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United States District Court
Eastern District of Kentucky
Northern Division at Covington

UNITED STATES OF AMERICA) Covington Criminal
) Action No. 11-70
vs.)
) Covington, Kentucky
RONALD E. WEINLAND) June 4, 2012
) 2:19 p.m.
)

TRANSCRIPT OF OPENING STATEMENT BY THE DEFENDANT
BEFORE THE HONORABLE DANNY C. REEVES AND A JURY

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Proceedings recorded by mechanical stenography,
transcript produced by computer.

1 (Whereupon, the following proceedings were had in the
2 presence of the jury.)

3 THE COURT: Mr. Webb. You'll be presenting the
4 opening statement on behalf of the defendant?

5 MR. WEBB: Yes, Judge. Thank you.

6 THE COURT: You may proceed.

7 MR. WEBB: May it please this Court. Mr. McBride.

8 Ladies and gentlemen of the jury, much of what
9 Mr. McBride has told you is not in dispute. We don't disagree
10 that purchases were made. We don't disagree that Mr. Weinland
11 engaged in transactions. But the key question, the only issue
12 in this case is whether Mr. Weinland had criminal intent. Did
13 he have a black heart and a dark mind when he engaged in these
14 transactions? That's the only issue in this case.

15 Now, you may conclude, ladies and gentlemen, that
16 Mr. Weinland made some mistakes. You may conclude that he
17 should have paid more attention to church finances than he did.
18 You may even conclude that he owes additional taxes. But even
19 if he owes additional taxes, the proof will show that he never
20 deliberately tried to cheat the IRS or anyone else out of their
21 taxes. And that's the key, because this is a criminal case. A
22 criminal case, not a civil case. The civil case to determine
23 whether or not Mr. Weinland owes additional taxes, that will
24 come later. That will come in a separate proceeding. This is
25 not an audit where the IRS has come in with a calculator and a

1 pencil and a pad and said let's calculate how much you owe.
2 That's not what we're talking about here.

3 We're talking about a criminal investigation where the
4 government is trying to brand Mr. Weinland a criminal, a felon,
5 and trying to punish him as a criminal. That's what we're
6 talking about. So they have to prove that Mr. Weinland had a
7 black heart and an evil mind beyond a reasonable doubt. And the
8 evidence will show you that Mr. Weinland did not have an evil
9 mind and did not have a black heart.

10 Now, who is Ron Weinland? Because in order to
11 evaluate Mr. Weinland's state of mind and what he was thinking,
12 which is the key part of the case, you have to know a little bit
13 about him. So let's talk a little bit about him.

14 Mr. Weinland has spent his entire adult life in the
15 church, into religion, trying to spread the gospel of Jesus
16 Christ. That's what Mr. Weinland has devoted his adult life to
17 do.

18 He was born in 1949 on a farm in Kansas where he grew
19 up. He attended Ambassador College where he obtained a degree
20 in theology, studying the gospel of Jesus Christ.

21 He met his wife Laura Weinland. And Laura Weinland
22 has been a devoted wife to Mr. Weinland throughout his life; his
23 partner.

24 When Mr. Weinland was 20 years old, he was baptized
25 into the Worldwide Church of God. Now, that's different than

1 the Church of God - PKG that the prosecutor was referring to.
2 The evidence will show you that the Worldwide Church of God was
3 a worldwide church highly respected that was -- that
4 Mr. Weinland worked for as a full-time pastor for 12 years.
5 From 1982 to 1994, Mr. Weinland was a full-time pastor for the
6 Worldwide Church of God. And you know what? He was happy
7 there. He was happy being a pastor for the Worldwide Church of
8 God. He didn't want to leave the Worldwide Church of God and
9 start his own church. That's not what happened.

10 The evidence will show that in 1994 Worldwide Church
11 of God broke apart. It scattered. New leadership came in and
12 changed the doctrines of the church. And the people who truly
13 believed in the original doctrines couldn't stay in the church,
14 they had to leave. So it broke apart. Mr. Weinland was one of
15 those people who believed in the original Worldwide Church of
16 God beliefs, and the evidence will show that when he started the
17 Church of God - PKG he carried on the original beliefs of the
18 Worldwide Church of God. He followed in their beliefs.

