

From: Inside Job: The Looting of America's Savings and Loans

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Chapters 9-10

Among the businessmen profoundly affected by thrift deregulation was Mario Renda, who in 1980 became a deposit broker. Until that time he had been a man searching for a way to get rich. Through the years he was always where the money was, as, for example, in the mid-1970s during OPEC's heyday, when Renda had made several trips to Saudi Arabia to insert himself into the orbit of the world's most notorious deal maker, Adnan Khashoggi.

One day in 1977 Mario Renda, then 36, walked through the gates in a concrete wall. on a narrow street in barren downtown Riyadh, Saudi Arabia. He crossed a small desert yard to a low stucco bungalow where a Sudanese servant silently motioned him to enter. He stepped into a living room that resembled a Holiday Inn converted into an oriental suk (bazaar). Dozens of men in Western business suits or flowing caftans and kaffiyehs milled around the smoky room or sat at the several tables littered with ashtrays and ashes. Renda found a seat and settled in for a long wait.

A native New Yorker, Renda had arrived in Riyadh with a plan in his pocket to build precast concrete homes in Jidda, Saudi Arabia. He was a partner in IPAD (International Planners and Developers) Construction Consortium and wanted to build an empire on OPEC's purse strings. At that time Khashoggi was at the apex of his power. His personal expenses were reportedly running at \$250,000 a day. The world's businessmen were rushing to his home in Riyadh, a jumble of added-on bungalows where Khashoggi held court 24 hours a day when he was in town (rather than jetting around the world in his Boeing 727 or visiting one of his other seven estates in London, Rome, Paris, Cannes, New York, Beirut, and Jidda, where servants and lovely, expensive women catered to his needs). In his Riyadh bazaar Khashoggi made multimillion-dollar commitments the way a teller makes change. A nod from Khashoggi could set a man up for life.

Renda sat among that international gathering and waited his turn to make his pitch. Patiently he worked his way through the labyrinth and into Khashoggi's realm. When it came Renda's turn for an audience, he and Khashoggi reportedly agreed in principle to a \$5 million joint venture to build the concrete homes in Jidda. Renda went home a happy man, fancying himself an international financier.

The deal later fell apart, as did so any of Renda's high-sounding schemes, but the collapse did not derail Renda's determined march toward a Khashoggi life-style. He didn't want to run a construction company. He wanted to be a middleman, a broker like Khashoggi who claimed to have made \$575 million in the past six years by simply doing deals. Renda coveted expensive possessions, ostentatious displays of wealth, and life on easy street. "He wanted somewhere where he could park his Rolls-Royce, tell a few jokes, make a few phone calls, and go home and say he had a hard day at the office," Renda's IPAD partner Sy Miller said later. "He just came here to make phone calls." In the winter Renda reportedly kept a chauffeur-driven limousine running all day in front of the office to keep the car warm. He told Miller he wished he could put a big sign on one of his Rolls-Royces announcing the car cost \$120,000, and then drive around New York City. "He said he wanted the world to know what it

takes to own one of these and that he had it,” said Miller.

In 1980 Renda would become the ultimate “middleman” when he created First United Fund and became a deposit broker. Being a de-posit broker would be his ticket to that good life. It would also earn him the reputation as the Typhoid Mary of the savings and loan business.

Raised in the Queens section of New York, Renda had always had an entrepreneurial bent. He dropped out of Queens College, where he was majoring in music, to open his own tap-dance school on Long Island. By 1963 he owned and operated a music summer camp in the Berkshire Mountains in the northwest corner of Massachusetts. It seemed an idyllic life, but it was the slow lane as far as Renda was concerned. Bright, complex, charming, and lazy, Renda wanted more out of life. He did his best to jazz things up at the summer camp, like the time he reportedly buzzed in a private plane and capsized a team of canoe racers competing against his campers. But it wasn’t enough. Suddenly, in 1975, he announced he was closing his camp and moving on to bigger and much better things. He told the owner of the camp next door that he had discovered a way to make real money. Within six months Renda went from tap-dance teacher to international financier. In 1976 he became partners with Sy Miller at IPAD, a Panamanian-chartered company that Renda said provided “international financing on major private and governmental construction projects throughout the world.”

“He was a sweetheart of a guy,” Miller said. Renda would have the office staff “rolling on the floor laughing” at his stories. He seemed to be Mr. Wholesome, very straight, never told dirty jokes. He was a director on the executive committee of the Boy Scouts of America. But he wasn’t much of a businessman.

In 1977 he closed the deal for IPAD with Khashoggi at Riyadh. Miller wasn’t impressed. “Khashoggi was a big bullshit broker. He was a three-dollar bill,” Miller commented. “They ate a lot of rice and lamb, but Khashoggi, like Renda, sold blue skies.” The deal never materialized, nor did any of the other big-shot deals Renda supposedly negotiated on his overseas trips for IPAD.

But IPAD had not been a total loss for Renda. He had made valuable contacts in the Arab world while traveling in Khashoggi’s circles. Khashoggi also represented for Renda the kind of life he wanted for himself. He wanted to be a big shot, at the center of all the action, making deals with the wave of the hand, making or breaking the lives of others.

After leaving IPAD, Renda spent a short time as treasurer of an Arab bank (Arab International Bank), an offshore banking operation that handled millions in Arab petrodollars. At Arab International Bank he first learned the possibilities inherent in certificates of deposit (CDs) – information that would soon come in very handy.

Renda didn’t stay long at Arab International Bank. In 1978, eager to strike out on his own, he formed Arabras, Inc., a one-man firm in New York City. The name of the new firm suggested Renda planned to continue to capitalize on his association with cash-rich Arab friends. The company’s SEC filing said it would be doing business in the twin worlds of international Finance and trade. But in 1980, when the U.S. Congress deregulated interest rates on savings deposits, Renda saw possibilities that transcended even the wealth of the Arabian oil sheiks. The new legislation was a boon to investors, who could then get a high

return that was risk free (because the deposits were insured by the FSLIC). Renda immediately grasped the full implications of interest rate deregulation. He quickly changed Arabras, Inc., to First United Fund and became a deposit broker. Before his arrest in 1987 he would broker \$6 billion (buy \$6 billion in CDs) for 6,500 investors into 3,500 Financial institutions.

