

ARTICLE APPEARED
ON PAGE 6JACK ANDERSON'S WASHINGTON LETTER
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STRICTLY PERSONAL: EXCERPTS FROM MY DIARY

September 9 -- Received angry telephone call from famed criminal lawyer Melvin Belli in San Francisco. He's outraged over trial in Honolulu of Ronald Ray Rewald, who has been accused of criminal fraud in collapse of his investment firm. Contends firm was front for CIA operation. With snort that could be heard from coast to coast, Belli charged that judge is covering up for CIA.

A-12 Friday, September 13, 1985 The Honolulu Advertiser

Rewald secretary cries for brother

But she holds 'no bitterness toward Ron'

By Walter Wright
Advertiser Staff Writer

Ronald Rewald's personal secretary yesterday broke down and wept on the stand for her brother, Sunlin Wong, who went to prison for his role as president of Bishop Baldwin Rewald Dillingham and Wong.

Wong was sentenced to two years in federal prison after he pleaded guilty to two counts of fraud in the collapse of the company and implicated Rewald, who is on trial on 98 counts of fraud, perjury and tax evasion.

Fenlyn Kimura, now a teacher, could not stop tears when she was questioned about her feelings about her brother's plight.

After a short recess in the federal court trial, Kimura said of her brother, "I feel for him. However, he is an adult." She said she had always told her children that, when one is an adult, one is responsible for one's actions.

As for Rewald, Kimura said, "I hold no bitterness toward Ron. He has always been good to me . . . fair in every way, and I don't bear him any ill will."

Rewald's attorneys tried to suggest that Kimura was motivated to testify against Rewald by her feelings about what had happened to her brother.

Kimura testified at length about Rewald's spending to acquire and run the Hawaii Polo Club, an enterprise that cost \$28,000 a month for everything from new

grass to \$250 blazers for staff members and her own \$627-a-month Mercedes 450 SL.

Free polo tickets or club memberships were extended to celebrities including Jack Lord, Tom Selleck and Jim Nabors and to political leaders including U.S. Sens. Dan Inouye and Spark Matsunaga, Gov. George Ariyoshi, Lt. Gov. John Waihee and former Mayor Eileen Anderson, Kimura said.

She said she didn't ask questions about the rumors she had heard about CIA connections at the company because it wasn't her business. There was one two-drawer file, she said, to which only Rewald and one secretary had access and which contained papers, some of them newspaper clippings, related to the CIA.

She said those and all of the company's other files were removed from the office by Rewald's security guards the afternoon before Rewald attempted suicide in reaction to a television broadcast raising questions about his company.

Rewald admits taking money from investors under false pretenses but says he did it in the belief the CIA would reimburse him the cost of maintaining his "cover" as a wealthy businessman who used his business and social connections to gather intelligence for the CIA.

The CIA admits using the firm to "back-stop" some personnel but denies setting up or running the firm or participating in the alleged fraud.

In other developments yesterday, three more women from Rewald's past took the stand in federal court and said they received \$73,000 in checks from him.

A bench warrant for the arrest of a fourth woman, Susan McGinnis, was canceled at the last minute when her lawyer promised she would appear in court today.

U.S. District Judge Harold Fong also canceled a bench warrant for the arrest of Playboy magazine centerfold Cynthia Brooks, who is listed as one of the 400 investors who put money into Rewald's company, on her lawyer's promise she will appear in court next week.

Two of the women who testified yesterday about receiving checks from Rewald said they had "social contact" with him. A third testified to having sex with him three times.

The judge has allowed testimony about the women, despite defense objections, on grounds it may be evidence of Rewald's income and of where investors' money went.

Clothier Andy Mohan testified yesterday about Rewald's purchases of \$475 suits, \$110 slacks, \$55 shirts and a \$900 tuxedo. Another vendor said Rewald spent about \$5,000 for the massive monogrammed iron gate outside his Kalaheo Highway home.

A-8 Saturday, October 12, 1985 The Honolulu Advertiser

Undersheriff disputes Rewald connection

By Walter Wright
Advertiser Staff Writer

"Honorary Sheriff" Ronald Rewald may have spent \$10,409 to paint a Corvette for Undersheriff Frederick "Cappy" Caminos, and another \$2,000 to send him on a Maui vacation, court records indicate.

Caminos said last night he originally agreed to pay for the paint job and the actual cost of two airplane tickets to Maui.

The records, from the files of Bishop Baldwin Rewald Dillingham & Wong, surfaced during just-completed testimony in Rewald's criminal trial.

Caminos said last night he knew nothing of a \$10,409 Bishop Baldwin check to Motorcars Hawaii marked for "Fred Caminos 5/28/83."

He said the paint job was obtained for him by Calvin Gunderson, a re-

serve deputy sheriff who was Rewald's chief security man at the time.

When he picked up the car, painted two-tone silver and charcoal and with reupholstered seats, Caminos said, "I said, 'Calvin, this car looks more than the \$700 to \$1,000, and several times I tried to pay him and he refused to take the money.'"

Caminos said that it may be ethically wrong for him to receive gifts, but that he did not consider the items to be gifts because he has always been willing to pay for them. William Barntenstein, who was a partner in the auto company with Rewald, said yesterday that he remembers doing work on Caminos' Corvette and that the check may have been payment for the work.

Caminos said he also received two airplane tickets for a Maui trip from Gunderson, but believed he paid for

the rest of the trip himself. He said he tried to pay for the tickets he had asked for, but Gunderson refused to take his money.

Gunderson could not be reached late yesterday.

Gunderson testified in Rewald's trial recently about a memo indicating Gunderson asked for and received \$2,000 in Bishop Baldwin funds "Re: Kapi (sic) Caminos — One week in Maui with all accommodations fully paid plus spending money."

Caminos said he couldn't remember where he stayed on Maui, or when the trip occurred. He wouldn't identify the person who used the other ticket.

Caminos said he never got anything from Rewald, and met him only three times. Once, Caminos said, he was working as part of a Sheriff's Department detail providing security at a country club event for Lt. Gov. John

Waihee, possibly a political fundraiser. Another time, Caminos said, he received complimentary tickets to Rewald's Hawaii Polo Club.

The third time was when Rewald was sworn in as an "honorary sheriff" at Gunderson's request.

After Rewald was arrested on state theft charges following the collapse of his company in August 1983, Caminos wrote a memo to the file saying:

"All privileges, if any, of Mr. Ronald Rewald are hereby suspended from the Sheriff's Department, State of Hawaii."

Rewald never gave his badge back, Caminos said, but "Ron Rewald's name has since been removed from the list" of honorary sheriffs.

Thomas Hayes, administrator in the bankruptcy of Bishop Baldwin, said yesterday he is investigating to determine if the company can recover any funds expended in Caminos' behalf.

Court takes break in Rewald's trial

The jury in the Ronald Rewald federal fraud trial went home for a long weekend yesterday after the prosecution dropped its plan to call a half-dozen rebuttal witnesses.

Rewald was due back in California early today to visit with his family, including a new granddaughter, Amanda, born this week to Rewald's son James' wife, Patricia Kaleikini Rewald.

Rewald and the jury will return to court Wednesday to hear a day of closing arguments.

Rewald admits he got investors' money under false pretenses, but says he was acting under CIA instruction.

