.

22 Q. And are they kept by Interlochen in the ordinary course of
23 business?

24 A. Yes.

25 MR. [REDACTED]: Ms. Drescher, would you please display

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1 for the witness, Court, and counsel what's been marked for
2 identification as Government Exhibit 741.

3 Q. Do you recognize this, Mr. Besselsen?

4 A. Yes.

5 Q. What is it?

6 A. This is a letter from Interlochen's vice president of
7 advancement to Mr. Epstein providing some information to him on
8 the concept of building a scholarship lodge on Interlochen's
9 campus and the level of donation that would be required to
10 build a lodge.

11 Q. Mr. Besselsen, will you pick up the binder next to you. It
12 has another copy of Government Exhibit 741.

13 Have you reviewed this exhibit before today?

14 A. Yes.

15 Q. And what is this exhibit?

16 A. This exhibit are all of the letters or a portion of the
17 letters that were included in Mr. Epstein's file that we've
18 stored away in the filing cabinet in the basement of the
19 McWhorter dorm locked away.

20 Q. How do you know these letters come from the Epstein file at
21 Interlochen?

22 A. I myself went in and pulled it recently and saw these.

23 Q. Thank you.

24 MR. [REDACTED]: The government offers Government
25 Exhibit 741.

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1 THE COURT: 741 is how many pages?

2 MR. [REDACTED]: It is -- I believe it's eight pages,
3 your Honor.

4 THE COURT: Okay.

5 MR. [REDACTED]: Yes, it's eight pages.

6 [REDACTED] I confer with the government for a
7 moment?

8 THE COURT: You [REDACTED]

9 [REDACTED]

10 [REDACTED]. STERNHEIM: Thank you, Judge.

11 THE COURT: So it's eight pages.

12 MR. [REDACTED]: Yes, your Honor.

13 THE COURT: All right. Without objection, GX-741 is
14 admitted.

15 (Government's Exhibit 741 received in evidence)

16 BY MR. [REDACTED]:

17 Q. Mr. Besselsen, are you familiar with Interlochen's business
18 practices regarding student records?

19 A. Yes.

20 Q. Does Interlochen keep a file on each student?

21 A. Yes.

22 Q. And how is that file maintained?

23 A. The file is maintained in a locked room in the lower level
24 of the Maddy Administration Building. Once again, it's manila
25 files or folders for each student, and includes information

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1 from the student, on a student.

2 Q. And what sort of information is contained in student
3 records, in student files?

4 A. So the files include comments from faculty that were
5 involved with that student's time on a camp -- academy
6 programming or camp programming, as well as cabin life,
7 comments from the counsellors during the camp programming, as
8 well as applications, paper applications, if you go back in
9 time, if we're talking about a camper or academy student.

10 Q. And are those records regularly put into the student file?

11 A. Yes.

12 Q. And does Interlochen regularly maintain those records?

13 A. Yes.

14 Q. How long are student records kept?

15 A. Records are kept for 99 years per Interlochen's record
16 retention policy.

17 Q. In your binder, would you turn to what's been marked for
18 identification as Government Exhibit 743.

19 Without saying any names, do you recognize this?

20 A. Yes.

21 Q. What is it?

22 A. This is an application for admission to our summer camp in
23 1994.

24 Q. Did you review this prior to today?

25 A. I did.

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1 Q. And turning to page 3 of that exhibit, is that photo part
2 of the application?

3 A. Yes.

4 Q. How do you know?

5 A. Once again, this is something that I went in and tracked
6 down and pulled this particular camper's file myself. And this
7 was -- and these documents were in it, and this was attached to
8 this particular application.

9 MR. [REDACTED]: The government offers Government
10 Exhibit 743 under seal.

11 MS. STERNHEIM: No objection.

12 THE COURT: GX-743 is admitted under seal, consistent
13 with my ruling allowing the individual listed to testify under
14 a pseudonym.

15 (Government's Exhibit 743 received in evidence)

16 Q. Mr. Besselsen, does Interlochen keep records that a student
17 completes a program?

18 A. Yes.

19 Q. Who makes those records?

20 A. Those records would be made or input by our admissions
21 office.

22 Q. And how are those records maintained?

23 A. When a student is accepted and enrolls in a program, that
24 is when those records are created in our software.

25 Q. And to be clear, are those records kept in the ordinary

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1 course of business?