Renda opened First United Fund in January 1980 with only \$146,000 and two employees. To get First United Fund off the ground, he needed a steady flow of deposit money, lots of it. Renda's break came one day when he went to a local Radio Shack store to look for a computer for his new office. He later testified that while he waited for the salesman, another customer, Martin Schwimmer, struck up a conversation. Renda soon learned that Schwimmer managed pension funds for two New York unions, Local 810 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America and Local 38 of the Sheetmetal Workers International Association. The two men retired to a nearby McDonald's for coffee, and that was the start of a beautiful friendship. Before Ronald McDonald could pour them a second cup, the deal was struck. Renda hired his very new friend, Schwimmer, to be a \$50,000-a-year financial advisor to his First United Fund. (Later Schwimmer would report he actually received \$400,000 in his first year with First United Fund and at least \$1 million a year for the next three years.) The advice Schwimmer gave to the union pensionfund bosses was to let First United Fund invest their money in certificates of deposit. In the follow-ing months Renda's network of banks and thrifts grew as he aggressively placed deposits for his new "clients."

Teamsters Local 810 had 7,000 members, who were employed as wire workers and factory workers in Manhattan. Federal authorities later charged that its bosses agreed to throw their brokerage business Renda's way in return for kickbacks. The Sheetmetal Workers Local 38 had 650 members, employed as sheet-metal workers in New York and Connecticut. Their bosses didn't even know Schwimmer was putting the local's money at First United Fund. All they knew was that they had a financial advisor and he was investing their money somewhere. Between December 1981 and December 1984 the two locals invested about \$100 million through First United Fund.

Renda had found a nice niche in the newly deregulated world of federally insured certificates of deposit. Using other people's money, he could get a percentage of the action just by opening what amounted to savings accounts for them and collecting his commission from savings and loan officers, who were grateful for the deposits. (Forty-eight months later First United Fund would boast assets of \$227 million, a brokerage business of \$5 billion, an annual income of \$5 million, and 100 employees – a real boiler room operation.) But Renda and Schwimmer had an idea for a way to make an even larger profit from this arrangement. They told the 16 savings and loans and two banks who were receiving some of their pension money to deposit their fees (\$16 million over three years) in bank accounts that Renda and Schwimmer then kept secret from the IRS. (Though they didn't have to share with the IRS, Renda later admitted that he and Schwimmer were required to kick back a portion of their take to Teamster officials.)

With hundreds of millions of dollars at his disposal, Renda began to act like a sheik. Built like a fireplug, he had a platform installed in his office to elevate his desk so guests had to look up at him: "Power Desking." His office was a monument to bad taste, garish and ostentatious, with red velour wallpaper. He moved his family into a 30-room Garden City

mansion surrounded by a couple of acres and a wall to guarantee privacy, and about this time he embraced yet another scheme for milking his brokerage business. His new idea involved a cast of “subcontractors” in Kansas City and Hawaii, and to understand the heist we first had to get to know them.

In Kansas City, back in 1980, little Indian Springs State Bank had been struggling to break out of its small shopping center location, squeezed between Wig City and Athlete’s Foot shoe store. The board of directors of the Indian Springs bank was unhappy with the bank’s lackluster performance, so they hired William Everett Lemaster, 56, away from a rural bank in Lexington, Missouri, because he had “impeccable credentials,” a former chairman of Indian Springs State Bank told an American Banker reporter. One of Lemaster’s first moves was to hire former local attorney Anthony Russo (whose credentials were anything but impeccable), who reportedly told Lemaster he could drum up all kinds of new business for the bank. The two men were very different: Lemaster was tall, thin, and distinguished and reminded associates of an ambassador; Russo was 10 years younger, short, fat, and talkative, and he wore an ostentatious display of jewelry. Russo was plugged into centers of power in Kansas City from his years as a prominent criminal attorney there, and Lemaster may have wanted to use those contacts to invigorate the Indian Springs bank.

The kind of contacts Russo had, however, were not necessarily the best medicine for a small financial institution. According to an official of the Kansas City Crime Commission, Russo had defended organized crime figures in Kansas City, in particular the Nick Civella crime family. Russo himself had served 16 months in Fort Leavenworth federal penitentiary in 1976-77 for bribery and interstate promotion of prostitution and had voluntarily relinquished his license to practice law rather than chance disbarment. Nevertheless, Lemaster hired him in 1981 to be vice president of Indian Springs State Bank.

Bank records showed that Lemaster’s plan to make Russo a bank officer was met with dismay by bank regulators in Kansas City, who knew about Russo’s reputation and his 16 months in prison. The Kansas City regulators passed the application along to Washington with a strong recommendation to deny approval. Inexplicably their warning was overruled by Washington and on August 19, 1981, the FDIC’s board of review authorized Russo to be an Indian Springs officer but restricted his activities to “new business development.” Russo’s job at Indian Springs was to locate new depositors from among his wide-ranging business and personal contacts, and he had plenty to offer in that capacity. A former Indian Springs board member later told a reporter that Russo was well suited to his new job: “He could walk up to someone and say that they were to move their account to Indian Springs State Bank, and people would do it with no questions asked.”

At about the same time, Iranian-American businessman Farhad Azima, 39, was invited to be a bank director. Lemaster had met Azima when Lemaster was an “advisory director” for Global International Airways, owned by Azima and headquartered in Kansas City. Russo was also an “advisory director” for Global. Lemaster and Russo’s role as “advisory directors” was to assist Global in finding financing. In 1978 Azima had founded Global International Airways to ship cattle to Iran, he told a Kansas City Star reporter, but when the Shah of Iran was ousted in 1979, Azima had to adjust his business plan. With money borrowed from an Arabian international bank, Global International quickly became one of the nation’s largest charter airlines, with 900 employees worldwide and twenty planes, including seventeen 707s, two 727s, and one 727.

Global International Airways first came to the public's attention in 1979 when it had an airplane stranded for three days on an airfield in Tunis, Algeria. The pilot had been paid \$93,000 in advance to make the flight, but when his payment arrived in \$100 bills in a suitcase, he became suspicious. (Azima told us cash transactions are common in the international charter air freight business.) And when cargo was loaded on his plane at the Tunisian airport, he demanded to see the relief supplies he was supposed to be flying from Lebanon to Nicaraguan refugees in Costa Rica.

Let me see the "lettuce," he insisted.