The CIA did use Rewald to provide backstop commercial cover for some personnel, but denies involvement in soliciting more than \$20 million from about 400 investors.

Rewald Attorneys Silent on Short Defense

By Charles Memminger
Star-Bulletin Writer

Ronald Rewald's defense attorneys walked back to their office yesterday shaking their heads and refusing to answer questions about their brief court offensive. They had just rested their case after putting only eight witnesses on the stand, compared to more than 100 by the government. The early retirement of the defense case — some 40 people had been listed as witnesses — could add more controversy to the case.

Rewald supporters have complained that court rulings by U.S. Judge Harold Fong left the defense hamstrung. Fong made numerous rulings before and during Rewald's trial, specifying what areas attorneys on both sides could delve into.

Rewald is being tried on multiple fraud and perjury charges in connection with the demise of his investment company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Judge Fong has limited the defense to bringing in only CIA evidence related to Rewald's claim that the agency set up and controlled his company and had control of investors' money.

FONG BARRED some defense witnesses from testifying and limited the testimony of others. Other defense witnesses refused to testify, fearing they are or will be the targets of future prosecution. Government attorneys have said in hearings that the investigation is continuing into the activities of Bishop, Baldwin.

Federal Public Defender Michael Levine, in a surprising move, announced Wednesday that Rewald would not testify. In a case that shapes up to Rewald's word against the government's, Rewald was considered the key defense witness.

Defense attorneys, in another surprise yesterday, did not put on the witness stand the financial analysts who had spent months going over the Bishop, Baldwin records.

Levine had hired Leonard Mednick who advertises himself as the "IRS De-basser," to investigate the tax charges facing Rewald. Levine also retained retired FBI agent Ed White, a financial expert, to help in the case. Both were hired in addition to Dirk Von Gunther, who

said the company painted a car for the money. Asked it was Caminos' Corvette, Bartenstein said, "Caminos," as far as I know."

It is "close to impossible" to check old records on the car, Bartenstein said. He doesn't know why Rewald would pay for work on Caminos' car, he said.

Caminos, who is second-in-command of the state sheriff's

had spent months reviewing Bishop, Baldwin financial records. None was called to the stand.

LEVINE SAID he did not call Mednick and White because Fong would not let them discuss the effect of an alleged \$10 million Taiwan arms deal Rewald claims was under way at the time the company collapsed.

Ted Greenberg, one of four prosecutors, argued yesterday that the defense's own witness, former consultant Capt. Edwin "Ned" Avary, said the arms deal

was a fake. Greenberg also said that if there was an arms deal, it would have nothing to do with Rewald's tax liability.

AFTER FONG'S ruling on the arms matter, the jury was called into the courtroom at 10:15 a.m. "Your honor, ladies and gentlemen of the jury," Levine said. "The defense rests."

The government rested its case today without putting on any rebuttal witnesses. Closing arguments will be heard Wednesday because Monday is a holiday and Fong has reserved Tuesday to hear other cases.

Ironically, the defense rested just when it seemed to be gaining momentum. The questioning of former CIA field office chief Jack Bardin during two days produced the only major damage to the government's case during the 10-week trial.

Through Bardin, the defense introduced CIA documents showing the CIA suggested covering stories to Rewald to help him fight an IRS investigation of companies the CIA used as "light covers."

OTHER THAN Bardin, the defense witnesses did little to bolster Rewald's argument that the CIA set up and ran his company. A brother-in-law of Rewald's said he thought Rewald worked for the CIA because Rewald had told him he did. He also said Rewald paid him \$2,000 a year to run a small Waimanalo ranch.

A Rewald receptionist said she allowed other women in the office to think she was Rewald's mistress. She also said she saw several prominent people enter the office.

Others testifying for the defense included Rewald's chauffeur and security guard and officials from the National Football League and the Federal Aviation Administration.

Rewald Firm Paid for Painting Caminos' Corvette

A Corvette owned by Under-sheriff Frederick "Cappy" Caminos got a new paint job in 1983 — apparently at the expense of Ronald Rewald's financial company.

Bishop, Baldwin, Rewald, Dillingham & Wong sent a \$10,400 check to Motorcars Hawaii in June 1983 with a notation: "For Fred Caminos 5/28/83."

William Bartenstein, who ran Motorcars Hawaii, yesterday

office, has been unavailable for comment on the matter for the past week.

The check was endorsed by Bartenstein for Corvette Enterprises Ltd., doing business as Motorcars of Hawaii. Bartenstein and Rewald were partners in the company.

A document introduced as evidence recently in the federal court trial of Rewald on fraud charges also has linked Caminos to Rewald.

A Rewald private investigator testified about a \$3,500 check he received from Bishop, Baldwin. The document says \$2,000 of the money was for "Re: Kapi Caminos — One week in Maui with all accommodations fully paid plus spending money."

It hasn't been determined whether the money went to Caminos.

Marquette officials say Rewald diplomas are fakes

By Jim Borg
Advertiser Staff Writer

The Marquette University diplomas displayed by Ronald Rewald are fakes, officials from the Wisconsin university testified yesterday.

Rewald never enrolled at Marquette but was listed on the alumni rolls after he sent in \$10 to get a card saying he was a Marquette law school graduate, the officials said.

Rewald also wrote to the university about getting Marquette-labeled cocktail napkins, balloons and posters for alumni social events here and was sent a list of Marquette alumni in Hawaii, they testified.

The contrived association with Marquette was part of the phony web of respectability Rewald wove to lure investors, prosecutors have said.

The parade of hostile witnesses continued yesterday against the former Honolulu socialite and polo enthusiast, charged with 98 counts of fraud, perjury and tax evasion in connection with the collapse in 1983 of Bishop Baldwin Rewald Dill-

ingham & Wong. The government says Rewald took in some \$22 million from investors and spent much of it on a lavish lifestyle, including sex for hire.

Rewald says the company was a cover set up by the Central Intelligence Agency, which denies any involvement.

Prosecution witnesses today are expected to include TV star Jack Lord and a former Playboy playmate.

Anthony Tortorella, an associate registrar at Marquette, said he first searched university records for Rewald's name in August 1983, when a request came in from the Securities and Exchange Commission. Neither that nor later searches turned up any sign of Rewald having attended courses, Tortorella said.

Rewald's diplomas indicate he was awarded one degree in 1963 and two, including a "Bachelor of Laws," in 1966. But Tortorella said the documents have the wrong signatures and use English instead of the Latin then traditional at Marquette. Also, in 1966 Marquette began call-

ing its law degree a "juris doctorate."

Separate records kept by Marquette's alumni liaison staff do show Rewald as having received a law degree in 1964, said Alfred Eberle Jr., executive director of Marquette's alumni relations division.

That listing came after Rewald sent in \$10 in August 1978 with a request for a card saying he was a Marquette law graduate, Eberle said. Eberle said Rewald's name was added without checking with the registrar's records, a procedure that he has since made mandatory.

Among other testimony yesterday: ● Bishop Baldwin made false claims that its books were audited by the reputable Price Waterhouse accounting firm, said Mark Klein, former partner-in-charge of the Honolulu office of Price Waterhouse Co.

● Donna Eustace said she and her husband, a chiropractor, invested their \$200,000 in retirement savings with Bishop Baldwin in June 1983 after Rewald promised them 26 percent annual interest with a "very conservative" portfolio.

