

1 preparation of that waiver request?

2 A The primary work was done by Mr. Easton and Mr.  
3 Sullivan with me having oversight, and Terry -- Terry  
4 handled that with Mr. Sullivan. I handled the bidding with  
5 his doing oversight on the bidding. So I looked at the  
6 drafts and that sort of thing and reviewed the documents. I  
7 did not participate in the drafting of the documents. I  
8 wasn't there. Terry had been there. He was the best source  
9 of that.

10 So I did bidding. Terry worked with Sullivan on  
11 the draft. But I would show the final bids to Terry before  
12 we would put them in. Yes, yes, he approved. I would look  
13 at the drafts from Sullivan of the waiver request and  
14 affidavits and stuff as they came in.

15 Q These were faxes of drafts that were coming in  
16 from Mr. Sullivan in Washington?

17 A Yes.

18 Q And what was important to you for that waiver  
19 request to say?

20 A That the problem was at the PCS 2000 end and that  
21 PCS 2000 did not blame the FCC or its computer system.

22 Q What was your speculation as to how the FCC would  
23 treat your waiver request?

1 stamp on it. I saw that.

2 So -- so all the things that she described that  
3 Mr. Easton had been doing -- and there was a considerable  
4 amount of detail which struck me as being things that were  
5 important to her from where she sat, but which certainly  
6 weren't inconsistent with anything else that I knew was  
7 going on. For example, the bidding process, well, she had  
8 never been around the bidding preparation process because  
9 Mr. Easton and I would do that in the conference room. And  
10 we might spend two or three hours doing it.

11 Q But what did she say about the bidding process?

12 A Well -- well, the -- she -- what she saw was  
13 documents being thrown in the trash can. In the course of  
14 ordinary bid preparation, it wasn't unusual to fill a trash  
15 can full of stuff. You run a scenario. Too many bumps.  
16 You run another scenario. Too much money. You run a --

17 Q Wasn't she involved in running these scenarios?

18 A No. She just did the actual bid transmission to  
19 the FCC.

20 Q Okay.

21 A The scenario preparation was done by Mr. Easton  
22 and myself in a different room. So what I'm saying is she  
23 wasn't familiar with that process. So when she says to me,

1 Mr. Easton is filling the trash can with documents, I think,  
2 yes, happens all the time. When she says he took my binder,  
3 well, the binder was back there when I did the bid Tuesday  
4 morning -- or Wednesday morning because when you're through  
5 with the bidding, you take the papers and you put them in  
6 the binder. So --

7 Q Did -- did the binder have Tuesday's bid in it  
8 when you were there Wednesday?

9 A It had Tuesday material in it.

10 Q Did you look at it?

11 A I glanced at it.

12 Q Did you see what the bid was for --

13 A Well, that showed a bid of 18, not 180.

14 Q Okay.

15 A That's what it showed. But the fact that Mr.  
16 Easton moved the binder -- and I thought, all right, if I  
17 were in Mr. Easton's position, I would be looking high and  
18 low for everything that there was. So did he grab the  
19 binder? Yes. Did he put it back? It sure looked like it  
20 to me.

21 So nothing inconsistent with the normal sort of  
22 practice in terms of stuffing it in trash cans and certainly  
23 nothing inconsistent with what I knew as -- as a result of

1 the preparation of the waiver request. The waiver request  
2 had in it that Mr. Easton had gone back to his office to do  
3 some more work on the computer, on the bidding stuff. So  
4 nothing inconsistent; not red lights flashing from what she  
5 was saying. That's what I'm saying.

6 Q What about her concern for Mr. Easton blaming her  
7 for being responsible?

8 A Well, she was concerned. The same thing as when I  
9 heard -- heard it from Ronit. Everyone blaming everyone.  
10 The important thing was that PCS 2000 had accepted  
11 responsibility for the error and wasn't pointing a finger at  
12 the FCC and blaming the FCC. That was the important thing.

