IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA Alexandria Division

UNITED STATES OF AMERICA, Plaintiff, CRIMINAL ACTION v. 1:05 Cr 225 LAWRENCE ANTHONY FRANKLIN, 1:05 Cr 421 Defendant.

REPORTER'S TRANSCRIPT

SENTENCING HEARING

Friday, January 20, 2006

BEFORE:

THE HONORABLE T.S. ELLIS, III

Presiding

APPEARANCES: OFFICE OF THE UNITED STATES ATTORNEY

BY: KEVIN DIGREGORI, AUSA

NEIL HAMMERSTROM, AUSA

THOMAS REILLY, DOJ MICHAEL MARDEN, DOJ

For the Government

PLATO CACHERIS, ESQ. JOHN HUNDLEY, ESQ.

For the Defendant

MICHAEL A. RODRIQUEZ, RPR/CM/RMR Official Court Reporter USDC, Eastern District of Virginia Alexandria, Virginia

1	INDEX	
2		
3	RECAPITULATION BY THE COURT	5
4	OBJECTIONS/CORRECTIONS TO PRESENTENCE REPORT	7
5	ALLOCUTION BY THE DEFENDANT	11
6	ALLOCUTION ON BEHALF OF THE DEFENDANT	13
7	ALLOCUTION BY THE GOVERNMENT	14
8	IMPOSITION OF SENTENCE BY THE COURT	15
9		
10	(Court recessed)	
11		
12		
13		
14		
15	,	
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19		
20		
21		
22		
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1	PROCEEDINGS	
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3	(Court called to order in USA v. Franklin)	
4	THE CLERK: 1:05 Criminal 225 and 1:05 Criminal	
5	421, United States versus Lawrence Anthony Franklin.	
6	THE COURT: Mr. Hammerstrom, you are here for	
7	the government, together with Mr. Reilly oh, no, Mr.	
8	DiGregori.	
9	How many of you are here?	
10	ATTORNEY DIGREGORI: No	
11	THE COURT: Let me hear all of the appearances.	
12	ATTORNEY DIGREGORI: Yes, your Honor. Kevin	
13	DiGregori and Neil Hammerstrom, assistant United States	
14	attorneys, and Thomas Reilly and Michael Marden from the	
15	Counter-Espionage Section of the United States Department of	
16	Justice, for the government.	
17	THE COURT: All right. Good morning.	
18	Mr. Cacheris, good morning to you.	
19	ATTORNEY CACHERIS: Good morning, your Honor.	
20	Plato Cacheris and John Hundley for Mr. Franklin, who is	
21	present.	
22	THE COURT: Good morning, Mr. Hundley.	
23	ATTORNEY HUNDLEY: Good morning, your Honor.	
24	THE COURT: And Mr. Franklin, good morning to	
25	you.	

Let me, if I may, let me have counsel briefly 1 2 at the bench on a topic. 3 (Side-bar conference held under seal) (End side-bar conference under seal, open court 5 as follows:) 6 THE COURT: Let me state for the public record, because the public is indeed entitled -- this is a public 8 proceeding, except to the extent that it may involve classified information. And that, in fact, was the heart of 10 11 what we were doing at the bench. The defendant and the government -- I don't 12 remember whether it was the defendant with the concurrence 13 or no objection of the government -- I think it was with the 14 concurrence of the government -- sought a continuance of the 15 sentencing today, which I denied. 16 17 I typically deny those motions, for reasons which I have stated numerous times in open court -- and I 18 won't restate here. And I did in this case, as well. 19 However, it occurred to me after I denied it 20 that there may be unusual circumstances or extraordinary 21 circumstances here by virtue of the existence of classified 22 23 information. I have explored that matter at the bench with 24