Rewald told the couple \$150,000 would be insured against loss. She said the only return she received was a dividend check for \$876 that Rewald sent her a week later.

● Blanche "Tina" Cooper said she met Rewald in May 1982, had occasional sex with him after he offered to pay her rent on an apartment and eventually invested \$42,661 with him. Payment to her from Rewald for rent, furniture and other expenses were about \$3,800, written on the Bishop Baldwin account, she said.

● Mokuleia polo veteran Fred Dailey testified that he sold a horse named Sweetheart to Rewald for \$4,000 and that Rewald paid \$15,600 over the years to board from six to eight ponies at Mokuleia. Dailey said payments were made by Bishop Baldwin checks.

● Other witnesses said Rewald used Bishop Baldwin money to furnish his Kalamanaoie house with closed-circuit TVs, smoke alarms and outdoor lights and to pay for carpet and swimming pool cleaning and upholstery for his Rolls Royce.

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Sex Count Rises in Rewald Trial

Ex-Secretary Logged 29 Meetings with Defendant

By Charles Memminger
Star-Bulletin Writer

The prosecution yesterday put yet another woman on the witness stand who said she received money from Ronald Rewald after having sex with him.

Patricia Wilson, a secretary for a sporting goods operation Rewald ran, said she received \$32,000 from August 1980 to June, 1983. She said she kept a log of the money received from Rewald and put an asterisk next to the times she had sex with him. The log, which was admitted into evidence, contained 29

asterisks. Wilson said she considered the money she received "gifts."

Wilson is the fourth woman to testify in Rewald's federal fraud trial that she received money after having sex with Rewald. The government contends Rewald, although married, spent some \$280,000 on women.

Prosecutors, by putting the women on the stand, are trying to show the jury the different ways in which investors' money was spent. Some \$22 million was brought into Bishop, Baldwin, Rewald, Dillingham & Wong and none of it actually was invested,

the government says. Instead, it says Rewald spent the money to finance a life of luxury that included cars, women, ranches, polo ponies and a \$1 million house.

The prosecutors also apparently are trying to show a darker side of Rewald than the image he projected while head of what purported to be an international investment company.

Those who knew Rewald, including a former CIA field office chief, described him during trial as a family man with high morals. Rewald frequently attended church and donated

money to religious groups. The facade is gradually being dismantled by the continuing testimony of women who said they paid them to have sex with them, including one who said she had sex in one of Rewald's Royces.

During opening statements Rewald's lawyer told the jury that the women and fast-lifestyle Rewald led was in part of a CIA-financed front. Rewald's mission, his attorneys said, was to collect intelligence from highly placed foreigners. Rewald is charged with fraud, perjury and tax evasion.

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Handwriting Incident Gets Rewald Lawyers in Trouble

By Charles Memminger
Star-Bulletin Writer

U.S. Judge Harold Fong has ordered two of Ronald Rewald's attorneys to explain why they should not be held in contempt for allegedly engaging in unethical conduct during the trial.

The order stems from an incident Wednesday in which federal Public Defender Michael Levine obtained an example of a CIA agent's handwriting by having the man sign the back of a subpoena.

Levine, in reaction to Fong's order, asked that the entire three-man defense team be relieved from the case.

He charged that the defense was "under siege" by both the court and prosecutors.

"We cannot do for Mr. Rewald what needs to be done in this case," Levine said.

However, Fong denied the request. He said that Rewald is getting the best defense possible considering the security restrictions and the fact that his attorneys are provided by the government.

YESTERDAY MORNING'S events were triggered by the previous day's cross-examination of John Mason, a career CIA officer who now works on contract with the agency.

Upon leaving court on Wednesday, Mason was approached by Levine's investigator and served with a subpoena to testify as a defense witness. Mason was told to sign the subpoena to verify that he had been served.

Earlier in the day, Fong had denied Levine's request that Mason be forced to provide a signature to prove that he is who he claims to be.

Mason testified that he met Rewald in Los Angeles in 1979 in order to set up a CIA cover for another agent. Rewald told his attorneys that the man on the stand was not the same man he had met with in Los Angeles.

Despite Fong's order that Mason did not have to provide a handwriting sample, Levine directed investigator Charles Rose to get Mason to sign the subpoena. Officials from the federal court clerk's office and the U.S. Marshal's Service said recipients of subpoenas are never asked to sign their names.

LEVINE SAID HE took full responsibility for issuing the subpoena but said he did not think Fong's order precluded him from trying to get Mason's signature.

Fong said that a protective order has been issued in this case to protect the lives of



Judge Harold Fong
Denies defense request

agents and that the release of a signature could compromise security.

The judge said he believes that Levine tried "to circumvent the spirit and order of this court."

He ordered that all signatures of Mason, including any photocopies made from the subpoena, be returned to the court to be destroyed.

Deputy Federal Public Defender Brian Tamanaha also evoked the judge's ire by allegedly misrepresenting bankruptcy figures during the questioning of former CIA field office head Jack Kindschi.

Kindschi, who now lives in Madison, Wis., claims he and his mother are owed more than \$200,000 they lost when Rewald's company collapsed in 1983. Tamanaha said he had been told by bankruptcy officials that Kindschi only is owed \$10,000 and that Hazel Kindschi actually owes the bankrupt estate money.

Prosecutors argued that that was a misrepresentation designed to impeach Kindschi's credibility.

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Rewald's attorney grills Kindschi on firm's CIA ties



by Walker Wright
Advertiser Staff Writer

Ronald Rewald's attorney hammered at a key prosecution witness all day yesterday, suggesting that ex-CIA agent John Kindschi was too smart to be ignorant of Rewald's misrepresentations and that Kindschi tried to use a CIA cover opera-

train first class until it crashed, earning 70 percent on one investment and drawing pay that topped \$7,000 a month and included perquisites such as a new car and a liberal travel allowance.

But Kindschi denied that Bishop Baldwin was a CIA cover operation and insisted he believed Rewald's claims about the company and its investments to the end.

Rewald admits taking money from investors under false pretenses, but says he did it to maintain CIA cover as a wealthy businessman and invest in himself and his mother.

His own testimony and prosecution and defense documents showed Kindschi to be involved

hid behind a CIA cover to line his own pockets at Bishop Baldwin.

The money he got, Kindschi said, turned out to be his own, and far from all of what he invested for himself and his mother.

with Rewald personally and financially long before Kindschi retired from the CIA and at a time when Rewald was being used at least to provide "backstop" cover for other CIA personnel through a phony company located in Bishop Baldwin

See Attorney on A-9

to enrich himself. Kindschi admitted that he rode the Bishop Baldwin gravy

to suggest that he faced lie"

to be involved

See Attorney on A-9

Attorney grills former agent

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offices.

But Kindschi said he knew of no CIA regulation prohibiting his actions.

Two other Bishop Baldwin consultants were identified yesterday as having had some links to the CIA while on the Bishop Baldwin payroll.

Kindschi, who once stood eyeball to eyeball with the Soviets in undercover operations in Europe, testified he probably dropped his guard when he came home to America to work in the CIA's overt, public "Domestic Collections Division," ultimately running the CIA's one-man public office in Honolulu.

Kindschi admitted he was probably "premature" in accepting a free car from Rewald a few weeks before he actually retired from the CIA in July 1980.

