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Memorandum

To : SAC, NEW YORK (196A-NY-1774)P Date 3/28/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG.(B);
PINCUS GREEN - FUG.(B);
FBW, RICO, INCOME TAX EVASION;
OO: NY

It is requested that an additional Fugitive sub-file be opened for communications relating to fugitive Pincus Green.

(Sub) 196A-NY-1774 Fug 1

OPEN OR REOPEN CASE 196A-NY-1774
ORIGIN NY DATE 3/28/91
SUPV. SECT. C-12
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DATE 2/22/01 BY [redacted]
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MAR 28 1991
FBI—NEW YORK

(1) FUGITIVE sub FILE

"AUTOMATED RECORD"

Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 10/3/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO
OO: NY

The purpose of this memo is to correct the spelling of [redacted] indexed in Serial 545 as [redacted] b6 b7C b7D

It is requested the indexing of [redacted] be modified to reflect the correct spelling, [redacted] b6 b7C b7D

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CLOSE ON THIS
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196A-NY-1774-FUG 1

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DATE 2/22/01 BY [redacted]
01-081

(1) FUG File 1

Memorandum

To : SAC, NEW YORK (196A-NY-1774) Date 10/3/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO
OO: NY

On 10/2/91, [redacted] SSA, FBI, assigned to INTERPOL, Tel. # (202) 272-8383 contacted the NYO and advised the following: b6 b7C

The [redacted] are somewhat upset by information furnished the FBI and U.S. Marshals concerning Marc Rich by a [redacted] citizen, [redacted] b6 b7C b7D

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OCT 0 1 1991
FBI — NEW YORK

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(1) Fug sub File 1

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[redacted] had to respond to the [redacted] and asked for a chronology of events concerning [redacted] which was given to him.

b6
b7C
b7D

2*

Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 11/26/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO, INCOME
TAX EVASION
OO: NY

Attached is a Three page article from BUSINESS WEEK dated 11/11/91 entitled "Making Marc Rich Squirm."

The article explains the basis for the congressional inquiry initiated by Representative Bob Wise (D-W.VA.).

2,3

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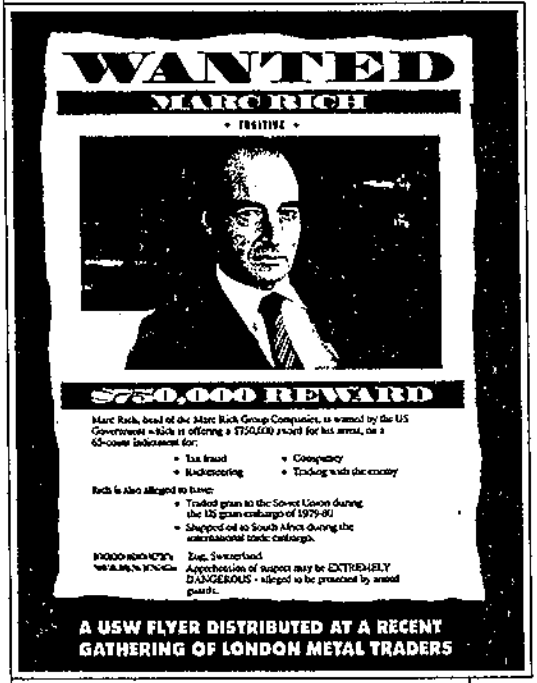
(1) - FUGITIVE SUB-FILE 1

MAKING MARC RICH SQUIRM

The Steelworkers could hinder his attempts to return to the U.S.

Four officials of the United Steelworkers got a nasty reception on Oct. 8, when they crashed the annual shindig for traders on the London Metal Exchange (LME). As the unionists handed out "Wanted: Marc Rich" posters to black-tie guests at London's fashionable Grosvenor House Hotel, four men emerged from a black BMW and threatened to "hurt" the leafleters if they didn't withdraw, claims Joseph B. Uehlein, one of the USW four. The next day, two of the Americans say, their hotel rooms were entered and searched.



A USW FLYER DISTRIBUTED AT A RECENT GATHERING OF LONDON METAL TRADERS

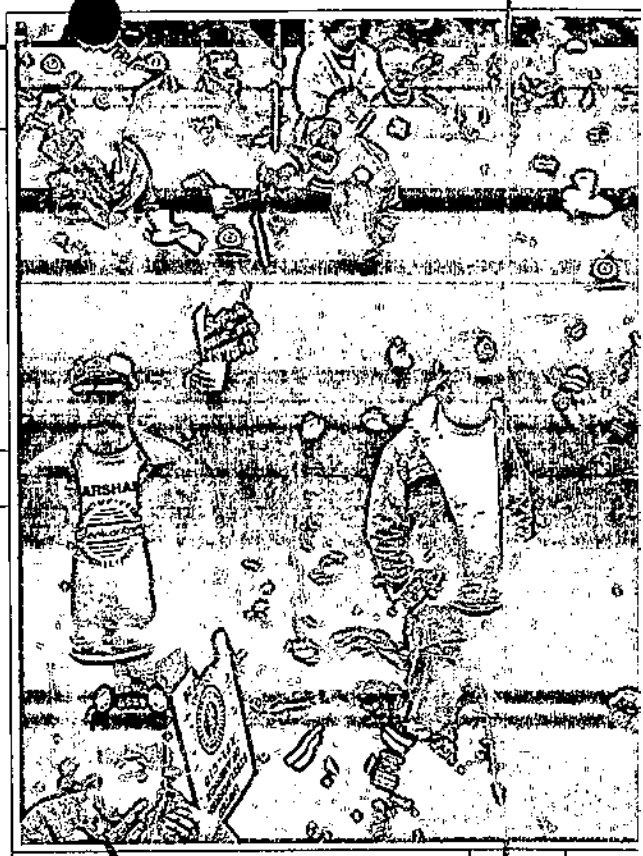
What beef does a U.S. union have with Rich, a commodities whiz who controls a $30 billion-a-year trading operation in 40 countries? The USW claims Rich is an influential absentee owner of Ravenswood Aluminum Corp., a private West Virginia company that's locked in a violent labor dispute with 1,700 USW members. The union has picketed his six-story headquarters in Zug, Switzerland, enlisted the aid of European unions, and called for a congressional investigation of Rich's U.S. government contracts.

These are standard tactics in labor disputes—and ordinarily about as bothersome as a gnat to someone of Rich's estimated $3 billion net worth. Except for this: Rich has wanted to return home ever since he fled the U.S. eight years ago, just ahead of a 65-count federal indictment for criminal tax evasion and racketeering. Because his ailing mother lives in Manhattan, as does his estranged wife, Denise, who recently returned with the youngest of their three daughters, he has recently stepped up these efforts.

Indeed, Rich's lawyers, including Washington's Leonard Garment, make regular overtures to the Justice Dept. "to negotiate terms of his surrender," says a Justice official. That's a matter of some urgency, because the U.S. government is offering a $750,000 reward for Rich. And because the USW dispute is dragging Rich back into the limelight—and providing an unusual look at his secretive U.S. empire, which has rarely been scrutinized before.

Born in Belgium, Rich moved to the U.S. with his family in 1941 at the age of eight. In 1954, he joined Philipp Brothers Inc., a leading commodity trader. Credited with developing the independent spot market for oil in the early 1970s, Rich later started his own company, which grew to $10 billion in sales.

Then, in 1983, his troubles began. The U.S. Attorney's office in Manhattan indicted Rich, his partner Pincus "Pinky" Green, and Marc Rich & Co. on charges of rigging a huge, illegal oil-pricing scheme, evading $48 million in taxes, and illegally buying oil from Iran during the 1979 hostage crisis. Shortly before the indictments, Rich claimed to have sold his U.S. operating arm, Marc Rich & Co. International Ltd., to Alex Hackel, an unindicted partner in Switzerland. The company was renamed Clarendon Ltd., and another unindicted Rich employee, a top aluminum trader named Willy R. Strothotte, was made chief operating officer and later, president.



The new entity seems to have existed in name only. The judge hearing the indictments called the maneuvers a "ploy" to avoid the $50,000-a-day fine he had slapped on Rich's U.S. company. He noted that Clarendon employed the same people as before and was still headquartered in Rich's offices in Zug—as it is today. Ultimately, Rich paid the fine as part of a $171 million settlement of civil charges against Clarendon.

CLEAN FACE. Ever since, Clarendon officials have insisted that Rich no longer controls the company. They have good reason to do so: Rich's indictment drove away customers, say federal prosecutors in the case. By distancing himself from the company—he still owns 49%—Rich gave Clarendon a clean face. Then, he used it to expand vigorously in the U.S., first in commodity trading and subsequently, in aluminum production.

The first major step came in 1986, when Clarendon signed a 10-year agreement to buy all 800,000 tons of alumina produced annually by a Jamaican company. Clarendon sells most of the semi-refined white powder, which is used in smelting aluminum, to major U.S. producers. Then, Clarendon got into smelting. It took a part ownership in at least four smelters, then signed agreements for each to process alumina that Clarendon supplies. These were often sweet deals. For instance, Clarendon paid a reported $40 million to buy 27% of an Alumax of South Carolina Inc. plant in Mt. Holly, S.C. Clarendon's share of output

[LEFT] PHOTOGRAPH BY ABBAS/MAGNUM

RALLYING IN RAVENSWOOD: A WARNING TO OTHER STEELMAKERS

is 45,000 tons of aluminum a year. Analysts say a smelter to produce that much would cost about $220 million to build.

With such deals, Clarendon bought major positions in the U.S. aluminum industry. Today, it controls more than a third of the world market for independent primary aluminum and alumina, according to major rivals. "You cannot do business in the aluminum industry without doing business with Marc Rich," says a senior Alcan Aluminum official.

As Clarendon expanded, it spawned a labyrinth of subsidiaries and partly owned companies aimed, prosecutors say, at insulating the fugitive executive from notice of his U.S. activities (table). Take Ormet Corp., Clarendon's next big investment after Mt. Holly. Ormet was an alumina and smelting operation jointly owned by Revere Copper Products Inc. and Alusuisse, a Swiss aluminum company. In 1986, an investment group including Strothotte bought the company for a cheap $98 million. Clarendon used a similar approach in early 1989, when Strothotte and others bought Ravenswood, then a unit of Kaiser Aluminum & Chemical Corp.

The Ormet investors joined forces again, including R. Emmett Boyle, the former president of Ormet, who became Ravenswood's chairman; Stanwich Partners in Stamford, Conn.; and Rinoman Investment in Amsterdam. Rinoman, which owns 48% of Ravenswood, is 100% owned by Strothotte, Clarendon's president.

There are other links between Ravenswood and Rich. Clarendon supplies Ravenswood with most of its alumina. Clarendon also buys some aluminum produced by Ravenswood. The acquisition from Kaiser, for $170 million in cash and $180 million in assumed liabilities, was financed with a $205 million loan from Ridgeway Commercial, a Swiss affiliate of Clarendon. The investors also lined up a $140 million line of revolving credit led by Amsterdam's NMB Postbank, which regularly does business with Rich. "It's understood that Rich is behind the ownership [of Ravenswood and Ormet], although I never knew him to get involved in the management," says Thomas J. McGinty, who sold his 29% Ormet stake to Strothotte in 1989.

'NOBODY'S PUPPET.' Boyle adamantly denies that Rich is connected to Ravenswood. He argues that Rinoman is simply Strothotte investing as an individual. "I resent anybody saying I'm a puppet" of Marc Rich, Boyle snorts. "I'm nobody's puppet. I run this company." Rich himself declined to discuss the issue. A letter BUSINESS WEEK sent to him in Zug elicited a response from Robert Thomajan, a New York lawyer on leave from his firm to work for Rich in Zug. Thomajan says Rich's company "has not and does not comment publicly on its business activities."

Strothotte sent BUSINESS WEEK a letter, faxed from Rich's Zug headquarters, denying any "ownership link" between Ravenswood and Clarendon or Rich. Strothotte also says that "efforts by the [USW] to involve Clarendon and its shareholders in a resolution [of the Ravenswood dispute], their conduct at the LME dinner, and the rather absurd reference to threats are all misdirected and serve no useful purpose." In response to a second query, he issued further general denials but did not reply in detail before this issue went to press.

The USW concedes that Boyle is the primary architect of Ravenswood's labor policies. The friction began when the company's labor contract expired a year ago. After Boyle demanded pay cuts, talks over a new pact deadlocked. Boyle then locked out union members and hired 1,100 replacements.

Since then, there have been hundreds of acts of vandalism and clashes between Ravenswood security

MARC RICH'S TANGLED U.S. EMPIRE

MARC RICH & CO. HOLDING Based in Zug, Switzerland, with $30 billion in sales

Marc Rich has expanded his U.S. operations ever since he fled the country in 1983 ahead of a 65-count indictment. His holdings are controlled through a labyrinth of subsidiaries and partly owned companies

CLARENDON LTD. Holding company for U.S. operations, 49% owned by Marc Rich & Co., based in Zug with offices in Stamford, Conn. *President:* Willy R. Strothotte

RINOMAN INVESTMENT CO. Clarendon affiliate owned by Strothotte. Owns 48% of Ravenswood

BERKELEY ALUMINUM INC. Clarendon affiliate based in Stamford, Conn.

ORMET CORP. Aluminum producer in Hannibal, Ohio. Clarendon owns 6% and controls part of its output

RIDGEWAY COMMERCIAL Clarendon affiliate based in Hergswil, Switzerland, supplied $205 million for Rinoman's purchase of Ravenswood

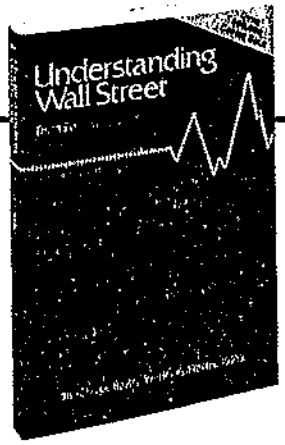
ALUMAX INC. Aluminum smelter in Mt. Holly, S.C., 27% owned by Berkeley. Clarendon controls 75% of its output

RAVENSWOOD ALUMINUM CORP. Aluminum producer in Ravenswood, W. Va.

DATA: BW

PHOTOGRAPH BY GARY TEUMAN

How "Street Smart" Investors Get That Way...



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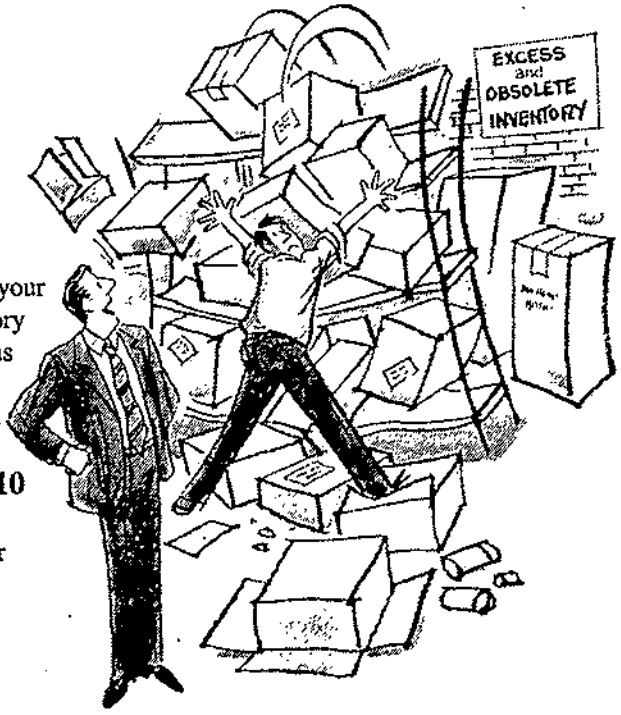

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Frankly Fenton, when I named you Manager of excess inventory, this isn't what I had in mind.

guards and USW members. Boyle has spent more than $1.5 million to fortify the plant, ringing it with tractor-trailers, railcars, and a 10-foot-high barbed-wire fence. The union has spent an estimated $11 million on its campaign, largely strike benefits.

