

KWAME KILPATRICK

Witness says he heaped Kilpatrick with cash, champagne

James Rosendall Jr. testifies he bribed former Detroit mayor

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DETROIT - In an explosive day of testimony in the Kwame Kilpatrick federal corruption trial, a government witness testified Thursday that lavish gifts including a case of Cristal champagne and multiple payments as evidenced in audio and video recordings weren't enough to appease defendant Bernard Kilpatrick, who threatened to blow up a deal forged in the basement of Manoogian Mansion if he didn't get what he wanted.

Courtroom blog: Day 56 of Kilpatrick trial (<http://www.clickondetroit.com/news/Live-blog-Day-56-of-Kwame-Kilpatrick-trial/18164402>)

James Rosendall Jr. is a former executive with Houston-based Synagro Technologies, a company that primarily recycles waste sludge.

In 2009, Rosendall pleaded guilty to bribery conspiracy and ended up serving 11 months.

Rosendall testified that his dealings with Kwame Kilpatrick dated back to 2001 when he met with the then state representative at "the old green house" behind the capitol building.

The witness described handing Kilpatrick three packs of money containing \$3,400 each towards his mayoral campaign.

Rosendall further explained that at the time it seemed that Kilpatrick stood a good chance of being the next mayor of Detroit and that Synagro was interested in a city contract they wanted to take over from a company called Minergy.

Synagro wanted to buy the contract to take sewage and turn it into a glass aggregate. However, in order to be able to generate the projected \$47 million a year in revenues, the company would have to make some technological changes to the contract as well as getting a longer term on it.

Synagro's wooing of Kilpatrick included hiring a private jet to the tune of almost \$20,000 for a two day trip in September 2003 to Las Vegas to see the prize fight between Oscar De La Hoya and Shane Mosley. Rosendall testified that Kilpatrick was accompanied by aides Jim Sype, Derrick Miller, Ruth Carter and Executive Protection unit member Mike Martin on the trip. The witness described how Kilpatrick kicked one aide, Mike Tardiff, off the trip when he deemed the plane too small to accommodate his entourage.

Rosendall then testified to attending a mayoral fund-raiser that took place in the winter of 2003.

The witness said that when he spoke to the mayor at the party, Kilpatrick indicated to him that there was someone he very much needed to meet. according to Rosendall, Kilpatrick then proceeded to take him to the basement of Manoogian and introduced him to his father Bernard.

"This is the guy I want you to work with on the Minergy contract," said Kilpatrick - according to Rosendall's testimony.

Bernard also encouraged Rosendall to hire on Rayford Jackson as another consultant because he worried about his own proximity to the mayor being an issue.

The witness said the fact that Kilpatrick was urging him to use his father as a point man on the deal wasn't too much of a surprise.

"There was a pay to play thing going on in the city of Detroit," said Rosendall of the rumors he had heard about doing business.

And so the money started flowing not only out of Synagro's coffers but out of Rosendall's own pockets.

The Grand Rapids businessman testified that in the period between 2006 and 2007 he wrote 6 checks out of his personal account totaling close to \$36,000.

They included 2 payments of \$5,000 to Bernard Kilpatrick, \$7,500 to the Kilpatrick Civic Fund, \$10,000 to the Kilpatrick-affiliated Generations Political Action Committee, \$5,000 for the Inaugural Committee and \$3,400, the limit on campaign contributions, to the Kilpatrick for Mayor campaign. Rosendall said he kept making payments because Bernard was leaning on him to do so and the witness didn't want to risk jeopardizing the \$1.1 billion deal.

In November 2007, the Synagro contract went to vote for city approval. The contract had to be approved by the Detroit Water and Sewerage Department (DWSD), City Council and mayor Kilpatrick. On November 20th, City Council approved the contract.

Leading up to the City Council vote, Rosendall paid Rayford Jackson for expenses that included making bribe payments in September and October 2007. One such bribe recipient was councilwoman Monica Conyers.

On November 27th, mayor Kilpatrick signed the contract for approval.

Jurors listened to an audio recording of a telephone conversation that occurred between Rosendall and Jackson that very day.

"It's done," says Jackson on the FBI-intercepted recording.