19 The church grew -- the Church of God - PKG grew beyond
20 Mr. Weinland's prediction from 2003 to 2008. And the prosecutor
21 put a map up that showed you how many church members and how
22 many congregations were worldwide, the Netherlands, Portland,
23 Oregon, all over the United States. The church grew very, very
24 quickly. It grew from just a single congregation or two from
25 Cincinnati -- that was in Toledo and Cincinnati to a worldwide

1 church.

2 And Ron Weinland and Laura Weinland lived every day of
3 their life for the church. They lived for the church and that's
4 borne out by how the church grew. The church didn't grow
5 worldwide by Mr. Weinland living an affluent lifestyle sitting
6 idly by. He was working for the church, spreading the gospel of
7 Jesus Christ with his wife, with his kids. That's what the
8 evidence will show about Ron Weinland.

9 Now, in voir dire today I asked some questions about
10 beliefs, and this case is not about religious beliefs. And
11 whether you agree with Mr. Weinland's religious beliefs is not
12 really relevant, but you have to understand what Mr. Weinland's
13 religious beliefs were to understand what happened here. You
14 have to understand what Mr. Weinland's beliefs were and what the
15 Church of God - PKG's beliefs were to put these things in
16 context, and that's what we're going to talk about.

17 The Church of God - PKG -- Preparing for the Kingdom
18 of God, that's what PKG means, the Church of God - Preparing for
19 the Kingdom of God. Preparing for the return of Jesus Christ,
20 that's what it means. They believe that we are living in an end
21 time, in the last days, that Jesus Christ will return, and
22 before he returns there will be a financial crisis, an upheaval
23 the likes of which the world has never seen. And then Jesus
24 Christ will return and there will be a new world that will be
25 created. That is their beliefs. And that's important to keep

1 in mind as we talk through this case, because they believed that
2 when this financial crisis occurred -- and we're talking about
3 the period between 2004 and 2008, they believed that U.S. banks
4 would fail. They believed that the financial system would
5 collapse. They believed that the American dollar would lose its
6 value during this upheaval, in this financial upheaval. That's
7 what the evidence will show. And that's a little bit about Ron
8 Weinland's and the Church of God - Preparing for the Kingdom of
9 God's beliefs.

10 So now let's talk about the charges and I think you'll
11 see how they connect up to the beliefs. There's really four
12 buckets of issues. I like to look at this case in four buckets.

13 The first bucket is assets held for the church, things
14 of value that Mr. Weinland possessed for the benefit of the
15 church.

16 The second bucket is the reimbursement of expanses.
17 The prosecutor named some of those expenses and we're going to
18 talk about it.

19 The third is the house and the down payment that the
20 government will talk about, about whether or not there was an
21 income to Mr. Weinland from a down payment.

22 And the third -- or the fourth, rather, are expenses
23 that the church paid for people who worked in the church, who
24 provided valuable services to the church.

25 Those are really the four buckets that the proof will

1 show you can put most of this in. Let's talk about the first
2 one, assets held for the church.

3 Now, you may be sitting there asking yourself why
4 would Ron Weinland go to Switzerland and open a Swiss bank
5 account? Why would he transfer money from the United States
6 bank to a Swiss bank? And the answer, the proof will show, is
7 very simple. When you believe that you're living in the end
8 time, that the U.S. economy and the banks will fail,
9 diversifying assets of the church is being a good steward. But
10 he didn't just transfer U.S. dollars to the Swiss bank, he
11 actually converted the U.S. dollars into European dollars. Now,
12 that's important, because the proof will show if the U.S.
13 dollars had gone down in value, the European dollars would have
14 remained and they would have been there to service all of the
15 foreign churches that the prosecutor pointed out to you.
16 Mr. Weinland has a worldwide church, he had to think not only
17 about the United States congregations, he had to think about the
18 European congregations, just as that map reflected.

19 And the evidence will show, ladies and gentlemen, that
20 Mr. Weinland did not move this money to Switzerland under the
21 cover of darkness. He didn't do it at night when no one was
22 looking. The evidence will show he did it in broad daylight and
23 he told the members of his congregation that he was going to
24 move money to Switzerland before he moved it. That's what the
25 evidence will show.