Insiders say the USW wants to send a message to other aluminum and steel producers not to try the same thing. Indeed, they may now think twice. "The two sides are in a death grip," says Peter W. Merner, an aluminum analyst at Merner Research. USW President Lynn Williams says he recently persuaded Ravenswood's biggest customer for aluminum-can sheet, American National Can, to cancel future orders that represent 23% of Ravenswood's sales. Boyle denies this. American National won't comment.

LONG ROPE. The USW also hired a private investigator to look into Ravenswood's tangled ownership—which is what led it to Rich. To rope him into the dispute, the union complained to Representative Bob Wise (D-W. Va.), whose district includes Ravenswood. Now, Wise's subcommittee on government operations is investigating allegations that Rich & Co. may have traded in Iraqi oil during the Persian Gulf war. This would have violated both U. N. sanctions and Swiss law. European unionists are also attacking. They're trying to thwart Rich's attempts to buy Slovak State Aluminum Co. And pro-union politicians in the European Parliament have questioned his ethics.

Rich's lawyers continue to press for his return to the U. S., offering to pay multimillion-dollar fines he still owes. Rich's one condition is that he avoid prison. He may have allies in the State Dept. U. S. marshals have tried several times to trap Rich, most recently in September, when they alerted officials in Finland that he was due to arrive by private plane. But in that instance, as in previous ones, Rich got away. A. Craig Copetas, author of a 1985 book on Rich, says the marshals suspect that someone in State, which must be notified of such operations, is leaking their plans to Rich because they value his high-level contacts around the world. The Justice Dept., however, "will never make a deal that will let Rich buy his way out of a possible prison term," says Morris "Sandy" Weinberg, a former U. S. prosecutor who led the case against Rich.

Implicit in the USW's strategy is that if Ravenswood is settled, the spotlight on Rich will go dark. Maybe so. But it's just as likely that, win or lose, the union has ensured that the fugitive from New York will long remain a prisoner in Zug.

By Michael Schroeder and Maria Mallory in Pittsburgh, with John Templeman in Bonn

4.

Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 12/9/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW
OO: NY

On 12/9/91, [redacted] calling from [redacted] furnished the following:

b6 b7C b7D

[redacted] claims an individual from [redacted] involved in [redacted]

He alleges that [redacted]

(2)

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(1) Fug File 1

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[redacted] also alleges that [redacted] in the U.S. is [redacted] who resides at present in [redacted] and is [redacted]

VOL. CCXIX NO. 11 ★

WALL STREET JOURNAL
January 16, 1992

War Anniversary

How Saddam Hussein Survives Sanctions And Dissent for a Year

Oil Funds Squirreled Away, Starting in the 1970s, Now Provide a Lifeline for Iraq

Reign of Terror Is Tight Rein

By GERALD F. SEIB
And JOHN J. FIALKA
Staff Reporters of THE WALL STREET JOURNAL

WASHINGTON – It is D-Day plus a year, and almost everything has changed.

One year ago this week, American warplanes opened the six-week war that drove Iraq from Kuwait. Today, Kuwait is free, oil prices have fallen by nearly half, Iraq's nuclear program is being dismantled, and Arabs and Israelis are talking peace.

But one thing hasn't changed: Saddam Hussein is still standing. In fact, the White House's political woes raise the bizarre possibility that, despite his crushing defeat, Saddam Hussein actually could outlast his nemesis, George Bush, in power.

The story of how Saddam Hussein has survived despite suffocating economic sanctions and growing internal dissent lies in large part in a cunning, little-understood economic support system the Iraqi ruler quietly constructed over the past two decades. The central question now is whether this life-support system—coupled with a well-known system of internal terror—will enable him to grind down the will of the international community and outlive the United Nations sanctions designed to strangle his economy.

Key to Survival

In conversations with an array of U.S. officials, private American investigators and exiled Iraqi officials, there is uncertainty about the extent of Iraq's clandestine foreign economic activity, but all agree that it has been key to his survival. Former Iraqi officials say the story begins in the early 1970s, when Iraq began siphoning oil revenue into a kind of giant political slush fund. This eventually built a multibillion-dollar financial cushion that is now helping sustain Saddam Hussein despite the U.N. sanctions.

Then, during the 1980-88 Iran-Iraq war, Saddam Hussein's lieutenants created a subterranean network of trading companies to feed his war machine. The network now operates from Jordan and Switzerland to maintain a skeletal economy and keep his cronies satisfied despite sanctions.

"We've been in this business a long time, and we've never seen a procurement network put together like the one used by the Iraqis in the 1980s," says Jules Kroll, head of Kroll Associates Inc., the New York investigation firm Kuwait hired to

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"We've been in this business a long time, and we've never seen a procurement network put together like the one used by the Iraqis in the 1980s," says Jules Kroll, head of Kroll Associates Inc., the New York investigation firm Kuwait hired to track down Iraq's money. "We believe they are now busy reconstructing that network using different names."

Obviously, Saddam Hussein needs more than money to survive. Fearful of enemies within, he has been consolidating power into an ever-smaller circle of relatives and cronies, many from his hometown of Tikrit. Within the last few months, he has replaced his prime minister, defense minister and interior minister.

Now, Arab diplomats report tantalizing hints of dissension within even that small circle of confidants. In one recent incident, these people say, the personal guards of the new Iraqi defense minister, who is Saddam Hussein's cousin, exchanged gunfire with the security guards of the new interior minister, who is Saddam Hussein's half-brother.

Saddam Hussein

Both the American and Saudi Arabian governments in recent weeks have broadened their contacts with Iraqi dissidents, sensing that the fractious Shiite, Sunni and Kurdish elements of the opposition may finally be starting to pull together. Saudi Arabia is trying to arrange an international conference bringing together the full spectrum of Iraqi opposition groups. At least seven opposition radio transmitters are beaming anti-Saddam messages into Iraq from Saudi Arabia, Syria, Iran, Kuwait and Egypt.

In the U.S., the Bush administration has just completed a quiet policy review that laid new plans to help Saddam Hussein's foes if an internal insurrection begins. Administration officials insist that while they would love to see Saddam Hussein's exit, it isn't crucial to see him go. They argue that the war effectively ended his ability to intimidate his neighbors—and cite as proof the successful launching of the Arab-Israeli peace process despite Iraq's virulent opposition. "The dark force of Arab politics has been put back in his box," argues a senior administration aide.

Nonetheless, Saddam Hussein's continuing presence is an acute political embarrassment for President Bush as he faces a re-election campaign. For the Saudi Arabians, it is worse than that: They see Saddam Hussein as a standing threat.

Just yesterday, Robert Gates, the U.S. director of central intelligence, said in congressional testimony that Iraq will remain a "primary" threat to develop weapons of mass destruction as long as Saddam Hussein remains in power.

Iraqi dissidents argue that the time to oust Saddam Hussein is this year. "To tell you the truth, I can't put more than a 50-50 hope on the chances for a change," says

Please Turn to Page A4, Column 1

War Anniversary: How Saddam Hussein Survives In Iraq Despite U.N. Sanctions and Internal Dissent

Continued From First Page

Salah al-Shaikhly, a former Iraqi government planner who now is active in the opposition. But, he says, "If that 50% is to materialize, it's going to have to happen in the next few months." Eventually, he says, the clamor for doing business with oil-rich Iraq will undermine international support for sanctions.

If Saddam Hussein does outlast the U.N. sanctions, much of the credit will be due to a secret decision by the Baath party in 1972. Back then, when Saddam Hussein was still rising through the Iraqi leadership, the party's Revolutionary Command Council decreed that 5% of Iraq's future oil revenue should be set aside for future "eventualities," says Mr. al-Shaikhly, who was a senior official in the planning ministry at the time. "This money was probably invested in Switzerland and Japan and other European countries."

Saddam Hussein was one of three officials given power over the fund, the former official says, and he is the only one still alive. The other two were Adnan Khairallah, a former defense minister who died in a helicopter crash, and Adnan Hamdani, a former minister of planning who was executed.

Another exiled official, former Planning Minister Jawad Hashim, says the fund may have grown to $30 billion by the start of the Gulf War. Mr. Kroll, the New York investigator, is far more conservative, but still estimates that Iraq and Saddam Hussein's family have placed between $10 billion and $15 billion of liquid assets outside of Iraq. He figures no more than a third of that is frozen by the sanctions, with the rest escaping official detection.

(Officially, Iraq informed U.N. humanitarian officials in mid-July that it had a mere $14.8 million in foreign exchange reserves and an unspecified amount of gold bullion. But it has refused to respond to a Security Council resolution requiring it to provide a monthly accounting of its foreign currency reserves at home and abroad, U.N. officials say.)

The money in Swiss accounts, Mr. Kroll asserts, is overseen by Barzan Ibrahim, Saddam Hussein's half-brother, who is a member of the U.N.'s Human Rights Commission in Geneva. Mr. Ibrahim has previously denied the charge.

Whatever the precise source of Iraqi funds, they clearly are being used to procure goods above and beyond those allowed by U.N. sanctions, which prohibit the sale of Iraqi oil and limit imports to humanitarian needs such as food and medicine. Even these restrictions may be loosening a little, as Iraq and U.N. officials negotiate to clear the way for the first open sale of Iraqi oil since the war. One sign that Iraq isn't desperate for cash is that it so far has rejected a plan for it to sell $1.6 billion of oil because terms of the proposed transaction called for the U.N. to monitor the use of the proceeds.

But there is evidence that deals already are being done. Mr. Kroll, U.S. businesspeople and Iraqi dissidents all report that Iraq has set up a series of front companies and middlemen in Jordan to move oil and money out of Iraqi hands and to ship goods into the country. In Amman, Jordanians have been struck by the number of middle-class Iraqis holed up in their city's hotels. "Of course there's business going on," says one Jordanian businessman. "It didn't stop during the war, so why should it stop now? Jordan is Iraq's lifeline. Under the table, everyone is cutting deals."

Mr. Kroll points to what he believes is one such deal. He displays telexes from the Madrid office of Marc Rich & Co., a Swiss trading company, to Dr. Fadhil Othman, head of the Iraqi State Oil Marketing Organization, in Amman. The telex offer, dated last Aug. 26, says Marc Rich is interested in buying 100,000 barrels of Iraqi oil a day and is also interested in selling grain and sugar to Iraq. The telex offers no indication of the date of the offered transaction, aside from a reference in accompanying documents to October oil prices.

Sort of a Family Affair

Marc Rich also sent copies of the telex to Jaraco S.A., a Geneva-based trading company that Mr. Kroll says is operated by Barzan Ibrahim and two Iranian brothers, Esfandiar and Bahman Bakhtiar. Iranian exiles identify the brothers as the sons of Taymour Bakhtiar, a former head of Iran's secret police who went into exile in Iraq after he was fired by the late Shah of Iran. Taymour Bakhtiar later was assassinated in Iraq, and his widow and sons developed a close relationship to Saddam Hussein, who is said to treat the Bakhtiar brothers as adopted sons.

Jaraco won't answer questions on the telexes or the company's ownership. "We're sorry to tell you that our company's policy is not to give any interviews," says an employee who answers the phone at the firm's Geneva office.

Leonard Garment, a Washington lawyer who represents Marc Rich in a case involving U.S. tax-evasion charges in New York, says Mr. Rich's company is being unfairly singled out by Mr. Kroll. "Everybody and his cousin who is in the oil business is in Amman negotiating arrangements on an 'if, as and when' basis as to the lifting of the embargo," says Mr. Garment. He adds that Marc Rich's telex to the Iraqi oil marketing organization was only an "expression of interest" and was made subject to the lifting of U.N. sanctions.

'Substantial Deals'

But others say the oil and other goods are moving now. Mr. Kroll says hundreds of Iraqi oil trucks arrive in Jordan daily. Mr. Kroll says his firm suspects the shipments go beyond Jordan's energy needs and may wind up in Syria or Lebanon. Similarly, Nathaniel Kern, vice president of Foreign Reports, a Washington-based firm that provides political news to oil and other companies operating in the Middle East, says his clients have reported "substantial" deals with Iraq being transacted in Amman, although Jordan has started to curb business with Iraq within the last few days. "Iraq's desire is to build up business lobbies throughout the Western world," he says. And Ahmad Chalabi, a London-based banker and leader of the Iraqi opposition, says the Iraqi government has been "getting raw material" through Jordan, including steel to use in weapons-factory repairs.

Jordan insists it isn't sanctioning any sanctions-busting. "I'm not aware of an Iraqi trade organization in Amman," says Marwan Muasher, spokesman for the Jordanian Embassy in Washington. "If there is evidence, let him [Mr. Kroll] produce it." While Iraqi individuals may travel to Amman because it is their only outlet to the West, Mr. Muasher says, "certainly they aren't conducting business on behalf of their government." He adds: "We aren't involved as a government in any illegal activity with Iraq."

U.S. officials take a more cautious approach. They say goods are indeed moving across the Jordanian border, and add that they have raised the issue with the Jordanian government. But they assert that the descriptions of heavy trade are overstated and that Jordan has taken steps to slow the flow and carry out its trade with Iraq under terms of U.N. sanctions. Perhaps because of pressure on Jordan, there have been signs lately of an increasing flow of goods across the Turkish-Iraqi border.

(B)

U.S. officials take a more cautious approach. They say [illegible]re indeed moving across the Jordan[illegible]der, and add that they have raised the issue with the Jordanian government. But they assert that the descriptions of heavy trade are overstated and that Jordan has taken steps to slow the flow and carry out its trade with Iraq under terms of U.N. sanctions. Perhaps because of pressure on Jordan, there have been signs lately of an increasing flow of goods across the Turkish-Iraqi border.

No one thinks that Saddam Hussein's economic sleight of hand is enough to keep his entire country fat and happy. And indeed there are hints of growing unrest. U.N. officials report that when they visit the southern Iraqi city of Basra, a Shiite stronghold, they hear gunfire at night. Thousands of Shiites are believed to be encamped in the swamps of the Tigris-Euphrates delta. Recent weeks have brought increasingly frequent reports of fights within the army. Iraqi officials acknowledge they are doing house-to-house searches for arms.

But some opposition leaders fear that Saddam Hussein can keep enough money and goods flowing to satisfy the needs of his political cronies and the Iraqi Army units he needs to intimidate his enemies. According to Mr. Chalabi, those include three Republican Guards divisions positioned outside Baghdad, and three divisions of his more elite protection force encamped inside the city. "They are the ones who are getting the best food and equipment," he says. Meanwhile, Saddam Hussein's foreign adversaries remain concerned that parts of his nuclear weapons and missile programs remain hidden.

Despite reports of poverty and malnutrition, the Iraqi ruler recently raised salaries of government and army employees by 20%. As for the rest of the Iraqi population, last weekend they received assurances that they didn't lose last year's war, after all: "When the great confrontation took place, God decreed that victory once again must go to the Iraqis because they follow the path of truth while their enemies follow the path of falsehood."