13 Q Did she say that Terry Easton had filed false  
14 documents with the FCC?

15 A No.

16 Q Did she say that he had filed documents that  
17 weren't accurate?

18 A I don't have that recollection. That would have  
19 triggered something. If she had said -- if she had said I  
20 have documents; if she had said I filed an affidavit with  
21 the FCC; if she said anything of that sort, well, what would  
22 I have done. The least I would have done was call Mike  
23 Sullivan. Now, maybe at that hour he wasn't there.

1           Now, would I have marched her into the executive  
2 committee meeting? I would have taken action. That's the  
3 point. No, she did not demonstrate anything that required  
4 action. Had I now known from, you know, all the other  
5 depositions and stuff in this case that she was going out of  
6 her way not to get me to go into that conference room --

7           Q     She was trying to get you not to go into the  
8 conference room?

9           A     That's what I understand.

10          Q     I don't -- what do you mean?

11          A     I now know that she was very concerned about  
12 getting her final paycheck and being able to cash it. I now  
13 know that she was afraid that if I marched into that  
14 conference room and confronted Mr. Easton with anything at  
15 all, that she was concerned that Mr. Easton would stop  
16 payment on her check. I now know that she didn't want to  
17 say anything to me that would cause me to confront Mr.  
18 Easton and I now understand why there's the confusion over  
19 that meeting.

20          Q     Did you believe what she was saying to be true?

21          A     What she was saying to be true, yes.

22          Q     Yes.

23          A     Yes.

1 Q You had no reason to doubt the voracity?

2 A No. It's just that she had a different  
3 perception. She hadn't been in the office since Monday.  
4 She didn't know what had been disclosed and reported by Mr.  
5 Easton to Mr. Sullivan. She didn't know what was in the  
6 waiver request.

7 Q Did it raise any suspicions with you that there  
8 was -- that she had knowledge that you didn't have --

9 A No.

10 Q -- about the events of that day?

11 A There was nothing -- there was nothing that was  
12 not inconsistent with what I already knew. There was  
13 nothing new or different. Well, a different perception,  
14 putting things in the trash can. But with my own experience  
15 with doing the bidding, that happened all the time. That  
16 wasn't unusual. As a matter of fact --

17 Q Did you talk about --

18 A -- you would put it in the trash can and you would  
19 pull out and you would retrieve and that's standard stuff.

20 Q When she said he took the binder, did she say the  
21 binder would show that there should be an 18 million dollar  
22 bid --

23 A No.

1           A     I don't know.

2           Q     Then you're -- are you saying that you didn't have  
3 any sense that what Cynthia Hamilton was telling you that  
4 day involved illegal activity by Mr. Easton?

5           A     That's correct.

6           Q     Did you say that it did not raise any suspicions  
7 with you that there was more information that you did not  
8 know that she knew?

9           A     It did not raise suspicions. It was -- it was all  
10 within the gamut of everything that we had discovered during  
11 that week. It was not inconsistent.

12          Q     Did you feel any kind of responsibility to tell  
13 your fellow board members what Ms. Hamilton told you that  
14 day when you went back into the meeting?

15          A     No. It was nothing new.

16          Q     Did you feel any responsibility to tell them the  
17 next day at the formal board meeting?

18          A     No. The same thing. It was -- it was a secondary  
19 information from a secondary source. We had the primary  
20 information from the primary source already. We had already  
21 submitted the waiver request.

22          Q     Did there come a point in time within -- excuse  
23 me. I'll skip that for the time being. When you were at

1           A     Terry found it difficult to accept, acknowledge  
2 blame and tended to want to shift it to other people. And -  
3 - and that was -- that was commonly known in the office.

4           Q     Was that his reputation?

5           A     Yes, I guess you could say so.

6           Q     Did you say to Ms. Hamilton during your discussion  
7 on Friday afternoon, that's Terry being Terry, when she  
8 complained of what he was saying or doing about her?

9           A     Boy, I don't -- I don't put any conversation with  
10 Ms. Milstein on Friday afternoon.

11          Q     I'm sorry. Did I say Ms. Milstein? I meant Ms.  
12 Hamilton. When you --

13          A     Yes. Oh, Ms. Hamilton. Yes, yes, yes, I --- I  
14 think I did say that.

15          Q     And what did you mean by that?

16          A     Well, Terry had -- well, to use your words -- a  
17 reputation for wanting to shift the blame to someone else.