But he said he understood the car, and draws of \$1,000 a month which he began receiving in 1980, were related to his earlier \$47,000 investment in and potential employment with another Rewald venture, Inter-Pacific Sports.

Later, the draws gave way to monthly paychecks from Bishop Baldwin itself, Kindschi said, and had reached \$4,000 a month in January 1983. That money was paid whether Kindschi did any actual work as a "consultant" or not, he acknowledged. Any actual work he did — such as rewriting a brochure and press release and drafting quarterly reports on the economy — was billed at \$80 an hour.

Deputy Federal Public Defender Brian Tamanaha confronted Kindschi with letters he'd received in which others questioned Bishop Baldwin's claim of \$150,000 insurance from the Federal Deposit Insurance Corp. (FDIC).

The FDIC in fact insures deposits only to \$100,000, and then only in banks.

But Kindschi said that despite his background as a high school economics teacher, despite his wide reading in financial journals and despite others' persistent questions, he still accepted



John Kindschi
"Here to tell you the truth"

Rewald's assertion that somehow the FDIC would bail out investors up to \$150,000 if Bishop Baldwin should ever go bankrupt.

So, he added, did a lot of other professionals who invested with and/or worked for the company.

Kindschi also said he believed Rewald's representations that the company was an old one, even though he knew it had been incorporated in what he thought was its latest incarnation only in 1978.

Although Bishop Baldwin itself was not a cover company for the CIA, Kindschi said, there were "equities" and "sources and methods" to be protected when it collapsed.

That was why he initially evaded questions from some investigators, Kindschi said.

But now, Kindschi said, "in this particular case the sources and methods have gone by the board, my secrecy oath has been waived, negated, and I am here to tell you the truth."

The CIA nevertheless is still attempting to protect some of its sources and methods which were threatened with exposure by the Rewald affair.

Hundreds of classified documents sought by the defense in

the criminal case have been ruled irrelevant by U.S. District Judge Harold Fong and many of those that have been admitted in evidence have large areas blacked out.

One of the sources has been identified as "John Doe 14," a CIA contract agent winding down his career when he joined Bishop Baldwin just three months before retiring from CIA work.

Kindschi denied on cross-examination that he had "directed" Rewald to hire John Doe 14. He acknowledged that a special set of Bishop Baldwin brochures was sent to John Doe 14, omitting Kindschi's own name as a consultant.

Those circumstances — and Rewald's own private claims — suggest that John Doe 14 is Charles Conner, the man hired as Bishop Baldwin's consultant in Sweden and a man Kindschi said he knew "socially" when Kindschi was working undercover in Sweden.

John Doe 14 is the first person mentioned so far in the case as having worked for pay for the CIA and Bishop Baldwin at the same time.

But the government says the CIA's relationship to John Doe 14 was not related to Bishop Baldwin, that the CIA did not ask Rewald to use or hire him for any CIA activity and that the CIA in fact was unaware of John Doe 14's activities for Bishop Baldwin until after it collapsed.

A CIA relationship with yet another Bishop Baldwin consultant, Capt. Edwin "Ned" Avary, was suggested by the defense in cross-examination of Kindschi yesterday.

Kindschi denied having had previous CIA-related contact with Avary, but Tamanaha produced a document purportedly showing Avary had been checked out for use by the CIA as early as March 1973.

Avary, a former Pan American World Airways pilot and an inveterate traveler in his retirement, confirmed in an interview last night that he had done "volunteer work" for the CIA, "like a hell of a lot of other people. I was what they call a walk-in," he said.

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Rewald's secretary explains logbook of checks, sex

By Walter Wright
Advertiser Staff Writer

Patricia Wilson's ledger was entered into evidence in the Ronald Rewald trial yesterday, where it stands to become one of the best-remembered documents in the case.

Wilson, a secretary formerly employed by Rewald in his Sports Hawaii company, said she kept an accounting of all of the "gifts" she received from Rewald — from \$200 on Monday, Nov. 10, 1980, to \$600 on Wednesday, June 29, 1983.

The four-page log is headed "RRR," which are Rewald's initials. The grand total, including a \$300 loan and \$1,000 in back pay, was \$32,350.

Each of the payments was by check, drawn either against Rewald's personal account or against that of Bishop Baldwin Rewald Dillingham & Wong.

There were 53 checks. There were 61 meetings with Rewald.

Next to 29 of the entries was an asterisk. The asterisk signified, Wilson testified, a time when she had sex with

Rewald. There were some entries without asterisks. There were some asterisks without checks. There were no entries without either an asterisk or a check.

The first entry showed both a check and an asterisk. So did the last, which took place a month before Rewald, his financial empire crumbling around him, checked into a Waikiki hotel and slashed his wrists.

Wilson's meticulous bookkeeping was backed up by copies of checks that the prosecution entered into evidence yesterday.

Wilson is the fourth woman to testify about payments received from Rewald at a time she was having sex with him.

Rewald's attorneys battled in vain to keep mention of the women out of the trial on grounds that the "scandalous" material would be so prejudicial against Rewald, it would prevent the jury from hearing the case against him with an open mind.

U.S. District Judge Harold Fong, who counted up the asterisks in Wilson's ledger yesterday, ruled that the payments to the women were relevant.

The prosecution contends that the women are an integral part of the case against Rewald, who is charged with fraud, perjury and tax evasion in connection with the collapse of his company and the loss of investors' funds.

The 98-count indictment itself asserts that Rewald paid \$270,000 for sexual and/or social intercourse. That amorous activity is only one of the charges of extravagant expenditure of investor funds.

Rewald has claimed that his big spending was part of his "cover" as a wealthy businessman, maintained at CIA instructions so he could mingle with the rich and powerful and learn their secrets.

But most of his sexual activity took place in the privacy of an apartment. Rewald maintained at the downtown Harbor Square condominium complex.

Rewald has not denied that the sexual activity took place and his lawyers have not disputed it in cross-examination.

One of his lawyers, Deputy Public Defender Brian Tamanaha, suggested in his opening argument that Rewald's relations with a number of

women may have resulted because Rewald lost his head when living the lavish lifestyle of his "cover."

Rewald's wife, Nancy, was in court briefly during jury selection, but has not been seen there since. She and Rewald have filed a claim for damages against the government partly on grounds that government attorneys asked her if she knew about Rewald's relationships with other women and then described those relationships.

Each dollar discussed in the trial is being logged by an Internal Revenue Service accounting expert sitting in the courtroom. At the conclusion of the government's case, the expert is expected to testify that Rewald's spending proves Rewald substantially underreported his income.

Assistant U.S. Attorney Jeff Setness, a tax expert on loan from the U.S. attorney's office in Las Vegas, questioned Wilson and 10 other witnesses yesterday about Rewald's spending.

Others who testified yesterday about Rewald's purchases on Bishop Baldwin's checking account included:

● Ingrid Mormino of Center Art Gallery, who said Rewald bought

original etchings by Goya and Van Dyke for \$2,300.

● Matthew Lamin, Specialty Surfacing Co., more than \$2,500 to coat and repair Rewald's tennis court.

● Richard Blum, C.B. Marine, nearly \$4,000 for saddles and riding gear.

● Masa Chinen, Signature Inc., about \$3,500 to revise Rewald's "family crest" by adding polo ponies to it and for decals and heat transfers so the crest could be put on T-shirts.

