

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA

4 v.

17 CR 548 (PAC)

5 JOSHUA ADAM SCHULTE,

Conference

6 Defendant.

7 -----x

8 New York, N.Y.  
9 May 21, 2018  
2:00 p.m.

10 Before:

11 HON. PAUL A. CROTTY

12 District Judge

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17 APPEARANCES

18  
19 GEOFFREY S. BERMAN

United States Attorney for the  
20 Southern District of New York

MATTHEW J. LAROCHE

21 SIDHARDHA KAMARAJU

Assistant United States Attorneys

22  
23 FEDERAL DEFENDERS OF NEW YORK, INC.

Attorneys for Defendant

24 BY: SABRINA SHROFF

25  
**GOVERNMENT  
EXHIBIT  
829**  
S2 17 Cr. 548 (PAC)

1 (Case called)

2 THE COURT: Good afternoon. Mr. Laroche?

3 MR. LAROCHE: Thank you, your Honor.

4 We are here at the government's request. As the Court  
5 is aware, on May 15th the government alerted the Court to a  
6 violation, a potential breach of the protective order. As the  
7 Court is aware, in September of 2017 the Court entered the  
8 protective order in this case. The basis for entering that  
9 protective order was to cover materials that, if disseminated  
10 to third parties, could jeopardize the safety of others, impede  
11 ongoing evaluations and potentially jeopardize national  
12 security.

13 The terms of the protective order included that  
14 anything marked pursuant to it could not be disclosed to anyone  
15 not connected to the defense, including the information or  
16 identities or other information within materials marked  
17 pursuant to the protective order. Also, the defendant could  
18 not keep copies of those materials pursuant to the protective  
19 order.

20 In connection with our disclosure obligations, the  
21 government has produced various search warrants and search  
22 warrant affidavits that were executed in connection with this  
23 case. It became published in several news articles on May 15th  
24 that various reporters had apparently obtained copies of those  
25 materials, of the search warrant materials, which was obviously

concerning to the government.

Since that time the government has obtained some of the defendant's prison calls. On certain of those calls it is clear that the defendant is discussing both the search warrant affidavits and the materials and information that is included

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Now, coupled with this apparent breach of the protective order by the defendant, it is particularly concerning to the government. We are simply requesting that the Court reiterate to the defendant the terms of the protective order and that this type of conduct is unacceptable from the government's view.

THE COURT: Is it clear, Mr. Laroche, whether or not the search warrants were in fact turned over to the press?

MR. LAROCHE: There are two articles, your Honor, in which the press has indicated that they had copies and reviewed copies of the warrants. With respect to the prison calls, it

1 certainly appears, based on the discussions, that they had  
2 copies or at least had been told the information within the  
3 search warrants. Again, pursuant to the protective order,  
4 disclosing information within those search warrants to folks  
5 who are not involved in the defense of this action would be a  
6 breach of the protective order.

7 THE COURT: Ms. Shroff.

8 MS. SHROFF: Your Honor, I'm loath to get into -- I  
9 don't really know if Mr. Laroche is saying that the documents  
10 were given to the press by my client. There seems to be no  
11 indication that he was the one providing the documents. I do  
12 not know the scope of how he was informed about the protective  
13 order, if he signed something about the protective order.

14 THE COURT: You have seen the protective order,  
15 haven't you?

16 MS. SHROFF: I certainly have.

17 THE COURT: You certainly have?

18 MS. SHROFF: Right, I certainly have. Your Honor,  
19 when I first heard about it --

20 THE COURT: It starts out, "Whereas, in the interests  
21 of expediting the discovery, the defendant, by his attorneys,  
22 consents to the entry of this order." It says here that Mr.  
23 Schulte has consented to the order.

24 MS. SHROFF: I have no doubt that that is what the  
25 protective order said. But I told the government the moment I

1 heard about this quote-unquote breach that I was not his  
2 counsel prior to a certain date, I did not know the scope of  
3 the explanation provided to him.

4           Honestly, your Honor, regardless of all of that, I  
5 told the government that if they wished me to reiterate  
6 something to the client, I would. I am also happy to have the  
7 Court reiterate whatever the Court deems appropriate. Short of  
8 that, I'm not really clear --

9           THE COURT: Mr. Laroche, what do you want? You just  
10 want me to reiterate the impact of the order, isn't that  
11 correct? It's scope and how it applies?

