UNITED STATES DISTRICT COURT EASTERN DISTRICT OF KENTUCKY CENTRAL DIVISION LEXINGTON, KENTUCKY

UNITED STATES OF AMERICA,	Lexington CriminalAction No. 15-87
Plaintiff,)
) At Lexington, Kentucky
-vs-)
) June 30, 2017
SAMUEL A. GIROD,) 10:15 a.m.
)
Defendant.)

TRANSCRIPT OF SENTENCING HEARING PROCEEDINGS BEFORE THE HONORABLE DANNY C. REEVES UNITED STATES DISTRICT JUDGE

Appearances of Counsel:

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Proceedings recorded by mechanical stenography, transcript produced by computer.

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THE COURT: All right. Thank you.

This matter is scheduled for a sentencing hearing this morning.

Before we proceed with the hearing, let me first confirm information in the report, which indicates that the probation office has provided a copy of the Presentence Investigation Report to counsel. Counsel has attempted to provide that to Mr. Girod. He's refused to accept it.

Is that correct?

MR. FOX: Yes, Your Honor. I mailed Mr. Girod copies, but also took copies to the Fayette County

Detention Center, had a conversation with Mr. Girod,

and he indicated that he did not wish to review the document.

THE COURT: All right. And the report also indicates through an addendum that the probation officer responsible for preparing the report also attempted to deliver a copy to Mr. Girod and attempted to review it with him, and he refused that review as well.

Is that correct, Mr. Girod?

DEFENDANT GIROD: It was done, yes.

THE COURT: All right. The Court is obligated to ensure that the defendant had the opportunity to review the report but can't force him to do so.

There are no objections that have been filed to the presentence report; and, therefore, I will adopt the findings that are contained in the report, as well as the guideline calculations.

I will review those with the parties in just a moment.

Before I do so let me remind counsel and Mr. Girod if there are any additional factors that you would like to call to my attention that are relevant to sentencing under Title 18, Section 3553, of course, you may to do so during allocution in the case.

And, Mr. Girod, if you'd like for me to explain what some of those factors are that I have to consider in sentencing, I will certainly do so upon request.

Turning to the report itself, the offense level calculation, the defendant proceeded to trial and was convicted by a jury of 13 separate counts. The presentence report groups those counts of conviction into -- into five separate groups.

The first group includes Count 3 and Counts 4 through 11.

And Count 3 is the failure to register with the FDA in violation of Title 21, Section 331(p).

And Counts 4 through 11 are causing misbranded drugs to be introduced in interstate commerce in

violation of Title 21, Section 331(a).

The base offense level is a level 6. There's a 12-level increase based upon the loss amount as set forth in paragraph 34.

There's also an increase of two levels based upon the number of victims, and a two-level increase because the offense involved a violation of a prior specific injunction, and that's the injunction that was issued by the United States District Court for the Western District of Missouri in September of 2013.

And then finally a two-level -- I'm sorry, there's also a two-level increase for a sophisticated means, and a two-level increase for obstruction of justice.

As to the sophisticated means enhancement, the factual basis is outlined in paragraph 23.

And for the obstruction of justice enhancement, it's outlined in paragraph 29.

That results in an adjusted offense level of 26.

The second group is referred to as count group 2, includes only one count, and that is the first count for conspiracy to impede an officer of the United States in violation of Title 18 of the United States Code, Section 372.

The base offense level for that count is a 1 2 level 10. 3 There's a two-level increase for obstruction that results in an adjusted offense level of 12 for that 4 5 count and for that group. 6 The third group of counts includes just 7 Count 2, and the base offense level is level 14. 8 There's a two-level increase, and that results 9 in an adjusted offense level of 16. 10 For the fourth group, that consists of Count 12, which is tampering with a witness. It's in 11 violation of Title 18, Section 1512(b)(2)(A). 12 The base offense level is a level 20, and 13 there's a two-level increase for obstruction for an 14 adjusted offense level of 22. 15 16 And then finally the fifth group consists of Count 13, which is the defendant's failure to appear in 17 violation of Title 18, Section 3146. 18 19 The base offense level is six. There is the --20 there's a nine-level increase as set forth in 21 paragraph 65, and that results in an adjusted offense 22 level 15. 23 All of those groups are then combined together. The Court considers the more serious of those groups, 24 which would be the first group. It has the highest

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offense level of 26, and that results in a total offense level in the case being 26.

