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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 hearing 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."

"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 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.

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 1982. 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.

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 1981 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 1982.

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.

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

Don Paul

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