The "lettuce" turned out to be twin-barreled 57-millimeter guns with several dozen cases of ammunition labeled in Chinese. Azima said Global refused to deliver the cargo once they discovered what it was. Later the Tunisian government said the Palestine Liberation Organization had been sending arms to the Sandinistas. A Global crewman told the Star of a standing joke among the crew: "They [airport personnel] would ask us what our cargo was and we'd tell them cabbages and cabbage launchers."

Apparently to discourage nosy airport personnel, former pilots said subsequent shipments stopped masquerading as cabbages. The boxes "had Red Cross stickers all over the sides," one of Global's former pilots said.

Global International developed a reputation among intelligence community insiders as one of the CIA's secret charter airlines. Former Air America pilots' showed up on Global's pilot roster and logs show them flying arms and other supplies to Ecuador, Peru, Nairobi, Thailand, Haiti, and Pakistan. All the flights, Azima later claimed, had State Department approval. Although at first Azima issued (facetiously, he told us) "no comments" when asked by reporters if he had worked for the CIA, he later denied that he or any of his companies knowingly did work for the agency. He attributed the stories of CIA involvement to his pilots' fanciful imaginations.

It is undisputed, however, that Global did a significant amount of business with persons connected to the CIA. As part of the Camp David Accords, President Jimmy Carter promised Egypt tons of American military aid. Much of that aid was shipped by Egyptian American Transport and Services Corporation (EATSCO), a company set up in 1979 by Thomas Clines (former CIA director of training who in 1986 would become a prominent figure in the Iran-Contra scandal) and Hussein Salem – who was a former Egyptian government official and a friend of Azima. EATSCO used Global International to transport much of that material to Egypt, reportedly paying Global about \$100,000 a load. For five years, half of Global International's cargo business was with EATSCO, according to the Kansas City Star. Azima later said Global flew an average of one flight a week for EATSCO and during this period the flights accounted for roughly 10 percent of Global's revenues.

Renegade CIA agent Edwin Wilson claimed to have an interest in EATSCO. In the mid-1970s Wilson was found guilty of selling arms to Muammar Qaddafi – and then was charged and convicted of trying to hire assassins to murder prosecutors and witnesses in the first case – and went to jail. In 1983 Clines pleaded EATSCO guilty to overcharging the U.S. government \$8 million. Global International was not accused of any wrongdoing, and Azima says that he did not know Wilson or have any direct dealings with him.

When Russo and Azima were appointed to positions at Indian Springs State Bank in 1981, Global International Airways was at the height of its activities out of the Kansas City airport. Whether Azima got Indian Springs State Bank directly involved in Global's activities, we could never determine. However, the following year Russo received a \$25,000 check from Global, and later when he was questioned about the check in court (Russo was on trial for tax fraud), he gave the following explanation:

"Global International] was hired by the United States government to fly the president of Liberia, which was a new government, and its cabinet around the world on a goodwill tour. Liberia is a little country in Africa that I studied about, as a result, and learned a little bit about. After the War against [sic] the States, Lincoln, our president, sent some slaves to Liberia to live. And they lived on the, I believe, the west coast of Africa. Yes, the west coast of Africa. And formed this little country called Liberia.

The United States has supported that country over the years. And about in 1981 they had a coup. Sergeant [Samuel] Doe, who was a sergeant in the Liberian army, overthrew the government. The government was backed by the, our CIA and our government. And when the revolution or coup occurred, the United States then wanted to become friendly with the new government, wanted to continue to have ties between the United States and Liberia and wanted us to continue our relationship with them. So they hired Farhad's airline, Global, to take Sergeant Doe, his entire cabinet, around the world on a goodwill tour.

"Farhad asked me if I would go as the host to the president and the cabinet," Azima told us, "to escort them from country to country. It was at that time, of course, I was an officer of the bank and I had to check with Mr. Lemaster, who was the president, and he covered for me and I took that trip around the world and we went all around the world with the president and his cabinet, and the president and I became friends and I would introduce them and kind of act like an ambassador.... The arrangement with Mr. Lemaster at the time was that any fee I would recover I would split with him because he covered for me at the bank."

Azima later said that Russo, whom he asked to go on the flight only because he needed someone "to kiss [Doe's] ass," greeted Doe with a hearty "Hi, Pres!" when first introduced to Doe. A Global attorney said that Russo's job was "to keep [Doe's] bodyguards from showing their guns too often."

Azima also testified during Russo's tax fraud trial, and the scheduling of his appearance had to be moved up one day because he had a luncheon meeting in Washington, D.C., the next day. A frustrated member of the prosecution team later told us she believed a judge acquitted Russo of the tax fraud charges after two hung juries partly because of the aura of respectability Russo's references to the CIA and the U.S. government gave him.

Although Azima claims he ultimately lost at least \$400,000 investing in the bank's stock, Indian Springs State treated Azima well before it was seized by regulators. According to bank examination records, his companies' accounts at the bank were frequently overdrawn even as bank examiners demanded – on at least three occasions – that the loans be paid down. Each time examiners returned they found the loans still on the books and still in arrears. Regulators also noted that Global was overdrawn at the bank by about \$150,000 a day. Azima said the overdrafts were actually covered through a bank credit facility and were thus in effect

"unsecured loans" and not improper. In 1983 Azima and his companies owed Indian Springs State Bank \$800,000. Collateral for one of the loans was Azima's DeLorean. At least \$600,000 of the money went to Global International and a related company, even though regulators complained that the loans exceeded Indian Springs State Bank's loans-to-one-borrower limit (then \$348,881).

When Global International declared bankruptcy in 1983, it owed the bank almost \$600,000, according to a stipulation filed in the bankruptcy proceeding.⁷ Azima said he saw no impropriety in a bank's loaning large sums to its directors and said that in fact Indian Springs encouraged such loans. He said that regulators never questioned his credit worthiness. (At the same time, in 1983, Global got a loan for an aircraft from Republic Bank in Kansas City for \$297,500. Republic Bank failed in 1984. Then reporter Jerry Bohnen discovered in an examination of Federal Aviation Administration records that between 1984 and 1988 Utica National Bank in Tulsa loaned Aviation Leasing Group, a company chaired by Azima, several million dollars on a Boeing 707 and two Boeing 727s. Utica National Bank failed in July 1989. Global and Aviation Leasing satisfied these loans.) Three years later a bankruptcy court judge allowed Indian Springs State Bank to take over Global CDs and other investments held by the bank, reducing Global's debt to \$62,000.

