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Exclusive report...

Newsday's Pulitzer Prize-winning investigative team spent six months probing into matters of public policy and private concern in connection with investments and activities of former Sen. George A. Smathers (D-Fla.) and Charles G. (Bebe) Rebozo, and their relationship with President Nixon, who maintains a Florida White House in Key Biscayne. In the course of their reporting the team examined more than 20,000 records and conducted more than 400 interviews.

How U.S. land deals favor Nixon friends Rebozo, Smathers

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Charles G. (Bebe) Rebozo, President Nixon's closest friend and the only private citizen living in the Florida White House compound on Key Biscayne, received "kid glove" treatment when the U.S. government bought land from him for the Biscayne National Monument in 1969.

Rebozo and his associates quickly received close-to-appraisal prices on an island plot while other landowners were being offered lower prices on a take-it-or-leave-it basis.

Rebozo, through an attorney, then demanded — and received — a higher-than-appraisal price on a second piece of property.

The principal property in question, Adams Key, was the home of the Cocolobo Cay Club, a fading resort which over the years had accommodated such visitors as Presidents Harding and Hoover and Presidents-to-be Johnson and Nixon. The latter two were there as guests of Rebozo and his close associate, former Sen. George A. Smathers (D-Fla.).

The government bought Adams Key from the Rebozo group for $550,000. Subsequently, Rebozo's brother-in-law was put on the federal payroll as a caretaker-watchman on the island, the same job he had held for Rebozo and his associates in a private capacity. And one of Rebozo's partners, his lawyer, Thomas Wakefield, rented the caretaker's cottage back from the United States for $350 a year—for personal use until such time as the monument opened for public use.

Charles G. (Bebe) Rebozo (right), close friend of President Nixon, received "kid glove" treatment when he sold Florida islands to the U.S.

A profile of Bebe Rebozo, Page 16

A. E. N. Westcott, an Army Corps of Engineers official who negotiated the land sale, said he was given to understand at a meeting of corps officials that Rebozo should be "treated with kid gloves" because high-ranking persons in his department felt that "we were supposed to be dealing with someone who was an intimate of people in high places."

Another official said that speedy handling

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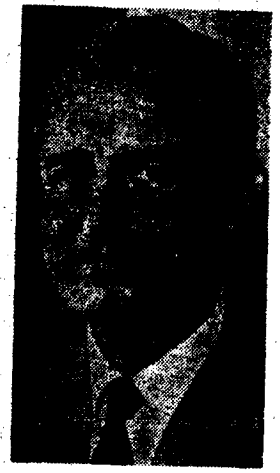

GEORGE A. SMATHERS

CHICAGO SUN-TIMES, Thurs., Oct. 7, 1971

Bebe Rebozo

A day in the life of Key Biscayne's 'mayor'

(C) 1971, Newsday

Key Biscayne is a small, quiet and pretty place in the Florida sun. It has one bank, one yacht club, several hotels and a multitude of palm trees. Many of its residents know each other.

If Key Biscayne were to have an unofficial mayor or unofficial leading citizen, that man might very well be a local millionaire of Cuban descent, who has worked his way up from poor boy to world celebrity.

That one local bank is his. That yacht club is in his debt (since he rescued it from financial disaster), and his is the most celebrated boat at its dock.

He makes his first appearance in the Key Biscayne sunshine in the early hours of most mornings, emerging vigorously from one of the houses in the well hedged and closely guarded presidential compound. He is a chunky man, about 5 feet 6 inches tall, 58 years old, and well tanned, with black hair silvering at the temples. He is always neatly dressed

He is neither a government employe nor a government official. But his name and face are famous for the same reason that he is able to occupy the only one of five houses inside the presidential compound, guarded by the Secret Service, not used by official personnel.

He is Charles Gregory Rebozo, known as Bebe, and he enjoys the very important position of closest friend to the President of the United States.

Privately public

Rebozo is at once one of the most public and the most private men in America. His face has adorned the cover of Life and prominent spots in other magazines. His name regularly appears in news articles around the world. He enjoys nobnobbing with famous political figures, relaxing with the President, and receiving some of the attentions that such status can bring. But he maintains a shell of privacy around all but the most formal aspect of these activities, and also around his personal life and business.

By 7 a.m. of most mornings, Rebozo has started his business day. He has left the presidential compound and is often to be found at a conference breakfast at the Royal Biscayne Hotel, the Key Biscayne Hotel or the Sonesta Hotel.

From there, on most days, he travels to a small bank nearby, a bank of which he is the board chairman and president. The time at which he makes that trip generally is changed from day to day to avoid encounters with the press.

If, on his way to the bank, he passes any of the many local residents who he knows, he will give them a friendly wave. To most of them, he is a friendly but shy man who helps out in community activities.

Once in his office at the bank that he founded, where pictures of President Nixon and former Sen. George A. Smathers (D-Fla.) hang on the wall, he goes to work.

Hard-driving businessman

A study of Rebozo reveals that he is a hard-driving businessman, shrewd, and usually tough and exacting in making a deal. He has been described as an ultra-conservative in business matters by one associate, who jokingly says that Rebozo is "so careful that he wears a belt and suspenders."