—Tony Horwitz in London contributed to this article.

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 03-13-2017 BY: [redacted]

b6
b7C

Memorandum

~~SECRET~~

To : SAC, DIVISION II (196A-1774 FUG 2) (P) Date 4/15/92
(ATTN: SQUAD C-12)

From : SA [redacted] (I-6) ~~(S)~~ (U)

b6
b7C

Subject: INFORMATION CONCERNING FEDERAL FUGITIVE MARC RICH

Re memorandum to SAC II, captioned as above, dated 4/13/92.

Attached to instant memorandum is a summary briefing concerning [redacted] b7D [redacted]. Such was provided by [redacted] (PROTECT IDENTITY BY REQUEST), and is for informational purposes. ~~(S)~~ (U)

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.~~
~~CLASSIFIED BY: [redacted]~~
~~REASON: 1.5 ( )~~
~~DECLASSIFY ON: X 1~~
~~01-081 2/22/01~~

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1-New York (196A-1774 FUG 2)
TPW:tpw
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196A-1774-Fug 2

SEARCHED INDEXED
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APR 15 1992

FBI NEW YORK

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C-12

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ALL [redacted] INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/22/01 BY [redacted]

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~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.~~

~~CLASSIFIED BY~~ [redacted]
~~REASON: 1.5 (a)~~
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01-081 2/22/01

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted]
01-081

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Some sources said that [redacted] b6 b7C b7D

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DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 03-13-2017 BY: [redacted]

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b7C

Memorandum

~~SECRET~~

To : SAC, DIVISION II (196A-1774-FUG 2) (P) Date 4/13/92
(ATTN: SQUAD C-12)

From : SA [redacted] (I-6) ~~(S)~~ (U) b6 b7C

Subject: INFORMATION CONCERNING FEDERAL FUGITIVE MARC RICH

The purpose of instant memorandum is to note that in association with investigative matters surrounding [redacted] b7D

[redacted] ~~(S)~~ (U)

ADMINISTRATIVE

[redacted] The source of the above information is [redacted] b7D
(PROTECT IDENTITY BY REQUEST). ~~(S)~~ (U)

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.~~

2-New York
(1-196A-1774 FUG 1) (C-12)
(1-[redacted] (I-6) ~~(S)~~ (U)

b6 TPW:tpw
b7C (2)
b7D

~~CLASSIFIED BY [redacted]~~
~~REASON: 1.5 (c,d)~~
~~DECLASSIFY ON: X 1,6~~
~~01-081 2/22/01~~

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196A-1774-Fug 1 -6
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SERIALIZED FILED
APR 13 1992
FBI-NEW YORK

~~ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/22/01 BY [redacted]~~

~~SECRET~~

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 196A-NY-1774

26 Federal Plaza
New York, New York 10278
April 16, 1992

[redacted]

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Dear Sir:

The New York office of the Federal Bureau of Investigation (FBI) wishes to thank your employees for their prompt assistance on [redacted] b6 b7C b7E

[redacted] made arrangements on very short notice to assist our office in [redacted] Other employees involved were [redacted] to mention only a few.

The FBI and other law enforcement agencies have always been able to count on your organization for assistance when needed, and it is greatly appreciated.

Thanking you and your employees for their outstanding effort and continued cooperation.

Yours truly,

JAMES M. FOX
Assistant Director in Charge

X

By: [redacted] b6 b7C
Supervisory Special Agent

2 - Addressee
1 - New York (196A-NY-1774)

JCM:axh
(3)

1 Sub Fug. File 1

196A-1774-Fug 1-7

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4/22/92

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted] b6 b7C
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FM LEGAT LONDON (196A-NY-1774)

TO DIRECTOR FBI/ROUTINE/

FBI NEW YORK/ROUTINE/

BT

UNCLAS

CITE: //5200:LON657.112 APR 21 1992//

SUBJECT: MARC RICH-FUGITIVE (B); PINCUS GREEN-FUGITIVE (B);

RICO; FBW; MF. INCOM TAX EVASION, TRADING WITH THE ENEMY, OO:NY.

RE LEGAT LONDON TEL DATED 2/6/92.

AN INDIVIDUAL, IDENTIFYING HIMSELF AS [redacted]

[redacted] TELEPHONE NUMBER [redacted]

TELEPHONICALLY CONTACTED THE LEGAT LONDON OFFICE OFFERING TO

PROVIDE INFORMATION ON CAPTIONED SUBJECT MARC RICH. [redacted]

ADVISED THAT HE HAD INFORMATION, UNSUBSTANTIATED, THAT [redacted]

[redacted] HE ADVISED THAT IF

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196A-NY-1774-Fug 1-8

SEARCHED [illegible] INDEXED
SERIALIZED [illegible] FILED [illegible]

APR 22 1992

FBI — NEW YORK

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[redacted]

CMB/OPC 4-22-92 (1) sub Fug File 1

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted]
01-081

IF WERE INTERESTED. HE WOULD ATTEMPT TO VERIFY THE INFORMATION.

[redacted] WAS ASSURED OF OUR INTEREST. b6 b7C b7D

[redacted] WENT ON TO SAY THAT HE HEARD THE FBI IS OFFERING A SUBSTANTIAL INCENTIVE FOR INFORMATION THAT LEADS TO RICH'S ARREST. HE STATED HE HAS INFORMATION THAT [redacted] IS ALWAYS TOO LATE TO HAVE AN ARREST EFFECTED. HOWEVER, HE WOULD PLACE HIS RESOURCES ON THIS PROBLEM IF IN FACT A LARGE REWARD WAS BEING OFFERRED.

ON 4/6/92, [redacted] APPEARED AT THE OFFICES OF LEGAT LONDON TO PROVIDE FURTHER INFORMATION ON MARC RICH'S ACTIVITIES. PRESENT DURING THIS DISCUSSION WERE [redacted] b6 b7C b7D

[redacted] WAS EXTREMELY SECRETIVE IN DESCRIBING HIS PURPOSE IN [redacted]

[redacted] ADDED THAT HIS INFORMATION INDICATES [redacted]

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b7C
b7D

[redacted] WAS UNABLE TO PROVIDE ANY INFORMATION CONCERNING MARC RICH'S CURRENT LOCATION OR IF IN FACT HE WAS STILL LOCATED IN [redacted] HE PROMISED, HOWEVER, TO RECONTACT DEPUTY LEGAT [redacted] IF HE OBTAINS FURTHER INFORMATION REGARDING RICH'S WHEREABOUTS.

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LEAD.

NEW YORK DIVISION. AT NEW YORK, NEW YORK.

NEW YORK IS REQUESTED TO PROVIDE LEGAT LONDON WITH THE FOLLOWING INFORMATION.

1. IN WHAT COUNTRIES ARE PROVISIONAL ARREST WARRANTS ON FILE CONCERNING CAPTIONED INDIVIDUAL.

2. PROVIDE CURRENT DETAILS REGARDING ANY REWARD OFFERRED FOR INFORMATION LEADING TO THE ARREST OF MARC RICH.

3. [redacted] b7D

[redacted] HAVE REQUESTED COPIES OF ANY AND ALL NEWSPAPER ARTICLES RELATING TO MARC RICH WHICH MAY PROVIDE BACKGROUND INFORMATION CONCERNING HIS CONTACTS IN LONDON.

BT

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FM FBI NEW YORK (196A-NY-1774) (P) [illegible]-11

TO DIRECTOR FBI/ROUTINE/

LEGAT LONDON/ROUTINE/

BT

UNCLAS

DATE: //3540/

SUBJECT: MARC RICH - FUGITIVE (B) PINCUS GREEN - FUGITIVE (B): FBW, MF, RICO, INCOME TAX EVASION TRADING WITH THE ENEMY; OO:NY.

REGARDING LONDON TELETYPE TO NEW YORK APRIL 22, 1992.

IN OCTOBER 8, 1991, [redacted] FROM THE UNITED STEEL WORKERS UNION FROM THE U.S. DISTRIBUTED WANTED POSTERS FOR MARC RICH AT THE ANNUAL DINNER FOR TRADERS ON THE LONDON METAL EXCHANGE HELD AT THE GROVESNOR HOUSE HOTEL IN LONDON. THE POSTERS DEPICTED RICH AS A U.S. FUGITIVE WANTED FOR SEVERAL

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FBI — NEW YORK

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(1) Fug sub. File 1

ALL INFORMATION CONTAINED
HEREIN IS UNCLASS[redacted]
DATE 2/22/01 BY [redacted]
01-08

CRIMES AND CLAIMED THE U.S. GOVERNMENT IS OFFERING A $750,000 REWARD. [redacted] WERE REPORTEDLY THREATENED BY FOUR PERSONS WHO APPEARED APPARENTLY ON BEHALF OF RICH. b6 b7C

THE BASIS FOR THE STEELWORKERS' COMPLAINT IS RICH'S ALLEGED OWNERSHIP AND CONTROL OVER THE RAVENSWOOD ALUMINUM CORPORATION IN WEST VIRGINIA RESULTING IN A LABOR DISPUTE INVOLVING 1700 UNITED STEEL WORKERS. THIS HAS LED TO A CONGRESSIONAL COMMITTEE LOOKING INTO U.S. GOVERNMENT CONTRACTS PRESENTLY IN EFFECT WITH RICH, A FEDERAL FUGITIVE. MOREOVER, THE UNITED STEELWORKERS HAVE GALVANIZED THEIR COUNTERPARTS IN EUROPE RESULTING IN THE PICKETING OF RICH'S HEADQUARTERS IN ZUG, SWITZERLAND.

SINCE THE DISSEMINATION OF THE WANTED FLYERS CLAIMING THERE IS A REWARD OF $750,000, THE NYC HAS RECEIVED SEVERAL INQUIRIES AS TO ITS AUTHENTICITY.

THE FBI, IRS AND U.S. MARSHALS HAVE OFFERED NO REWARD AND ARE PROBABLY PROHIBITED FROM DOING SO. HOWEVER, IT IS FAIR TO SAY THE FBI AND, PERHAPS, THE OTHER AFOREMENTIONED AGENCIES ARE WILLING TO MAKE ONETIME LUMP SUM PAYMENTS OF AN UNDETERMINED AMOUNT FOR INFORMATION LEADING TO RICH'S ARREST.

AUSA [redacted] SDNY, HAS STATED THE JUSTICE DEPARTMENT b6 b7C

THROUGH THE ATTORNEY GENERAL. CAN PAY UP TO $150,000 FOR SUCH INFORMATION.

IT CAN, THEREFORE, BE ASSUMED ANYONE PROVIDING RELEVANT INFORMATION LEADING TO RICH'S ARREST WILL BE ABLE TO RECEIVE SOME REMUNERATION. THE AMOUNT IS UNKNOWN.

THE NYO BELIEVES IT IS AWARE OF THE IDENTITY OF THE

[redacted] b6 b7C b7D

THE NYO HAS BEEN IN CONTACT WITH AN ASSOCIATE OF HIS IN

[redacted] AUSA, SDNY, ASSIGNED THE RICH/GREEN CASE, IS UNAVAILABLE FOR SEVERAL DAYS BUT IT IS THE BELIEF OF THE NYO THAT PROVISIONAL ARREST WARRANTS FOR MARC RICH ARE FILED AND OUTSTANDING IN GREAT BRITAIN, FINLAND, RUSSIA AND CZECHOSLOVAKIA. b6 b7C

THE NYO IS UNAWARE OF ANY ARTICLES RELATING TO RICH'S ACTIVITIES IN LONDON ALTHOUGH, IT IS KNOWN HE HAS A COMPANY BY HIS NAME IN LONDON.

THE NYO HAS RECEIVED INFORMATION RECENTLY THAT A BRITISH MAGAZINE CALLED "SPECTATOR" CARRIED AN ARTICLE SOMETIME DURING

APRIL 1992 UNDER THE BYLINE OF TAKI, WHOSE FULL NAME IS TAKIDOPOULIS (PH). AND OFTEN WRITES GOSSIP ABOUT THE ROYAL FAMILY IN ENGLAND. THE ARTICLE BY TAKI SUPPOSEDLY SAYS SENATOR CLAYBORNE PELL, LONG TIME SENATOR FROM RHODE ISLAND, WAS RECENTLY INTRODUCED TO MARC RICH AT A GATHERING IN SAINT MORITZ.

THE NYO WOULD LIKE TO HAVE THE SENATOR INTERVIEWED BUT WOULD LIKE A COPY OF THE ARTICLE TO CONFIRM THE EVENT TOOK PLACE.

LEADS:

LEGAT LONDON

AT LONDON, ENGLAND.

1. OBTAIN WHATEVER INFORMATION [redacted] b6 b7C b7D

2. OBTAIN A COPY OF THE ARTICLE WRITTEN BY TAKI IN THE BRITISH MAGAZINE "SPECTATOR" DURING APRIL 1992 AND FORWARD IT TO THE NYO IF IN FACT IT MENTIONS RICH MEETING SENATOR PELL.

BT

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FM FBI NEW YORK (196A-NY-1774) (P) C-12

TO DIRECTOR FBI/ROUTINE/

LEGAT BERN ROUTINE/

LEGAT LONDON/ROUTINE/

LEGAT MADRID/ROUTINE/

BT

UNCLAS

CITE: //3540/

PASS: HQ FOR SSA [redacted] FUG./GCV. RESERVATION CRIMES UNIT. b6 b7C

SUBJECT: MARC RICH-FUGITIVE (B); PINCUS GREEN-FUGITIVE (B);

FBW; MF; RICO; INCOME TAX EVASION; TRADING WITH THE ENEMY; OO;

NY.

ON MAY 5, 1992, [redacted] MARC RICH,

WHO CURRENTLY RESIDES AT [redacted] NY, b6 b7C

VOLUNTARILY APPEARED AT THE NYC WITH [redacted].

Fug sub File 1

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/22/01 BY [redacted] 01-08 b6 b7C

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
MAY 11 1992
FBI — NEW YORK

[redacted] AND FURNISHED THE FOLLOWING: b6 b7C

SHE CURRENTLY RESIDES IN [redacted] THE ABOVE ADDRESS WITH [redacted]

SHE HAS BEEN [redacted] FOR ABOUT [redacted] MARC RICH WHICH INCLUDED A PORTION OF TIME IN [redacted] FOR THE LAST [redacted] SHE HAS BEEN [redacted] b6 b7C [redacted] THE U.S. AND DURING THE LAST YEAR SHE HAS BEEN A PERMANENT RESIDENT IN [redacted]

SHE IS [redacted] WHICH, ACCORDING TO [redacted] MAY TAKE [redacted] BEFORE [redacted] b6 b7C [redacted] SINCE RICH IS CAPABLE OF STALLING AND BLOCKING EFFORTS TO DETERMINE HIS TRUE NET WORTH.

MARC RICH IS CURRENTLY [redacted] [redacted] NATIONALITY. RICH CURRENTLY RESIDES AT 28 HIMMELREICH, BAR SWITZERLAND (SUBURB OF ZUG) AND IS PRESENTLY BUILDING A HOME ALONG THE LAKE IN MEGGIN, SWITZERLAND. HIS b6 b7C [redacted]

RICH ALSO MAINTAINS HOMES AT 27 OR 29 CHASA LA DINA (PH), ST. MORITZ, SWITZERLAND, PUERTA DE HIERRO, MADRID, SPAIN (CALLED EL RINCON), AND MARBELLA, SPAIN.