After Global declared bankruptcy, Azima's name turned up in the Iran-Contra affair. A group of private individuals, including Adnan Khashoggi, who played his familiar middleman role by raising \$15 million, sold arms to Iran and used the profits to fund the contras. In July 1986, according to the National Security Archives, an airline owned by Azima's brother and sister-in-law (who also borrowed money from Indian Springs State Bank), RACE Airways, carried 23 tons of arms to Iran, via Spain and Yugoslavia, as part of the Iran-Contra deal. RACE Airways had leased aircraft from Azima and Global. Although Azima denies having had any involvement in the Iran-Contra affair, he does confirm that he was questioned by federal investigators, and suspicions of his possible involvement surfaced so early that, to keep reporters at bay, he was forced to deny involvement by issuing a press release on November 13, 1986 – the very day that President Reagan announced the affair to the nation on television.

Federal prosecutor Lloyd Monroe told us that an examination of Azima's connection to Indian Springs State Bank was turned over to the FBI, and they were told to leave Azima alone. "I was told [by the FBI] that Azima had a get-out-of-jail-free card," Monroe said, a comment he interpreted as a reference to the CIA. Azima ridiculed Monroe's remark, claimed the allegation was "unconscionable," and said Monroe was just mad because the government had failed to convict Russo on the tax charges.

Azima also had other connections at Indian Springs State Bank. According to federal bank examination reports, President Lemaster claimed that Azima had sponsored the Dunes Hotel and Casino in Las Vegas for an unsecured loan of about \$200,000 in 1982. The loan was guaranteed by Dunes owner Morris Shenker. (Though Azima admitted knowing Shenker, he strongly denied sponsoring the loan.) Shenker was the millionaire St. Louis defense attorney who in the early 1980s was chairman and controlling stockholder of the Dunes Hotel and Casino in Las Vegas.⁸ Shenker had been Teamster boss Jimmy Hoffa's attorney and confidant for over 10 years, until Hoffa disappeared in 1975. Through him Shenker had access to the Teamster Union's \$1.5 billion Central States, Southeast, and Southwest Areas pension fund.⁹ Bank records revealed that a Shenker business associate from Las Vegas, Jay Fihn, also had

a loan at Indian Springs. Russo testified he and Fihn teamed up to broker fuel to Azima's Global Airways, which, according to Russo, had a contract with some Las Vegas hotelcasinos to fly junkets (ferrying tourists to Las Vegas). Kansas bank regulators complained about the Dunes Casino loan, saying Shenker was not a credit-worthy borrower and the casino was too far away from Kansas City.

Regardless of demands by regulators that the loan be removed from the bank's books, it never was. (When Shenker filed bankruptcy in 1984 he listed debts of \$197 million and he left banks, savings and loans, and pension funds holding the bag for tens of millions in unpaid loans. The IRS said he owed \$66 million in taxes.)

Federal organized crime investigators said Shenker was an associate of the Nick Civella mob family in Kansas City. Regulators found the Civella family at Indian Springs State Bank too. They were part of that "new business" they said Tony Russo brought to the bank. Members of the Civella family got \$400,000 in loans from Indian Springs, bank records show, including one for an Italian restaurant. Their accounts were "habitually overdrawn," a bank examiner complained in one examination report. At the end of 1982 regulators alleged that bank officers kept a loan to a Civella current by rolling it over (renewing it) and increasing the amount of the loan at each renewal to cover the interest costs the loan had accrued since the last renewal.

At the same time that Indian Springs was making sweetheart loans to the Civella family, some of the Civellas were embroiled in a messy criminal prosecution in Kansas City. Federal organized crime prosecutors in 1981 had indicted brothers Nick and Carl Civella and others for skimming \$280,000 off the gaming tables of the Tropicana Casino in Las Vegas. Nick Civella died of cancer before the trial ended in July 1983, but his brother Carl was convicted. Carl Caruso, convicted along with the Civellas, was also on the loan list at Indian Springs. Caruso operated junkets for the Las Vegas Dunes out of several Midwestern towns, including Kansas City. In court it was revealed that he was the bag-man for the skimming operation, transporting the skim from the casino to Chicago and Kansas City for distribution to the mob families there.

In this setting Mario Renda was about to embark upon a new scam. He had recently met Franklin Winkler, the son of an old friend, and they had agreed to combine their talents and go into business together.

Franklin Winkler was an international wheeler-dealer. He and his dad, V. Leslie Winkler, were cosmopolitan con men. They were Hungarian Gypsies, smooth operators, and both spoke a number of languages. Franklin, who was in his forties, had been born in Istanbul and had lived all over the world, wherever his father Leslie's schemes took them. Franklin had most recently lived in Cuba, Italy, Australia, Kansas City, and Southern California and had lately settled temporarily in Hawaii. Leslie lived in Palm Springs.

Franklin and his father were fat and affable. Franklin weighed over 300 pounds, but he was a charmer whom women found enchanting. Described by federal prosecutors as "a criminal financial genius," Franklin had reportedly already been convicted of felony frauds in both Italy and France but had never spent a day in jail. An attorney who had cross-examined him said he had a remarkable facility for slipping into a variety of nearly perfect foreign accents.

“He’d be talking to me about something during court recesses and all of a sudden he’d be speaking with a perfect French accent, or Italian, or Middle European accent. He’d just throw it in for effect. The guy was really smooth.”

Franklin Winkler had been losing money on real estate investments in Hawaii, and he agreed to cooperate with Renda in a scheme that would benefit them both. Renda would broker deposits into savings and loans or banks if the institutions agreed to make loans to Hawaiian real estate partnerships fronting for Winkler and Renda. “Linked financing,” where deposits were promised to a bank or thrift in return for loans, was not always illegal, but regulators didn’t like the practice because they feared the promise of huge deposits would induce financial institutions to make risky loans that they would not otherwise have made. But the linked financing Renda had in mind was illegal because it was an end run around SAL and bank loans-to-one-borrower limits.

Linked financing has been practiced for years by mob-dominated unions who could offer union deposits (and kickbacks if necessary) to bankers in exchange for loans. Jonathan Kwitny describes the practice in *Vicious Circles* (W.W. Norton & Co., 1979), as did Steven Brill in *The Teamsters* (Simon and Schuster, 1978).

The details of the plan would work like this: Renda would put the word out through First United Fund to large investors that he could place their deposit money with banks and thrifts at rates a full percent-age point or more above the going rate at the time.¹⁰ Renda knew full well that the prospect of such a high interest rate would attract managers of credit unions and pension funds who were constantly on the prowl for the best rate for the money they managed. (Renda and his brokers mockingly referred to these investment managers as “rate junkies.”)