18          Q     You didn't mean it as to his dynamic personality  
19 for work and getting ideas accomplished? You meant it in a  
20 negative way?

21          A     In that particular instance, I was referring to an  
22 unfortunate character trait of Mr. Easton, yes. That's  
23 Terry being Terry.

1 Q Is there anything specific that you could cite to  
2 us as an example of that behavior?

3 A Just trying to shift the blame for the bidding  
4 error on Ms. Hamilton.

5 Q But it must have been established before that  
6 time, correct, that reputation?

7 A I'm trying to think of a specific instance.

8 Q The basis -- you know, there must have been a  
9 basis for the comment, correct, in your mind?

10 A Boy, you know, it's kind of one of those things  
11 that's in the atmosphere. If you were to ask anyone in the  
12 office what that term means, they would all come up with  
13 pretty much the same definition.

14 Q I'm just looking for something a little more  
15 concrete.

16 A Yes, yes, yes. I have to think about that.

17 Q Okay.

18 A Yes.

19 MS. POWER: Well, speaking of that, why don't we  
20 take a break for lunch. This is a good point for me. Is it  
21 for you?

22 MR. CARROCCIO: To me, now is always good for  
23 lunch.

1 say to you that late Friday afternoon of January 26th,  
2 Friday, she said that Mr. Easton took the binder. Is that  
3 correct?

4 A Yes.

5 Q And you testified that in your preparation of the  
6 bids for Wednesday, January 24th, you looked for the binder  
7 and -- or that you saw the binder, and so the binder was not  
8 missing.

9 MR. CARROCCIO: Excuse me. I don't believe he  
10 said in the preparation of the bids.

11 MS. POWER: I thought he did.

12 BY MS. POWER:

13 Q Can you reconstruct that testimony, please. And  
14 I'm not trying to trick you or catch you in anything. I'm  
15 just trying to recall what you said.

16 A In the process of doing the actual bidding on  
17 Wednesday morning, the binder was in its proper place.

18 Q Okay. And I asked you if you looked at the  
19 Norfolk bid in the binder for the day before, January 23rd.

20 A I glanced at it.

21 Q Right. And you noticed that the bid amount was  
22 how much?

23 A Eighteen million approximately.

1 Q Okay. But you had heard that the bid that you  
2 submitted to the FCC was 180 million, is that correct?

3 A That's right.

4 Q So were you not surprised to see an 18 million  
5 dollar bid instead of a 180 million dollar bid in the  
6 binder?

7 A That was part of the mystery.

8 Q You didn't at that time look for the 180 million  
9 dollar bid?

10 A I was in the process of making the bid for  
11 Wednesday's bidding. That was my job at that moment. And  
12 that's what I was doing.

13 Q Did you ask anyone later on that day where the  
14 bidding sheets that reflected 180 million dollars might be?

15 A Oh, I may have asked Mr. Easton. And he had been  
16 saying on the telephone conference call with Mr. Sullivan  
17 that he had been looking high and low everywhere for  
18 everything that he could find. So -- but that was -- that  
19 was his job to look for it. My job was to do the bidding.

20 Q Had he said in that conversation that he had  
21 destroyed any documents or discarded any documents --

22 A No.

23 Q -- relating to the bidding mistake?



BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In re Applications of	)	WT Docket No. 97-199
	)	
WESTEL SAMOA, INC.	)	File No. 00560-CW-L-96
	)	
For Broadband Block C Personal	)	
Communications Systems Facilities	)	
	)	
and	)	
	)	
WESTEL, L.P.	)	
	)	
For Broadband Block C Personal	)	File Nos. 00129-CW-L-97
Communications Systems Facilities	)	00862-CW-L-97
	)	00863-CW-L-97
	)	00864-CW-L-97
	)	00865-CW-L-97
	)	00866-CW-L-97
	)	

Deposition of:

ANTHONY TERRY EASTON

a witness of lawful age, taken on behalf of the Plaintiff,  
pursuant to notice, in the offices of the Federal  
Communications Commission, Room 5204, 2025 M Street, N.W.,  
Washington, D.C., on Tuesday, December 9, 1997, at  
9:35 a.m., before Peter Shonerd, Notary Public in and for  
the District of Columbia, when were present:

1 oral, and obviously the court reporter can't take a nodding  
2 of the head or a shaking of the head. And if you ever do  
3 not understand a question, just ask me to repeat it or to  
4 rephrase it, and I will do so. And if at any point you  
5 would like to break, just let us know, and we'll be happy to  
6 take a break.