1 And as the prosecutor pointed out, when Mr. Weinland
2 gives a sermon, particularly I'm focusing on the sermon he gave
3 where he told the members he was moving money to Switzerland, it
4 went to all the members worldwide. So everyone who was
5 listening to Mr. Weinland's sermon, every member anywhere in the
6 world, was told about it. It wasn't concealed or hidden. And
7 that money, as it sat there in that account, was for the
8 benefit, the evidence will show you, ladies and gentlemen, was
9 for the benefit of the church. And that's not income to
10 Mr. Weinland, that's a church asset, it's church money.

11 Now, the prosecutor mentioned some diamonds and
12 precious stones, and there are some diamonds and precious stones
13 purchased here. But what will happen in the end times, the
14 Church of God - PKG and Ron Weinland believes, is that when the
15 currency becomes valueless, the only way to travel, the only way
16 to get food, the only way to get to your members will be barter.
17 And what's the best thing to barter? It's diamonds and gold.
18 And the Weinlands carried this with them when they were
19 traveling far abroad, because they believed, the evidence will
20 show, that time was going to end, that Jesus Christ was
21 returning and this financial upheaval was coming.

22 And also, when you're hearing the proof on these
23 diamonds, bear in mind that Mr. Weinland did have an after-tax
24 salary, and ask yourself if the government has proven that some
25 of these diamonds weren't purchased with his after-tax salary.

1 It's something we need to watch for.

2 Let's move on to the second bucket, expense
3 reimbursements. This is principally the credit card expenses
4 that the prosecutor talked about where Mr. Weinland would make
5 charges on his personal credit cards and he would be reimbursed
6 by the church. It's not easy to get a limit on a church credit
7 card. That is one of the reasons, the proof will show, that
8 Mr. Weinland had credit cards in his individual name, it was
9 simply a lot easier to get credit limits than when you ask for a
10 church, apply for a church.

11 Now, some of the examples on these credit card
12 charges, one big example, I think it's over a hundred thousand
13 dollars, is Laura Weinland's airfare and travel. One IRS agent
14 has decided that they're going to tell the Church of God - PKG
15 who can travel for the church and who can't. And they've
16 decided, the IRS had decided, that Laura Weinland should not be
17 deemed appropriate to represent the Church of God - PKG as a
18 team with her husband.

19 The evidence will show you that when Mr. Weinland was
20 at the Worldwide Church of God he was taught to travel as a
21 team. He was taught spiritually that the beliefs of the family
22 were important, that the husband and wife were a team. That's
23 what he learned, that's what he was taught, that's what he did.
24 He didn't believe that that was income to him. And the evidence
25 will show that Laura Weinland was a very strong participant out

1 there among the members in the congregation, counseling with
2 members, saving marriages. That's what the evidence will show.

3 But let's talk about these credit card expenses. Up
4 to 2004, Mr. Weinland actually tracked the personal expenses.
5 The evidence will show that he tracked what was personal. But
6 when you look at the explosive growth of the church, and you
7 remember the map that the prosecutor put up there where the
8 church was all over the world, Mr. Weinland had written books
9 for the church, he wrote these books and he gave away hundreds
10 of thousands of these books free, spreading the gospel of Jesus
11 Christ all around the world. And he didn't charge the church
12 for writing these books, he donated his time to write these
13 books.

14 He was speaking publicly representing the church to
15 news channels, news stations, television stations, anyone that
16 would listen. Mr. Weinland would go out representing the
17 church. And he was very busy building the Church of God - PKG
18 into the worldwide organization that it is today.

19 Now, should he have paid closer attention to the
20 finances of the church? You may find that, but that doesn't
21 make him a criminal. And the evidence will show that from 2004
22 through 2008, almost all of the period of time we're talking
23 about, Laura Weinland, his wife, tracked the expenses.

24 Now, why did she do that? Why did Laura Weinland
25 track the church versus personal expenses? Because Ronald

1 Weinland did what most married couples would do, he asked his
2 wife for assistance, and she provided it. And Ron Weinland
3 relied on her to do that. And the evidence will show that she
4 had a system. It may not have been a perfect system, she
5 doesn't have any formal training, she's not a tax CPA, she's a
6 loyal, devoted wife.