SHE STATED SHE KNOWS OF NO BOAT OR VESSEL OWNED BY RICH AS A PLEASURE VEHICLE OTHER THAN A SMALL SPEEDBOAT [redacted] HAD IN SPAIN. SHE WAS UNFAMILIAR WITH ANY VESSEL CALLED HAPPICOAT.

SHE STATED MARCUS GREEN HAS RETIRED FROM THE COMPANY DUE TO FAILING HEALTH AND THE FACT HE HAS ACCOMPLISHED WHAT HE SET OUT TO DO. GREEN [redacted] WILL BE GETTING [redacted] GREEN AND RICH REMAIN CLOSE FRIENDS.

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b7C

SHE EXPRESSED SURPRISE WHEN TOLD THE U.S. GOVERNMENT BELIEVES RICH TRAVELS FREQUENTLY. SHE ADDED UP UNTIL THE TIME [redacted] SHE NEVER KNEW HE TRAVELED ANYWHERE OUTSIDE OF SWITZERLAND OTHER THAN SPAIN (WHERE HE IS A CITIZEN). SHE ADDED HE DID NOT TRAVEL FOR FEAR OF BEING ARRESTED. SHE COULD NOT OFFER AN OPINION CONCERNING THE LAST THREE YEARS. THEREFORE, SHE COULD NOT FURNISH ANY INFORMATION REGARDING ADDITIONAL PASSPORTS HE MIGHT HAVE OR NAMES HE MIGHT USE WHEN TRAVELING.

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SHE SAID WHEN RICH'S FFATHER DIED IN NEW YORK IN 1986, SHE [redacted] BUT RICH DID NOT ATTEND THE FUNERAL FOR FEAR OF BEING ARRESTED. RICH'S MOTHER, WHO

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b7C

PAGE FOUR DE FBINY 0024 UNCLAS

RESIDES IN NEW YORK CITY AND IS ABOUT 30. TRAVELS FREQUENTLY TO SEE HER SON IN SWITZERLAND.

SHE ADVISED FINCUS GREEN HAS A HOME IN LONDON BUT SHE DOES NOT KNOW THE ADDRESS.

SHE IS CURRENTLY [redacted] b6 b7C

SHE WAS ASKED WHETHER SHE WOULD HELP THE U.S. GOVERNMENT IN APPREHENDING RICH AND HER ATTORNEY SAID HE DID NOT FEEL THAT WAS A FAIR QUESTION. HE SAID HE WOULD STAY IN TOUCH AND BE COOPERATIVE IN ANY WAY HE COULD.

SHE SAID BOTH RICH AND GREEN WOULD LIKE TO RETURN TO THE U.S. AND RESOLVE THE CRIMINAL CHARGES BUT HAVE NOT DONE SO FOR FEAR OF GOING TO JAIL.

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196A-1774

Sub Fug File 1

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Sub FUG-1

196A-NY-1774 -16

SEARCHED ____ INDEXED ____
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SEP 28 1992
FBI—NEW YORK

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY
01-08

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b6
b7C

Newspaper: Newsday
Date: 6/16/92
Page: 19

Kidnaped? So What?

By Timothy M. Phelps
WASHINGTON BUREAU

Washington — It is permissible for the United States to kidnap suspects from a foreign country and bring them back to the United States for trial, the Supreme Court ruled yesterday.

The 6-3 decision allows the prosecution of Humberto Alvarez-Machain, a Mexican doctor who was kidnaped and brought to the United States on orders of the Drug Enforcement Administration in 1990. Alvarez allegedly helped Mexican druglords torture American DEA agent Enrique Camarena in 1985, keeping him alive so his torture and interrogation could be prolonged.

Lawyers for Alvarez, as well as independent experts, said the decision not only allows the United States to abduct people all over the world, but also implies that foreign countries can abduct Americans in this country.

"Coming on top of the Rio summit, it really suggests that the U.S. is alone in its dealings with other nations," said Ralph Steinhardt, a law professor at George Washington University and one of the lawyers for Alvarez.

The three dissenting justices called the decision "monstrous," and some legal experts overseas condemned its reasoning.

Alvarez was abducted from his home in Guadalajara, Mexico, by Mexicans who were paid by the DEA, and flown to Texas, where he was arrested. The Mexican government protested the abduction and has unsuccessfully sought the arrest of those involved, some of whom were flown to the United States and supported financially by the DEA.

Lower federal courts had ruled that Alvarez' kidnaping violated the extradition treaty between the United States and Mexico. But yesterday Chief Justice William Rehnquist said in an opinion for the majority that because the treaty did not specifically ban kidnaping, it was not illegal.

"The treaty says nothing about the obligations of the United States and Mexico to refrain from forcible abductions of people from the territory of the other nation, or the consequences under the treaty if such an abduction occurs," Rehnquist wrote.

Alvarez, Rehnquist wrote, "may be correct that [his] abduction was 'shocking' and that it may be in violation of

Court: Some seizures are OK

general international law principles." However, he said, Mexico's demand for Alvarez' return and its promise to put him on trial there "is a matter for the executive branch."

But Justice John Paul Stevens said that "it is shocking that a party to an extradition treaty might believe that it has secretly reserved the right to make seizures of citizens in the other party's territory."

Under Rehnquist's reasoning, Stevens said, "If the United States, for example, thought it more expedient to torture or simply to execute a person rather than to attempt extradition, these options would be equally available because they, too, were not explicitly prohibited by the treaty."

Stevens predicted that "courts throughout the civilized world will be deeply disturbed by the 'monstrous' decision the court announces today." Stevens' dissent was joined by Justices Harry Blackmun and Sandra Day O'Connor.

The decision not only raised protests from overseas, but provoked speculation that it might be used as a basis for the kidnaping of Libyan terrorists or of Nazi war criminal Alois Brunner, now in Syria.

"It is a clear violation of the sovereignty of the country where the refugee is, never mind how criminal the refugee might be," said Enrique Schepeler, a Chilean lawyer who represented former Nazi Walter Rauff.

"If powerful nations were allowed to act as they wish, there would be no need for extradition treaties," he said.

The Justice Department refused to comment on the decision.

In other action yesterday, the court ruled:

- Defendants facing the death penalty can ask potential jurors if they would automatically vote for execution if the defendant is convicted, and bar them from the jury if they say yes.
- States cannot tax out-of-state businesses on income they make from selling stock in other companies.
- Federal courts can intervene in some family disputes when the opponents are in different states.

Airtel

8/25/92

Director FBI

SAC, New York (196A-NY-1774)

MARC RICH - FUGITIVE (B);
PINCUS GREEN - FUGITIVE (B);
FBW; MF; RICO; TAX EVASION;
TRADING WITH THE ENEMY;
OO: NEW YORK

Reference New York teletype to the Bureau dated 7/22/92.

Reference teletype requested FBIHQ consider the [redacted] a source developed by the [redacted] who is in a position to materially assist [redacted]

This request was not considered on the strengths of it's merit because [redacted]

b7D
b7E

In the event the New York Office (NYO) wishes to pursue this further in [redacted] when all agencies involved in this matter have [redacted] NYO should resubmit the request detailing the proposed [redacted] and the involvement of the FBI in [redacted]

196A-NY-1774-Fug 1
-17

SEARCHED ____ INDEXED ____
SERIALIZED Sau FILED Sau

AUG 28 1992

[redacted]

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ALL INFORMATION CONTAINED
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DATE 2/22/01 BY [redacted]
01-08

196A-NY-1774-18

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AUG 2 1992
FBI NEW YORK

sub FuG 1

Date 8/31

ADIC FOX
DADIC GAVIN
SAC LUDEMANN (ADM)
SAC DORAN
SAC TOMLINSON (I)
ASAC [redacted] (ADM)
ASAC [redacted] (BQ)
ASAC [redacted] (VCMO)
ASAC [redacted] (DRUGS)
ASAC [redacted]
ASAC [redacted] (ADM)
ASAC [redacted] (TO)
ASAC [redacted] (SO)
PLA [redacted]
CS [redacted] (OC)
CS [redacted] (VCMO)
CS [redacted] (DRUGS)
CS [redacted] (DRUGS)

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[redacted] (CS)
[redacted] (C-1)
[redacted] (C-2)
[redacted] (C-3)
[redacted] (C-4)
[redacted] (C-12)
[redacted] (C-14)
[redacted] (C-21)
[redacted] (C-28)
[redacted] (C-33)
[redacted] (ISU)
SUPV.
SA
OSM SACCO
FALLON (FAST)

See Attached
FYI
Please Handle
Please See Me
What Is Status?

[redacted]

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****** [redacted] ******
RE:
******

I would like advance discussion and concurrence of A/YO senior management prior to re-submitting this request to FBIHQ.

[redacted]
ASAC - WHITE COLLAR CRIME
DIVISION II

b6
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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted]
01-081

Memorandum

To SAC, NEWYORK (196A-NY-1774) (P) Date 8/3/92

From SA [redacted] (C-12) b6 b7C

Subject: MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING
WITH THE ENEMY
OO: NY

On 7/24/92 an effort was made to interview [redacted] b6 b7C [redacted] New York concerning her knowledge of Marc Rich as it has been alleged she [redacted]

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FBI—NEW YORK

(1) sub Fug. File 1
1 sub Fug File 2

b6 b7C

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DATE 2/22/01 BY [redacted]
01-081

[redacted]

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b7C

An unidentified female in [redacted] answered the [redacted] call and advised [redacted] wasn't at home. A message was left in an unmarked envelope with the [redacted] for [redacted]

Upon returning to the office the same day, an attorney named [redacted] advised he is [redacted]. He was asked if [redacted] could furnish any information about Marc Rich and/or any contacts in the U.S. dealing with Rich [redacted]

b6
b7C

On 7/31/92, [redacted], supra, advised [redacted] knows of Marc Rich but that is the extent of it and cannot be of any further assistance. The conversation was terminated.

196A NY 1774
JCM:vad

On May 6, 1993, the following interview was conducted at the New York Office (NYO) of the Federal Bureau of Investigation (FBI) by Special Agents (SAs) [redacted] and [redacted] b6 b7C

[redacted] (Protect Identity), [redacted] appeared at the NYO of the FBI, 26 Federal Plaza, New York (NY), NY 10278, and furnished the following: b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] b6 b7C b7D

[redacted] is described as follows: b6 b7C b7D

Name:
Sex:
Race:

[redacted]

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JUL 09 1993
FBI—NEW YORK

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DATE 2/27/01 BY [redacted]
01-0 b6 b7C

[redacted] (ADMIN.)

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b7C
b7D

Date of Birth:
Place of Birth:
Height:
Weight:
Hair:
Occupation:

[redacted]

Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 6/21/93

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING
WITH THE ENEMY
OO: NY

On 6/21/93 [redacted], SSA, b6 b7C
Economic Crimes Unit, FBIHQ, telephonically advised information has come to his attention which emanated from DADIC Frederick Verinder and is as follows: (1)

The names of ALYESKA PIPELINE in alaska and CLARENDON, LTD. were

(1) 196A-NY-1774 Sub Fug 1
1 196A-NY-1774 Sub Fug 11

196A - 1774 Sub Fug 1
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JUN 21 1993
FBI — NEW YORK

b6 b7C

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mentioned in connection with Marc Rich as well as the allegation of the smuggling of cash by Rich from the U.S. to Amsterdam. SSA [redacted] added he believes Boston has something to do with the matter. He went on to explain this was all that was explained to him without any further elaboration. b6 b7C

SSA [redacted] was advised that ALYESKA Pipeline is a functional pipeline which was built sometime in the 1960's. It was built to pump crude from the Alaskan oil fields through Canada. The word ALYESKA may be an acronym for ALBERTA, YUKON & Alaska. Rich being a major oil trader would apparently have traded in the oil pumped through the pipeline. There is no indication of a beneficial interest by Rich in the pipeline that the NYO knows of.

NYO indices has several references TO ALYESKA Pipeline and Alaska pipeline Service Company but no 196 references or any that appear to be connected to Rich.

SSA [redacted] was advised that Marc Rich & Co. in newyork pled guilty in the mid 1980's and paid a heavy fine in the SDNY. The company opened in Connecticut as Clarendon LTD. and is a major commodities trading firm Today. At least two of Rich's principal officers in his headquarters in Zug, Switzerland have headed Clarendon. b6 b7C

SSA [redacted] was advised the NYO had no knowledge of any allegation involving the smuggling of cash from the U.S. TO Amsterdam by Rich. b6 b7C

SSA [redacted] said he would contact the NYO of any further developments.

Memorandum

To : SAC, II (196A-NY-1774) Date 7/2/93

From : SA [redacted] (C-25) b6 b7C

Subject: MARC RICH-FUGITIVE;
FBW;
OO:NY

A confidential source furnished the following information to writer on 5/7/93:

[redacted]

1) [redacted]
2)
3)

b6
b7C
b7D

[redacted]

1-196A-NY-1774 (Attn: SA [redacted] sub FUG 1
1-SA [redacted] (C-25)
(2)
KPM:kpm

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196A-1774 Fug 1-23

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JUL 09 1993
FBI—NEW YORK

ALL INFORMATION CONTAINED
HEREIN IS UNCLASS[redacted]
DATE 2/22/01 BY [redacted]
01-081

Memorandum

To : SAC, NEW YORK (196A-NY-1774) (P) Date 7/8/93

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B.);
PINCUS GREEN - FUG (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING
WITH THE ENEMY
OO: NY

On 7/2/93 [redacted] AUSA, SDNY, assigned the captioned matter, advised he will be leaving the USA's office in [redacted] and the captioned matter is being reassigned to AUSA [redacted] b6 b7C

196A-1774 Sub 1 - 24

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FBI—NEW YORK

1 Sub Fug. 1
1 - Sub Fug 2

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HEREIN IS UNCLASSIFIED
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(1) Subfile 1

196A-NY-1774 - 25

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DATE 2/22/01 BY [redacted]
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SEARCHED ___ INDEXED ___
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OCT 25 1993
FBI—NEW YORK

Memorandum

To : SAC, NEWYORK (196A-NY-1774) p Date 11/5/93

From SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG (B);
PINCUS GREEN - FUG (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING WITH
THE ENEMY
OO: NY

(X) 97-C

On 11/5/93, a general discussion took place of the captioned case in the office of AUSA [redacted] SDNY. All concerned agencies were represented: FBI, [redacted] of IRS and by speaker phone, [redacted] U.S. Marshals.

b6 b7C

196A-1774- SubFug 1 - 26

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FBI — NEW YORK

(1) SubFug 1
1 SubFug 2

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b7C

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196A-NY-1774
JCM:njs

On November 8, 1993, a facsimile was received from [redacted] by Special Agent [redacted] of the New York Office of the Federal Bureau of Investigation. b6 b7C b7D

Source advised that [redacted]

Source has disseminated [redacted] b6 b7C b7D

Source believes [redacted]

196A-1774-SUBFUG 1-27

b6
b7C

ALL INFORMATION CONTAINED
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DATE 2/22/01 BY [redacted]
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FBI—NEW YORK

SubFUG 1

NY POST
1/15/94

Called 55 #20

on Monday. According to Robert Batterman, the labor counsel for MoMA, about 120 of the [illegible] press their displeasure." [illegible] will remain open.

