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Kindschi still 'can't believe it'

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and, at age 57, portly. His face is cherubic. He could play Santa better than spy.

But he is an angry cherub, a wounded Santa.

When Rewald attempted suicide last July 29 and the company collapsed, Kindschi felt "hurt, puzzlement, compassion, rage." Today, there's more rage than compassion.

"He's ruining so many lives. It's one thing to take my money and attack me directly, but another thing to attack my friends and my mother, and I shall never forgive him for that."

Rewald attorney Robert Smith has publicly suggested that tracing the source of Kindschi's money would answer a lot of questions about the company's CIA link.

Today, Kindschi offers a sheaf of papers for inspection: "My father had died in 1982 and left an estate, and we put a substantial sum in (Bishop Baldwin) and I took full responsibility for putting all of my mother's money in there. I have documents here . . . that prove conclusively and decisively that that money came from 40 years of hard work by my father, and we can track it right back, and I have given the complete information to the FBI so that they can track it back."

Unfounded suggestions of sinister CIA paymasters are "really guilt by innuendo. It's McCarthyism, that's what it smacks of."

Kindschi says he had so much confidence in Bishop Baldwin that he borrowed an additional $100,000 in the spring of 1983 from GECC Financial and invested it with the firm.

It is hard to believe that a veteran CIA officer could have been played for a sucker.

"Suffice it to say that I was probably one of the most surprised people in Honolulu when this all happened," Kindschi responds. "And I still wake up in the middle of the night and can't believe that it happened."

Rewald and others who contend that Bishop Baldwin was run by the CIA point to Kindschi as proof. They say Kindschi and others in the CIA regularly received communications from Bishop Baldwin, wrote its brochures and reports, and created the company.

Kindschi's signature does appear on some checks paid to Bishop Baldwin to reimburse about $2,700 in telephone and telex expenses incurred by a few Bishop Baldwin subsidiaries now believed to have been CIA covers.

Kindschi won't talk about those.

He also received $68,000 from Bishop Baldwin, plus travel and other expenses, for preparing and editing reports and brochures. Kindschi will talk about that money, and says it was compensation he earned working as a Bishop Baldwin consultant for more than two years after he retired from the CIA in 1980.

And Kindschi said in a deposition months ago that he knew of no CIA involvement in the preparation of any Bishop Baldwin documents.

Kindschi says he can't talk about anything the CIA actually did because his secrecy oath with the agency is still in effect and because a court order in the case bars disclosure of CIA-related information.

When confronted with a question that touches CIA activity, he says, he will not lie, but he will not answer.

So Kindschi's life story has gaping holes in it, and his account of his relationship with Rewald also contains some pukas.

But it remains a fascinating chronicle of deception and betrayal. The dispute between Kindschi and Rewald is who betrayed whom.

(TOMORROW in The Advertiser: Kindschi, the covert agent.)

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