7 First, I'd like you to describe for me your  
8 educational background.

9 A I have a bachelor's of engineering science from  
10 Johns Hopkins University and a master's of science from the  
11 American University.

12 Q Do you know a Quentin Breen?

13 A I do.

14 Q How long have you known Mr. Breen?

15 A Since approximately 1974-'75, that time frame.

16 Q How did you meet Mr. Breen?

17 A I was doing consulting work for a company in  
18 Southern California, and his law firm was doing legal work  
19 for the same firm.

20 Q Did there come a time where you and Mr. Breen  
21 entered into any business arrangements together?

22 A Yes. I believe sometime in 1977-'78, that time  
23 frame, the late-seventies.

1           Q     Did you contact him more than once that day  
2 regarding the bidding error?

3           A     I believe I contacted him -- we talked, I think,  
4 several times.

5           Q     Can you recall approximately at what time you  
6 called him for the first time?

7           A     I'm not sure whether I called him or he called me,  
8 but I think the first time we talked was -- I think it was  
9 early afternoon. I'm not certain of that, but I believe  
10 that's correct.

11          Q     Can you recall approximately how long that phone  
12 call lasted?

13          A     No, sir. Probably -- I'd be guessing, but I'll  
14 take a guess, if you like -- probably five minutes,  
15 something like that. The road system between Oregon and San  
16 Francisco through the mountains does not have very good  
17 cellular service, or at least it didn't at that point. So  
18 it was usually pretty difficult to maintain a call for more  
19 than a few minutes, if at all.

20          Q     What did you tell Mr. Breen about the bidding  
21 error?

22          A     That an error had occurred, that we were trying to  
23 figure out what the problem was, and I believe I had also

1 said -- I'm not sure if in that conversation I said, but  
2 probably, that we had sent some materials to the FCC  
3 Computer Center, the contract computer people, to try to  
4 figure out, unravel where the problem was. And I told him I  
5 think that I had also contacted Michael Sullivan and asked  
6 him to contact the Commission. I think actually I talked to  
7 Michael at length later in the day, and perhaps I reached  
8 him for just a short time. I'm not sure quite of the timing  
9 because I had another conversation, I believe, with Mr.  
10 Breen later in the afternoon.

11 Q How long after the discovery of the bidding error  
12 did you contact Mr. Breen?

13 A How long after were we successful in reaching Mr.  
14 Breen? I don't know, but some time passed, because he  
15 wasn't able to be reached easily. I don't think that we  
16 reached him. I know that he called us the first time. I  
17 don't think we were able to reach him in the mountains.

18 Q Not to characterize your testimony, but just to be  
19 sure I understand, --

20 A Yes, sir.

21 Q -- is it your testimony, then, that you attempted  
22 to contact Mr. Breen but were unable to reach him prior to  
23 actually speaking to him?

1           A     Yes, sir.

2           Q     Now, you stated that you told him that an error  
3 had occurred. To the best of your recollection, what  
4 specifically did you tell him?

5           A     I think I indicated what I just said. That was  
6 the nature of the conversation.

7           Q     Well, I mean, more specific than the nature of the  
8 conversation, if you can recall.

9           A     I think I've exhausted my description on that, the  
10 conversation. I said what I had just indicated to you that  
11 I said.

12          Q     Did you give him any theory as to how the error  
13 occurred?

14          A     I don't think I said anything about theories at  
15 that point. It was too new. I was still trying to collect  
16 data to try to analyze what had happened.

17          Q     You stated you may have told him that you sent  
18 some materials to the FCC. Did you tell him what the nature  
19 of these materials was?