● Gerald Brodeur, Wells Fargo Alarm Services, more than \$1,000 to install and maintain a residential alarm.

● Mark's Auto Service, \$1,672 for a new transmission for a 450 SL Mercedes Benz.

● Kenneth Higa, Monarch Sales Co., \$12,950 for two custom-made butterfly pins from Hong Kong, one of them decorated with 180 pieces of diamond, 14 pieces of emerald and 48 pieces of sapphire.

● Jan Nicotera, Holiday Jewelers, \$5,354.44 for a 1½-carat woman's diamond ring.

● William Forwood, \$4,160 for a horse named Jacob, purchased, he said, for one of Rewald's five children.

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Rewald 'arms deal' documents entered in evidence

By Walter Wright
Advertiser Staff Writer

Documents relating to alleged Ronald Rewald arms deal negotiations with an unidentified "big man" and with an "awesome but affable Lebanese gorilla" were introduced into evidence at Rewald's fraud trial yesterday.

But an FBI agent who investigated the finances of Rewald's firm said he found no evidence that any such deals were ever consummated or that they had anything to do with the CIA.

FBI agent Glenn Martin said talk of arms deals and big commissions from them were among rumors floating in the wake of the collapse of Bishop Baldwin Rewald Dillingham & Wong.

He said he didn't try to track down the possible arms deals, but suggested those leads were traced by other investigators. Martin said he did examine the company's banking records and found no evidence of arms deals.

Wayne Parsons, one of Rewald's court-appointed attorneys, battled for most of the day to introduce scores of other documents, many of them clearly containing national security information, which he suggested showed Rewald was doing more than minor cover "backstopping" for the CIA.

Rewald admits taking money from investors under false pretenses, but says he did it to maintain his cover as a wealthy businessman while spying for the CIA.

The CIA says it paid Rewald about \$2,900 to maintain telex and telephone facilities that its personnel could give as their own when masquerading as businessmen.

In closed hearings on CIA-related evidence, U.S. District Judge Harold Fong ruled before the trial that no such evidence would be admissible unless it tended to show CIA authorization or control of expenditure of Bishop Baldwin funds.

Fong barely budged from that position yesterday after another closed hearing.

He allowed the admission of two telexes from Bishop Baldwin consultant Edwin "Ned" Avary only after Parsons mentioned in front of the jury that the documents he was trying to introduce dealt with military weapons.

In one, Avary said, in part: "I hope, repeat, hope (to) finalize fantastic military order with awesome yet affable Lebanese gorilla this weekend."

In another, Avary told Rewald, "awaiting urgent details as to firmness of order from the big man here," and referred to itemization of "heavy equipment" mentioned in another communique.

Those two telexes, and other documents involving Bishop Baldwin consultant Russell Kim, indicate Kim and Avary were travelling at Bishop Baldwin expense in an effort to buy or sell weapons.

Among the documents Parsons apparently tried to introduce was a letter on Kim's stationery, addressed to Rewald, saying "monies have already been allocated" for some equipment needed by the Taiwan government.

Martin said "anybody can write down they've allocated funds for something."

Judge Fong said there are many potential arms purchasers in the world, from Shiite Moslems to Sandinistas, but "you haven't established that there were arms sales" through Bishop Baldwin.

Parsons argued that even the possibility of a sale would show that Bishop Baldwin was doing real business before it collapsed, and might have been in a position to collect income sufficient to cover its obligations to investors.

And he said the jury should see the documents so it could decide whether Martin, the government's expert witness on financial fraud, did an adequate investigation.

Another document turned down by the court appears to have been a letter from Rewald's civil attorney, Robert Smith, addressed to the CIA after the Bishop Baldwin collapse, saying there is evidence that a \$10 million commission on an arms deal is owed to Bishop Baldwin.

Avary is reported to have said shortly following the Bishop Baldwin collapse that such a commission was possible.

He could not be reached last night for comment.

Parsons argued that the fact some CIA-related documents made reference to Bishop Baldwin activities through the company's several foreign offices indicated the CIA was responsible for establishing and maintaining those offices.

But Fong ruled those documents inadmissible as well, saying "what Bishop Baldwin does that doesn't involve any money, and what Ronald Rewald does on his own time, is irrelevant."

Parsons also tried to suggest that Hawaii corporations formed by Rewald with Philippines financier Enrique Zobel and with other foreign nationals were part of a CIA project to shelter foreigners' money, as Rewald has claimed.

Using documents already in evidence dealing with possible CIA requirements for a "cover" for CIA officer Charles Richardson, Parsons asked if they didn't show the CIA was instructing Rewald to maintain a lavish lifestyle to help backstop Richardson's cover.

Martin said the documents indicated only that the CIA needed a cover involving a company that appeared to be substantial.

The Honolulu Advertiser

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A-14 Friday, October 14, 1978 The Honolulu Advertiser

Rewald jury starts its deliberations; no quick verdict seen

By Walter Wright
Honolulu Staff Writer

Amid indications it will take them at least a few days to wade through more than 2,800 exhibits and reflect on testimony from 140 witnesses, the Rewald jury went home last night after four hours of deliberations.

They must consider 98 separate charges against 43-year-old Ronald Ray Rewald, a failed businessman from Wisconsin, who after arriving here in 1978 built a flashy financial facade on other people's money.

Rewald, who once hobnobbed here on his own polo field with Air Force generals, Hawaii politicians, Arab princes, an Asian sultan, British gentry, and Philippine millionaires, could be sentenced to about 500 years in prison if convicted.

Alternate jurors who were released yesterday appeared far from unanimous in their assessment of the case. One leaned toward acquittal, one toward conviction, one declined to say, and three others made no comment.

Their reactions suggested Rewald's lawyers succeeded in planting some seeds of doubt about the CIA's relationship with Rewald.

Rewald himself left the courthouse clearly hoping to harvest an acquittal from the crop of questions in jurors' minds.

The jury must be unanimous in any verdict. A hung jury would result in a mistrial and a new trial on the charges.

Two of the alternate jurors released yesterday said they didn't think there was much more in Rewald's CIA connection than telephones, Telex and stationery, as admitted to by the CIA for maintenance of "light commercial cover."

"I don't think there's substantial evidence" that the CIA directed Rewald to spend investors' money as Rewald claimed, said Kerry Moyer, a Maui golf club employee. "But I think there is some CIA involvement, . . . possibly a little more" than what was revealed at trial, "kind of somewhere in between what each side was saying."

Moyer said at times he felt "the whole story wasn't being presented," but said part of the reason may have been because of Judge Harold Fong's rulings that much of what the defense wanted to bring in was irrelevant. He said Fong was "impartial — you can't really question his judgment on that. If he doesn't feel its relevant, you can't deal with" what's outside the case.

The key, Moyer said, was what the law provided: whether Rewald's claim of CIA authority would excuse him from taking money from investors.

Another juror, an insurance claims clerk who asked not to be identified, said that "to be honest with you, no," she didn't think there was much to Rewald's CIA connection beyond the telephone and Telex bills, but that she had kept an open mind and was prepared to examine the CIA question closely.

The clerk also said she found the CIA witnesses to be believable, and the testimony from investors who lost money convincing.

"I woke this morning . . . and

I sort of made up my mind, but I would have given myself the opportunity to look over the exhibits," she said.