That's then used to calculate the guideline range in the case.

The defendant does not have any criminal history points. He's in Criminal History Category I as reflected in paragraph 78.

The fine range in the case, as set forth in paragraph 106, is a range of 25,000 to \$250,000.

And there's also a special assessment of \$100 per count, for a total of \$1,300 for the assessment, as reflected in paragraph 105.

Finally, there is a restitution that's outlined in the report. The total amount of restitution is \$14,239.08, and the chart reflecting individual amounts of restitution for individual victims in the case is in paragraph 27.

And those are the relevant guidelines that have been adopted, together with the findings in the report and the addendum to the report.

I believe there are no counts to be dismissed, but this was a conviction of a superseding indictment.

Is the United States moving to dismiss the original indictment at this time?

MS. SMITH: Yes, Your Honor.

1 THE COURT: That motion will be sustained, and 2 those counts will be dismissed effective upon entry of 3 the judgment in the case. And if there are no other motions to be taken up, we will proceed with allocution in the case. 5 6 Mr. Girod, at this time if you'd like -- wait 7 just a moment. We've got a disruption in the courtroom. 8 Mr. Girod, at this time if you'd like to make a 9 statement to the Court with respect to appropriate 10 punishment for the counts of conviction, you can do so. If you'd like, I can go through some of the factors that 11 are considered in imposing a sentence. 12 13 The guideline range -- and let me -- let me 14 mention one other thing about the guideline range in the 15 case. 16 In this particular case the guideline range for the 13 counts of conviction based upon that higher total 17 18 offense level of 26 is a range of 63 to 78 months 19 incarceration. That's the guideline range. That's a 20 starting point. 21 There's also a guideline range that's set out 22 for the period of supervised release in the case. 23 For Counts 1 and 2 it's a range of one to three

For Counts 3 through 11 it's one year.

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years.

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For Counts 12 and 13 it's one to three years. So that's the range for supervision.

And the fine range in the case is a range of 25,000 to \$250,000.

Again, those are the ranges, but the Court also considers a number of statutory factors, and they include the need for the sentence to reflect the nature and circumstances of the offense, the history and characteristics of the defendant, the need for the sentence to reflect the seriousness of the offense, the need to promote respect for the law, also to provide just punishment for the offense, to afford deterrence to future criminal conduct, and that would be both specific and general deterrence, the need to protect the public from any future crimes of the defendant, the need to provide needed educational or vocational training, medical care, or other corrective treatment, also the kinds of sentences that are available to the Court, the sentencing range that I've just gone through with you, any pertinent policy statements, and the need to avoid unwarranted sentencing disparities among defendants with similar records who've been found quilty of similar conduct, and then finally the need to provide restitution to any victims.

Now, those are some of the factors that the

obstruction of justice, his selling products to over

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30 different distributors, stores, and customers, his failure to obey a federal injunction, the means he took to evade detection, and an enhancement for the amount of money that we know he made from selling these products.

So given that the range really includes all of those factors, the United States believes a guideline sentence is appropriate.

The factors the United States is focused on are outlined in the memo but really just punishment for the offense, reflecting the seriousness of the offense, and the need here to promote respect for the law.

His range also reflects the fact that he has not accepted responsibility for this conduct, and at the end of the day that is why we're here. It's not about some government actor. It's about the defendant's choices.

And he's -- he's always been the one with the power to keep us from being here, and his filings in this case reflect a determination not to accept responsibility for his actions.

And this latest argument, the sovereign citizen arguments, are the same thing.

And I think it's important to note that he really has no acknowledgment of what he's done and how his choices have led us to this point.