7 You'll also see that the IRS agrees that a lot of the
8 money that was transferred from the Church of God's account for
9 these credit card expenses was for legitimate church expenses.
10 You're going to see a lot of that, a lot of church expenses.
11 Now, some of these totals that the IRS is going to put up on
12 these charts are going to look very large to you, but the
13 evidence will show that this is a five-year total. So you have
14 to look at it on a year-by-year basis - that's what a tax case
15 is - to understand what Mr. Weinland was thinking, on a year-by-
16 year-by-year basis. So the numbers look larger than they
17 actually -- than Mr. Weinland experienced on a year-by-year
18 basis.

19 Now, the IRS agent made some mistakes in this case,
20 you're going to hear that, the proof will show. Laura Weinland
21 made some mistakes in this case. But Ron Weinland relying on
22 Laura Weinland, even if she made mistakes, the evidence will
23 show you is not a crime. In a civil case, that may well be
24 enough, but not in a criminal case.

25 Now, let's talk about the house. The government will

1 allege that a portion of the house down payment was income to
2 Ron Weinland, because the Church of God - PKG paid a portion of
3 that down payment. The Church of God - PKG, they don't have a
4 church building with a steeple, stained glass windows, and a
5 nice organ where people come in every Sunday. They don't have
6 that traditional style church building where you can have a
7 church office, where you can have elder's meetings, where you
8 can have ministers in. They just don't have that. And
9 Mr. Weinland, when he moved here to Kentucky, he had to make a
10 decision. Do I go out and buy a building for the church, do I
11 try to find commercial space to rent for the church, or do I run
12 the church office and the book processing center, which you'll
13 hear about, out of the basement of my church -- out of the
14 basement of my home? And I believe the evidence will show that
15 Mr. Weinland was being a good steward of church money when he
16 decided that he would use the basement not only for the church
17 office, but you're going to hear testimony that hundreds of
18 thousands of books that Mr. Weinland wrote for the church were
19 given away free, spreading the gospel of Jesus Christ all over
20 the world and that they had to be packaged, they had to be
21 labeled, they had to be prepared to be mailed, and that basement
22 was a perfect place for that processing. Now, you're going to
23 hear that -- the evidence will show that the book processing
24 became so large that they had to move it out to a specific
25 employee that does it now. That's how involved the processing

1 of these books would be.

2 Let's talk about the last bucket, the expenses that
3 were paid for church workers. It's very simple. The evidence
4 will show that Ron Weinland believed that it was perfectly
5 appropriate for the Church of God - PKG to pay health insurance,
6 medical bills, provide an automobile for people who worked for
7 the church, and he believed, the evidence will show, that the
8 tax law allowed it.

9 Now, where did he learn that? Where did he get that
10 idea? Well, there's only one place. The evidence will show
11 that what he learned about taxes he learned while he was a
12 pastor at the Worldwide Church of God. That's what the evidence
13 will show. That's the knowledge that was what was in
14 Mr. Weinland's head when we started the Church of God - PKG.
15 And most of the issues that we'll be talking about this week
16 fall in one of those buckets.

17 Now, let's talk about Mr. Weinland's children, because
18 the evidence will show that this was a family ministry. You
19 have Mr. Weinland preaching, traveling. You have Mrs. Weinland
20 traveling with him, supporting him, tracking the expenses the
21 best she can, and Audra Weinland started out processing books
22 and trying to prepare them for mailing and eventually became the
23 bookkeeper. You have to bear in mind factually that Audra
24 Weinland, I believe, only started in January of '07 actually
25 being the bookkeeper for the church. So from '04, '05, '06

1 Ms. Weinland -- I mean Audra Weinland I don't believe was
2 actually working as the bookkeeper.

3 Now, let's talk about Jeremy Weinland, Mr. Weinland's
4 son. He has a knack for computers. He has a knack for building
5 websites and maintaining websites. And you heard the prosecutor
6 say how effectively that the Church of God - PKG used the
7 Internet. And I would submit they were effective. They were
8 effective because of Jeremy Weinland, who designed the websites,
9 who helped keep the websites up. And the evidence will show
10 that Mr. -- that Jeremy Weinland helped translate books into
11 foreign languages so they could spread the word of Jesus Christ
12 in other languages.