But a third alternate, a social worker, said she had "plenty questions" about the CIA and wanted to "look into the documents" because she felt "they wasn't coming out, really, with the whole thing."

The social worker said she didn't believe former CIA Honolulu office chief Jack Kindechi and was disappointed not to see other witnesses testify, including Rewald himself and his secretary, Sue Wilson.

The three alternates indicated they were not particularly scandalized by the undisputed allegations that Rewald spent more than \$250,000 on sexual and social intercourse with women.

"Everybody does it," one of the women alternates said.

The alternates agreed a verdict may be hard to reach. One said the verdict would come next week. Another said that since the prosecution and defense had taken 2½ months, there was no reason the jury shouldn't take as long.

"The others still up there have got a tough decision," said Moyer. "If they are going to look through all that, . . . they are going to have it tough."

The jury was not allowed to take notes, nor will it have a chance to review numerous charts prepared by both sides. But it took with it into the jury room carton after carton of bank records, CIA documents, canceled checks and other pieces of paper that tell the story, or much of it, of Bishop Baldwin Rewald, Dillingham & Wong.

Honolulu Star-Bulletin

Thursday, October 17, 1983 A-3

Alternate Juror Says She Would Have Acquitted Rewald

Charles Memminger
Star-Bulletin Writer

One of the alternate jurors released from the Ronald Rewald trial today said she would have voted to acquit Rewald of fraud charges.

U.S. Judge Harold Fong dismissed six alternate jurors to allow the panel of 12 regular jurors to begin deliberations after an 11-week trial.

One of the alternates was told not to talk to anyone about the case because she may yet be called on to deliberate should one of the 12 jurors have to withdraw. Of the five other alternates, only three agreed to talk to reporters.

One woman, who asked not to be identified, said she had "plenty of questions" about the CIA's involvement in Rewald's company, Bishop, Baldwin, Rewald, Dillingham & Wong.

SHE SAID SHE would have voted "not guilty" if she had voted this morning. She said, however, she would have remained open to "discussion" with other jurors.

Another woman alternate, who also asked not to be named, said she had "sort of made up my mind" but she would not say how she would have voted. She did say that she did not think Rewald's connection to the CIA was more than just providing telephone and telex backstopping, as the government said.

Kerry Moyer said he wanted to wait until the verdict is returned before he would say how he would have voted.

He said it seemed that, at times during the trial, all was not being told about the CIA involvement.

Moyer said the truth probably was "somewhere in between" what the government and the defense said.

ATTORNEYS YESTERDAY wrapped up their closing arguments with the prosecution calling Rewald a "nine-headed serpent" and the defense charging the government with a cover-up.

"Where there's a lot of smoke ... there's a fire somewhere," said Deputy Federal Public Defender Brian Tamanaha about the government's alleged attempt to minimize Rewald's connection to the CIA.

Federal Prosecutor Ted Greenberg agreed that there was smoke. But he said it was created by "a smoke machine at the defense table."

"There's so much smoke in this room it's hard to see," Greenberg said.

He then launched into a closing argument that at times seemed more like a name-calling session. He called Rewald a liar, cheater and thief who "wormed" his way into an association with the CIA. He capped it off by calling Rewald a Hydra, a nine-headed mythical beast.

That caused federal Public Defender Michael Levine to protest Greenberg's "character assassination" of Rewald.

GREENBERG called preposterous Rewald's claims that the CIA told him to set up Bishop, Baldwin, Rewald, Dillingham & Wong

to take money from citizens.

"Mr. Rewald wants you to believe your government told him to steal that money ... and to spend it," Greenberg said. He said it was ridiculous to think the government "decided we needed this bankrupt, petty criminal" to leave Wisconsin and set up a fake business in Hawaii.

Greenberg questioned why the CIA would want Rewald to spend millions of dollars on himself and family, including buying jewelry, gun collections and custom-made rugs.

He also questioned why the CIA would want Rewald to spend \$280,000 of investors' money on sexual and social favors from women.

Rewald "blames all of his crimes on the CIA," Greenberg said, yet he took money from "sick and dying" investors who trusted him.

Tamanaha, however, told the jury that the government attempted to cover up its real connections to Rewald as early as 1962. It was then that the IRS began investigating Rewald and the CIA stepped in and briefly stopped the probe.

THE CIA DEMANDED at that time that Rewald turn over all his CIA documents, Tamanaha said.

Then, aware that Rewald was taking money from investors, the CIA pulled out and allowed \$7 million more to be taken in before the eventual collapse in July 1983, Tamanaha said.

"If the CIA knew (the company was fake), why didn't they tell anybody?" Tamanaha asked the jury.

Honolulu Star-Bulletin

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Thursday, October 17, 1963 A-3

Jury Begins Deliberations in Rewald Federal Fraud Trial

By Charles Memminger
Star-Bulletin Writer

The jury in Ronald Rewald's federal fraud trial was to begin deliberations today after bearing two hours of instructions from U.S. Judge Harold Fong.

Attorneys yesterday wrapped up their closing arguments with the prosecution calling Rewald a "nine-headed serpent" and the defense charging the government with a cover-up.

"Where there's a lot of smoke . . . there's a fire somewhere," said Deputy Federal Public Defender Brian Tamanaha about the government's alleged attempt to minimize Rewald's connection to the CIA.

Federal Prosecutor Ted Greenberg agreed that there was smoke. But he said it was created by "a smoke machine at the defense table."

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GREENBERG called Rewald's claims that the CIA told him to set up Bishop, Baldwin, Rewald, Dillingham & Wong to take money from citizens preposterous.

"Mr. Rewald wants you to believe your government told him to steal that money . . . and to spend it," Greenberg said. He said it was ridiculous to think

the government "decided we needed this bankrupt, petty criminal" to leave Wisconsin and set up a fake business in Hawaii.

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He also questioned why the CIA would want Rewald to spend \$250,000 of investors' money on sexual and social favors from women.

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Then, aware that Rewald was taking money from investors, the CIA pulled out and allowed \$7 million more to be taken in before the eventual collapse in July 1963, Tamanaha said.

"If the CIA knew (the company was fake), why didn't they tell anybody?" Tamanaha asked the jury.

While saying he had no proof, Tamanaha also charged that the government created certain documents after the collapse and destroyed others. He pointed out that Rewald's CIA "contact" sheet stopped in 1961 while Rewald's association with the agency continued for another year.

"I submit to you . . . that card exists," Tamanaha said of the alleged missing card for 1962.

During the first part of the government's opening statement, Assistant U.S. Attorney John Peyton called Rewald a liar who claimed to be a CIA agent in the same way he claimed to be a professional football player.

He said Rewald began a pattern of lies in Wisconsin, long before he claimed association with the CIA.

CIA

"I got clocked going 110 mph in a '35 zone. No sweat I figured a way out of it, and what's more, I'll share.

Here's the perfect defense for anybody with a speeding ticket. Just go to court and say,

"Your honor, the CIA made me do it."

Don Paul

Honolulu Star-Bulletin

(Y)

Wednesday, October 16, 1985

Rewald CIA Defense Called 'Just One More Lie'

By Charles Memminger
Star-Bulletin Writer

Ronald Rewald's claim of being a CIA agent is just one more lie Rewald has told in order to steal millions of dollars from investors, a federal court jury was told this morning.