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I'd also like to remind Your Honor in that context of some testimony from trial, and that was from the two consumer safety officers who had been dealing with the defendant before the injunction, and they testified that they told him when they first met with him in 2012 that if he had stopped distributing the pamphlets with these products, if he'd stop making the claims that were causing all these problems, he would drop to the bottom of the FDA's priority list.

THE COURT: Well, their inspections they go back even prior to that date, prior to 2012.

MS. SMITH: That's correct, Your Honor. He -and that was in the trial that he'd been dealing with the FDA for more than a decade before that.

But the fact that the FDA told him that really in very simple terms what was problematic about his conduct and that he chose to keep doing this is of significance.

And then the FDA got a federal injunction, 20 | which we also heard at trial, is the most extreme thing the FDA usually ever gets to stop this kind of conduct. Get a court order from a Federal Judge is no small feat, and the fact that the defendant chose not to listen to that is really what started the criminal case and is at the core of his conduct.

So for the reasons I mentioned in the memo and today, a guideline sentence is appropriate.

I note that his conviction for failure to appear does give this Court a basis for an upward departure under the application note to 2J1.6.

THE COURT: Doesn't the statute indicate it should run consecutive to any other sentence in the case?

MS. SMITH: The statute does indicate that. I understand the sentencing guideline note indicates it's grouped with the underlying conduct because of the obstruction of justice enhancement, but I think the range, because it includes those enhancements, adequately addresses the defendant's conduct, and a sentence in that range would be greater -- would be sufficient but not greater than necessary.

Obviously, the PSR also notes the defendant's family life and lack of criminal history, which I know Your Honor is aware of.

And then, as mentioned in the memo, we also seek a fine and a term of supervision that would also include requirement that he comply with the Food Drug & Cosmetic Act, and any Court orders should they be extended.

And that's really important because the government has spent a lot of time on this case, and I

would hate to have Mr. Girod be released and have us be 2 back in here for the same conduct when there has been 3 very clear message that this is not going to stand, and there's no loophole for him to keep doing what he's 4 5 doing. Thank you, Your Honor. 6 7 THE COURT: All right. Thank you. 8 And, Mr. Girod, you stand on your prior comments that you contest jurisdiction of the Court; 10 correct? 11 DEFENDANT GIROD: I do not consent, and I will 12 Inot waive. I do not waive immunity to this Court. 13 THE COURT: All right. I understand your position. I just wanted to make sure that you were 14 15 remaining steadfast because I generally would give you a 16 chance to respond to what the government has said, but 17 your position is you're refusing to do that. 18 DEFENDANT GIROD: I do not consent to anything that was said. 19 20 THE COURT: All right. All right. 21 DEFENDANT GIROD: There's so many lies been 22 done. THE COURT: All right. Well, I do want to go 23 24 through some of the history of this case because it is 25 important to understand the sentence that will be imposed in the matter.

There have been a lot of incorrect statements that have been made in the proceeding and reported about this case.

This is not a case just simply about someone attacking a person that wants to make some salve. This is a 13-count conviction rendered by a jury.

It involves conspiracy to impede officers of the United States, obstruct the proceeding before an agency, and failure to register with the FDA. Those are the first three counts of conviction.

And as the United States properly indicates, the defendant brought these charges on himself because he has steadfastly refused to follow the law. He does not recognize any rules but his own. He's placed products in interstate commerce, the stream of commerce, and he feels like that the matter in which he manufacturers those products, although apparently in a very unsanitary condition, that that's okay.

Well, it's not okay because when you do that, when you put those products in the stream of commerce, you are required to register, and there are certain obligations that attach to that.

You are also convicted of misbranding drugs placed in interstate commerce, and the evidence in the

case establishes that after you were told about that, you were questioned by the FDA, that you did change your practice to avoid essentially being caught that results in the obstruction enhancement, but you didn't change your underlying behavior.

And then when the matter is finally brought, you do tamper with a witness. The jury convicted you of Count 12, tampering with a witness.