counsel, and I am satisfied that we can proceed with the

sentencing today, without the use or involvement -- well, I 1 think we established at the bench that we can proceed 2 without the hearing of any classified information today. 3 But I am going to take a recess now to give us all a brief opportunity, and then I will proceed. 5 Counsel are here in the Savantage Financial 6 matter? UNIDENTIFIED SPEAKER 1: Yes, your Honor. UNIDENTIFIED SPEAKER 2: Yes, your Honor. 9 THE COURT: All right. I will take that matter 10 up once this sentencing is completed. 11 Court stands in recess for ten minutes. 12 (Court recessed at 11:00 a.m.) 13 (Court called to order at 11:37 a.m.) 14 This is United States against 15 THE COURT: 16 Franklin. RECAPITULATION BY THE COURT 17 THE COURT: Let me recite at the outset that 18 Mr. Franklin is before the Court for sentencing, having pled 19 guilty and been found guilty of three charges: conspiracy 20 to communicate national defense information, conspiracy to 21 communicate classified information to an agent of a foreign 22 23 government, and unlawful retention of national security 24 defense information, the latter offense being the one that

originated in West Virginia as a result of his having taken

documents home that he should not have taken home.

The record reflects, and the statement of facts confirms, that this defendant disclosed -- this defendant had authorized possession or access to national defense information, which is a generic, broad concept, having broad connotations, referring to military naval establishments, referring also to the related activities of national preparedness, national security and the like. So, he had authorized access to that.

And the record reflects that he had reason to believe that disclosure of that information could be used either to the injury of the United States or to the advantage of a foreign nation, and he willfully communicated that information to persons who were not entitled to receive that information.

Now, the record also reflects, as the -- the statute doesn't require that this defendant wished to hurt the United States. The statute requires that he committed this disclosure, having reason to believe that the disclosure could be used to the injury of the United States or to the advantage of any foreign nation.

The record reflects that this defendant did not seek to hurt the United States. In fact, he thought what he was doing in his scheme was helping to bring to the attention of the Executive Branch certain information

circuitously through these individuals who did not have authorization to possess this information.

To put it even more succinctly, he was

concerned about a certain threat to the United States. He didn't think the NSC was sufficiently concerned about it.

Rather than go through his chain of command to get it to their attention -- he didn't think it was practical -- so he thought bringing it to people who would bring to the National Security Council's attention made sense.

In that sense, this is a very odd case. But that, in essence, is what this record reflects, in addition to the West Virginia offense where he took classified information home, which is inappropriate.

He has pled guilty to all of that.

OBJECTIONS/CORRECTIONS TO PRESENTENCE REPORT

THE COURT: Let me inquire, Mr. Cacheris, whether you have had an adequate opportunity to review the Presentence Investigation Report and to review it with your client.

ATTORNEY CACHERIS: We have, your Honor.

THE COURT: And Mr. Franklin, have you had an adequate opportunity to review the presentence report and to review it with your counsel, Mr. Cacheris and Mr. Hundley?

THE DEFENDANT: Yes, I have.

THE COURT: And are you fully satisfied with

1	the advice and counsel he has provided to you in this case?	
2	THE DEFENDANT: Yes, I am.	
3	THE COURT: All right.	
4	You may be seated.	
5	Mr. DiGregori, I take it the government has had	
6	an adequate opportunity to review the presentence report.	
7	ATTORNEY DIGREGORI: Yes, your Honor, we have.	
8	THE COURT: Are there any objections or	
9	corrections?	
10	ATTORNEY DIGREGORI: No, Your Honor.	
11	THE COURT: Mr. Cacheris, are there any	
12	objections or corrections?	
13	Mr. Hundley.	
14	ATTORNEY CACHERIS: Mr. Hundley has one comment	
15	on the presentence report, your Honor	
16	THE COURT: All right.	
17	ATTORNEY CACHERIS: if he may.	
18	THE COURT: Mr. Hundley?	
19	ATTORNEY HUNDLEY: Just a brief objection, your	
20	Honor, that won't impact the final Guideline calculation,	
21	but I wanted to put on the record nonetheless.	
22	It has to do with the Guideline calculation	
23	applied to the West Virginia count.	
24	THE COURT: Yes.	
25	ATTORNEY HUNDLEY: In the draft presentence	