Assistant U.S. Attorney John Peyton described Rewald as a man who has lied to virtually everyone. The pattern of lies began long before Rewald came to Hawaii in 1978 and before he began to blame the CIA for his misfortune.

Peyton's remarks came during the government's closing argument after 11 weeks of trial. Rewald is on trial on 98 counts of fraud, perjury and tax evasion in connection with his investment scheme.

Throughout Peyton's lengthy presentations, Rewald kept his head lowered while he took notes on a yellow legal pad.

U.S. Judge Harold Fong's courtroom was packed with spectators wanting to catch the final hours of one of the state's most heavily publicized trials.

Peyton constantly reminded the jury to question Rewald's allegations that the CIA was responsible for the lies and misrepresentations Rewald made to hundreds of investors.

Peyton described how Rewald constantly changed his story about what Bishop, Baldwin, Rewald, Dillingham & Wong did and how investments were made. Rewald at times told investors a "William Dillingham" was part of the firm and later that a "Randall Dillingham" was. In fact, there never was a Dillingham, Bishop or Baldwin associated with the firm.

HE SAID REWALD lied about investments being insured by the Federal Deposit Insurance Corp., about the history of the company and about his personal background. Along with the lies, Peyton said Rewald also failed to tell investors pertinent information about himself: that he had been convicted for theft in Wisconsin, that he never actually played professional football and that he had gone bankrupt.

He said Rewald also lied about his connections to the CIA and about being directed by the CIA to set up BBRD&W.

Although Rewald claims now that the CIA provided him with fake Marquette University diplomas, Rewald had the same diplomas in Wisconsin, long before his involvement with the CIA occurred in Hawaii.

Peyton told the jury to question the defense contention that the CIA put more than \$3,000 for telex and telephone expenses into the company.

"If there is any contention that money was coming from somewhere (other than the investors), where is the evidence?" Peyton said. He said the purpose of Rewald's scheme was to make money for him to spend on himself. Of the \$21 million brought in by investors, Rewald spent \$5.5 million on himself, Peyton said.

"All of this money was spent for the CIA?" Peyton asked.

PEYTON CONCEDED that the CIA had made three "serious mistakes" in dealing with Rewald.

One was the failure to do a complete background check on Rewald when he began to provide "light cover" for the agency.

Failing in that, the CIA compounded the problem by having the CIA Honolulu field office chief Jack Kindschi write an assessment of Rewald. Instead of performing a professional check, Kindschi wrote a glowing report on Rewald, using all of the misrepresentations Rewald supplied.

The third mistake was that the

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Wednesday, October 16, 1983

Rewald Case

Continued from Page One

CIA supplied Rewald with three cover stories on how to handle his tax problems, Peyton said.

Peyton said the defense will try to use those "serious errors in judgment" to relieve Rewald of any responsibility of stealing investors' money.

Peyton said the CIA was as much a victim of Rewald as anyone else.

Brian Tamanaha, deputy federal public defender, was expected to make the closing argument for Rewald this afternoon. After that, prosecutor Ted Greenberg was to finish the government's closing remarks.

Judge Fong said the jury will hear about two hours of instructions before it begins deliberation.

None of the 18 people who sat in the jury box for more than two months knew if he or she was a juror or an alternate. After the closing arguments are completed, Judge Fong was to dismiss the six alternate jurors.

Jurors watched a number of former CIA agents take the stand and describe their association with Rewald. They saw one agent, Kindachi, break down in tears as he described how his mother lost her life savings to Rewald.

They saw former CIA office chief Jack Rardin get choked up when he described how he was reprimanded for his handling of Rewald. Rardin said it was the only "black spot" on his 30-year CIA record.

The Honolulu Advertiser ②

Today is Thursday,
Oct. 17, 1985

'Smoky' Rewald case going to jurors

Was spending fraud, or for CIA cover?

By Walter Wright
Advertiser Staff Writer

Jurors in the Ronald Rewald fraud trial will start deliberating today whether there is any fire behind Rewald's smoky tale of CIA control of his investment firm, Bishop Baldwin Rewald Dillingham & Wong.

"Where there's smoke, there's fire," Rewald attorney Brian Tamanaha said yesterday in a closing argument. Contradictions and coincidences in documents from "the greatest intelligence agency in the world" can't be explained away "by poor, bumbling, I'm-a-victim CIA agents," Tamanaha said.

Prosecutor Theodore Greenberg shot back: "There's no fire. There's a smoke machine over there" at the defense table "and it's pouring out smoke" intended, like the lies told to investors, "to get people to have confidence by fuzzying up the edges."

Rewald admits taking money under false pretenses, but contends he did so at CIA instruction to maintain his "cover."

Tamanaha called the prosecution case one of "desperation" in which an old woman in a wheelchair, a blind man and a dying cancer patient were paraded before the jury, then followed by women Rewald paid for sex, all in an effort to get the jury to "hate Mr. Rewald."

The jury, Tamanaha said, was not there "to judge if Mr. Rewald is good or bad. That judgment will come but not in this world."

Greenberg countered that it was not pleasant "to have brought those women before you. It was not intended to embarrass them or to offend your sensibilities, but it had to be done."

For while Rewald contended that his spending on a lavish lifestyle was supposed to enhance his CIA cover so he could mingle with other wealthy men, \$287,000 of the money was spent "on these secret, clandestine meetings with women" in a downtown Honolulu apartment, Greenberg said.

In fact, Greenberg said, "you can convict him . . . just on his spending the money on the women. Did he tell the investors he was taking their money and supporting 15 different women?"

Assistant U.S. Attorney John Peyton argued that 97 of the 98 fraud, tax-evasion and perjury counts against Rewald charged him with lying in one way or another to investors, the Securities and Exchange Commission, the IRS, the FDIC, and in federal court proceedings.

When he lied to 400 investors, Peyton said, Rewald got more than \$20 million from them and pocketed \$5.5 million

See Jury on Page A-4

The Honolulu Advertiser

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Jury starts deliberating on Rewald case today

from page one

for his own use.

Although the prosecution insisted several times that "the CIA is not on trial here," they were pressed to respond to the defense insistence that the CIA's own documents suggest Bishop Baldwin was tailor-made by the CIA as a cover operation.

Payton said the CIA "became Rewald's victim as well" because of three major "errors in judgment":

- A glowing endorsement to headquarters showed Honolulu office chief Jack Kindschi went for Rewald "hook, line and sinker."

- The Office of Security waived a background investigation of Rewald so he would keep providing light commercial cover.

- Central Cover staff sent Rewald three cover stories to deflect IRS questions about cover companies.

Tamanaha said the case boiled down to CIA records which he suggested were doctored or post-dated as part of a continuing coverup of the real relationship between Rewald and the CIA. "The government and the CIA want to wash their hands of this whole dirty affair."

If the CIA had known in early 1983, as it claims, that Rewald was a fake, why didn't they tell someone before more investors poured another \$7 million into Bishop Baldwin, Tamanaha asked.

Tamanaha and Greenberg disagreed over a series of cables describing potential covers for a CIA officer. Tamanaha said they showed the CIA laying out a "legend" for the Bishop Baldwin cover.