13 So Jeremy Weinland and Audra Weinland, were they
14 provided things by the church? The evidence will show yes. Did
15 they provide valuable services back to the church? The evidence
16 will show yes.

17 Now, Ron Weinland learned what he learned about
18 managing the Church of God - PKG from working at the Worldwide
19 Church of God. He learned about tuition assistance programs,
20 you're going to hear some about how tuition was paid. You'll
21 hear evidence, the evidence will show that some tuition was
22 paid. But if Mr. Weinland learned it wrong at the Worldwide
23 Church of God, that doesn't make him a criminal.

24 Now, let's go back to 2008. Mr. Weinland and his
25 wife, Laura, were living every day of their life for the church,

1 growing this church into a worldwide ministry. And then in
2 2008, there's a knock on the door. It's the IRS. But it's not
3 the IRS who has the accountant notepad and the calculator and
4 the ink pens, it's not an auditor who's come to help see if you
5 owe additional taxes. No, these are criminal agents. They have
6 badges, they have guns. They're there to brand Mr. Weinland a
7 felon and punish him as a criminal.

8 And what did Mr. Weinland do when they showed up? Did
9 he send them on down the road, get off my property? No, he
10 didn't. He invited them into his home, invited them into his
11 home and answered their questions. And you know what he told
12 them? He told them about the Swiss bank account. Guess where
13 the IRS learned about the Swiss bank account? I believe the
14 evidence will show that Mr. Weinland told them about it. He had
15 already -- the evidence will show he had already told his entire
16 worldwide congregation in a sermon, he certainly wasn't hiding
17 it from the IRS. He answered their questions.

18 Now, let's talk about the 2008 tax return that was
19 filed late. When Mr. Weinland realized that people with badges
20 and guns from the IRS were after him, he hired a lawyer, and the
21 lawyer told him and the proof will show, now, Ron, don't file
22 that tax return until you do some more accounting. You need to
23 do some more accounting, you need to try to get it right. And
24 that's what he did, he tried to do some more accounting. The
25 evidence will show that when you're dealing with church expenses

1 and trying to figure out what's income, it's not cut and tried.
2 The evidence will show that.

3 So Mr. Weinland was told by his lawyer not to file his
4 2008 return until he did some more accounting, and he didn't.
5 He followed the lawyer's advice. But he didn't thumb his nose
6 at the IRS, he made sure that I think around \$25,000 had been
7 paid into the IRS as a buffer to try to make sure that money was
8 there to cover whatever ended up being due and owing. It was a
9 good-faith payment, it was a good-faith act, he was relying in
10 good faith on his lawyer. That's what the evidence will show.

11 Now, ladies and gentlemen, the government is going to
12 spend a lot of time this week trying to demonstrate that
13 Mr. Weinland owes taxes. And you may conclude that he does owe
14 additional taxes. But this case is about one thing: Did
15 Mr. Weinland have criminal intent, a black heart, and a dark
16 mind when he engaged in these transactions? This is not the
17 civil case, that will come later. And the issue is, I suspect
18 that you'll hear from the Court, is has the government proven
19 Mr. Weinland guilty of an intentional violation of a known legal
20 duty, did he do it on purpose. Was it deliberate. That is
21 going to be the question. And I believe that the evidence will
22 show that Mr. Weinland never intended to cheat anybody,
23 especially the IRS.

24 And when we close our case, we're going to ask you to
25 return a verdict of not guilty for Mr. Weinland and set him free

1 to continue doing his very important work. Thank you.

2 (Opening Statement concluded at 2:46 p.m.)

3 C E R T I F I C A T E

4 I, Cynthia A. Oakes, certify that the foregoing is a
5 correct transcript from the record of proceedings in the
6 above-entitled matter.

7

8 6/5/2012
DATE

s/CYNTHIA A. OAKES
CYNTHIA A. OAKES, RPR, RMR, CRR

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