And then you make wild claims in the case through these filings. You've had counsel that's been -- originally was representing you, and after a falling out the Court-appointed counsel. You refused to accept counsel. You've had stand-by counsel that you've refused to use, very competent, very good counsel, but you refused to listen to anyone but yourself and whoever your followers are that are giving you advice, which has been bad advice to this point.

And so you not only engage in this conduct, but you make matters worse by just refusing to appear and abide by orders that are entered by the Court.

So this is not just an innocent fellow who's been selling something and the government is coming down on him. This is not about big pharma. This is -- this is about an individual who refuses to follow any rules but his own. He's very obstinate.

And I have been looking for a reason to impose a sentence below the guidelines in this particular case. I can't find one. The defendant hasn't provided me with any information that would result in a sentence below the guideline range, and that's unfortunate.

When I look at the factors of Title 18,

Section 3553, of course, they do include those that I

just went over with Mr. Girod.

They include the nature and circumstances of the offense. I have just gone through those. They would certainly support a guideline sentence.

His history and characteristics are mixed. He doesn't have criminal history, but as I indicated he has shown a continuous and a blatant disregard for the rule of law.

When we look at the seriousness of the offense, one could argue it's not the most serious offense, but putting these products in commerce and making representations that they cure cancer, can be pretty serious for someone that believes it, applies the product, and find out they have the kind of cancer that taking the top layer of skin is not going -- is not going to do the trick. It's going to make matters worse instead of making matters better.

It's important to impose a sentence that will

promote respect for the law, and so far this defendant has not shown any respect for the Court or for the rule of law.

And a guideline sentence would also provide just punishment for his offenses that number 13.

Deterrence is a difficult issue in this particular case because this defendant has indicated that he's just not going to follow what he's required to do --

DEFENDANT GIROD: Not true.

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THE COURT: -- whether it's by this Court or any other Court, and so there's a substantial likelihood that upon release that he will continue to engage in conduct that will in all likelihood bring him back before the Court.

Protection of the public is related to again the seriousness of the offense and the fact that this defendant refuses to comply with the requirements of the Food Drug & Cosmetic Act.

The defendant does not need educational or vocational training, medical care or other corrective treatment. That's not reflected in the presentence report.

Again, I've considered all of the guideline 24 provisions that have been raised, and those that haven't been raised. I've gone through the quidelines to

determine if there are other factors that can be taken into account. I haven't found any.

But I also consider issues of restitution and the need to avoid unwarranted sentencing disparities among defendants with similar records that have been found guilty of similar conduct.

So when I consider all of those factors, they lead me to imposition of a guideline sentence in the case. The defendant has not given me any reason to impose a sentence below the guidelines.

There's no -- not any reason to go above the guidelines in the case.

I am going to run the sentence for Count 13 consecutively to the other counts. Some of the counts have a maximum statutory term of 36 months, and so some of those will be run concurrently, but Count 13 will be run consecutively to produce a total term of incarceration of 72 months in this particular case.

So I'll announce the sentence.

It will be the sentence of the Court pursuant to the Sentencing Reform Act of 1984, as modified by the decisions in Booker and Fanfan, and I do believe the following sentence is sufficient but not greater than necessary to comply with the purposes of Title 18, Section 3553.

And, therefore, it will be the judgment of the Court that the defendant, Samuel Girod, will be committed to the custody of the Bureau of Prisons for a term -- a total term of 72 months, which will consist of 60 months on each of Counts 1, 2, and 12. Those will run concurrently.

And 36 months on each of Counts 3 through 11.

Those will run concurrently.

And 12 months on Count 13, which will run consecutively, and again that will produce a total term of 72 months.

Upon release from imprisonment, Mr. Girod will be placed upon supervised release for a term of three years, and that will be three years on Counts 1, 2, 12, and 13, to run concurrently, and one year for Count -- on Counts 3 through 11, to run concurrently, and that again will produce a total term of supervision of three years.