Greenberg said Rewald had set up Bishop Baldwin with its phony names and begun bilking investors long before the cables were sent. He'd displayed a phony Marquette degree long before meeting a CIA man who supposedly supplied it, Greenberg said.

And Rewald, far from counting on the CIA to pay his bills, agreed he'd take money only for necessary office and administrative expenses and billed the CIA for only about \$3,000, Greenberg said.

"The CIA turned out to be the biggest patsy in this case," he said. "If the CIA hadn't been stupid enough, gullible enough, to let Rewald provide commercial cover, what would the defense have to talk about? Nothing. Take away the CIA, and there's nothing."

"He'd have you believe that (the CIA said) we need Ronald Rewald, this bankrupt petty criminal, to go to Hawaii and take money from the old and the rich and the young and the poor, so Ronald Rewald can play polo with Enrique Zobel," a millionaire from the Philippines.

"If the CIA wanted that kind of person, with wealthy contacts, it had a lot of them," Greenberg said. "To have someone appear to be a wealthy businessman, they (the CIA) call up a friendly bank and say, 'have a balance sheet (for this man) that says \$5 million.' They didn't need that in Hawaii, they didn't want that."

Rewald, Greenberg said, "wrapped himself in the American flag and the CIA not out of patriotic motives but out of greed. And when he got caught, he spit on the flag" by lying about his relationship with the CIA. Greenberg said.

Honolulu Star-Bulletin

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10/16/75



Closing Arguments Waited in Rewald Trial

By Charles Memminger
Star-Bulletin Writer

The Ronald Rewald trial is "all over except for the shouting," as one lawyer put it.

Attorneys for both sides have been huddled in their offices since Monday preparing for the "shouting," or closing arguments, expected to take up most of today.

No more motions will be filed. No more complaints will be lodged with the judge. No more witnesses will take the stand. After 11 weeks, everything that either side could do to help its case has been done.

Assistant U.S. Attorney John Peyton, a veteran trial lawyer, will give the first part of the government's closing argument.

He will be followed by Brian Tamanaha, the young deputy federal public defender who has been the point man in Rewald's defense.

Theodore Greenberg, a special attorney from the Justice Department who has been involved in a number of trials involving the CIA, will conduct the final part of the government's closing argument.

THE GOVERNMENT gets to address the jury twice, the jury will be told, because it has the burden of proving that Rewald is guilty "beyond a reasonable doubt."

Both sides are expected to argue that legal concept at length. The defense case has been framed around creating doubt in the minds of the jurors. Should one juror of the 12-person panel not be convinced that Rewald is guilty of fraud, perjury and tax evasion, the case will end in a mistrial. The government will then be faced with the costly and time-consuming process of retrial.

Ironically, none of the 18 people who have been sitting in the jury box for more than two months know if they are jurors or alternates. After the closing arguments are complete, U.S. Judge Harold Fong will dismiss the six alternate jurors. The alternates have been known only to the judge and attorneys, to assure that all of the jurors will pay attention during the long trial.

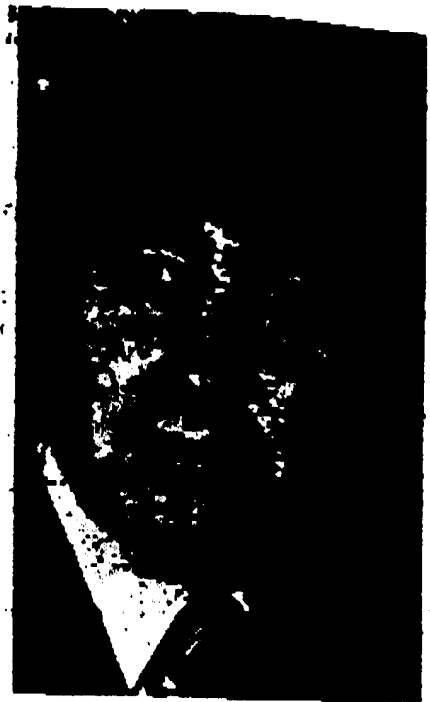
The unusually large number of alternates was chosen because of the possibility that one or more jurors would be forced, through illness or other problems, to withdraw.

NONE OF the jurors, however, has been forced to drop out of the trial. In fact, there have been only a few times when trial was delayed because a juror was late getting to the courtroom.

None of the jurors has even appeared to have dozed off during the long trial. That may be because they have seen a long line of colorful, famous and sometimes mysterious people taking the stand to testify.

Jurors watched a number of former CIA agents take the stand and describe their association with Rewald. They did not, however, see hard-boiled agents in trenchcoats. They saw one agent, Jack Kindschi, break down in tears as he described how his mother lost her life savings to Rewald.

They saw former CIA office chief Jack Rardin get choked up when he described how he was reprimanded for his handling of Rewald. Rardin said it was the only "black spot" on his 30-year CIA record.



Ronald Rewald
Lawyers ready case for jury

THE JURY saw Jack Lord angrily suggest that Rewald had told a "damnable lie" when he said Lord had an office with Bishop, Baldwin, Rewald, Dillingham & Wong. But the famous television actor smiled and nodded at the jury as he left the stand.

The jury saw a string of women take the stand and testi-

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Wednesday, October 16, 1985 Honolulu Star-Bulletin A-9

Closing Arguments Due in 11-Week Rewald Case

Continued from Page One

fy that they received money from Rewald for social or sexual contact. There was standing room only in the court when blonde model Cynthia Brooks, a Playboy centerfold, stepped into the witness box. She told the jury she had received some money from Rewald, but also lost a good deal of her own when the company collapsed in 1983.

The jury heard Rewald's former partner, Sunlin Wong, describe how Rewald once asked him to try to bribe a Waikiki gypsy to give a fake spiritual reading to an elderly woman. Rewald was trying to cultivate as an investor.

There was some chuckling in the court when Wong described how he attended the Los Angeles "funeral" of J. Randall Dillingham. Dillingham, along with Bishop and Baldwin, did not actually exist. The 38-year-old Wong said he merely walked the streets of Los Angeles for a day until it was time to return from the "funeral."

WONG STILL is serving a two-year prison term after pleading guilty to mail and security fraud for his part in running Rewald's company.

Some jurors were seen chuckling when Capt. Ned Avery took the stand. The 74-year-old retired airline pilot and former Rewald consultant made cracks to the judge, argued with defense attorneys and gave the "shaka" sign to the jury.

The jury heard testimony

(from everybody from a National Football League official to Rewald's bodyguard. The government pulled no punches in choosing which of the 400 investors who lost money it would put on the stand. There was a blind man, a crippled elderly woman and a woman who lost her husband and sons in a plane crash.

IN CONTRAST to the more than 100 witnesses put on by the government, the defense put on fewer than 10.

The jury also did not see the man who was to be the trial's star witness, Rewald himself. At the last minute, Rewald decided not to take the stand. The reason, according to his attorneys, was that Judge Fong refused to let Rewald testify about the full range of Rewald's association with the CIA. The judge ruled months before the trial that the only CIA evidence that could be allowed by the defense would be that showing the CIA actually managed, directed or controlled investor money or BBRD&W.

Sometime this afternoon, after the "shouting" subsides, the jury will begin to weigh all of the evidence it has heard. Then, after what is expected to be days of deliberations, the jury will return to the courtroom with its verdict. It is fitting that the courtroom is named "Aha Kupono," or "Justice."