20          A     I think that I said to him that I had what I  
21 thought was the best reconstruction of what the bid actually  
22 was that I faxed to the Commission, or actually it wasn't --  
23 I didn't fax it; it was faxed by one of our temps, but it

1 didn't go to the Commission; it went to the FCC Computer  
2 Center, and I told him that I had sent the computer people.

3 Q What do you mean by "the best reconstruction"?

4 A Well, I sent a copy of a screen snapshot that was  
5 on my computer.

6 Q Did Mr. Breen ask about what you had sent to the  
7 FCC?

8 A Not at that point. I think it was fairly hard to  
9 hear in that conversation.

10 Q Did you discuss with Mr. Breen the significance of  
11 the bidding error?

12 A No, not in that conversation, no, sir.

13 Q Do you believe Mr. Breen was aware of the  
14 significance of the bidding error?

15 A I can't put myself into Mr. Breen's thoughts. It  
16 would just be conjecture.

17 MR. WEBER: Can I have this marked as Easton  
18 Exhibit 2. And for the record it's a three-page document  
19 with Bates numbers at the bottom 2-00471 through 473. And I  
20 will tell you this is a document that the Bureau received  
21 from subpoenas sent out earlier in the year, or actually  
22 last year, on PCS 2000, and these are Mr. Breen's cellular  
23 phone records.

1 (Easton Exhibit 2 was marked  
2 for identification.)

3 THE WITNESS: Thank you. I've never seen this  
4 document before, so I'd like to take a look.

5 MR. WEBER: Yeah. You can take a moment and look  
6 at it.

7 BY MR. WEBER:

8 Q Are you ready?

9 A Yes, sir.

10 Q Is the phone number, 800-684-5544, a number you  
11 recognize?

12 A It is.

13 Q And is that a phone number from the San Mateo  
14 Group offices?

15 A Yes, sir.

16 Q I'd like you to look down in the white section for  
17 calls in Eureka, California under "123," there is a 12:40  
18 p.m. call from that number, from that 800 phone number.

19 A Yes, sir.

20 Q And to your understanding, does that reflect a  
21 call that you placed to Mr. Breen at 12:40 p.m.?

22 A No, sir.

23 Q What does that call reflect?

1           A     A call that Mr. Breen placed to the San Mateo  
2 Group, an inbound call to our 800 number.

3           Q     All right. Thank you. And, to the best of your  
4 knowledge, that was the first time you spoke to Mr. Breen.

5           A     Yes, sir. That's in the early afternoon, and  
6 that's consistent with my memory.

7           Q     And then if you look above that under the calls  
8 made from Reading, California, there is a 123 call made at  
9 2:46 p.m. made to that same 800 telephone number.

10          A     Yes, sir.

11          Q     And that was 16 minutes long.

12          A     It's printed 16 minutes, yes, sir.

13          Q     To the best of your recollection, did Mr. Breen  
14 then call back around 2:46 p.m. and speak to you for 16  
15 minutes?

16          A     He called back in the afternoon. I don't know if  
17 it was at two-forty-six, but sometime in the afternoon he  
18 called back. I think I had two conversations with Mr.  
19 Breen.

20          Q     To the best of your recollection, what was the  
21 topic of conversation for the second phone call?

22          A     I think he was trying to schedule when we would  
23 get together to be able to review everything, to set up a

1 conference call with our attorneys, etcetera.

2 Q And you believe that took 16 minutes to make that  
3 schedule.

4 A No, sir. I don't think that's the call I had.  
5 There is a third call, or is there?

6 Q Actually, a third call to that 800 number was made  
7 on the 17th.

8 A He may have talked to someone prior to speaking  
9 with me or someone after speaking with me. I think he was  
10 making reservations. I don't know where. The call was not  
11 that long. I don't recall having a detailed conversation  
12 with him.

13 Q Do you recall if he inquired of any more details  
14 about the bidding error at that time?

15 A No, sir.

16 Q Maybe the question was unclear. No, sir, he did  
17 not inquiry of any more details of those; or, no, sir, you  
18 do not recall.

19 A I don't recall there being any substantive  
20 conversations about the bidding at that point.

21 Q In either of those two phone calls did you tell  
22 him that it's the FCC's fault for the bidding error?

23 A Absolutely not.

1 phone call ended, immediately after it ended?