Secret spy life of wheeler-dealer Rich

FINALLY there is an explanation for why commodities king Marc Rich — the biggest U.S. tax cheat in history — was allowed to slip through the grasp of authorities and flee to Switzerland where he continues to operate with impunity. Playboy reports that the super-secretive Rich — who buys and sells precious metals, oil, sugar, and just about anything else of value throughout the world — may have been very helpful over the years to the CIA, the State Dept., the National Security Council and the Justice Dept. "In the past year or so, the Justice Dept. has quietly inserted two sealed envelopes into Rich's court file," Jim Hougan reports. "While those envelopes are not to be opened unless Rich is brought before the court, there can be no doubt that the contents of at least one envelope pertain to Rich's efforts to help the Justice Dept. nab other fugitives." One such fugitive was Tom Billman, who made the Most Wanted list after fleeing charges that he swiped $100 million from a D.C.-based savings and loan. Billman led U.S. Marshals on an around-the-world chase until he was nabbed under an assumed name in Paris last spring. Playboy reports that Rich [illegible] "played a key role in arranging the 1992 expulsion of East German leader Erich Honecker from Moscow to Berlin, where, after an abortive trial, he was permitted for reasons of health to leave Germany for residence in Chile." Rich, though still a fugitive himself, settled the charges against his companies by paying $[illegible] million in fines. Playboy says that until recently he was selling the U.S. Mint the copper, [illegible] and sinc it needs to make new coins.

196A-NY-1774 FUG1-29

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(1) subFile FUG. 1

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted]
01-0[illegible]

Playboy
February, 1994

[redacted]

BY JIM HOUGAN

WHO SNEAKS OIL INTO SERBIA? SPIRITS GOLD OUT OF RUSSIA? SELLS MISSILE PARTS TO IRAN? MARC RICH IS WHO—THE FUGITIVE THE JUSTICE DEPARTMENT CAN'T, OR WON'T, BRING DOWN

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/22/01 BY [redacted]
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LIGHT SNOW FALLS through the darkness as a gray Mercedes glides out of the driveway of one of the oldest and most spectacular mansions in Switzerland. As the car winds its way into the mountains above the lake, windshield wipers brushing at the snow, a man in a black cashmere coat and a dark blue suit sits in a cone of light in the backseat, reading. Not far behind, a chase car flirts with the Mercedes' rear bumper, surging closer and closer, then falls back. Inside, three Israeli bodyguards scan the road, alert for the possibility of a bounty hunter's ambush or a terrorist's kidnapping.

The man in the Mercedes is at once honored and infamous. There is a fellowship at Oxford University in his name, and his foundation disburses millions to worthy causes. Despite this, indeed, despite all the good he's done, he remains a fugitive, wanted by the FBI, Customs, the IRS, U.S. Marshals and Interpol. Should he be caught and convicted, he could face more than 300 years in prison.

It would be helpful, then, to know what he is reading as he leans back in the leather seat, engulfed by darkness, luxury and paranoia. At five A.M. it is too early for the newspapers: they'll be waiting on his desk when he arrives at the blue glass cube that is his office building. But there are the late-night faxes, certainly, and it may well be that among them is a message from one of his lawyers—the best that money can buy. It could be a note from Leonard Garment, then, or Brad Reynolds or—perhaps not.

Perhaps it's a message from his bustling Moscow office, or a copy of the most recent missive from the secret police of the mineral-rich republic of Kazakhstan. For nearly a year, renegade Kazakh spooks have been quietly distributing diatribes against him to the press, accusing him of a host of crimes in an effort to discredit his company and sabotage his business.

And in Moscow itself, ultranationalist newspapers have published articles alleging that his commodities business is a front for laundering drug money. He denies the allegation, but it has its believers. His companies have an annual turnover of more than $8 billion per year in what was formerly the Soviet Union, so the man in the Mercedes bestrides the disintegrating Russian economy like a sumo wrestler on a pony. Considering the stakes, it is hardly surprising that business rivals [illegible] to slander in an effort to knock him off.

Then again, he may be studying the numbers. As in: How many tons of aluminum are stored in his Rotterdam and Singapore warehouses? How many board feet of timber were taken from his forests in Chile last month? How many tons of light crude petroleum are moving across the oceans in his tankers?

A Belgian-born American with Spanish and Israeli citizenship (and a pending application to Switzerland), the man in the Mercedes is Marc Rich, a billionaire over and over again, and one of only a handful of people who might reasonably be called, in novelist Tom Wolfe's parlance, a "master of the universe." Unlike Wall Street wheeler-dealers who trade in the abstractions of futures contracts, stocks and bonds, Rich is a player on the periodic table itself, buying and selling strategic quantities of the world's raw materials—its very elements—as well as more complex compounds (sugar, soybeans, oil, government officials). He is a titan in the business of wholesaling the planet's natural resources to the highest bidders.

He owns or controls oil wells in Rus-

$10 million, a platoon of brand name lawyers (Edward Bennett Williams, Michael Tigar, Boris Kostelanetz and others) was deployed to wage a rearguard battle in the States. There the courts had blocked some $50 million in payments owed to the Marc Rich group by other companies, and the prospect of property seizures seemed likely. There was, in addition, a contempt-of-court fine that amounted to $50,000 each day for Rich's refusal to surrender subpoenaed documents to the U.S. Attorney's office.

Rich paid the fine by check in twice-weekly installments, complaining from Switzerland that if he surrendered the documents, he would be guilty of business espionage under Swiss law. This view was echoed by the cantonal prosecutor in Zug—though, admittedly, he sat on the boards of more than 30 of Rich's corporations and so might not have been entirely objective.

Even as the legal battles continued, Rich knew that one could do worse than to be rich in Zug. With its fiscal pheromones of low taxes, bank secrecy and lax incorporation requirements, Zug had become a mecca for businesses that operate on the edge.

And Marc Rich was in the middle of it. His mansion overlooking the Zugersee was decorated with Picassos, a Miró and a Braque. He skied at St. Moritz, where he maintained a luxurious chalet, and began to host a New Year's Eve party for *tout l'Europe*. Plácido Domingo was a guest, along with a constellation of other celebrities. Rich attended charity balls in Geneva and Lucerne, where he gave generously to the fight against fashionable diseases, and he caused a stir at the World Economic Forum in Davos.

Taking a page from the *extraditables* in Colombia, he bought the approval of the little guy in Zug by pouring money into the local sports franchise, dramatically improving the fortunes of the Zug hockey team (now one of Switzerland's best). When the Jamaicans began to complain about Rich's hammerlock on their aluminum industry, Rich responded by underwriting the costs of the country's bobsled team at the 1988 Olympics.

Denise Rich, meanwhile, was making it big on her own. In 1985, a Sister Sledge rendition of one of her songs, *Frankie*, topped the British charts for six weeks, selling more than 750,000 copies. Denise followed *Frankie*'s success with her own album, *Sweet Pain of Love*, which may or may not have been inspired by her husband's pursuit of beautiful aristocrats. In any event, the fugitive was now married to a rock star who appeared on European TV.

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In the shadow of the Brooklyn Bridge, in a washed-out office with cipher locks on the door and a metal detector at the entrance downstairs, a federal marshal was plotting to bust Marc Rich. Indeed, Rich and Pinky Green were the sum of his caseload, and they occupied every hour of his day. The marshal spoke regularly with Rich's rivals, with would-be bounty hunters, disaffected employees and customs officials and cops in the most remote corners of the world. He knew who Rich slept with, where he had dinner and how much he drank. From time to time he packed a valise and went after the fugitives, but the operations he mounted were never successful.

Learning that Rich was en route by private jet to Helsinki, he arranged for the plane to be met by police. Incredibly, Rich's flight made a U-turn at 20,000 feet and headed back to Switzerland. A more ingenious plan required the cooperation of the Jeppesen Sanderson company, which has a near monopoly on the sale of aeronautical charts. Knowing that Rich's widespread business interests required him to fly to some of the world's most remote places, the marshal asked the company to tip him off whenever Rich's pilots requested new charts. Jeppesen Sanderson refused to help.

And so it went: The marshal couldn't get the cooperation he needed, and whenever a trap was laid, Rich eluded it. Clearly, Rich had better spies than the U.S. Marshals Service could muster.

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A lesser man might have been content to cut his losses and enjoy his millions in the Alps. But not Marc Rich. Although his companies had been indicted on an array of serious charges, and he himself was reduced to the status of fugitive racketeer, Rich still wanted to do business in America. All he needed was someone to front for him until his lawyers could reach a settlement with the Justice Department.

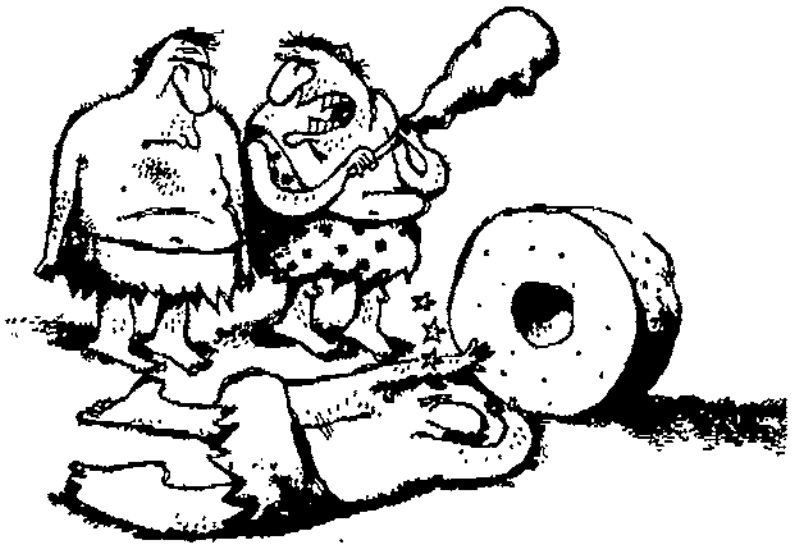
The line between chutzpah and hubris is a thin one, and Rich crossed it when he sent a trader named Bob Tribbett to New York in May 1984, instructing him to arrange a soybean transaction with Romania. It wasn't a big deal by Rich's standards, only $24.5 million, but it was obviously important to him because, in the end, it cost him millions and taught him a dangerous lesson: Fugitives are fair game.

To complete the deal Rich proposed, Tribbett hired Robert Whitehead, an investment banker, unaware that Whitehead was hooked up with the FBI and the DEA, for whom he was a contract informant. Whitehead's office suite, telephones, car and private plane were bugged.

None of this was known to Rich or Tribbett, who had other things on their minds, not the least of which was an unusually sensitive transaction with Iran. Four years earlier, when the American government left Iran to the Ayatollah Khomeini and the mullahs, U.S. military attachés and advisors sabotaged computerized records and equipment, including anti-aircraft missiles, the guidance systems of which were removed by departing American advisors.

Enter Marc Rich.

According to Whitehead, and as Tribbett confirms, Rich used his contacts to obtain gas-fired gyroscopes from North Korea, providing them to the Iranians as replacements for the missing guidance systems. Suddenly, at a crucial point in the Iran-Iraq war, Iranian missiles became a factor. It was as if Marc Rich had delivered an entire inventory of missiles to the ayatollah's forces—long before Irangate. (It would be a year before Iranian, Israeli and U.S. negotiators would meet in Europe for the first time to discuss swapping Hawk missiles for U.S. hostages in Lebanon.) What Rich



"IT'S MY NEW AUTO-THEFT-PREVENTION DEVICE. I CALL IT THE CLUB."

5

got in return for the gyroscopes is unknown—Tribbett won't say—but putting the ayatollah in his debt could not have hurt his position as one of the world's largest independent oil brokers.

[illegible] deal went down with Iran. Whitehead obtained a $24.5 million loan from the Marine Midland Bank for the soybean transaction. Tribbett says that Whitehead was supposed to receive about $35,000 from the Marc Rich organization for his part in the deal, but Whitehead admits that he took about $5 million instead.

The FBI confirms that figure as the amount that went missing on Whitehead's watch, though what happened to the money is unclear. Tribbett suggests that Marine Midland used the funds to cover Whitehead's other debits at the bank. Whitehead's FBI handler has a different explanation: "To tell you the truth, I think he just pissed it away."

In any event, Rich found a better way to do business in the U.S. while still on the run. In the fall of 1984, lawyers for Rich and the U.S. Attorney's office for the Southern District of New York arrived at a compromise. Marc Rich & Co. AG, and Clarendon, Ltd. (formerly Marc Rich International) pleaded guilty to dozens of criminal charges, sustaining $171 million in fines (including $21 million for contempt of court in refusing to surrender subpoenaed documents). Rich raised the money by selling a 50 percent interest in Twentieth Century Fox to oilman Marvin Davis, with whom he had co-owned the studio. From then on, the U.S. government had no further claim on Rich's companies, though Rich himself remained a wanted man.

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Today, Rich's biggest play is under way in what was formerly the Soviet Union and the Eastern Bloc. Brimming with natural resources, "the Wild East" is a political and economic mess. A diverse group of ministries holds sway over a mélange of ethnic mafias, born-again capitalists, footloose KGB agents and what used to be called "the masses." It is a world in which billions of dollars in Soviet gold reserves have been looted by Communist Party apparatchiks, at least three of whom are reported to have cartwheeled to their deaths from the windows of Moscow office buildings.

The once vast reserves of Soviet gold have dwindled toward zero, while more than 1000 tons of gold have been smuggled out of the country to Zurich and Tokyo aboard military cargo planes and Aeroflot flights. Under-the-table transactions by the managers of mines, along with clandestine shipments by factory supervisors, are now so frequent that border republics such as Latvia and Estonia have become major exporters of

WHERE & HOW TO BUY

PLAYBOY expands your purchasing power by providing a list of retailers and manufacturers you can contact for information on where to find this month's merchandise. To buy the apparel and equipment shown on pages 20, 26, 106–107 and 157, check the listings below to find the stores nearest you.

STYLE

Page 20: "Tied to a Cause": **Ties:** By *Salant Menswear Group*, available at fine department and specialty stores nationwide. By *Lorenzo Vega*, available at Charivari 57, 18 W. 57th St., N.Y.C., 212-333-4040 and select Saks Fifth Avenue stores. By *Steven Krauss for Broadway Cares/Equity Fights AIDS*, available at fine department and specialty stores nationwide. By *Wemco*, available at Mercantile, Belk's and JCPenney stores nationwide. By *Randa*, available at Bloomingdale's, 1000 Third Ave., N.Y.C., 212-705-2000. "Underwear Goes Outerwear": **Pants:** By *Fitigues*, available at Fitigues, 2130 N. Halsted, Chicago, 312-404-9696, 700 Vernon, Glencoe, IL, 708-835-1848 and 939 N. Rush, Chicago, 312-943-8676 or 800-235-9005. By *Cotton Stuff*, available at fine stores nationwide. **Shirts:** By *O wear*, available at Pure Evolution at Fred Segal Santa Monica, 500 Broadway, Santa Monica, 310-393-4477. By *French Connection*, available at select Barneys New York stores. By *Per Lui Per Lei*, available at Fred Segal Santa Monica, 500 Broadway, Santa Monica, 310-393-4477. "Stashing Your Cash": **Billfolds:** By *Ghurka*, for store locations, 800-243-4368. By *Donna Karan*, available at select Barneys New York and Saks Fifth Avenue stores. By *Polo/Ralph Lauren*, at Polo/Ralph Lauren stores nationwide and select Saks Fifth Avenue stores. **Money clip with coin purse** by *Salvatore Ferragamo*, available at McInerny's Galleria, Royal Hawaiian Shopping Center, Honolulu, 808-971-4202. **Wallets:** By *Harley-Davidson*, to order call 800-CLUB-HOG. By *De Vecchi*, available at Bergdorf Goodman Men, 745 Fifth Ave., N.Y.C., 212-753-7300. "Hot Shopping: Park City, Utah": Artelana, 7580 Royal St. East, Deer Valley, 801-649-2335. Cole Sport, 1615 Park Ave., 801-649-4806. Hay Charlie, 541 Main St., 801-649-7707. The Factory Stores at Park City, 6699 Landmark Dr., 801-645-7078. La Niche Gourmet & Gifts, 401 Main St., 801-649-2372. The Barking Frog Grill, 368 Main St., 801-649-0222. "Winter Time": **Suits** by *Canali*, available at Bloomingdale's stores nationwide. **Specialty shoes** by *Allen-Edmonds*, for information or store locations, 800-235-2348. **T-shirts** by *Harley-Davidson*, for information, 800-443-2153. **Shoes** by *Nike*, for store nearest you, 800-462-7365.