Rebozo is capable of great tact and charm, many of his friends say. Donald Berg, owner of Key Biscayne's Jamaica

President Nixon and his host, Bebe Rebozo, board Rebozo's houseboat at Key Biscayne for a cruise to the Florida Keys in August, 1968, three months before Mr. Nixon was elected. Dockmaster is at right.

Inn, a favorite Rebozo watering spot, decribes him as "a real gentleman and a very kind man."

One middle-class couple that retired to Key Biscayne recently gushed: "He's so democratic, he'll always come over to your table at the yacht club and smile and pass a few words — publicity hasn't turned his head."

The other side

He also is capable, however, of quick flashes of anger, an occasionally demanding attitude and of throwing his weight around, particularly if he thinks he is being picked upon. A waitress in a Key Biscayne hotel remembers how Rebozo tried to have her fired when she told him that she resented his attitude; a former bartender at the Jamaica Inn said that he could be "arrogant and demanding."

Rebozo enjoys many forms of relaxation. He likes to boat, fish, drink at Toots Shor's in New York and be seen with sports personalities. He became a friend of the late heavyweight champion Rocky Marciano and attended fights with him. And in 1960 he teamed up with Atlanta restaurateur Harry Hester and other undisclosed partners in an abortive bid to get the Miami franchise from the American Football League.

But the study of Rebozo indicates that he most prefers the company of politicians and businessmen who move in political circles. In the early years, it was Smathers and the men around him. Later, it was Mr. Nixon and Smathers and the political figures that Smathers brought down to Florida for a few relaxing days in the sun.

Rebozo is proud of a wristwatch that was presented to him by Lady Bird Johnson, and he has entertained her husband and other Washington figures in company with Smathers. And he has occasionally entertained Sen. Russell B. Long (D-La.), the former Senate whip. One of Rebozo's favorite pre-Nixon pictures was taken in 1955 and shows him on his boat with his guests: Johnson, Smathers, the late Sen. Richard Russell (D-Ga.), former Sen. Earle Clements (D-

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The keys to Bebe Re

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of Rebozo's claim had been urged because "we didn't want to embarrass an incoming President."

Rebozo, the son of immigrant Cubans, attended Miami High School with Smathers and joined Smathers' political organization after World War II. He coupled management of finance companies with investments with other Smathers' associates.

"I don't think he ever operated alone," one man who had business dealings with Rebozo said. Rebozo is said to have accumulated a net worth estimated at more than $1 million today.

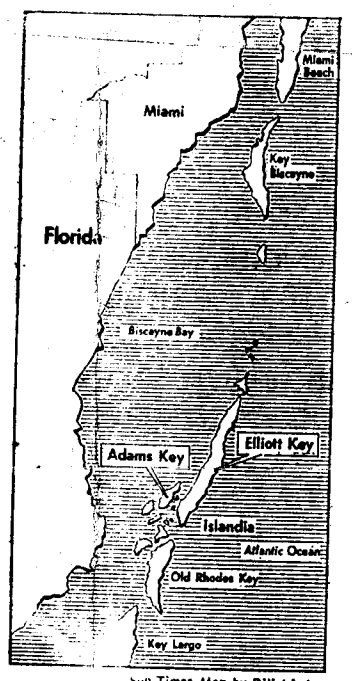
It was Smathers who introduced Rebozo to Richard Nixon.

Adams Key was one of the Rebozo investments; land in an area called Florida Fruit Lands was another. Examination of Rebozo's dealings in these two cases illuminates his method of operation and sketches the close relationships that sometimes exist between businessmen, politicians and government.

Rebozo sold 150 acres of Florida Fruit Lands this year at $850 an acre to the Florida Power & Light Co., which apparently cannot use the land without either buying more from Rebozo or buying part of the nearby 80-acre tract that Rebozo sold to Smathers last year for $400 an acre. Smathers had fought in the Senate to prevent the Federal Power Commission from regulating the company's rates.

Bought Key in 1953

Rebozo joined banker W. Sloan McCrea, attorney Wakefield and — although it was secret until 1968 — Smathers, in buying Adams Key in 1953, when many land speculators were investing in island sites in the hope that a causeway eventually would link them to the mainland and open them to resort development.



Sun-Times Map by Bill Linden

Map locates Adams Key and Elliott Key, two islands sold to the U.S. by Bebe Rebozo, a close friend of President Nixon. Sun-Times Map by Bill Linden

In 1963, the Dade County (Miami) Board of Commissioners advanced the idea of turning much of Biscayne Bay into a park, and the

bozo's Fla. kingdom

owners of Adams Key put the island on the market. The next year, the State of Florida took an option on it for $550,000, although the state's appraisers valued it at only $416,650. But the agreement lapsed and the owners could not find buyers for Adams Key.

Five years later, Rep. Dante B. Fascell (D-Fla.) successfully sponsored a bill to create the Biscayne National Monument by buying part of the shallow bay and Islandia, the islands that form a barrier between it and the ocean.

