



Court wrangling over Black's island trip

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CHICAGO (AP) — Media magnate Conrad Black was urged by his company to use a corporate jet to travel to the Pacific island of Bora Bora on vacation because of safety concerns, his attorneys suggested Tuesday.

Defense attorney Edward L. Greenspan brushed aside the prosecution's claim that the August 2000 flight represented an illegal siphoning off of funds belonging to Black's Hollinger International newspaper empire.

He said the audit committee of the Hollinger International board urged executives to take the company's Gulfstream 4 jet as a security measure "because of the nature of the business this company was in."

"The audit committee insisted that all flights be covered, anywhere in the world — including Bora Bora — because of security and terrorism concerns," Greenspan said.

Black, 62, and three other former executives are charged with scheming to defraud Hollinger International shareholders of \$60 million, mainly through selling off company-owned newspapers. Black and two co-defendants received millions of dollars from the buyers in return for promises that they would not compete with them.

Prosecutors say the money should have gone to the company's shareholders and not into the pockets of Hollinger executives.

Non-compete payments related to the sale of Canadian big-city daily newspapers to CanWest Global Communications Corp. in 2000 were the focus of video testimony Tuesday from Darren Sukonick, one of a number of attorneys who advised Hollinger on the sale.

Defense lawyers say CanWest asked for the payments, but prosecutors say Black wanted them added to the deal.

Sukonick said he had understood Black and another executive were the main negotiators, adding he never had spoken to former Hollinger International President F. David Radler.

"I don't recall having spoken to him or communicating with him," Sukonick said.

Black's attorneys have said Radler made most of the non-compete deals and should be held responsible for any flaws. Radler has pleaded guilty to fraud, made a deal with prosecutors and now is expected to be the government's star witness.

Black also is charged with swindling Hollinger International by using shareholder funds to pay for a Park Avenue apartment, a lavish birthday party for his wife and the trip to Bora Bora.

Defense attorneys argue Black was working constantly and thus his business life and private life were all but one in the same. As a result, most of his travel could be counted as company business, they maintain.

Prosecutors attempted to provide a different picture of the trip by reading to jurors an e-mail written by Black after he and his wife returned from Bora Bora.

"We just got back yesterday from a shambles of a trip to the South Pacific, where I came down with

bronchitis and almost drowned snorkeling as a result," the e-mail said.

It goes on to say that Black discovered the island "was in the throes of a dengue fever epidemic," shortly after arriving, and the two "spent the rest of our time there applying insect repellent and sweltering indoors."

Also Tuesday, former Hollinger International comptroller Fred Creasey took the stand for the fourth day.

He was subjected to a withering Greenspan cross examination last week in which the veteran defense attorney mercilessly painted him as a blunderer whose calculations concerning the trip were absurdly wrong.

Greenspan launched a fresh attack on Creasey's credibility Tuesday, ridiculing his accounting methods and questioning his decision to limit his definition of "U.S. travel" — paid for as a matter of policy by the company — to the continental United States, excluding Alaska and Hawaii.

"This just came out of your head? You made it up?" Greenspan asked.

"I developed it," Creasey said.

Defense attorneys have argued a major leg of the Bora Bora trip, from Seattle to Honolulu, was between a pair of American cities.

Earlier, Assistant U.S. Attorney Julie B. Ruder used a touch of ridicule of her own to discredit the defense claim that the Hollinger International should automatically pay for any travel within this country.

"Does that mean that somebody can take the plane to Disneyland because it's in the United States?" Ruder asked caustically.

Chicago-based Hollinger International once owned the Chicago Sun-Times, the Toronto-based National Post, the Daily Telegraph of London and the Jerusalem Post as well as hundreds of community newspapers across North America. All the big papers except the Sun-Times have been sold and the company has changed its name to Sun-Times Media Group.

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