WIRED

Page 26: "Lost and Found in America": **Global-positioning systems:** By *Sony*, for information, 800-937-7669. By *Motorola*, for information, 800-421-2477. By *Micrologic*, for information, 818-996-1216. By *Panasonic*, for information, 201-348-9090. "Get the Message": **Digital telephone answering devices:** By *Toshiba*, for information, 800-631-3811. By *Panasonic*, for information, 201-348-9090. By *Phonemate*, for information, 800-247-7889. By *Bogen Communications*, for information, 800-456-5513.

GETTING THE BOOT

Pages 106-107: **Cowboy boots** by *Attitude*, available at Pop Cowboy, 285 Amsterdam Ave., N.Y.C., 212-496-6700. **Military boots** by *Georgia Boot*, available at David Z, 17 W. Eighth St., N.Y.C., 212-475-9759; village Cobbler, 60 W. Eighth St., N.Y.C., 212-673-8530 and 738 Broadway, N.Y.C., 212-460-8532. **Hiking boots** by *Dexter*, available at Famous Barr stores nationwide. **Boots:** By *Kenneth Cole*, available at Saks Fifth Avenue, Dayton's, Hudson's and Marshall Field's stores nationwide. By *Impulse for Steeplegate*, available at McCreedy & Schreiber, 37 W. 46th St., N.Y.C., 212-719-1552 and 213 W. 50th St., N.Y.C., 212-759-9241; Giorgio Brutini, 125 Church St., N.Y.C., 212-964-6874 and 111 W. 50th St., N.Y.C., 212-262-0288. **Engineer boots** by *Dingo*, for information, 800-964-BOOT. **Suede boots** by *Paul Smith*, available at Paul Smith, 106 Fifth Ave., N.Y.C., 212-627-9770.

ON THE SCENE

Page 157: **Paging devices:** By *Hewlett Packard*, for information, 800-443-1254. By *Motorola*, for information, 800-892-8068. By *NEC*, for information, 800-225-5664. By *Swatch*, for store locations, 800-8-SWATCH.

copper, nickel and aluminum—even though none of these metals is produced in either country. Meanwhile, privatization continues with all the deliberation of a national fire sale.

It is, in other words, just the sort of place in which a man like Rich can make a killing. Who's to stop him? In 1992 the Russian government considered posing a moratorium on all business dealings with Marc Rich & Co. AG pending "a thorough investigation." Other allegations surfaced that Rich has been illegally exporting raw materials, bribing government officials and aiding capital flight from the country.

Despite the official pronouncements against him, Rich has seen his operations in the former Soviet Union grow exponentially in the past year. Where ten employees once sufficed, 150 have now been hired, and the company's regional turnover is in the billions. Rich and his colleagues have stepped into the void left by the shattered Communist infrastructure, taking over many of the functions once carried out by Soviet trading organs.

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In this, the man in the Mercedes has been abetted almost as much by his contacts as by the vaults of currency at his command. And of those contacts, none are more colorful or well-connected in intelligence circles than an Orthodox rabbi named Ronald Greenwald.

A Brooklyn boyhood chum of Pinky Green's, Greenwald is both a rabbi and a commodities dealer. As an agent for Marc Rich in New York, he is also one of those rare spiritual advisors who find it necessary to deny that he's a CIA agent and/or a front for the Mossad. Affable and wry, the Reb is himself an important player in war-torn Tajikistan, where convoys of aluminum are escorted by private armies in the Reb's employ.

Meanwhile, there are signs that Greenwald's persistent lobbying for Rich and Green's freedom from their pending indictments, in tandem with the efforts of Leonard Garment and former Justice Department official Brad Reynolds, is having an effect. When Representative Bob Wise (D–W. Va.) convened a subcommittee hearing two years ago on Capitol Hill, seeking to learn why the Justice Department has been unable to nab one of the most conspicuous fugitives in the world, representatives from Justice at first refused to appear before the subcommittee and then stonewalled it. Wise was outraged.

"This isn't your average miscreant who has fled the country for knocking over 15 7-Elevens and is kicking around the dock at Marseilles," he said. "This is Marc Rich operating with total impunity out of a tall office building in Switzerland. Why hasn't this been made a priority?" He noted that Rich is under indictment for trading with the enemy and for "the biggest tax fraud in history."

Despite the seriousness of the charges, Wise said, there seems to be "a lack of political will" to apprehend Rich and Green. Wise pointed out that the government has yet to publish a reward for their arrests or, for that matter, a wanted poster. Despite the severity of their crimes, Wise noted, neither man is among the 15 most-wanted fugitives currently being sought by the U.S. Marshals Service—though several thugs who have knocked over 7-Elevens are prominent on the list.

Calling the case "strange," the subcommittee criticized Justice for its "lack of relentlessness" and cited numerous failures in the department's handling of the case. The worst of these may well have been its failure "to ensure that, at a minimum, the fugitives do not make money from the U.S. government."

Until recently, Rich and his companies have continued to do business—big business—with the U.S. government, despite Rich's status as a fugitive. The Commodity Credit Corporation has enabled the elusive billionaire to sell American grain by providing more than $50 million in export subsidies to one of Rich's companies. As bizarre as this may seem, an even greater irony rests with the U.S. Mint's reliance on Marc Rich for the copper, nickel and zinc that it needs. Between 1989 and 1992, the Rich organization sold more than $45 million in metal to the Mint.

Through the efforts of Congressmen Dan Glickman and Bob Wise, Rich is no longer doing business with the CCC or the Mint. But not much else has changed. There is no evidence that the Justice Department has acted on recommendations made by Congress.

On the contrary, the only change known to have taken place is that the hardworking marshal, who knew more about Rich and Green than perhaps anyone else in government, has been taken off the case and reassigned to Tampa.

To anyone attending the Wise hearings, the conclusion was virtually inescapable that Rich and Green are being protected—and not just by the Swiss and the Colombians. (A well-informed source at a financial reporting service says that Green has recently moved to Bogotá, where, we may suppose, he's joined the ranks of the *extraditables*.)

One can speculate about the sources of Rich's protection in the federal government. He is, after all, in an excellent position to further certain U.S. foreign policy objectives and to satisfy various intelligence requirements in Third World countries. It would hardly be surprising, then, if the State Department, CIA or National Security Council were to enlist the help of a fugitive with Rich's broad access and enormous means.

It should be remembered, too, that Rich has a complex and intriguing relationship with the Justice Department. When Congressman Wise questioned Justice about its contacts with Rich's attorneys and other agents, seeking to make a deal on his behalf, the department refused to discuss the matter. Why Justice should stonewall Congress on behalf of a fugitive is uncertain, though few would doubt that the wall was built to conceal the fact that Rich is working with Justice (and quite possibly with other agencies) on what can only be called "special projects."

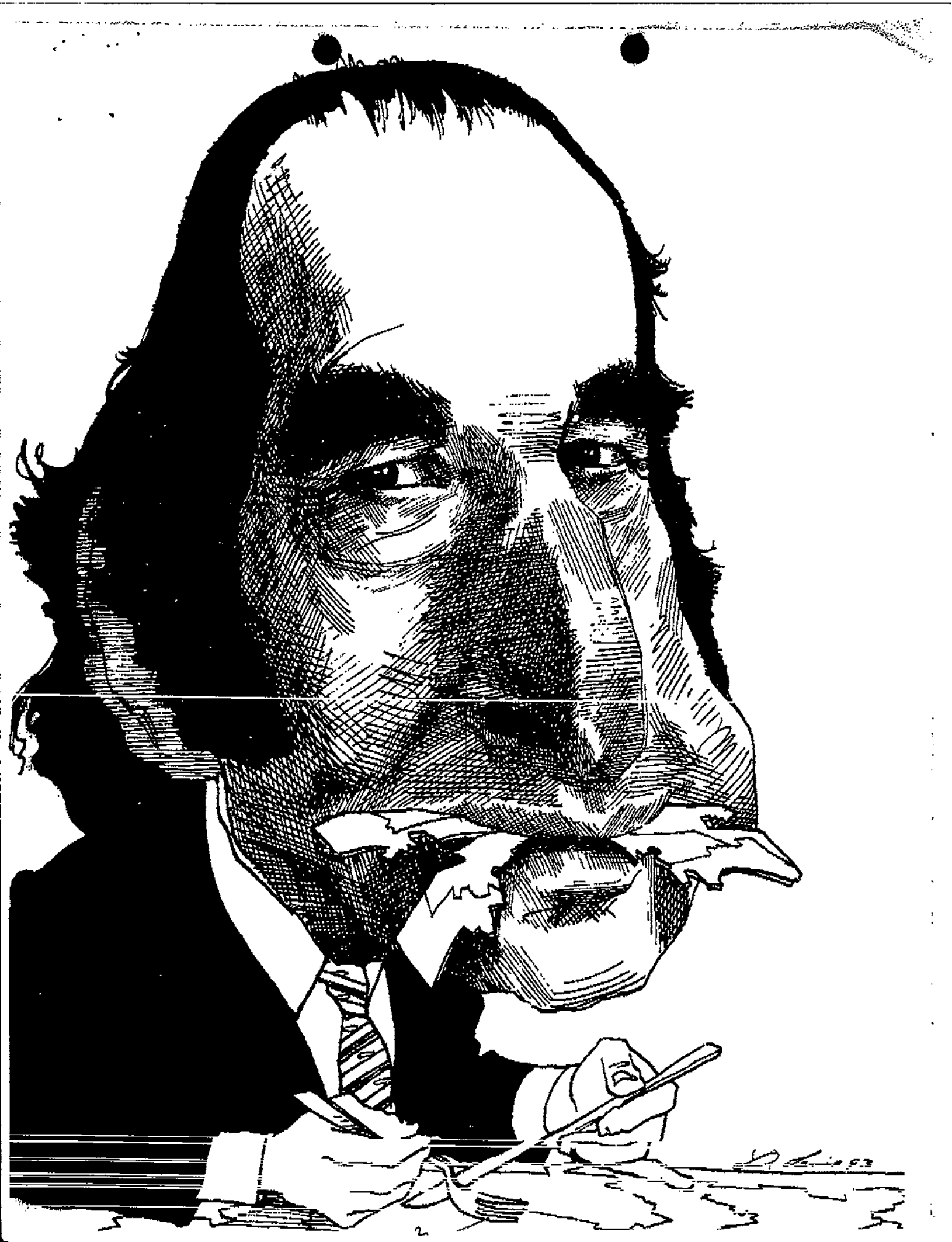
In the past year or so, the Justice Department has quietly inserted two sealed envelopes into Rich's court file. While those envelopes are not to be opened unless Rich is brought before the court, there can be no doubt that the contents of at least one envelope pertain to Rich's efforts to help the Justice Department nab other fugitives.

One such fugitive is Tom Billman. Accused of stealing more than $100 million from a Washington, D.C.–area S&L, Billman was apprehended in Paris last spring after leading the authorities on an around-the-world chase that lasted more than three years. At the time of his arrest, the globe-trotting embezzler was prominent on the U.S. Marshals' 15 most-wanted list and living under an assumed name.

Rich's contribution to Billman's apprehension was to hire an Israeli private eye, the same Avner Azulay who checked out Rich's girlfriend, to help track down Billman. With a hefty budget, Azulay paid out more than $200 an hour to private intelligence agencies in London, New York and Washington, instructing them to track Billman's movements and money in Europe and Asia. The information that Azulay received was then provided to U.S. officials, and the rest (or, at least, Billman) was history. Whether Billman's arrest was a direct result of Rich's efforts is unknown. The Justice Department won't say, and Rich would under no circumstances want to take credit for helping the U.S. track down its enemies, some of whom are his business partners.

The contents of the second envelope are a mystery, but may have to do with rumors that Rich and Greenwald played a key role in arranging the 1992 expulsion of East German leader Erich Honecker from Moscow to Berlin, where, after an abortive trial, he was permitted for reasons of health to leave Germany for residence in Chile.

Asked about Honecker and Billman, Greenwald shrugs. "There are rumors," he says with a sly smile. And then he shrugs again. "With Marc, there are always rumors."



KING *of the world* *(continued from page 104)*

"The director of an intelligence network that has followed Rich for years says, 'Marc owns Peru.'"

Peru and electrical supplies in England. There are refineries in Romania, office buildings in Spain and smelters in Australia, Iran, Sardinia and West Virginia. He has 40 offices and 1800 employees throughout the world and is simultaneously the uncontested emperor of aluminum, a prince of sugar, a kingpin of soy, a mover and shaker of the world's markets in nickel, lead, zinc, tin, chrome, magnesium, copper and coal.

One could go on. The managing director of a private intelligence network in the U.K., one that has followed Rich for more than a decade on behalf of a secretive Arab client, says bluntly, "Marc *owns* Peru," and this isn't so hard to believe. With an annual turnover in excess of $50 billion, Marc Rich & Co. AG has a larger turnover than the GNPs of many Third World countries—including the two dozen whose economies are said to be entirely within his hand.

Perhaps he is reading *Izvestia*, faxed from the Moscow office. He would agree that the Russian newspaper has behaved responsibly in the past, defending him against the U.S. Justice Department in a front-page editorial. But now, in the new Russia, the newspaper has actually opened its pages to investigative reporters and other idiots. Only recently, *Izvestia* reported that a $75,000,000 reward had been offered by the U.S. for Rich's capture, while suggesting that he was somehow responsible for the export of 700,000 tons of high-quality fuel oil, purchased for a fraction of its cost. His profit was estimated to be between $48 million and $400 million.

There are other allegations, of course, and a blizzard of rumors. It is said by one of his competitors, for example, that Rich has corrupted executives at the Finnish national oil company and that he's using them to plunder their country's economy.

Trade unionists in Romania accuse Rich of having looted the fortune that Nicolae Ceausescu stole, and a freelance spook in what was formerly Ollie North's operation insists that Rich worked hand-in-glove with the Communist Party of the Soviet Union to loot the U.S.S.R. of its gold reserves during the Eighties. The Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Relations has called for an investigation of Rich's connections to the infamous and now defunct BCCI.

And so it goes. In Amsterdam, the anti-apartheid Shipping Research Bureau accuses Rich of busting UN sanctions against South Africa. In New York, the authoritative *Platt's Oilgram News* reports that he made oil shipments into Serbia at the same time the UN was preparing a blockade against the rapacious country. In London, *Private Eye* suggests the billionaire has been trying to violate similar embargoes imposed by the UN against Iraq.

But what do they know? Can anyone really be all that bad? (Can anyone really be all that rich?)