All a bank or thrift had to do to get these deposits was agree to make a few loans to the Hawaii real estate partnerships. Once the institution agreed to make the loans, Renda would send the deposits to the thrift or bank and, almost the same day, Winkler would send in his straw borrowers (also called “mortgage pullers”),“ to get the agreed-upon loans, often totaling half the amount placed on deposit there by First United Fund. These individual borrowers (lined up by Winkler) would receive a fee of between 2.5 and 6 percent of the loans obtained in their names. Applications and references that the bank or thrift required from the straw borrowers would be provided by Winkler. Often the references were Winkler. When the loans were funded the borrowers would turn the money over to Winkler, who would tell the straw borrowers they could just forget about having to pay back the loan. Winkler would take care of that, he said. By sending in many straw borrowers, Winkler and Renda disguised the fact that all the loan money was really going to them. And when the loans went into default, the straw borrowers’ names – not Winkler’s or Renda’s – would be on the foreclosure papers and lawsuits.

The key to the whole arrangement was Renda’s deposits. They were the bait that enticed bank officials to play along with the scheme. Without them little of the looting over the next five years would have been possible.

The timing of this new friendship between Renda and Winkler was serendipitous. Within weeks Anthony Russo went to Hawaii on vacation. Before he left Kansas City he contacted an

old friend who told Russo to look up a Franklin Winkler in Hawaii, which Russo did. The two men liked each other, and Winkler made Russo a business proposal.

Authorities said Winkler suggested that under “the right circumstances” he and his friend Mario Renda could get Indian Springs State Bank all the deposits and all the loan business it could handle. Russo liked the sound of the offer.

A few months later, early in 1982, Russo traveled to Las Vegas, where he met again with Franklin Winkler. Accompanying Winkler this time was Sam Daily, a retired Air Force colonel, then a Honolulu realtor. Daily was a Louisiana redneck, a short, fat man who looked like a TV huckster. He had black, greasy, plastered-down hair, a sailor’s tongue, and a terrible temper. Indian Springs State Bank vice president Anthony Russo, con man and swindler Franklin Winkler, and Hawaii realtor Sam Daily met in a suite provided as a favor to Russo by Dunes owner Morris Shenker. Under the plan the men formulated at the Dunes, Renda would broker deposits into Indian Springs State Bank – “courtesy deposits” they were euphemistically termed. In return the bank would make loans to straw borrowers who would be fronting for Renda, Winkler, and Daily.

Russo agreed to introduce Franklin Winkler to Indian Springs State Bank president Bill Lemaster. Winkler told Lemaster that First United Fund would broker into Indian Springs all the deposits he wanted, free of fees, in return for some loans. To Lemaster this looked like a good way to pick up both deposits and loan business in one neat package and he agreed to the arrangement. In June 1982 Winkler, Daily, and Renda began shopping for straw borrowers. By July 19, 1982, First United Fund had placed the first batch of brokered funds at Indian Springs State Bank, and the first crew of straw borrowers were in the starting gate. Winkler outlined the operation in one last letter to Renda that concluded: “I suggest that we proceed with this first pilot transaction and then we should get together in order to formalize a proper form modus operandi for all future transactions of this type.”

In other words, if the scam worked at Indian Springs State Bank, they would expand their operation to other financial institutions.

Indian Springs State Bank made the loans to the straw borrowers as planned. The scheme worked perfectly. And on August 29 Franklin Winkler called a meeting with his dad, Leslie, and Renda at Southern California’s luxurious La Costa resort to review the progress of their plan. “After the La Costa sit-down, Franklin’s father sent Renda and Franklin a memo grandly entitled “Memorandum Premenoira.” In the memo Leslie stated:

“...Both Franklin and Mario have agreed to carry out a number of trial transactions under the contemplated terms and procedures. One transaction has already been concluded via K.C. Bank” and the intention is to repeat a few similar deposits which will demonstrate the feasibility of the operation of the program.”

[Leslie’s interest in the project was not platonic. Because he had introduced Franklin and Renda, he was entitled to a “finder’s fee” on each deal that went down.]

In the month following the meeting at La Costa, the three men formed at least eight companies and partnerships to conceal the paper trail left behind by their activities. Renda, Franklin Winkler, and Daily began visiting banks and savings and loans in areas they had

targeted for high-growth potential – Kansas City, Southern California, Honolulu, Texas, Denver, Phoenix, Seattle, New York, and New Jersey – and pitched their linked Financing schemes. The code name used for these transactions at First United was, appropriately, special deals.

Then Renda added a new wrinkle. He ran ads to let people know that for a fee he could supply deposits for anyone who needed a loan and wanted to get his own linked Financing deal going. Renda placed ads in major newspapers, including the Wall Street Journal, the Los Angeles Times, and the New York Times, which read:

MONEY FOR RENT
BORROWING OBSTACLES NEUTRALIZED BY HALVING US
DEPOSIT FUNDS WITH YOUR LOCAL BANK: NEW TURNSTILE APPROACH TO
FINANCING.
WRITE TO: FUND, SUITE 311,
1001 FRANKLIN AVE,
GARDEN CITY, NY 11530

After these ads ran Renda was besieged by brokers or borrowers around the country who agreed to compensate Renda (in a variety of ways) if he would steer deposits to a thrift or bank that had already agreed to make them a loan upon receipt of the deposits. So, in addition to the “special deals” Renda had going with Franklin Winkler and others, he began supplying funds for other people’s special deals as well. Later he would testify in court that he placed deposits for “hundreds” of special deals arranged by others.

These were near-perfect seams. Renda used other people’s (federally insured) money to influence bank and thrift officials to make loans to the phony borrowers – the officials could even use the actual cash from Renda’s deposits to make the loans. All Renda had to do was break the money into \$100,000 chunks so it would be fully insured by the FSLIC. Even if Renda’s scam eventually caused the bank to collapse (because the loans were not repaid), Renda had no worries – his deposits were insured and his straw borrowers already had the loans. Renda saw the possibility of arranging linked Financing seams at thrifts all across the nation. He could borrow millions of dollars before anyone caught on, and when they did, he could move the scheme on to the next institution. He knew over 3,000 thrifts and thousands more small banks that might take the bait. Even in Ed Gray’s darkest nightmares over the potential evils of brokered deposits, he had never imagined abuses as bad as the ones Mario Renda had in mind.