report, the Guideline applied to that count was 2(m)(3.3) --1 THE COURT: Just a moment. Let met get it 2 before me. 3 ATTORNEY HUNDLEY: Okay. THE COURT: 2(m)(3.3)(A)(2). 5 ATTORNEY HUNDLEY: Correct, was the Guideline 6 applied in the draft presentence report. We didn't object to that because we believed 8 that was appropriate, and the government didn't object to 9 that. 10 In the final presentence report, the Guideline 11 applied by Ms. Coopwood to that count was 2(m)(3.2). It's 12 13 the same Guideline --THE COURT: Just a moment. I may have been 14 15 reading from the wrong one. Hang on a moment. It is now 2(m)(3.2)(A)(1). 16 ATTORNEY HUNDLEY: Correct. 17 18 THE COURT: Is that correct, in your view? ATTORNEY HUNDLEY: Correct. 2(m)(3.2)(A)(1) is 19 what is applied now. 20 All right. 21 THE COURT: That is the Guideline the Court applied. 22 23 ATTORNEY HUNDLEY: Okay. THE COURT: Unlawful retention of national 24 defense information, top secret information. 25

1 ATTORNEY HUNDLEY: Correct. And our only point was that in the draft 2 presentence report, it was a different Guideline which 3 actually called for a lower sentence, which we believe was 5 appropriate. In the end, as I say, because the counts group, 6 we end up with the same Guideline calculation. THE COURT: All right. 8 ATTORNEY HUNDLEY: So we just wanted to put 9 10 that on the record. THE COURT: All right. 11 Because the parties have no objections or 12 corrections to note, and what Mr. Hundley just noted is not 13 material, the Court will adopt the findings and conclusions 14 of the Presentence Investigation Report as its findings and 15 conclusions in this matter. 16 Now, the Court held a bench conference and I 17 18 concluded that the sentencing could proceed today because the sentencing could proceed without the disclosure of any 19 20 classified information. Is that correct, Mr. Cacheris? 21 ATTORNEY CACHERIS: That is correct, your 22 23 Honor. 24 THE COURT: All right. We are now at the point of allocution. 25

ALLOCUTION BY THE DEFENDANT

THE COURT: This is now your opportunity, Mr. Franklin, to address the Court and to say anything at all you wish to the Court by way of extenuation, mitigation or, indeed, anything at all you think the Court should know before sentence is imposed.

You are not required to say anything at all, if you don't wish to, but you have the opportunity to, if you wish to.

THE DEFENDANT: With all due respect to your Honor, at this time I would like to rely on my written statement --

THE COURT: All right.

THE DEFENDANT: -- which has already been provided to the Court.

THE COURT: All right.

That's appropriate. I have reviewed that. You may be seated.

THE DEFENDANT: Thank you, Judge Ellis.

THE COURT: All right.

I have indicated that I do not think it's appropriate to postpone this sentencing because, as a general rule, I don't do so. I don't do so because I don't want it to appear that the Court is in any way cooperating with the government in order to coerce testimony from

cooperating witnesses.

What happens to a witness should happen, and at the time of the testimony of that witness, matters should have gone appropriately ahead.

It's better to have the sentence already determined, so that there isn't an unwarranted exaggeration of the coercive effect of the sentence.

In many instances, if a defendant -- if a witness is not sentenced before a trial in which that witness testifies, it is possible to exaggerate the kind of sentence that witness really faces, and therefore to exaggerate for the jury the coercive effect of what that witness faces.

That, docket considerations by the Court, and the Court not wanting to provide the appearance of participating in coercing any testimony -- I used the word "coerce." Really, that's wrong, but that's the appearance. And, therefore, I don't postpone them.

In this case, there was an additional consideration, which I have considered, and that has been resolved. All right.

We are now at the point where counsel can be heard.

I have read your pleadings. Is there anything you wish to say in addition to that, Mr. Cacheris?

ALLOCUTION ON BEHALF OF THE DEFENDANT

ATTORNEY CACHERIS: Well, your Honor has before you the presentence report, which we think very adequately describes Mr. Franklin as a long-time dedicated public servant, both in the DLA and the DOD. And as a reserve colonel in the Air Force, he has had a long and distinguished career.

As you know, your Honor, in this case from the inception Mr. Franklin has cooperated with the government, and is continuing to cooperate with the government. And we anticipate that a the end of his cooperation the government will file an appropriate motion which will release the Court from the constraints of the advisory Guidelines.

So we understand that at this point, your Honor, that the Guidelines are advisory, and you have every right to adhere to them. But we hope at another time, at another -- when we come back here, there will be a different situation.