The rumors fall like snow past the windows of the Mercedes. But Marc Rich isn't reading rumors. He knows the truth, and if he doesn't, he can pay to have it found. Perhaps, for instance, he's reading the report that he commissioned on a question of some delicacy—the report on the provenance of his blonde German girlfriend. Avner Azulay, an Israeli private eye, was hired by Rich to find out (among other things) if the woman's family was pro-Nazi during the war. The detective's report brought welcome news.

And so the man in the Mercedes can relax. It's almost dawn in the Alps, he hasn't been snatched and his girlfriend is clean. What more could a man want?

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What, indeed?

To understand who Marc Rich is, we need to know how one of the most powerful men in the world came to be a prisoner in paradise and a capitalist in flight.

Born in Antwerp in 1934, Rich (née Reich) came to the U.S. with his parents in 1942. With the war in Europe behind them, they settled in Kansas City, Missouri, where Rich's father opened the Petty Gem Shop and earned a modest income. Rich attended public schools (where he seems to have made no impression whatsoever on his classmates), joined the Boy Scouts and went to summer camp in the Ozarks. (One of his tentmates was writer Calvin Trillin, who remembers Marc as "the quietest kid at Camp Osceola.")

To have been a Jew in Kansas City in the Forties (and one, moreover, who spoke three languages while still a child) could not have been easy. But he didn't live there for long. The Petty Gem Shop prospered and became the diversified Rich Merchandising Co., which Rich's father soon sold at a nice profit. In 1950 the family moved to New York, where the elder Rich entered into a partnership to manufacture burlap bags. With the Korean War shifting into overdrive, this proved to be a brilliant stroke: Military requirements pushed the demand for burlap through the roof, and the family's fortune was made.

By then, Marc was enrolled at New York University. But as a sophomore, he was lured away from school by an acquaintance of his father's, who wanted him to apprentice as a commodities trader at Philipp Brothers.

In 1954 Philipp Brothers was the biggest raw-materials trading company in the world, bridging the gap between mining and manufacturing companies on five continents. Established by scrap-metal merchants in Hamburg during the 1890s, the firm had expanded to England and the U.S. in the years before World War One. By World War Two it had become a giant with enormous influence in the Third World.

Rich began to learn the metals-handling business while working in the traffic department at Philipp Brothers. Like many of the other apprentices, he was the son of Jewish refugees. Unlike them, he'd grown up in Kansas City surrounded by goyim. His father was a millionaire who was well-connected at Philipp Brothers itself. Marc wore suits that the others couldn't afford, and he came to work in a red MG TD that seemed to instill envy in all who saw it.

Four years after leaving NYU, Rich was given his first assignment abroad. Sent to Havana on the eve of the Cuban revolution, he found himself in a vortex of decadence and corruption. It was a place where almost nothing worked except the bribe, which always worked. Rich got the company's metal out of Cuba and was sent out into the world to make even more money for Philipp Brothers. He began to travel constantly between New York and La Paz, Cape Town and Santiago, taking time out to get married in 1966. His wife is the beautiful, almond-eyed Denise Eisenberg, a New Englander who, like her husband, was the child of Jewish refugees who'd made a fortune in America after the war. Unlike Marc, however, Denise was a rock-and-roller. He lived in a world of boardrooms dominated by patriarchal millionaires; she was a junk-food addict who loved the movies and who was as driven to make it as a pop star as her husband

(continued on page 143)

 (continued from page 108)

"Everything Rich's flight made a U-turn at 20,000 feet and headed back to Switzerland."

would one day be driven to corner the world's free-aluminum market.

Within a year of marrying, Rich was placed in charge of the Philipp Brothers' office in Madrid and given a seat on the company's European management committee. Always an insider, he was now privy to many of the company's most closely held secrets, overseeing virtually every trade that Philipp Brothers made on the continent. Not content with that, he pulled off an extraordinary feat: In the late Sixties he invented the spot market for oil.

After World War Two, the world market was dominated by the Seven Sisters—companies that controlled the price and production of oil from wellhead to gas pump. By tapping suppliers in countries that had more oil than scruples—Iran was such a place—Rich and his Philipp associate, Pincus "Pinky" Green, were able to buy excess crude and sell it to refineries operating at less than capacity. The Seven Sisters were bypassed, and a gusher had been tapped.

In the spring of 1973, Rich and Green anticipated the huge price increases that the Organization of Petroleum Exporting Countries would impose in the autumn. Acting on tips, possibly from sources in Israel, OPEC or the State Department, they learned that the price of oil on the spot market would jump (in fact, it would triple). So they bought $150 million worth of crude that spring, paying $5 a barrel above the spot price to get it.

Not that it did them any good. The reaction at Philipp Brothers to such a plunge into a nontraditional market was unmitigated terror. Rich was forced to sell the oil before the embargo took place. In effect, the directors of Philipp Brothers cashed out before the winning hand was played. Belatedly, they realized their mistake and gave Rich and Green a freer hand. The resulting profits were enormous. And so were the bonuses owed to the two traders.

When the company refused to pay up—the bonus, after all, was as unprecedented as the deal—Rich and Green bolted, taking with them a half dozen of the firm's best traders. In 1974, armed with pledges of as much Iranian oil as they could handle, the unlikely pair began trading as Marc Rich & Co. AG.

From the beginning they waged a private war against Philipp Brothers, doing everything in their power to destroy the company. Secretaries and clerks were bribed to provide copies of the opposition's telexes, which enabled Rich and his cohorts to win contracts by bidding only pennies more than Philipp Brothers for tons of metals and grains. There were even allegations that Rich's operatives had bugged the company's headquarters in New York.

By the early Eighties, Phibro-Salomon (Philipp's name after a merger with Salomon Brothers) was reeling, and Marc Rich and Co. had an annual turnover in excess of $10 billion. And yet, for all of those dealings, the company—which was operating as a kind of pawnshop for the mineral wealth of the Third World—remained an enigma. Which was just how Rich wanted it.

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To many, Rich's obsession with secrecy bordered on paranoia, but the reality was that secrecy and profits were intimately linked. To pull off his deals, Rich often had to rely on bribery and sanctions busting. Throughout the Seventies and Eighties, for instance, South Africa was subject to oil embargoes imposed by the United Nations, OPEC and the European Community in response to that country's apartheid policy. For a commodities trader like Rich, headquartered in neutral Switzerland, the UN embargo was made to order. The Afrikaners were happy to pay more than $8 a barrel over spot, which meant profits of more than $100 million on each contract Rich's company brokered.

Nor was it particularly difficult to find a supplier. The Soviet Union needed hard currency to buy grain and build submarines, and one way to get it was by ignoring its own trading sanctions against an oil-thirsty country such as South Africa. With the buyer and seller lined up, all that was necessary was to launder the oil through a purposefully convoluted series of corporations chartered in such venues as Monaco, Liechtenstein and the Cayman Islands. Sometimes, when the cargo was delivered, the tanker would be scuttled and the seamen sent home by air. Subsequent investigations would reveal that the missing ship's owners were headquartered at a Swiss post-office box—on which the monthly fee was overdue.

One such shipment left the Black Sea in September 1988, sailing aboard the Dagli, a Liberian oil tanker flying a Norwegian flag, carrying Soviet oil bought by a Greek firm for delivery to Italy. The muddled itinerary and ownership made tracing next to impossible. The ship slipped out through the Straits of Gibraltar, turned south at Tangier, began communicating in code and covered its name in tarpaulins. The oil was eventually delivered to Cape Town in mid-October.

According to Amsterdam's Shipping Research Bureau, which monitors violations of oil embargoes against South Africa, "the whole transport trade had been set up by the real buyer, Marc Rich, who made use of a company that soon after ceased operating and another company belonging to his empire of which no trace can be found at all."

Experts estimate that Marc Rich supplied at least eight percent of South Africa's oil needs during the Eighties, arranging for more than 75 secret shipments from the Soviet Union, the Persian Gulf and Brunei. The value of those shipments was in the billions, and so were the profits. But that was only a part of Rich's payoff. When Phibro-Salomon stopped trading with South Africa in 1985, responding to anti-apartheid activists in the U.S., Rich quickly stepped in to fill the gap, replacing Phibro-Salomon as the exclusive sales agent for one of South Africa's largest lead mines.

The South African trade put Rich into the sanctions-busting business in a big way. Rich must have convinced himself that political sanctions did not apply to his operations, or, if they did, that clever lawyers could get around them.

It was inevitable, then, that the 1980 U.S. embargo against Iran was viewed by Rich as an opportunity to make a killing. Laundering Iranian oil through Panamanian fronts and sham transactions, Rich's company was able to subvert price controls, evade taxes and move hundreds of millions of dollars in illicit profits offshore. Unfortunately for Rich, however, the deals also brought an indictment.

Two Texas oilmen, themselves under indictment for daisy-chaining, offered up Rich and Green in return for light sentences. Rich and his partner were each charged with 51 counts of conspiracy, tax evasion, racketeering and trading with the enemy. Anticipating the indictment, Rich locked the doors to his ten-room apartment on Park Avenue and fled New York in early June 1983. A few days later, he and his wife were ensconced in Switzerland in a mansion overlooking the town of Zug. The indictment was handed down in September.

Although Rich and Green each may face more than 300 years in prison, they knew they'd be safe in the Alps. The extradition treaty between Washington and Bern was so old that it predated the income tax itself. It covered murder, rape and mayhem, but, the Swiss maintained, nothing in it applied to the modern crimes for which Rich and Green had been accused. In essence, since neither had strangled anyone, the billionaires were more than welcome to remain in Switzerland.

Meanwhile, at a cost of more than

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more than eaten up by high interest charges, which amounted to about [illegible] billion francs in the last fiscal year, ended Sept. 30. Walt Disney, which owns 49% of Euro Disney SCA, the European operating company for the park, has said it is only prepared to continue funding the resort to the end of March.

The bondholders are represented by a French association headed by Colette Neuville, an activist who often campaigns for the rights of minority holders. A legal report for the bondholders issued yesterday pressed for them to be represented at the talks, and Georges Berlioz, the lawyer who drafted the report, threatened legal action if they were excluded. "If we are not invited, we will litigate our way in," Mr. Berlioz said in a telephone interview.

On one crucial point, Mr. Berlioz's report echoed demands made by the creditor banks themselves, namely that Walt Disney should carry much of the burden for an eventual restructuring.

Under Euro Disney's complex financial structure, involving a web of shareholdings and cross-holdings, Walt Disney largely limited its direct financial responsibility for the project. For example, most of the resort's debt isn't owed directly by Euro Disney to the creditor banks, but via a number of finance companies that own the park and its six hotels — and with which British and German banks. And at least two U.S. banks — Citicorp's Citibank unit and J.P. Morgan & Co. — also have outstanding loans. The banks all declined official comment.

"Obviously we are concerned," says Samuel S. Theodore, vice president of rating agency Moody's France SA, "but for most of the banks we don't feel that this exposure itself is going to be a rating event." Adds Scott Bugie, an analyst at Standard and Poor's Corp. in Paris: "The risk is well spread. It's not going to bring any bank down."

Nonetheless, the risk of substantial losses for the main French banks involved is causing some concern. In particular, analysts say, a possible failure of Euro Disney would be severely embarrassing for Banque Nationale de Paris, which was privatized by the French government late last year.

Just this month, Moody's placed BNP under review for a possible downgrading, for reasons not connected to Euro Disney. Analysts believe the bank hasn't yet made any provisions for possible Euro Disney losses. BNP officials say privately that Chairman Michel Pebereau is concerned not to allow Euro Disney to drag down earnings so soon after privatization.

Fugitive Marc Rich Prospers Abroad, Hopes to Settle U.S. Criminal Charges

By Peter Truell
Staff Reporter of The Wall Street Journal

DAVOS, Switzerland — Marc Rich has succeeded in maintaining and building a successful international commodity and investment business despite being a fugitive from U.S. justice and facing continuing lawsuits from his former wife.

Mr. Rich fled the U.S. in 1983, with his partner Pincus Green, just before they were indicted on tax-evasion and racketeering charges relating to an alleged oil-trading scheme. Now, Mr. Rich says, he wants to settle U.S. criminal charges outstanding against him. He also seems resigned to having to face a long fight with his ex-wife, Denise, who has pursued him in the courts.

Marc Rich

"It will probably take years to settle," the 59-year-old Mr. Rich says in an interview, referring to the legal dispute with his former spouse. The former Mrs. Rich is seeking half of her husband's assets, which have been estimated to total as much as $1 billion.

Mr. Rich's ex-wife and her family provided some of the seed capital when, in 1974, Mr. Rich left **Philipp Brothers** and set up Marc Rich & Co. She is no longer a stockholder, according to Mr. Rich. "She redeemed her shares in December 1990," he says.

As chairman of **Marc Rich & Co. Holding AG**, based in the nearby town of Zug, Switzerland, Mr. Rich oversees his 27.5% stake in the operating company, Marc Rich & Co. It now has annual turnover of $30 billion from trading crude oil, petroleum products, metals, minerals and agricultural commodities.

Mr. Rich says that he hopes his decision to step down last year as chief executive officer of Marc Rich & Co. may make it easier to negotiate a settlement of the U.S. charges against him.

It has become Mr. Rich's custom to attend the annual World Economic Forum in this Alpine resort of Davos. The gathering of world political and business leaders, which ends tonight, provides Mr. Rich an opportunity to meet with old friends and get an annual taste of the world of international financial circles that he hastily left more than a decade ago.

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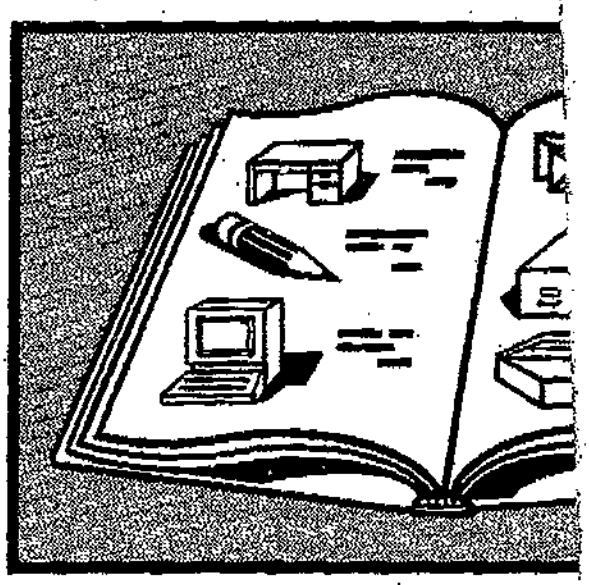

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Memorandum

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From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG.(B);
PINCUS GREEN - FUG(B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING
WITH THE ENEMY
OO: NY

Attached is a copy of a Magazine article, 3/7/94, from the Spanish Magazine "SU GENTE" featuring Marc Rich.

The article essentially sets forth Rich's proposal to fund a business school in his name at the University of Madrid.

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FBI — NEW YORK

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1 sub Fug 2

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/22/01 BY [redacted] 01-08 b6 b7C

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b7C

Aunque residente en Suiza, Marc Rich tomó la nacionalidad española y es un enamorado de nuestro país y de sus costumbres.

JOSÉ A. BOKO

De izquierda a derecha: Juan Urrutia, profesor de la Universidad Carlos III; el profesor Michele Boldrin; José Fereres, director ejecutivo de la Fundación Rich; Jaime Lissavesky, consejero de Educación de la Comunidad de Madrid, y Miguel Correcher, embajador de España.