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First United Fund proceeded to place \$6 million in deposits at Indian Springs State Bank.

Daily’s straw borrowers received \$3.7 million in loans.

The straw borrowers were paid their fee and they turned the loan proceeds over to Daily, Winkler, and Renda.

Renda became bullish on the future. He moved First United Fund from its

cramped offices on Old Country Road in Garden City, out in suburban Long Island, to elaborate suites on Franklin Avenue. He maintained a bull pen of brokers who spent their days on the phones placing deposits at institutions around the country. In late 1982 he employed 15 brokers (later to swell to 40) in First United's bull pen, and many of them, with no prior experience, were pulling down six-figure commissions.

But Renda's methods and those of a handful of other deposit brokers attracted still more unwelcome publicity. After a few large credit unions complained that their accounts had been "bilked" by such boiler room brokers, NBC-TV produced a news documentary on the problem and they interviewed Renda for the piece. Renda relished the exposure. After standing up to congressional scrutiny, he had become cocky. Following the airing of the NBC program he would end his morning pep talk to his staff by standing up and saying, **"Okay, boys, now get out there and bilk 'em."**

A frequent visitor to Renda's new offices was Salvatore Piga, whom organized crime investigators identified to us as a Lucchese (Mafia) family associate. An assistant U.S. attorney described him as a "ruthless leg breaker," and his rap sheet showed he had a string of arrests for grand larceny, assault, robbery, burglary, extortion, and criminal possession of stolen property. Mario, on the other hand, described Piga as a "teddy bear." Piga was in his early fifties, stocky, and in top physical shape, and he carried what the bull pen brokers called a "cannon" under his coat. Sal, with his gun bulging, added more than just a touch of color around First United Fund.

As 1983 began the future was looking good at First United Fund. Mario and his brokers had placed \$2.5 billion in 1982 and expected business to increase dramatically in 1983. Renda bragged widely that he could put \$50 million into any institution on a day's notice. One day Winkler visited a banker and put forward the familiar linked financing scheme. The banker was skeptical that Renda could actually produce the deposits. Winkler picked up the phone and called New York.

"Mario," he said, "deposit \$1 million in this bank tomorrow morning." To the banker's amazement, it was done. What more needed to be said?

Franklin, Leslie, and Mario frequently visited each other in Hawaii and New York. Renda was becoming an important man in Hawaii, thanks to the straw borrowers' money, much of which was going into Hawaiian real estate run by Renda and Winkler. When we looked at Renda's Hawaiian activities, we found Consolidated Savings owner Robert Ferrante and discovered Renda had brokered many deposits into Consolidated. Renda and Ferrante also were involved together in a Hawaiian company called Seaside Ventures, which was converting an old hotel into offices. Attorneys for the FSLIC said Consolidated Savings made Seaside Ventures a \$2.2 million loan. Renda later testified that he wired the money straight to his personal Swiss bank account. Walter Mitchell, the Redondo Beach city councilman who went to prison after being accused of taking a bribe from Ferrante, got a job with Seaside Ventures in Hawaii after he

got out of prison. (Part of his conviction was later overturned.)

When we found out that Renda and Ferrante were doing more than deposit business together, we looked deeper into their relationship. We discovered they had been associates for several years, and we obtained documents that showed they were also involved together in at least two other major projects, the Kailua Shopping Center in Hawaii and the Palace Hotel in Puerto Rico. (The casino deal was never completed and the project ended in bankruptcy.) A FSLIC attorney later told us that Renda and Ferrante vacationed together in the Caribbean in 1986, renting First United Fund's 100-foot yacht "Surrenda" for the occasion. Ferrante, invoices show, paid the boating tab with three \$15,000 Consolidated checks. Poking around these leads, we found out that the FBI in Los Angeles had a keen interest in the Ferrante-Renda relationship. Maybe that was why the folks at Consolidated were unusually concerned that Renda's association with Ferrante not become general knowledge. On at least one occasion, S&L records showed, Ottavio Angotti chastised a secretary who had written "copies to Mario Renda" on the bottom of a memo. Angotti X'ed out Renda's name and told her she was never to do that again.

Renda was busily building an empire, but his well-oiled machine suddenly developed a squeak in Kansas City. In February 1983, FDIC examiners, who had given the Indian Springs State Bank books a thorough going-over, said they weren't fooled by Winkler's and Daily's straw borrowers and declared that the numerous Hawaii loans, which totaled \$3.7 million, were in reality one big loan. Examiners still weren't clear about what was going on there, but they were sure all these loans were part of one big venture of some sort. Since loans-to-oneborrower limits at Indian Springs State Bank were then about \$350,000, examiners had identified what one former Indian Springs official termed "a monumental loan-limit violation." Regulators told Lemaster that these Hawaii borrowers had to repay the loans.

Lemaster gave Daily the bad news: Regulators had ordered that the Hawaii loans be repaid and no further loans made. The original plan to roll the loans over (renew them) through Indian Springs State Bank when they came due was now out of the question. But Winkler and Daily told Lemaster there was no way they could repay the loans. The money was long gone. It was then that Lemaster began to see he was caught in a trap. Renda had anesthetized his sound banking instincts with First United Fund's brokered deposits, which Lemaster had hoped to use to build Indian Springs State Bank into one of the leading banks in the state. But now his reputation for integrity, cultivated through years of hard work and dedication, was in real jeopardy. Acquaintances said it was at this point that Lemaster "began to go over to the dark side." Apparently he saw he had little to lose. The metamorphosis was startling to those who had known him for years. He lost his dignified ambassadorial air and replaced it with glitz, adopting Russo's more flashy image.

But Lemaster's problems in no way dampened Tony Russo's enthusiasm for Renda's linked Financing scheme. Regulators learned that Russo had been holding seminars around town to teach other bank and thrift officials how they

too could attract Renda's brokered deposits and then loan the money out to Winkler's and Daily's "qualified" investors as built-in customers. Renda paid Russo a Finder's fee for bringing new institutions into the fold. Russo later admitted that, thanks to his efforts, just as Winkler and Renda were wondering how they were going to replace Indian Springs State Bank as a source of money a new convert showed up to fill the gap – Coronado Savings and Loan, a neighbor in the shopping center with Indian Springs State Bank. Renda promptly brokered \$4.7 million into Coronado Savings, and Coronado in turn loaned Winkler et al. \$3.3 million. Renda discovered that savings and loans were even easier targets than banks because, on the whole, their management was less sophisticated.