Within 72 hours of release from the custody of the Bureau of Prisons, the defendant shall report in person to the probation office in the district in which he is released.

While on supervised release, he must not commit another federal, state, or local crime.

He must comply with the mandatory and special conditions that will be set forth in the judgment and

1 commitment order and that have been adopted by the Court.

He must also comply with the following special conditions, and they include that he may not possess a firearm, destructive device, ammunition, or a dangerous weapon.

The drug testing condition that is ordinarily required by Title 18, Section 3553(a)(5), and 3563(a)(5) will be suspended based upon my determination that Mr. Girod does not pose a risk of substance abuse in the future.

In terms of additional special conditions, they include that he refrain from producing, manufacturing, marketing, and/or distributing any product for medicinal purposes during the term of supervision, and that's imposed pursuant to the United States Sentencing Guideline, Section 5F1.5.

He must also provide the probation office with access to any requested financial information.

He may not incur any new credit charges or open additional lines of credit without the approval of the probation office, unless he's in compliance with an installment payment schedule.

Restitution will be ordered in the amount set forth in the presentence report of \$14,239.08, to the individuals listed in the relevant provision of the

presentence report.

Any outstanding balance that's owed upon commencement of incarceration will be paid in accordance with the Federal Bureau of Prisons Inmate Financial Responsibility Program.

And then any outstanding balance that's owed upon commencement of supervision must be paid in accordance with a schedule set by subsequent orders of the Court.

I have considered the issue of a fine in the case. I understand the United States's position that a fine would be appropriate. I've determined not to impose a fine in the case. I believe it would impose an undo hardship upon the defendant's family in light of the restitution amount and in light of the amount of the special assessment that will be ordered.

The defendant will be ordered to pay to the United States a special assessment of \$100 per count of conviction for a total of \$1,300, and that will be due immediately.

And that will be the judgment of the Court.

In just a moment I will ask the clerk to advise the defendant of his rights of appeal.

Before I do that, I will inquire of the parties whether there is any objection to the sentence that has

been announced first. Any objections under United States
versus Bostic, and under that case from the Sixth Circuit
any objections not previously raised may be raised at
this time to be preserved for the record and to be
reviewed by the Court.

And then finally if the parties would like the Court to make any additional findings to support the sentence, I'll do so upon request.

Ms. Smith.

MS. SMITH: No objections, Your Honor.

Just for the record that, of course, the defendant has a constitutional right to represent himself, and those rights were -- when he decided to fire his chosen retained attorney, those rights were reviewed with him in great detail by Judge Wier and have consistently done so.

And as I understood Your Honor's remarks, that choice is not being held against him, but the content of his representation and his filings speak to his mindset.

THE COURT: That's correct.

I will note for the record that I'll direct -because he's not -- he's not represented by counsel, I
will direct the clerk to file a notice of appeal on his
behalf in the event he does not do so within 14 days, and
so he will not lose his right of appeal if for some

THE COURT: All right. Now, Mr. Girod, in just a moment, I'm going to ask the clerk to read to you your rights of appeal, and typically I would give that copy that's read to you for you to review and for you to sign indicating that, yes, it's been read to you, and you do understand it.

My supposition is that if I give you that copy that you're not going to sign it; is that correct?

DEFENDANT GIROD: I don't sign anything.

THE COURT: All right. Well, what I'm going to do is I'm going to have the clerk read this to you. I'm going to then ask you if you heard what she read to you, and then I'll give you a copy, and you can do with it whatever you want. You can keep it or you can throw it away, but I am going to ask the clerk to do that.

Madam Clerk.

THE CLERK: You're notified by this Court that you have a right to appeal your case to the Sixth Circuit Court of Appeals, which on proper appeal will review this case and determine that there has or has not been an error of law.

If you're unable to pay for the cost of the appeal, you have a right to apply for leave to appeal in forma pauperis, which means you may appeal without paying for it.

