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INTERVIEW OF:
FRED COSTELLO

DATE TAKEN: FEBRUARY 17, 2014

TIME: 1:10 P.M. - 1:25 P.M.

PLACE: KANEY & OLIVARI, P.L.
55 SETON TRAIL
ORMOND BEACH, FLORIDA 32176

1 APPEARANCES:

2 JONATHAN KANEY, ESQUIRE

Kaney & Olivari, P.L.

3 55 Seton Trail

Ormond Beach, Florida 32176

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1 THEREUPON,

2 FRED COSTELLO,

3 was called as a witness and, having first been

4 duly sworn, testified as follows:

5 BY MR. KANEY:

6 Q. Fred, do you mind if I call you Fred?

7 A. I prefer it, obviously.

8 Q. Thank you for being here. And we should let the
9 record show that you're here voluntarily, cooperating, and
10 we appreciate that.

11 You were a candidate for congress in 2012.

12 A. Um-hum.

13 Q. Did you have occasion -- or do you know the
14 Waverly Company?

15 A. Yes.

16 Q. What -- what do you know of them?

17 A. That's an open-ended question.

18 Q. It would be objectionable if we were in court, but
19 we're not.

20 A. 2012 we did not use benches. 2010 we used
21 benches. And it was suggested by my campaign team that the
22 bus bench advertising on the west side of Volusia, where I
23 am not well known, would be a beneficial way to relatively
24 cost effectively get your face and your name in front of a
25 lot of people. And so we contacted them, and they were

1 supportive and interested in helping the campaign, and
2 offered to do some in-kind advertising. And I said, I'd
3 rather pay for it. And we paid, I believe it was roughly
4 \$10,000. We paid for about \$10,000 worth of bus bench
5 advertising, primarily on the west side, DeLand, Deltona and
6 DeBary. And it was seemingly effective. Had a lot of
7 positive comments from it. And that's, basically, what I
8 know about Waverly, other than what I've read in the paper
9 subsequent to that.

10 Q. Well, that's just what I was -- wanted to know.
11 And what did they -- they offered to do the advertising on
12 an in-kind basis?

13 A. I would not say they offered to do the
14 advertising. They offered to do some advertising. They
15 offered -- they wanted to support the campaign. And I was a
16 little bit concerned because I knew that \$500 was the limit
17 of what a business could contribute, and so I just said, you
18 know, it seems to me it would be simpler if we just paid for
19 that, and any of you that are interested, contribute to the
20 campaign. And to the best of my knowledge, none of them
21 ever did, and that's fine. But I just felt more comfortable
22 writing the check rather than worrying about who was doing
23 the in-kind. In other words, I didn't know who the
24 owners -- I didn't know how many owners there were. I
25 didn't want to worry who was able to grant in-kind and who

1 was not. Obviously, my decision turns out to have been a
2 good one, but at the time I didn't know.

3 Q. Did they explain to you how they would fund the
4 in-kind contribution?

5 A. No. Just that -- that they were involved in other
6 campaigns and that they -- people that they supported, that
7 they were happy to give some in-kind contributions to. And
8 according to Ramona (sic), they would be supportive of my
9 campaign. And Cindy Richy was my manager at the time,
10 campaign manager, and we decided that I would rather just
11 pay for it. I did not know any of the Waverly people. Some
12 other people knew them and suggested I contact them.

13 Q. Did you have the impression that the benches were
14 being -- the in-kind benches would be provided by Waverly on
15 their account?

16 A. I think so. In other words, it was not specified
17 whether it would be coming from -- Ramona (sic) Garrett is
18 the one we met with. Whether it would be coming from her
19 or -- in other words, that was not specified. It was just
20 Ramona (sic) speaking, as best I can recall, saying, we
21 support you. I don't know who the "we" meant. And would be
22 happy to provide some in-kind advertising. And I said,
23 well, I really want more than what I think you're allowed to
24 do with in-kind, so we'll just pay for it and hopefully
25 you'll make sure we get some good locations and get it done

1 quickly. You know, in other words, I'll just pay for it.
2 So I don't know who the "we" meant, whether it meant
3 multiple people or the company.

4 Q. But you were concerned about the \$500 limit?

5 A. I was aware of the \$500 limit, and I was not aware
6 how many owners there were and whether that would allow them
7 to contribute more than 500. Having been through multiple
8 campaigns, I was aware of that, and it just -- it didn't --
9 I do not remember feeling awkward or skeptical or concerned.
10 I just remember feeling, you know, I want more than 500. I
11 think the best thing to do is just pay for it, and then I
12 didn't have to worry about it.

13 Q. Have you discussed this in-kind contribution
14 arrangement with other candidates or other people in the
15 community?

16 A. Other people know that I did the bus benches. And
17 people said, oh, Fred, did you get caught up in that bus
18 bench? I said, no, I paid for my benches. That's -- that's
19 pretty much the extent of the conversations that I've had
20 with multiple people.

21 Q. If someone that you were talking to got the
22 impression from talking to you that Waverly or Ramona (sic)
23 had offered to do the campaign advertising without --
24 without complying with the \$500 limit, that is, by doing
25 something like what they ultimately did, what we know they

1 did, putting strong straw man names on the campaign reports,
2 would it surprise you that someone would have gotten the
3 impression that you had said you were aware that was the
4 offer, that they had made that kind of tender to you?