"Renda used to tell his troops at First United Fund that as stupid and sheeplike as bankers were, savings and loan officials were on an even lower grade of intelligence," an investigator recalled later. "Consequently, Renda began focusing a great deal of energy on linked financing with savings and loans." By May 1983 Lemaster was under severe pressure from regulators to resolve the Hawaii loan violation. In desperation, Lemaster bypassed Winkler and Daily and wrote directly to their straw borrowers, informing them that their loans were coming due and had to be repaid in full. Lemaster's letter came like a bolt of lightning out of a clear blue sky for the straw borrowers, who then converged on their keeper, Sam Daily. They'd been told by Daily not to worry about their loans, so why was Lemaster threatening them, they wanted to know. Daily turned to Winkler for help, demanding that he tell Renda to pump more money into the operation.

Despite all this regulatory attention being given to Indian Springs State Bank, bank examiners discovered that Russo regularly attended bank loan committee meetings in which bank directors discussed the bank's most important business – in clear disregard of earlier demands made by regulators that his activities at the bank be confined to drumming up new business. He exerted significant influence over daily operations at the bank. To make things even worse, examiners discovered that some of the Civella-related loans were in default. Those were no ordinary customers, and the bank was having a hard time finding a law firm brave (or foolhardy) enough to try to collect on their loans.

"Law Firms wanted no part of those particular cases," one former Indian Springs State Bank official told a reporter. "This wasn't the kind of 'new business' the board of directors had had in mind when they let Lemaster talk them into hiring Russo, and they told Lemaster to fire him. At first Lemaster resisted, but minutes of the June 1983 meeting showed that the board complained bitterly about Russo's alleged mob customers and about the Hawaii loans, which, after all, Russo had brought to the bank. At last Lemaster relented, agreeing to have Russo out by the end of the month.

With all this turmoil in Kansas City, no one was paying any attention to Sam Daily in Hawaii. Lemaster, Winkler, and Renda had their own problems as the scheme began to unwind, and they left Daily to twist in the wind. In desperation, Daily began penning a series of angry letters to Winkler, letters filled with

accusations that Winkler and Renda had misled him, cut him out of his share, and left him to face the bank and the straw borrowers alone. Daily demanded that Renda use some of the loan proceeds he'd stockpiled to pay off the straw borrowers' loans at Indian Springs State Bank. The response Daily got from his First few letters was silence. He was furious.

On the evening of June 16, 1983, Franklin Winkler was relaxing in his Honolulu home when the phone rang. He hoisted his hulk from an easy chair and walked over to the phone. It was Sam Daily. Almost immediately a volley of shots rang out as an assassin, with a clear view of Winkler through the livingroom window, opened fire from outside. Franklin was hit three times, once in the arm, leg, and hand. No one was ever charged with the attempted murder. But nine days later Renda wrote in his desk diary that Winkler had called to say he suspected Daily:

"Sam [Daily] wrote ultimatum letter signed 'or else'...Franklin didn't want to discuss particulars on phone... will meet in NYC Thursday."

Winkler returned to work in his Honolulu office a week later wearing a cast on his wrist but otherwise fit. His employees had hoped for a longer convalescence. His office manager, Chuck Downing, wrote in his desk diary on June 23:

"F.A.W. back in office for first time since shooting, wearing a cast on his wrist. My staff worried about going into his office and getting in the way of the next bullet."

By this time Daily was completely out of money – and patience. His increasingly wild letters had convinced Winkler and Renda that he was a real threat to them. He was talking too much. Daily wrote Winkler again, accusing him and Renda of all manner of underhanded double dealing, outlining his gripes in painful detail. On July 18 Winkler, trying to quiet the volatile Daily, shot off an equally detailed letter addressing Daily's complaints one by one.

Winkler reminded Daily that in 1982 both of them had been in dire Financial straits, facing foreclosure on all sides, and that it was he, Winkler, who had come up with the scheme and let Daily in on it.

"Anyway the main point I am trying to make," Winkler wrote, "is that in some form or another we were able to obtain approximately \$1,400,000 in cash to both of us in 1982 which amount allowed both you and I to stay in business."

At about the same time, thousands of miles away in Kansas City, William Lemaster's son, a Missouri doctor, began to receive strange phone calls. When he picked up the phone there was only a long silence on the other end until the caller finally hung up. His father's white Lincoln Continental was vandalized several times over a two-week period.

"Someone was trying to rattle his cage," Lemaster's son said.

In the early morning hours of July 22, 1983, William Lemaster left a family party to drive home. Shortly thereafter a witness saw Lemaster's Lincoln cross a narrow bridge in Lexington, then suddenly make a wide U-turn at the end of the bridge and speed back across the span, heading in the direction from which it had come. When the car reached the end of the bridge it shot forward, as though someone had pushed the accelerator to the floor, leapt a curb, and slammed full speed into the concrete foundation of a roadside war memorial. The car burst into flames, burning the 39-year-old banker's body beyond recognition. What was left of the body, a handful of ashes and bone fragments, was swept up and officially cremated the next morning.

The incident could not have been an accident, according to investigators, but for several reasons it also didn't seem like suicide. When Lemaster had left the family gathering at 2 am., he had not given his family any hint that he intended to kill himself Five minutes later. He had said no long good-byes, left no notes, made no final arrangements. The man who witnessed the accident said he could not identify Lemaster, or anyone else, as the driver of the Lincoln, so people began to wonder if Lemaster had really been in the car. Or if he had, had he been dead before the accident? they wondered. Maybe he had been drugged. Investigators determined that the fire had begun in the back seat, a place that contained no flammable liquid, a place where car Fires seldom start. Further, the fire was a furious one that instantly consumed the entire passenger compartment. The fierce flames left no body to autopsy and made identification of the corpse impossible.

Could it have been murder? some asked. "It's a possibility," the young Lemaster said. "I would guess there were a few who had motives." On December 8, 1983, Renda scribbled in his desk diary, "Winkler Sr. going to Kansas City to talk to FBI re: conspiracy to kill Winkler and Lemaster." We could not tell if the trip was a smoke screen to get the FBI off their scent or if Leslie Winkler had actual knowledge of a conspiracy that resulted in the death of Lemaster and the shooting of Franklin. Perhaps Franklin's father was simply trying to feed the FBI information that would isolate and discredit Daily. The FBI wouldn't say, and no one was ever charged in either case.

