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CIA boasts by Rewald described

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Honolulu, Hawaii — Former Milwaukee businessman Ronald Rewald boasted in the 1970s of working for the CIA in Wisconsin at that time and of maintaining an apartment to entertain secretaries at lunch time, a widow, formerly of Mequon, testified Friday in Federal Court.

Patricia Ebert, whose husband died in 1971 about the time Rewald moved into her Mequon neighborhood, testified she later moved to Hawaii, as did Rewald, and invested \$200,000 with Rewald's firm.

Rewald, who is on trial on 98 counts of fraud, tax evasion and perjury, has admitted taking money from investors under false pretenses, but says it was to maintain his cover as a wealthy businessman so he could gather intelligence for the CIA.

He has alleged in the past he spied on student groups for the CIA at the University of Wisconsin — Madison during the early 1960s.

The CIA denies that Rewald ever had contact with the CIA before 1978, but acknowledges it used his Honolulu company to provide "backstop" cover for some personnel after that date. The agency denies involvement in the alleged fraud at Bishop Baldwin Rewald Dillingham & Wong.

Ebert's testimony is the first indication that Rewald was claiming his CIA association as early as the 1970s.

And her comments about an apartment where Rewald said he entertained secretaries at lunch time foreshadowed Rewald's admitted relationships with several Honolulu women.

Ebert, who married a dentist after moving to Honolulu, said she invested personal funds with Rewald's company but withdrew most of them before the firm collapsed in August 1983.

After the collapse, however, the trustee in the firm's bankruptcy made her repay \$228,000 in "interest" she had received on the funds, she said.