"So mayor has signed off then?" asks Rosendall.

"Yes, he already signed off. Take care of BK.," says Jackson. Rosendall testified that he took "take care of BK" to mean it was time to pay Bernard Kilpatrick.

The payment of these "success fees" was the topic of a meeting that took place on December 4th, 2007 in the Original House of Pancakes in Royal Oak. Rosendall testified that although the popular breakfast spot was packed when he arrived, he passed by waiting patrons as he was escorted to an empty table. Unbeknownst to Rosendall, the FBI had reserved the table so they could get a good recording of his meeting with Bernard and his then girlfriend Akunna Olumba.

"So I mean I can't tell them you're involved," Rosendall can be heard telling Bernard about how Synagro would be uncomfortable paying someone so close to the mayor.

The witness said they mostly talked about the breakdown of payments to Jackson, Bernard and Olumba. Rosendall that Olumba did no work on the deal and that her role was primarily to serve as a cover for Bernard. The agreed breakdown was that Jackson would get 45%, Bernard would get 45% and Olumba would get 10%. But the way Rosendall decided to pay it was to give Jackson 45% and Olumba 55%. That way, Olumba could keep her 10%, pay Bernard the rest without his being named. The amount to be split between the three would have totaled somewhere between \$7 and \$8 million said the witness.

Before leaving the restaurant, Bernard can be heard saying that he once similarly met with former Wayne County executive Ed McNamara and potential Detroit mayoral candidate Mike Duggan to carve out county deals.

US Attorney Michael Bullotta then played another recording for the jury, this time a December 20th 2007 voicemail message. Rosendall can be heard saying on his recording that he will be on vacation until January 7th.

An aggravated Bernard decided to let Rosendall know that was not acceptable: "This is BK. I'd appreciate a call today, Vacation or no mother f***ing vacation."

A worried Rosendall decided to make amends with Bernard.

The witness said he still worried about the lucrative Synagro deal going sideways so he met that same day with Bernard in the parking lot outside Kilpatrick's office. Rosendall explained they met outside despite the cold because Bernard was worried his office was being bugged.

Obviously, Kilpatrick was unaware that the FBI had a camera on him in the parking lot. A video was played showing Rosendall grabbing his gift for Bernard, a case of Cristal champagne worth a couple of thousand dollars, out of his white SUV and carrying it to the back of Bernard's black Escalade.

Rosendall testified that Bernard appeared frustrated and complained that he needed to buy his grandchildren Christmas gifts. Also seen on the video is Rosendall going back to his car and grabbing something out of the center console. The witness testified that he took \$300, put it in a gum wrapper and handed it to Bernard.

On January 22nd 2008, FBI agents pulled over Rosendall as he was driving home to Grand Rapids. Overnight, the witness decided it was in his best interest to cooperate with the federal investigation.

Rosendall was wired when he arranged to meet Bernard at Southern Fires restaurant on the lower east side on January 29th 2008.

At one point, Bernard can be heard telling Rosendall, "I'll walk away but I'll blow up the house....If you steal my tv and I try and get it, I'll just blow up the house."

Rosendall testified that Bernard was saying that if he didn't get his financial agreement, he was going to blow up the deal.

Rosendall had \$2,500 in cash that the FBI had given him to pay Bernard with. The witness testified that he took out the cash, folded it and tried to hand it to Bernard but he refused saying he wanted a check.

And finally, the courtroom watched a recorded encounter on March 5th 2008 that took place between Rosendall and Bernard outside Kilpatrick's condominium complex.

Kilpatrick, wearing a King Tut sweatshirt, can be heard telling Rosendall he "was pissed the other day" when Rosendall tried to hand him \$2,500 in cash.

"I don't know why you do sh#\$ like that...You know I don't want anybody seeing me taking money," says Kilpatrick in the video. "I mean we're in a restaurant and you don't know if there are cameras in here."

At one point, Bernard holds up one of his hands displaying five fingers. "Why don't you do that man?" says Bernard.

And what, asked the prosecutor, did Kilpatrick mean by that.

That he wanted \$5,000 dollars monthly said the witness.

Court resumes Friday at 9AM.

About the author