While Lemaster's problems were over, his associates were left to deal with the fallout from his linked Financing arrangement with Renda. By midsummer of 1983 most of the \$6 million in Hawaii loans made by Indian Springs State Bank were in deep default and the bank was crawling with FDIC regulators. Over at Coronado Savings, FSLIC auditors had just found the new loans to the Hawaii partnerships, \$3.7 million in all, that were also already in default.

Back in Hawaii, Daily was becoming increasingly frantic. On August 8 Winkler called Renda, who jotted in his desk diary, "Franklin informed me that Sam Daily stole all the office furniture and equipment [from the partnership offices in Hawaii]." The following week some of the employees in Hawaii were told not to come to work because there was no money to pay them.

On September 6 Franklin Winkler penned a four-page letter to Daily (who

was, after all, right there on the Hawaiian island of Oahu with him, merely a local phone call away – but maybe, after the shooting, Winkler didn't take phone calls any longer). Franklin's letter simply said:

"I learned that you are using me as a scapegoat to blame all of the wrongdoings on me so that you can exonerate [sic] yourself of any wrongdoings, & create an image of credibility for yourself.... Mario is aware of all of these items and his only comment was that in the event you visit regularly a psychoanalyst, neither him nor I would have sufficient money to pay for such psychoanalyst to fully complete his cure on you."

On September 14 the FSLIC slapped a cease and desist order on Coronado Savings, stopping the thrift from making any future loans to the Hawaii partnerships or renewing the old ones. But regardless of these troubles, Renda and Winkler were reluctant to bid farewell to their beloved scheme, and a month after Coronado was lost to them, Renda's Hawaii office hasted lavish parties for bankers and savings and loan executives attending separate conventions there. It was an opportunity to find some new pigeons, and Renda spent \$12,000 on the parties and sent several New York executives with their wives to assist in the grand event. He rented limousines to bring guests to the parties from their hotels. His employees were instructed to explain, if anyone asked, that the office furniture – which had been repossessed days earlier – had been moved out to make room for the party.

But keeping up appearances did nothing but infuriate Sam Daily, who was still trying to get Renda to pay off the Indian Springs loans so the straw borrowers would leave him alone. He did not appreciate having been left to juggle a crumbling empire of over-encumbered properties with crushing negative cash flows and a small army of straw borrowers who were just now realizing that they had been had. On November 20, 1983, Daily penned another of his famous letters. This time he tried to get Franklin Winkler on his side by blaming Renda for all the troubles.

Franklin,
I am sick and tired of protecting someone who has destroyed me. My Firm intentions are that if Mario Renda refuses to do his part in helping us resolve these problems then I am going to hold a news conference with the Kansas City Business Journal and Kansas City Star, and I am going to tell them the whole sordid affair as it concerns First United Fund and Mario Renda. I want you to make Mario Renda well aware that I believe he deals with the Mafia and with known hit men. I had his one-eared friend checked out when he arrived in Honolulu, and he was rated as one of the top hit men in the United States. [An investigator told us he heard that Renda had sent Salvatore Piga – who was rumored to have lost a chunk of an ear when it was bitten off in a fight – to Hawaii to discover who shot Winkler. History has not recorded whether or not he was successful.]

In the event Mario Renda thinks that he would like to place a hit on me, I think you should tell him that that would probably not be too wise. I have sent

another letter, in my best literate terms, outlining the whole series of events that have occurred as I know them concerning his business dealings and his association with the New York hit man. Should anything happen to me or my family I have three prominent attorneys who have a copy of that letter. Those three prominent attorneys are very good friends of mine. I can assure you that they will see Mario Renda behind bars if anything happens to me. I think he knows that I have the moral responsibility, the moral fortitude, and the pure guts that are necessary to see his company destroyed by revealing to the public the manner in which he carries on his business affairs and his involvement with Indian Springs State Bank.

First United Fund's high-water year was 1983, even though the Kansas City seams were falling apart. Renda's salary in 1982 had been \$150,000. In 1983 he voted himself a bonus of \$300,000 and in 1984 he would vote himself a bonus of \$400,000. These amounts were in addition to his salary at First United and the money flowing to him from straw borrowers he had in place around the country. He and Schwimmer also were stuffing their secret bank accounts with \$16 million garnered from their business deal with the two union funds, a business deal they weren't telling the IRS about, court records showed. First United Fund now had offices in Garden City, New York, in Woodland Hills, California, and in the Grosvenor Center in Honolulu. But by late 1983 Renda's empire was suddenly threatened, not by federal regulators, or the FBI, or Sam Daily, but by Richard Ringer and Bart Fraust, two reporters working for the century-old newspaper the American Banker. Ringer first dented Renda's armor when he set out to cover the indictment of an East Indian who used Renda's linked deposits to swindle a number of small Midwest banks out of tens of millions of dollars. The American Banker story swept through the Financial markets and First United Fund started losing customers right and left. Renda became obsessed with the story and he filled his desk diary for weeks with increasingly frantic scribbblings:

"Article in American Banker appeared very negative. Many clients called also negative after article. Prudential Bach will no longer do business or finance with first United. Very damaging."

"Rumors on the street REALLY BAD. Street filled with rumors. No chance anyone will do business with us now."

"Steve called to say Saudi's might not do business with us now."

Fighting a rear-guard action, on August 16, 1983, Renda filed a \$90 million libel suit against the American Banker. Some time later American Banker reporter, Richard Ringer, was jogging after work when a green Mercedes-Benz pulled alongside. Ringer had written probing stories about First United. Two well-dressed white men stepped from the car, walked up to him, and proceeded to administer a thorough beating. With their work done, they slipped back into the Mercedes and drove away.

In January 1984 the Kansas state bank commissioner determined Indian

Springs State Bank was hopelessly insolvent and closed the bank down. (A month earlier Anthony Russo had suddenly quit, though he remained a director of the bank's holding company. No doubt he saw what was coming and figured the regulators who took over the bank wouldn't be developing his kind of "new business.") A team of examiners and attorneys moved in and began the tedious process of verifying bookkeeping entries line by line and examining each loan word by word to determine the true financial condition of the institution. The president of the bank, William Lemaster, who presumably would have had information crucial to the FDIC's understanding of what had happened at Indian Springs State Bank, was (reminiscent of Centennial's Erv Hansen and North American's Duayne Christensen) now dead.

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