2 A. Yes.

3 Q. In your binder, would you turn to what's been marked for
4 identification as Government Exhibit 744.

5 Do you recognize this?

6 A. Yes.

7 Q. Without saying any names, what is it?

8 A. This is a report out of Salesforce, which is our software
9 that we use not only for fundraising, but also for student
10 records, that I generated. And it's a report on education
11 records, specifically pulling the completion year, first name,
12 last name, and education type, with a filter on the last name.

13 Q. And just so the record is clear, you personally generated
14 this spreadsheet?

15 A. I did, yes.

16 MR. [REDACTED]: The government offers Government
17 Exhibit 744 under seal.

18 MS. STERNHEIM: No objection.

19 THE COURT: GX-744 is admitted under seal consistent
20 with my ruling allowing the individual listed to testify under
21 a pseudonym.

22 (Government's Exhibit 744 received in evidence)

23 Q. Mr. Besselsen, I'd like to walk briefly through some of the
24 exhibits we were just looking at.

25 MR. [REDACTED]: Ms. Drescher, would you please publish

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1 Government Exhibit 741 for the Court, counsel, the witness, and
2 the jury.

3 Q. Mr. Besselsen, what is this document?

4 A. This is a letter from Interlochen's vice president of
5 advancement to Mr. Epstein providing him with additional
6 information on the scholarship lodge, building a scholarship
7 lodge on Interlochen's campus, and what it would take to -- in
8 regards to donating for that project.

9 Q. You mentioned a scholarship lodge. What is a scholarship
10 lodge?

11 A. A scholarship lodge is a rental lodge, a small home on our
12 campus where parents of campers or academy students can come
13 stay on campus, be close to the performance venues and things
14 like that. So parents or guests of Interlochen or even the
15 general public who come stay in this rental lodge and pay a --
16 like a fee, like a hotel room to stay in.

17 MR. [REDACTED]: Ms. Drescher, would you turn to page 2
18 of this document.

19 Q. What is this document? What are we looking at,
20 Mr. Besselsen?

21 A. This is a letter, again, from Interlochen's vice president
22 of advancement to Mr. Epstein thanking him for his donation of
23 \$200,000 for a new scholarship lodge on our campus, and the
24 different updates provided in the letter about construction
25 timelines and things like that.

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1 Q. Mr. Besselsen, what is the date of this letter?

2 A. February 9, 1994.

3 MR. [REDACTED]: And turning now to the next page,
4 Ms. Drescher.

5 Q. Who is this letter from, Mr. Besselsen?

6 A. The letter is from Tim [REDACTED], vice president of
7 advancement.

8 MR. [REDACTED]: Ms. Drescher, turn to page 5 of this
9 document.

10 Q. Mr. Besselsen, what is this document?

11 A. This is a letter from Interlochen's vice president of
12 advancement to Ms. Maxwell enclosing an envelope that was found
13 when Interlochen's custodial staff was cleaning the Epstein
14 scholarship lodge, returning the lost envelope to Ms. Maxwell,
15 as well as the next page of this provides a listing of items.

16 Q. Mr. Besselsen, we'll get to the next page in a moment, but
17 would you read this letter for us?

18 A. Yes.

19 Dear Ghislaine, enclosed is the envelope we recently
20 found in cleaning the Epstein Lodge. Apparently it lodged
21 between the wall and the dresser. It was not discovered until
22 the unit was moved for cleaning.

23 As we discussed, the final week of camp is August 14
24 through the 20th. I've reserved the lodge for Jeffrey's use.
25 In addition, he has one more week that he can reserve for

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1 himself or guests. He may wish to have use it.

2 Attached is a list of the dry goods that are in
3 storage as part of Jeffrey's personal inventory. Please advise
4 if we are missing any items you are aware of being sent here.
5 Please convey to Jeffrey how pleased we are to have such a
6 facility on our campus. In fact, the president-elect will be
7 staying in the lodge until his family's furniture arrives. It
8 is a remarkable place. We are grateful.

9 Best wishes for a wonderful holiday season.

10 Q. Thank you, Mr. Besselsen.

11 MR. [REDACTED]: Ms. Drescher, will you turn to the next
12 page.

13 Q. A moment ago you mentioned an attached list. Is this the
14 attached list?

15 A. Yes.

16 Q. And what sorts of items are on this list, Mr. Besselsen?

17 A. Different types of linens, pillows, blankets, towels,
18 sheets, shams.

19 Q. Mr. Besselsen, while you've been at Interlochen have you
20 been familiar with the Epstein Scholarship Lodge?

21 A. Yes.

22 Q. Does it have any other names?

23 A. Yes, it does.

24 Q. What are the names?

25 A. The name is [REDACTED] Lake Lodge.