We do ask that you consider his past

patriotism, if you will, his cooperation, his intentions, as

the Court so aptly stated them at the beginning of this

session, that you impose the low end of the Guidelines, and

continue the service of any sentence until his cooperation

has been completed.

That's our request.

THE COURT: All right. 1 2 Mr. DiGregori. ATTORNEY DIGREGORI: Very briefly, your Honor. 3 ALLOCUTION BY THE GOVERNMENT ATTORNEY DIGREGORI: At the minimum, some of 5 those things that Mr. Cacheris noted, his status as a 6 Defense Department desk officer, his status as an Air Force reserve officer, and the numerous security briefings he had 8 been given, the acknowledged security breaches he engaged in 9 prior to these offenses, at minimum the defendant had reason 10 11 to believe that his unauthorized disclosure to be used to 12 the injury of the United States or the advantage of a 13 foreign nation. The danger of such unauthorized disclosure is 14 15 that when you disclose national defense information to someone who is not entitled to receive -- anyone who is not 16 entitled to receive it, the United States Government loses 17 control of that information, and there is no way of knowing 18 19 into whose hands that information might eventually. We believe a Guidelines sentence is 20 21 appropriate. 22 THE COURT: All right. 23 Any reason why the Court would not now impose 24 sentence? ATTORNEY CACHERIS: No, your Honor. 25

ATTORNEY DIGREGORI: No, your Honor.

IMPOSITION OF SENTENCE BY THE COURT

THE COURT: Mr. Franklin, come to the podium.

THE DEFENDANT: (Complies)

THE COURT: Mr. Franklin, you stand convicted of serious crimes, that is, conspiracy to communicate national defense information to persons not authorized, conspiracy to communicate classified information to a foreign government agent, and unlawful retention of that security information.

These are serious offenses, and Congress has appropriately prescribed severe penalties. And in setting an appropriate sentence, the Court has considered your history and characteristics, the nature and seriousness of the offense, the need to avoid unwarranted disparity in terms of people being sentenced for similar offenses, and the need for personal deterrence, directed at you, and general deterrence.

Now, with respect to your personal history and characteristics, the Court is fully familiar with your background of service as Mr. Cacheris has aptly described it. You have served in the military and you have served in government, and you have a long period of national service. And I have taken that into account.

I have also taken into account that you have no

1 criminal history.

I have also taken into account the seriousness of these offenses, which Mr. DiGregori just described very briefly.

It should be clear that -- what the significance -- this is a very significant matter, a very significant case. This is not significant solely or chiefly because of the nature of the statutes that you have violated. This case isn't about the merits or demerits of this particular statute. But what this case reflects -- because people will argue lots of things about this statute, about the nature of the information, who it was disclosed to, all sorts of things.

It doesn't matter.

What this case is truly significant for is the rule of law. The law says what it says. The merits of the law really are committed to Congress. If it's not sensible, it ought to be changed. But they're -- that's the body that changes it, not the judiciary. The judiciary simply interprets and applies the law.

So, the real significance of this case is that we have a rule of law. There is a law that says that if you have authorized possession of national defense information, you can't disclose it to unauthorized people, if you have a reason to believe that it would hurt the U.S. or help a

foreign country.

It doesn't matter that you think that you were really helping. That's arrogating to yourself the decision of whether to adhere to a statute passed by Congress or not. And we can't do that in this country.

You may disagree with the application of the statute to you, but you can't use that disagreement to violate the law with impunity. Lots of people think that they are doing more good than harm if they disclose classified information to academia, to professors, to journalists, to other countries, to whoever -- or to whomever.

They can't make that calculation. It's not up to them to make. Congress has decided how this classified information should be treated. They have passed a law. The rule of law applies, and we are all subject to it, and we must also obey it.

So that's the real significance, is that we are a country committed to the rule of law.

So, any discussion about whether it makes sense to apply the law in this case, or whether it's a sensible law, is irrelevant to you, because you chose to violate the law.

That doesn't mean we shouldn't debate whether the law is a good law or not, as a people. It doesn't mean

that Congress shouldn't consider it. It's not for the Court to say. It's none of the Court's business. The Court's business is to interpret and apply the law, and we are a country under which everyone is subject to the rule of law.