12           MR. LAROCHE: That's correct, your Honor. One other  
13 quick point. On one of the calls the defendant actually says  
14 in discussions with who we believe was a reporter that: I know  
15 that these search warrant affidavits have a protective order on  
16 them. He was clearly aware of the order itself. We think that  
17 conduct and that type of statement acknowledging that one was  
18 in place --

19           THE COURT: Other than bringing the order to Mr.  
20 Schulte's attention again, you are not asking for any further  
21 sanctions?

22           MR. LAROCHE: At this point we are not, your Honor.

23           THE COURT: You don't object to that, do you, Ms.  
24 Shroff? I don't see how you can.

25           MS. SHROFF: Not at all, your Honor. In fact, just to

1 make sure in case his prior counsel did not provide Mr. Schulte  
2 with a copy of the protective order, I will assure the Court  
3 that I will. All that would need to be remedied would be  
4 remedied. Finally, your Honor, if I'm wrong, the government  
5 can correct me, but I don't think my office was assigned at the  
6 time that this alleged conduct took place.

7 THE COURT: No, you weren't assigned until December.  
8 This took place in September. But it is part of the court  
9 file.

10 MS. SHROFF: May I have one second, your Honor?

11 THE COURT: Yes.

12 (Counsel conferred)

13 MS. SHROFF: I have no objection to the Court  
14 reiterating the confines of the protective order. If it makes  
15 the government feel any better, I'm happy to supplement that  
16 and move forward.

17 THE COURT: It is not a question of making the  
18 government feel better. It is a question of complying with the  
19 court order. We are not into feeling better here. We are into  
20 giving reasonable enforcement to the Court's order.

21 MS. SHROFF: Your Honor, I understand.

22 I checked to see where there was a place for prior  
23 counsel to have the client sign the protective order. I don't  
24 need to add further to whether or not I did what I was required  
25 to do. But going forward I'm certainly more than willing to

1 make sure that he receives the order, and I can confront to the  
2 government --

3 THE COURT: Does anybody have an extra copy of the  
4 order?

5 MR. LAROCHE: Yes, your Honor.

6 THE COURT: This is a protective order dated September  
7 18, 2017. I am going to give it to Mr. Gonzalez, who will give  
8 it to you, Ms. Shroff. There is no doubt about it that that is  
9 the order. I am directing you to call that to your client's  
10 attention. I think you should warn him that the Court is  
11 willing to enforce the order. He signed it on consent.

12 It contains various provisions, including that the  
13 material marked "USG Confidential" shall be used by the  
14 defendant and his counsel only for purposes of this action. It  
15 is not to be disseminated to third parties, which apparently it  
16 was disseminated to third parties.

17 If you want to vary the terms of the protective order,  
18 your relief is not to do it on your own, Mr. Schulte, but to  
19 have your lawyer come into court and explain why there should  
20 be a modification of the order. It provides for that in the  
21 order itself. That is the only means and method for disclosing  
22 information or using information that is subject to the  
23 protective order.

24 I take it, Mr. Laroche, that the affidavits in support  
25 of the search warrant were designated as "USG Confidential"?

1 MR. LAROCHE: Yes, your Honor.

2 MS. SHROFF: Your Honor, I will certainly do as  
3 directed by the Court. Perhaps I will go one step further and  
4 discuss with the government the possibility of having Mr.  
5 Schulte sign, because the protective order itself as of now is  
6 only signed by his prior counsel. I'm happy to take that step  
7 and move forward.

8 THE COURT: All right. That's a positive step. When  
9 will you do that?

10 MS. SHROFF: I could go to the jail tomorrow and do  
11 it. I could go tomorrow evening.

12 THE COURT: Mr. Schulte, do you understand? Yes?

13 THE DEFENDANT: I do now.

14 THE COURT: Anything else, Mr. Laroche?

15 MR. LAROCHE: No, thank you, your Honor.

16 THE COURT: Ms. Shroff?

17 MS. SHROFF: No, thank you, your Honor.

18 THE COURT: Thank you. Thank you, Mr. Schulte.

19 (Adjourned)

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