In 1969, the Corps of Engineers began buying the land by offering prices below secret government appraisals. Owners felt, not without reason, that if they did not accept the price the land might be tied up for years before a higher one could be negotiated.

Steps in the Rebozo transaction were reported to Washington, and the Interior Department's files showed an early notation on Adams Key that said: "This 77-acre key may or may not become a problem dependent on the owner's attitude."

Getting top dollar

A federal appraiser set the island's value at $555,000 and Westcott, the Corps of Engineers official, sent Wakefield an offer of $500,000. After discussion, agreement was reached and Wakefield wrote in a price of $555,000.

Westcott then offered Rebozo $90,000 for his land on Elliott Key, and said he was told that Rebozo had been disappointed in the price paid for Adams Key, so the matter was referred to higher authorities. After six days of negotiations, the government agreed to pay Rebozo $99,000 for Elliott Key. The secret appraisal price was $90,400.

In 1953, as part of his other land speculations, Rebozo bought some land in an undeveloped tract west of Miami named the Florida Fruit Lands, paying $19 an acre. In July, 1970, Smathers took a deed to 80 acres of Land for what tax stamps indicated was a price of $32,000 or $400 an acre. Then, last February, Rebozo sold 150 acres of the land to Florida Power & Light for $127,500, about $850 dollars an acre.

Rebozo owed about $5,300 to the Bank of Kendall (Florida) on a mortgage on the land he sold to Smathers but did not pay the mortgage until the same week he sold to the power company.

The land bought from Rebozo by Florida Power was oddly shaped, consisting of 10-acre tracts, with 10 tracts side by side and the other five extending out of the cluster, rather like legs on a table. Florida Power has been buying land in the vicinity recently, preparing for a housing boom there, but had not bought any closer than half a mile to Rebozo's holdings until it bought the 150-acre tract from him.

A public relations man for the utility said that the land was bought for "transmission purposes."

Although the land is half a mile from an apparent right-of-way purchased by Florida Power, a company vice president said there were no plans to buy any more land from Rebozo or Smathers.

Smathers, as a senator, joined Sen. Spessard Holland (D-Fla.) in 1955 in sponsoring a bill that would have prevented the Federal Power Commission from regulating Florida Power & Light's rate structure. The bill was not passed, but Smathers tried again in the next session. After that attempt was unsuccessful, the company started a court case against federal regulation, which is expected to reach the U.S. Supreme Court this fall.

Rebozo, Smathers and Wakefield have been unavailable for comment.

Bebe Rebozo, the 'mayor' of Key Biscayne, Fla.

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Ky.) and Sen. Stuart Symington (D-Mo.)

Son of immigrants

Rebozo was born Nov. 17, 1912, the youngest of nine children of parents who had arrived in Tampa from Havana. He was nicknamed as a child because of a brother's trouble in properly pronouncing the word "baby." He went to school in Miami, where the family had moved, and helped swell the family income by delivering newspapers and plucking chickens.

Rebozo married his 17-year-old sweetheart, Clara Gunn. But, according to some published reports, they never lived together as man and wife, and the marriage was annulled several years later. He married her again in 1946 and moved out in 1948, and they were divorced in 1950, childless.

He is devoted to his mother, Carmen, now in her 90s, for whom he has [illegible] a real estate corporation. She lives in a home that he maintains for her in Coral Gables.

He went through Miami High School, where he became a friend of such schoolmates as W. Sloan McCrea, who later became a banker and an important business associate, and Smathers, who later became U.S. senator and the man who introduced Rebozo to Nixon.

Learning to fly

Rebozo worked first as a chauffeur for the Florida Year to Africa, but his duties, which always returned him to Miami, left him ample time to check on the gas station.

The Goon Squad

It was in that period that Rebozo began to associate politically with what later became known as the "Goon Squad," a small group who had hitched their fortunes to Smathers' rising political star. After the war, Rebozo moved more directly into the Smathers organization. He became the No. 1 aide to McCrea, by then the No. 1 aide to Smathers.

Many of the other members of the group would later hold top positions in the Democratic Party and in state and federal government or would become men of importance and power in Florida business circles.

Today, among other holdings, Rebozo can count a lion's share of the Key Biscayne Bank & Trust Co., of which he is the president and chairman; part of an adjoining office building; a house on Key Biscayne; large chunks of stock in corporations that own most of the only undeveloped islands in Miami's harbor; a flourishing title company in neighboring Monroe County; a string of coin-operated laundries; a combination of a gas station and stores; a land bank in undeveloped western Dade County, and some strategically placed building plots in the Greater Miami area.

Millionaire

The last available net-worth statement was filed by Rebozo on Sept. 1, 1967, with the Small Business Administration in connection with a loan that he was repaying to that federal agency.

In that statement, Rebozo valued his own holdings, after the deduction of debts, at $682,295.61. In the intervening years, a number of Rebozo's investments have grown in value; in some cases, property listed on the 1967 statement has since been sold for several times the value listed there; additional properties and holdings have been acquired and some holdings were not included in the 1967 statement. Allowing for those factors, Rebozo's present net worth goes well over $1 million.