So, there is no excuse for you thinking that you could get to the NSC circuitously by disclosing national defense information to unauthorized persons. And it doesn't matter who you disclosed it to. It doesn't matter whether you disclose it to a newspaper. It doesn't matter whether you disclose it to people who are fierce American patriots, or anything else. It doesn't matter. It can't be disclosed. That's the rule of law.

That doesn't mean that I view this case the same as I would view this case back when I first went on the bench, in the 'Eighties, seeing people disclose things, national defense information, to the Soviet Union as it then existed. Because, of course, the circumstances would be different. But not different in -- to the extent of excuse, not at all.

But I have considered the nature and seriousness of the offense. And it is a serious offense.

As Mr. DiGregori pointed out, once the information gets into unauthorized hands, who knows where it goes? Who knows where it travels?

That's why it is classified, to insure that

only the people with the need to know, with that classification, receive it.

I have also considered the need to avoid unwarranted disparities. And in that regard, the Guidelines are an important benchmark. And I typically use the Guidelines in order to avoid unwarranted disparities.

In this case I see no substantial reason -- and I don't need to find something in the Guidelines to depart, that is, a Guideline departure before I would depart. I sometimes depart without any Guideline departure, if the circumstances warrant.

Because the command to the Court is not to impose a sentence that is more severe than necessary to meet these goals in the statute; that is, the deterrence, respect for the law, and the like.

Given all of that, it is the judgment of this

Court that you be sentenced and committed to the custody of
the Bureau of Prisons to serve a term of 120 months on

Count 1 and Count 5 of the Case 05-225; that is, 120 months
on the conspiracy to communicate national defense
information to unauthorized persons, and Count 5, conspiracy
to communicate classified information to an agent of a
foreign government. As to those counts, it's 120 months on
each, but the sentences are to run concurrently.

With respect to Count 5 -- I'm sorry, I

misspoke there.

On Count 1, which is the conspiracy to -- the conspiracy to communicate national defense information to unauthorized personnel is in Count 1 of the indictment, superseding -- or the indictment in this case, is 120 months; Count 1 of the West Virginia matter is also 120 months, those sentences to run concurrently.

With respect to Count 5 of the indictment from this district, which is the conspiracy to communicate classified information to an agent of a foreign government, you are to serve a period of 31 months imprisonment.

And that sentence is to run consecutive to the other two sentences, for a total sentence of 151 months.

The Court concludes that that sentence adequately accommodates the goals of the Federal Criminal Justice System, in that it provides adequate deterrence, both general and specific, and because it promotes respect for the law. That's why I emphasized the rule of law.

I will also impose a \$100 special assessment for each count, for a total of \$300.

And I am going order that you serve a period of supervised release of three years on each of these counts, and that term is to run concurrently. That is, all three three-year counts are to run concurrently.

The Court does not impose any special drug

1	testing, because the record does not reflect the need for	
2	that.	
3	The Court does not impose a financial or a	
4	punitive fine, in view of the forfeiture.	
5	What is the extent of the forfeiture, Mr.	
6	DiGregori, Mr. Cacheris?	
7	ATTORNEY DIGREGORI: There's no forfeiture.	
8	ATTORNEY CACHERIS: There is no forfeiture,	
9	your Honor.	
10	THE COURT: There is no forfeiture?	
11	What you didn't argue about the ability to	
12	pay a fine, Mr. DiGregori. What's the government's position	
13	in that regard?	
14	ATTORNEY DIGREGORI: Your Honor, the government	
15	will defer to the Court on that.	
16	THE COURT: All right.	
17	What is the Guidelines fine range?	
18	Is the probation officer Ms. Coopwood?	
19	PROBATION OFFICER: Yes, your Honor.	
20	THE COURT: What's the Guideline range?	
21	ATTORNEY CACHERIS: Two fifty, I think, for	
22	each count.	
23	PROBATION OFFICER: It's 17,500 to 175,000.	
24	THE COURT: All right.	
25	The Court will order the payment of a \$10,000	

fine, due and payable immediately. If not paid immediately -- that's the figure I originally had noted -then you are to pay it at the rate of \$250 a month within 60 days of your release from confinement. Now, the Court will allow you to surrender voluntarily and the Court will also stay the service of your sentence pending the completion of your cooperation, which extends beyond the matter that is the subject of the indictment in this district.