5 A. No, it would not surprise me. Because I don't
6 remember the verbiage that I've used, but, you know, after
7 the things that were in the paper, obviously you look back
8 with little different eyes than at the time. And at the
9 time, I just felt like, you know, I'd rather stay away from
10 the in-kind because I don't know who the owners are or how
11 many there are, and I want to do more than \$500 worth of
12 advertising. And, you know, election law is so specific.
13 And this, in a sense, doesn't fit, but this might give you
14 an example of why I was so careful. Do you remember the
15 height limit issue?

16 Q. Yes.

17 A. Okay. I sent out a flyer to Ormond Beach voters,
18 and I asked the city clerk, I said, what disclaimer do I
19 need to put on this flyer? You don't need to put anything.
20 You're the mayor. You have the right to send out whatever
21 you want to send out. So instead of no disclaimer, and she
22 put in writing that advice, I put this flyer, I think was
23 the word, personally paid for and sent to you by Fred and
24 Linda Costello. And I had an election complaint, and I had
25 to go to Tallahassee. It cost me about \$10,000 to defend

1 this, because it should have said, Political advertisement,
2 paid for and sent to you by Fred Costello, candidate. I was
3 not a candidate. I was not up for election. But the only
4 political disclaimer is about a candidate, it's not about
5 you paying for a flyer about a referendum.

6 So I'm very concerned about doing the right thing
7 with election law because of that experience. And so it had
8 nothing to do with concern about Waverly or concern about
9 Ramona (sic), because I knew no negative, knew no issue,
10 knew no cautionary concern at that time, other than for
11 myself. In other words, not regarding them, but just I was
12 concerned that I didn't want to get in a situation where
13 there were people that I didn't know whether they were
14 actually in authority that could, you know, give an in-kind
15 contribution or not. And I didn't want to sound like I was
16 being skeptical of them, so I just said, I'll just pay for
17 it.

18 Q. When you -- when you filed the campaign finance
19 report, the who gave it, who got it -- at least that used to
20 be what we called it back in the '60s.

21 A. Sure.

22 Q. What is your understanding of the obligation a
23 candidate has in terms of the accuracy and the completeness
24 of that report?

25 A. The buck stops with the candidate. And, again,

1 that's kind of why I was concerned was because I didn't want
2 to have to know whether this person was an owner. I didn't
3 want to have to know whether -- if you've got five
4 stockholders in a company, can each one of them give you an
5 in-kind contribution. I didn't want to worry with that.
6 And I -- so I -- I mean, I don't know how else to say this.
7 The bottom line is, I was not skeptical of them at that
8 time. I was just concerned that I would do the right thing,
9 because I thought I did the right thing before and got in
10 trouble for it, or got a complaint filed, when I thought I
11 went above and beyond by saying, personally paid for and
12 sent to you by.

13 Q. Well, I would say that having to spend \$10,000
14 would qualify as being in trouble. That is trouble.

15 A. Well, and I could have not paid that, you know,
16 time off work and going to Tallahassee, and just had an
17 election complaint that was found probable cause, and then
18 that -- that, you know, fined 50 bucks or a hundred bucks or
19 whatever, but it was more important to me to clear my name.

20 Q. Sure.

21 A. And so I'm just saying, having been through that,
22 that caused me to be very skeptical of anything that I
23 didn't fully understand how it would work. I just said, I
24 don't want to go there. So I wasn't skeptical of Waverly at
25 that time. It was skeptical of something that I didn't know

1 exactly how it would work.

2 Q. But you would agree that it's on the candidate's
3 duty --

4 A. Absolutely.

5 Q. -- to be sure?

6 In other words, you weren't skeptical, but to
7 verify where those 500s comes from, you'd have to do some
8 diligence?

9 A. I would have, yes.

10 Q. I think that's the only question I have for you.

11 A. I didn't figure there was much I could tell you.

12 (WHEREUPON, the interview was concluded.)

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CERTIFICATE OF REPORTER OATH

STATE OF FLORIDA)

COUNTY OF VOLUSIA)

I, Shannon Green, Registered Professional
Reporter, the undersigned authority certify that
Fred Costello named herein personally appeared
before me and was duly sworn on the 17th day of
February, 2014.

WITNESS my hand and official seal this
23rd day of February, 2014.

Shannon Green
Registered Professional Reporter
Notary Public - State of Florida
My Commission No. EE852120
My Commission Expires 1-8-2017

1 CERTIFICATE OF REPORTER

2
3 STATE OF FLORIDA)4 COUNTY OF VOLUSIA)
5

6 I, Shannon Green, Registered Professional
7 Reporter, certify that I was authorized to and did
8 stenographically report the foregoing proceedings;
9 that a review of the transcript was requested, and
10 that the transcript is a true and complete record of
11 my stenographic notes.

12 I FURTHER CERTIFY that I am not a
13 relative, employee, attorney or counsel of any of
14 the parties, nor am I a relative or employee of any
15 of the parties' attorney or counsel connected with
16 the action, nor am I financially interested in this
17 action.

18 Dated this 23rd day of February, 2014.
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22 _____
23 Shannon Green
24 Registered Professional Reporter
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ERRATA SHEET

INTERVIEW OF: FRED COSTELLO

ERRATA

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Under penalties of perjury, I declare that I have
read the foregoing document and that the facts
in it are true.

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