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KUHN DEFICIT IS ONLY \$1,891, STATE ADMITS

Accountant Reveals \$3,749 Slip—Mistrial Denied

The amount of money Fuehrer Fritz Kuhn is accused of stealing from his German-American Bund suddenly shrank today—from the \$5,641.24 charged in Kuhn's indictment to \$1,891.75.

And it was through the State's final witness, Benjamin Blattner, an accountant in the District Attorney's office, that the deflation was effected.

To the obvious chagrin of Assistant District Attorney Herman J. McCarthy, who is prosecuting the case, Blattner admitted under cross-examination that he had made a \$3,749.49 "miscalculation" in his testimony before the Grand Jury which returned the indictment.

Error in Analyzing Books

The apparent error was made in Blattner's analysis of Kuhn's records of receipts and disbursements for what he labeled a "Defence Fund" in behalf of a group of head, L. I., in connection with the operation of Camp Siegfried.

General Sessions Judge James G. Wallace denied a motion by Kuhn's chief counsel, Peter L. F. Sabbatino, for a mistrial on the basis of this development, but questioned Blattner closely from the bench. He said:

"Now, let me see if I understand you correctly, so I can be guided and the jury can be guided.

\$674 Not Deposited

"The funds deposited in the bank account of the Bund amounted to \$9,125.95 between June 20 and October 24, 1938, and, according to the defense fund book, there was available for deposit \$9,800.68. Then

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there is a difference of \$674.73 which was not deposited?"

"That's right," replied Blattner.

Sabbatino objected to Judge Wallace's questioning, but was ordered to sit down. Sabbatino insisted that Judge Wallace had interrupted him, whereupon the judge snapped:

"I didn't interrupt you. You interrupted me. Now sit down!"

Sabbatino then demanded to know when Blattner had revised his analysis of the account.

"We had all these figures," Blattner replied, "but we marked it out yesterday."

Blattner expounded his original figures from the witness stand Tuesday, after which, at Sabbatino's request, Judge Wallace allowed a day's adjournment for the defense to study the records.

"The New Theory"

"That, then, is the new theory, is it—that the larcenies amounted to \$1,891.75?" the judge asked Blattner.

"Yes," the accountant answered.

The total includes, in addition to the \$674.75 defense fund figure, three other specific items of \$565.76, \$500 and \$151.26 involved in other counts of the indictment.

Another sharp exchange between Wallace and Sabbatino followed the court's statement of the "new theory," and Sabbatino again demanded a mistrial, on the ground that the judge's questioning was "highly prejudicial to the defense."

Wallace denied the motion, however, and said:

"On the contrary, I think these questions were highly helpful!"

Again Told to Sit Down

Sabbatino pressed his objections and once more was curtly commanded to "sit down."

"And don't be impertinent to me!" Wallace added.

When Sabbatino resumed his cross-examination, he brought out that Vahan H. Kalenderian, one of Kuhn's lawyers, had received more than \$4,000 from various German-American sources for his work on several cases, including the appeal of a conviction at Riverhead.

Qualifies Admission

Under redirect examination by McCarthy, Blattner qualified his earlier admission of a "miscalculation," however, by explaining that the discrepancy was not due to an actual error in calculation but to the fact he had included in his analysis certain documents that were not in evidence.

Among the latter, he explained, were the Bund's dues sheets, listing amounts which he incorporated in the original sum of monies that could have been deposited in the Bund account.

The State was ready to rest its case when Blattner left the stand, but the defense recalled James Wheeler-Hill, national secretary of the Bund, for re-cross-examination.

Wheeler-Hill testified the Bund was run on a "leadership" basis, whereby the leader has complete control of its affairs and finances, and that every member of the Bund subscribed to that principle.

"Has he such complete control that he can do anything he wants?" demanded Judge Wallace. "Can he throw the rules, records and anything else down the sewer if he wants to?"

"He can do anything whatsoever he pleases," replied Wheeler-Hill.

Lawyer Tries Again

"Do you know about all the expenditures of the Bund?" asked Wallace—and Sabbatino set up another demand for a mistrial.

Wallace interrupted his motion four times with anticipatory rulings of "Motion denied."

The judge then referred Wheeler-Hill to the Bund constitution's provision that the leader and treasurer should be jointly responsible for funds.

Wheeler-Hill replied there had been amendments covering that point, but that the amendments had never been printed.

McCarthy read an excerpt from Wheeler-Hill's Grand Jury testimony, in which he said Kuhn had no right to spend Bund money except for official purposes.

Goes Through Constitution

Then, while Sabbatino repeatedly called for a mistrial, Judge Wallace went through section after section of the Bund constitution, stating the responsibilities of the treasurer's office.

"Did you know that Kuhn was spending the Bund's money on long-distance calls to Mrs. Florence Camp?" asked McCarthy, who has previously shown that Kuhn paid Mrs. Camp's moving bills and sent her affectionate telegrams.

"I did not," Wheeler-Hill answered.

"Did you know he was spending more than \$100 a month on such calls?"

"I did not."

"Not a Racket"

Asked if it wasn't a "racket" to collect money for a defense fund and then spend it for personal purposes, Wheeler-Hill replied:

"It is not a racket."

Each male member of the Bund pays 75 cents a month in dues, the witness said, and each female member pays 30 cents. Shown the dues records, however, Wheeler-Hill said he didn't know what they meant. Nor did he know, he said, what Kuhn did with the collections.

"If there is any issue left at the end of the people's case," Sabbatino asserted before court opened, "I shall not hesitate to put the defendant on the stand, because he has nothing to hide."

Bund Heads to Testify

In all, Sabbatino said, he expects to call fifteen witnesses, whose testimony shouldn't take more than a couple of days.

They will include several high Bund officials—notably Deputy National Leader Gerhardt Kunze, West Coast Leader Hermann Schwimm and Midwestern Leader George Froeboese—who will testify that Kuhn, as supreme chief of the organization, enjoyed practically unlimited powers, and that the Bund, from time to time, ratified his actions.

In view of McCarthy's efforts to demonstrate that Kuhn spent Bund money on at least two lady friends, Sabbatino hinted he might even call Mrs. Kuhn to testify to her faith in her husband.

She would swear, it was indicated, that she believed Kuhn's relations with these women—Mrs. Florence Camp and Mrs. Virginia Cogswell have figured prominently in prosecution testimony—were wholly platonic and merely for the furtherance of the Bund.