If you are without the services of an attorney 1 2 and desire to appeal, upon request the clerk of this 3 Court shall prepare and file forthwith a notice of appeal 4 on your behalf. 5 With few exceptions this notice of appeal must 6 be filed within 14 days from the date of entry of this 7 judgment. 8 If you do not have sufficient funds to employ an attorney, the Court of Appeals may appoint your present attorney, or another, to prosecute the appeal for 11 you. 12 You may request to be released on a reasonable 13 bond pending the appeal. 14 THE COURT: All right. Now, Mr. Girod, did you 15 hear those rights that were just read to you? 16 DEFENDANT GIROD: I don't consent. I'm just not going to consent on anything. I --17 18 THE COURT: All right. You don't have to. 19 DEFENDANT GIROD: -- got railroaded. 20 THE COURT: All right. The record will reflect 21 that the clerk of the Court read the advice of rights to 22 the defendant. A copy of what was read will be placed in 23 the record, and a copy, one copy, will be provided to the 24 defendant. If he wishes to keep it, he may do so. If he 25 wishes to dispose of it, he may do that as well.

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And, Mr. Girod, you do acknowledge that you
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   were given the paper from the -- you at least do
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   acknowledge that; correct?
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             DEFENDANT GIROD: I don't consent to anything.
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             THE COURT: All right.
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             DEFENDANT GIROD: I don't consent, and I will
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   not waive my --
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             THE COURT: All right. Very well.
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             DEFENDANT GIROD: -- immunity to this Court.
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             THE COURT: All right.
             DEFENDANT GIROD: From the beginning, you know,
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   with God as my witness, I, Sam, a true man of God, I
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   acknowledge all blessings by God, repent all
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   transgressions against God, and waive all claims without
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   God.
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             THE COURT: All right.
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             DEFENDANT GIROD: That's me as a live man.
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             THE COURT: All right.
             DEFENDANT GIROD: And it's not -- I'm not --
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   I'm not the defendant.
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             THE COURT: You're -- I'm sorry, you're not the
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   defendant?
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             DEFENDANT GIROD: I am not the defendant.
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             THE COURT: All right.
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             All right. Thank you.
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Are there any other matters that we need to 1 2 take up in the case on behalf of the United States? 3 MS. SMITH: No, Your Honor. 4 THE COURT: All right. 5 MR. FOX: Your Honor, one item. 6 THE COURT: Mr. Fox, yes, sir. 7 MR. FOX: I would ask on behalf of Mr. Girod 8 that the Court recommend a placement at the camp in Ashland, Kentucky. I know that you don't have the authority to direct that. I've explained that to him, 11 but we have discussed that, and he knew that I was going to ask for that designation. 13 THE COURT: All right. Let me -- I want to 14 make sure that that's his desire. 15 MR. FOX: Sure. 16 THE COURT: Mr. Girod, one of the things I can do is I can make a recommendation for placement within 17 18 the Bureau of Prisons system. It's not binding on the Bureau of Prisons. Sometimes they follow the 19 20 recommendations, sometimes they're not able to do that. If you want me to make a recommendation, I will. 21 22 DEFENDANT GIROD: I just don't want to get involved. I don't want to consent to anything because 23 I'm just really tied up.

THE COURT: All right. In that event --

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DEFENDANT GIROD: The only thing is, you know, 1 2 if -- if I could get probation at home, I'd do something 3 like that. I was wrote that, but I -- you know, I don't 4 know anything about what's going on. 5 THE COURT: All right. Mr. Fox, I've given the defendant the opportunity, and he declines. 6 7 MR. FOX: I understand. Thank you. 8 THE COURT: All right. We will be in recess. 9 (Whereupon, the Sentencing Hearing proceedings 10 concluded at 10:55 a.m.) 11 CERTIFICATE 12 I, Peggy W. Weber, certify that the foregoing is a 13 correct transcript from the record of proceedings in the 14 above-entitled matter. 15 16 July 7, 2017 s/Peggy W. Weber 17 PEGGY W. WEBER, RPR 18 19 20 21 22 23 24 25