I also want to mention that I took account, Mr. Franklin, of the fact that I believe -- I accept your explanation that you didn't want to hurt the United States, that you are a loyal American and a patriot, and you thought -- that you perceived this problem, and you thought the only way to get this problem to the attention of the NSC was in this odd, circuitous method that you chose.

I have told you that that is, of course, a violation of the law, no matter what your motive may have been.

And Mr. DiGregori has properly pointed out that one of the problems with that is that once classified information escapes, its destination or destinations can't be predicted.

Now, what I didn't mention is that, as I also read this record, I see some element of personal ambition,

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namely, you wanted to be on the NSC. And you had hoped some of these people might help you. That's not as laudable a motive.

But I think what really drove you is what you stated in your statement. I accept that.

Now, have I omitted any aspect of the sentence?

ATTORNEY DIGREGORI: One moment, your Honor.

THE COURT: All right.

While he is conferring...

Mr. Franklin, I tell all defendants, as you heard earlier in the courtroom today, that life is making choices and living with the consequences of the choices you make. You've made some good choices in life. Your record reflects that.

But where you ran afoul is arrogating to yourself the decision whether to comply with the law, even though you thought you could bring about a benefit.

That's not open to Americans. We are committed to the rule of law. So, all persons who have authorized possession of classified information, and persons who have unauthorized possession, who come into possession in an unauthorized way of classified information, must abide by the law. They have no privilege to estimate that they can do more good with it.

So, that applies to academics, lawyers,

journalists, professors, whatever. They are not privileged 1 to disobey the laws, because we are a country that respects 2 3 the rule of law, and that's the real significance. Anything further, Mr. DiGregori? ATTORNEY DIGREGORI: No, your Honor. 5 THE COURT: Mr. Cacheris? 6 ATTORNEY CACHERIS: One thing, your Honor. THE COURT: Yes. 8 ATTORNEY CACHERIS: It may be --9 THE COURT: He remains --10 11 (Simultaneous discussion) 12 ATTORNEY CACHERIS: -- premature --THE COURT: -- subject to his current 13 conditions of release, pending further order of the Court. 14 15 ATTORNEY CACHERIS: Right. It may be premature, your Honor, because we 16 intend to be back here for appropriate final sentence, but 17 to the extent that the Court can recommend, at the time that 18 he begins commencement of any sentence, that he would serve 19 at Cumberland, as the federal institution. 20 THE COURT: Yes, that is an appropriate 21 22 recommendation. And you have to remind me at the 23 appropriate time to include that. I will include it in the original JNC, but you 24 25 need to remind me about it.

1	ATTORNEY CACHERIS: I will.
2	THE COURT: I will grant that request.
3	Anything further in this matter today,
4	Mr. DiGregori or Mr. Cacheris or Mr. Hundley?
5	ATTORNEY CACHERIS: No, your Honor.
6	ATTORNEY DIGREGORI: No, your Honor.
7	ATTORNEY HUNDLEY: No, your Honor.
8	THE COURT: All right.
9	I thank counsel for your cooperation.
10	(Court adjourned in USA v. Franklin).
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1 2 CERTIFICATE OF REPORTER 3 I, MICHAEL A. RODRIQUEZ, an Official Court 5 Reporter for the United States District Court, in the 6 Eastern District of Virginia, Alexandria Division, do hereby 7 certify that I reported by machine shorthand, in my official 8 capacity, the proceedings had upon the sentencing hearing in 9 the case of UNITED STATES OF AMERICA v. LAWRENCE ANTHONY 10 11 FRANKLIN. 12 I further certify that I was authorized and did 13 report by stenotype the proceedings in said sentencing 14 hearing, and that the foregoing pages, numbered 1 to 26, 15 inclusive, constitute the official transcript of said 16 proceedings as taken from my machine shorthand notes. 17 18 IN WITNESS WHEREOF, I have hereto subscribed my 19 name this _____, 2006. 20 21 22 Michael A. Rodriquez, RPR/CM/RMR 23 Official Court Reporter 24 25