2 A Probably five minutes, something like that, five  
3 minutes.

4 Q I want to jump back to the Unicom board of  
5 directors meeting on January 27th.

6 A Yes, sir.

7 THE WITNESS: Would you mind terribly if I just  
8 took another 30-second break to get some more water?

9 (Whereupon, at 11:06 a.m., a brief recess was  
10 taken.)

11 MR. WEBER: We were just about to talk about the  
12 Unicom board of directors meeting on January 27. I'll have  
13 the court reporter mark this as Easton Exhibit 3, and I'll  
14 give you a moment to look through this. For the record,  
15 it's an 18-page document titled "Minutes of the Meeting of  
16 the Board of Directors of Unicom, January 27, 1996."

17 (Easton Exhibit 3 was marked  
18 for identification.)

19 THE WITNESS: Okay.

20 BY MR. WEBER:

21 Q Okay. I'd just like to ask you first if you have  
22 ever seen this document before.

23 A I don't think I've seen this document. I think I

1 saw a -- maybe it was a preliminary or a draft or something.  
2 I don't recall seeing this document.

3 Q Therefore, you're not in a position to state  
4 whether or not this accurately reflects what transpired at  
5 that board meeting?

6 A Well, I need to read it.

7 MR. WEBER: If you would like to take the time to  
8 do so, that's fine.

9 THE WITNESS: Okay. Let me take two minutes.

10 BY MR. WEBER:

11 Q Okay. Mr. Easton, I know you've only had a minute  
12 to look at these, and this is from a board meeting almost  
13 two years ago; but, to the best of your recollection, do  
14 these minutes accurately reflect what transpired in that  
15 meeting?

16 A I think the overall sense of the meeting is  
17 conveyed here, yes, sir.

18 Q Was this a regularly scheduled board meeting, or  
19 was this called as a special board meeting?

20 A I thought it was a regularly scheduled board  
21 meeting. I think there was some meeting scheduled for that  
22 Saturday. I don't know whether it was a special board  
23 meeting or a regular meeting, but there was, I believe, a

1 she had resigned.

2 Q Can you recall if you informed Mr. Breen of the  
3 fact that she resigned?

4 A I think it was general knowledge at that point.

5 Q Did Mr. Breen inquiry as to why she may have  
6 resigned?

7 A I don't know.

8 Q Or did he ask you?

9 A For me? No.

10 Q Did he seem concerned about her resignation?

11 A I think he was annoyed or frustrated that we'd  
12 have to find someone else to handle that process, and we'd  
13 have to rejuggle the support staff process to manage the  
14 task of entering the bids.

15 Q Did you have any discussions with Mr. Breen  
16 whether or not her resignation could be related to the  
17 bidding error?

18 A Yes.

19 Q And what was said about that?

20 A I told him that I thought that she seemed to be  
21 under an enormous amount of pressure and tension and also  
22 looked -- she looked guilty. She just had a sense about her  
23 which was -- when she left, I wasn't terribly surprised. I

1 was surprised, but I was -- so I think I shared with Mr.  
2 Breen my observation, my opinion.

3 Q And do you suppose that was on January 24th?

4 A Yes. It was 24th, probably, 24th, 25th, that time  
5 frame.

6 Q On the 26th, while the group was in the conference  
7 room, the San Mateo Group, were there discussions about how  
8 the bidding error may have occurred?

9 A Not on the 26th. It wasn't that kind of a  
10 meeting. I don't recall those conversations. It could have  
11 been when I wasn't in the room, but I don't recall any when  
12 I was present.

13 Q At any time when you were in the room did Mr.  
14 Breen raise any issues regarding whether misrepresentations  
15 may or may not have been made to the FCC?

16 A I think -- no, no. Certainly not that. First of  
17 all, this had been turned over to our counsel, and we had  
18 filed by then a withdrawal request indicating that we  
19 weren't quite sure where the problem was. It certainly was  
20 on our side, but various possible problems, and that just  
21 wasn't a topic for discussion. It was out of our hands at  
22 that point. I don't recall conversations about it.

23 MR. WEBER: I am now handing a document to the