Fomentará la investigación en el área de Economía de Empresa

De cómo Marc Rich no presentó su Cátedra de Negocios

Ni Marc Rich ni Camilo José Cela ni Max Mazin acudieron, frente a lo anunciado, a la presentación oficial de la Cátedra de Negocios Marc Rich, asignada al departamento de Economía de Empresa de la Universidad Carlos III de Madrid.

No hay manera de ver en carne mortal a este mítico financiero y un tanto enigmático personaje llamado **Marc Rich.** La presentación de su Cátedra de Negocios, que un día quiere crecer por sí misma y convertirse en un máster con su propia doctrina y personalidad académica, había concitado una audiencia atípicamente abundante y algo más que curiosa. Pero el magnate de origen judío, nacionalizado español y residente suizo se dio esquinazo a sí mismo y nos privó de una presencia que siempre da titulares a las altas finanzas.

Más que una biografía y una [illegible]

tencia, de **Marc Rich** existe una abultadísima cuenta de resultados llena de dudas y datos. Hasta hace apenas dos años, era el principal operador del mundo en el comercio de metales y minerales, su nivel de transacciones diarias superaba el millón y medio de barriles de petróleo, figuraba como el sexto productor de aluminio del mundo con 2,5 millones de toneladas al año y estaba considerado como el mayor operador mundial en cereales detrás de **Cargill.**

Trabajo duro. Pero después vino este bienio un tanto oscuro y sobre el empresario suizo se hi-

FUNDACION RICH

De izquierda a derecha: María Isabel Falabella, directora de Juventudes Musicales, Marc Rich, su esposa Denise, el maestro Rostropovich y la Reina Doña Sofía, en uno de los conciertos que ofreció en Madrid la Fundación.

el "trabajo duro y la determinación", le llevó a sacar partido a las crisis, más incluso que en los provechosos tiempos de bonanza. De ahí su interés: su protagonismo en el acto académico podía haber disipado dudas respecto a su imperio y aportado las claves de la recuperación.

Las últimas referencias de que **Marc Rich** sigue presente en el mundo de los negocios están relacionadas con la venta a Beaupore de su altísima presencia accionarial en la empresa Explotaciones Agrícolas y Ganaderas Ausona (Explasa), a través de su sociedad instrumental Seninvest, y su relación con la Corporación Banesto, hoy con problemas al tener que abonar al multimillonario suizo algo más de 10.000 millones de pesetas por la compra, en 1989, del complejo turístico Bellevue en la localidad mallorquina de Alcudia.

También podía haber aclarado **Marc Rich** la cesión y el control de su imperio, la Marc Rich Company, al equipo directivo del grupo. Pero poco o nada se sabe del precio y de la forma de financiación de una sociedad que factura más de tres billones de pesetas anuales, gana más de 100.000 millones y cuenta con un total de 1.300 empleados en todo el mundo. Sólo sabemos de su deseo de transferir la propiedad y dirección de este emporio a la generación que le sigue.

Empresario genial. El mecenas de esta Cátedra de Negocios, tan significativa en el panorama de postgrado español, eludió, al no presentarse en la rueda de prensa, su presencia empresarial en un país en el que, como el nuestro, se inició en los negocios hace ya 20 años y en el que ha operado en diferentes sectores –hotelero, alimentario y de ocio– con un volumen de negocio superior a los 150.000 millones de pesetas al año.

Qué momentos para haber explicado ese interés de tomar una participación significativa en un gran banco español e intervenir en su desarrollo y gestión, como declaró tantas veces, y como sucesivamente **Alfonso Escámez** frustró por el miedo a que la intervención fuera más allá de sus planes.

O, cómo ve la recuperación económica un triunfador como es él tras mil batallas comerciales por los cinco continentes y desde una atalaya, que, como la suya, es hoy más torre de marfil que laboratorio dorado de estrategias empresariales.

Muy probablemente se estudiará, en la cátedra novedosa, su estilo como empresario genial y sus magistrales ideas para sacarle partido a los más suculentos e inverosímiles negocios. En esta ocasión, sin embargo, la clase inicial se quedó sin maestro. Y como en una clásica obra de **Hitchcock**, el personaje central abandonó el escenario y volvió a desaparecer en la niebla.

■ Luis Sánchez Bardón

UNA FUNDACIÓN MUY RICA

Creada en 1986, la Fundación Rich nació con la intención de prestar un servicio a la sociedad a través de actuaciones concretas encaminadas a facilitar el progreso y el bienestar del hombre. Entre sus actividades destacan:

- **Inquietudes humanitarias:** ayudas a víctimas del terrorismo y familiares de enfermos de Alzheimer, subvenciones a Aldeas Infantiles y a la Fundación Raúl Follereau.
- **Ciencias y Humanidades:** apoyo a la promoción de la investigación y el fomento de las artes a través de becas y ayudas por un valor de 85 millones de pesetas.
- **Sanidad:** congresos y simposios sobre la infección hospitalaria, la escasez de enfermeras en el mundo, la prevención de las drogas y la economía sanitaria.
- **Bellas Artes:** montaje de la exposición pictórica "Tesoros del Museo de Bellas Artes de Bilbao", conciertos del maestro Rostropovich en colaboración con las Juventudes Musicales de Madrid y un proyecto del Departamento de Filología de la Universidad de Santiago de Compostela.
- La Fundación mantiene abierto, con carácter indefinido, su programa de becas y ayudas a la investigación en la Secretaría del Patronato, Paseo de la Castellana, 141, planta 19.
- Su Patronato está compuesto por: Camilo José Cela, presidente; Max Mazín, vicepresidente; Elena Quiroga, secretaria; y Álvaro Delgado, Antonio García-Bellido, Luis García Berlanga, Joaquín Martínez-Correcher, Juan A. Martínez López de Letona, Antonio Mingote y Marc Rich, vocales; José Fereres, director ejecutivo, y Úrsula Santo Domingo, Administración.

NEGOCIOS DE ALTOS VUELOS

La Cátedra Marc Rich de Negocios, adscrita al Departamento de Economía de la Empresa, será ocupada por el doctor Michele Boldrin, profesor del departamento Managerial Economics and Decision Sciences de la J.L. Kellogg Graduate School of Management, North-Western University.

Reforzará y completará el programa de tercer ciclo de la Universidad Carlos III de Madrid y establecerá las bases de una futura escuela de negocios que espera consolidarse como foco de atracción de profesionales e investigadores.

Dicha cátedra se centrará en la organización y realización de cursos de doctorado, seminarios y jornadas de investigación, destinados a potenciar la formación y el conocimiento en el área de Economía de Empresa.

Velará por la potenciación de la formación de doctores y del personal investigador y fomentará la publicación de trabajos de investigación con carácter tanto periódico y estable como circunstancial.

T SubFug 1

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SUBFUG 1

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~~CLASSIFIED BY: [redacted]~~
~~REASON: 1.5 (d)~~
~~DECLASSIFY ON: X 6~~
~~2/22/01 01-081~~

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DATE 03-13-2017 BY: [redacted]

FD-302 (Rev. 3-10-82)

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/18/94

On March 1, 1994, [redacted] (CW) was interviewed by SA [redacted] and SA [redacted] at NY NY. CW furnished the following:

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On or about February 15, 1994, CW [redacted] (S) (U)

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At [redacted] (S) (U)

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[redacted] (S) (U)

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[redacted] are described as follows: (S) (U)

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b7D

1. [redacted] (S) (U)

[redacted] (S) (U)

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b7D

Investigation on 3/1/94 at NEW YORK, NY File # [redacted]

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b7D

by SA [redacted]
SA

Date dictated 3/7/94

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[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

The CW explained [redacted]

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

During the [redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

2. [redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

3. [redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

4. [redacted] ~~(S)~~ (U)

The CW, advised that, [redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] b6 b7C b7D

[redacted] ~~(S)~~ (U)

[redacted] ~~(S)~~ (U) b6 b7C b7D

The CW furnished a [redacted] ~~(S)~~ (U)

The CW also furnished the following information: The [redacted] ~~(S)~~ (U) b6 b7C b7D

The CW provided [redacted] ~~(S)~~ (U)

196A-NY-1774
JCM:axh

On April 1, 1994, [redacted] furnished the following to Special Agent [redacted] of the New York Office of the Federal Bureau of Investigation (FBI):

[redacted] b6 b7C b7D

Source added [redacted]

196A-1774 SUBF-91 - 3.6

1) FUG subFile 1

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FBI — NEW YORK

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[redacted] provided the following information to Special Agent (SA) [redacted] on April 29, 1994:

[redacted]

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FBI—NEW YORK

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Sub Fug 1

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(X)

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FBI — NEW YORK

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DATE 03-13-2017 BY: [redacted]

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DRAFT

FBI HEADQUARTERS
CRIMINAL INVESTIGATIVE DIVISION
FINANCIAL CRIMES SECTION
ECONOMIC CRIMES UNIT
OFFICE NUMBER: (202) 324-6056
FAX NUMBER: (202) 324-8072

PRECEDENCE: Immediate

TO: [redacted]

DATE: 6/20/94

FACSIMILE NUMBER: 212/335-2999

b6
b7C

FROM: [redacted]

# of pages including this one: 3

SUBJECT: Marc Rich; et al

REMARKS: [redacted] please review and comment as to accuracy. Thanks, [redacted]

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DRAFT

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

26 Federal Plaza
New York, New York 10278

June 17, 1994

MARC RICH - FUGITIVE (B);
PINCUS GREEN - FUGITIVE (B);
FBW, MF, RICO, INCOME TAX EVASION,
TRADING WITH THE ENEMY
OO:NY

MARC RICH and PINCUS GREEN, Partners in MARC RICH and COMPANY A.G., a Swiss based commodities trading firm and MARC RICH & COMPANY INTERNATIONAL in New York, the U.S. trading arm of A.G., were indicted on September 19, 1983, in U.S. Federal Court, in the Southern District of New York, on a 51 count indictment, charging both with fraud by wire, mail fraud, RICO, income tax evasion and trading with the enemy.

During 1980-81, RICH and GREEN sold crude oil that was under Department of Energy price controls in the United States at uncontrolled, free market prices, thus reaping hugh profits which were shifted overseas. In order to offset these profits, both fabricated tax deductions involving falsification of invoices of transactions between MARC RICH and COMPANY A.G. and its foreign subsidiaries. RICH and GREEN amassed $100 million in profits concealed in 1980-81, thus evading $48 million in U.S. income taxes. This case became the largest income tax indictment ever returned by a grand jury.

During these complex illegal transactions, monies were wired, as well as telexes and false documents were mailed for which both were charged in the indictment with fraud by wire and mail fraud.

RICH and GREEN also traded oil with Iran during the period that Iran held U.S. hostages.

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DATE 2/22/01 BY [redacted]
01-08

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MARC RICH - FUGITIVE (B);
PINCUS GREEN - FUGITIVE (B);
FBW, MF, RICO, INCOME TAX EVASION,
TRADING WITH THE ENEMY
OO:NY

RICH and GREEN declined to return to the U.S. after the indictment from Switzerland where they remain today as fugitives. RICH is a citizen of Spain and maintains a home in Marbella, Spain while it is believed GREEN is a citizen of Israel where he maintains an apartment which he reportedly uses on trips to Israel.

The following is a description of RICH and GREEN:

Name:	MARC RICH
Race:	White
Sex:	Male
DOB:	December 18, 1934
POB:	Antwerp, Belgium
Height:	5'10"
Weight:	About 180 lbs.
Hair:	Black/gray receded
Scars:	None known
Residence:	Near Zug, Switzerland

Name:	PINCUS GREEN	
Race:	White	
Sex:	Male	
DOB:	[redacted]	b6 b7C
POB:	Brooklyn, New York	
Height:	About 5'9"	
Weight	About 170 lbs.	
Hair:	Gray	

MARC RICH - FUGITIVE (B);
PINCUS GREEN - FUGITIVE (B);
FBW, MF, RICO, INCOME TAX EVASION,
TRADING WITH THE ENEMY
OO:NY

Scars:	Operation scar for bypass on chest. Vertical scar running from right ear down his neck.
Residence:	Near Zug, Switzerland

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DATE 03-13-2017 BY: [redacted]

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6/14/94

Mr. Potts:

RE: MARC RICH - FUGITIVE (B);
PINCUS GREEN - FUGITIVE (B);
FRAUD BY WIRE;
MAIL FRAUD;
RICO;
INCOME TAX EVASION;
TRADING WITH THE ENEMY
OO: NEW YORK

Attached for your review are several items suitable for the Director's use during his upcoming travel to Moscow, Russia. These items include a Letterhead Memo (LHM) concerning captioned investigation, a copy of the indictment charging Marc Rich and Pincus Green as well as photographs of both Rich and Green. The attached information is appropriate for dissemination to law enforcement entities.

New York Division is in receipt of highly singular information from a sensitive and reliable FBI source who is described as [redacted] Revelation of this singular information would place the source and his/her family in physical danger.

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The source has, on multiple occasions, [redacted] (S) (U)

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The source has also reported that [redacted] (S) (U)

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A statement was formulated from the above information which was disseminated to both the Department of Justice Office of International Affairs and Interpol. The statement read as follows: "On [redacted] a sensitive and reliable FBI source [redacted] (S) (U)

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NOT APPROPRIATE FOR DISSEMINATION TO THE PUBLIC

F. B. Verinder

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FD-448 (Rev 6/1/91)

FBI FACSIMILE COVERSHEET

PRECEDENCE
- ☐ Immediate
- ☐ Priority
- ☑ Routine

CLASSIFICATION
- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☑ Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: 4
(Including Cover Page)

To: DIRECTOR, FBI
(Name of Office)

Date: 6/17/94

Facsimile Number: (202) 324-8072

Attn: SSA [redacted]
(Name Room Telephone)

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From: NYO - FBI
(Name of Office)

Subject: _____

Special Handling Instructions: Please Route TO SSA [redacted] Economic Crimes Unit

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Originator's Name: [redacted]

Telephone: (212) 335-2700 X 3258

Originator's Facsimile Number: (212) 335-2745

Approved: _____

FBI/DOJ

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DATE 8/22/01 BY [redacted]
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Wall Street Journal 8/3/94

* * *

Marc Rich & Co. to Change Its Name Effective Sept. 1

By a WALL STREET JOURNAL *Staff Reporter*

PARIS – Marc Rich & Co. is changing its name, in another step to distance itself from its founder, the fugitive financier Marc Rich.

As of Sept. 1, the international commodity firm based in Zug, Switzerland, will be called Glencore International AG. The firm said the new name completes its restructuring and change of ownership.

Mr. Rich, now 59 years old, founded the company in 1974. He has been a fugitive since 1983, when he fled the U.S. just before he and his partner Pincus Green were indicted on charges of tax evasion and racketeering.

In March 1993, Mr. Rich relinquished his majority stake in his company, and gave up the title of chief executive officer, though he retained a 27.5% stake in Marc Rich & Co. Holding AG. At that time, some employees said they hoped that by distancing himself from the firm, Mr. Rich would help remove some of the taint of scandal left by the indictments.

Switzerland has resisted U.S. attempts to extradite Mr. Rich, and his own attempts to negotiate a settlement with U.S. authorities so far have proved fruitless. Meanwhile, Mr. Rich's estranged wife, Denise, has brought actions against him in Swiss and New York courts seeking half his assets.

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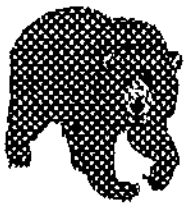
(1) Sub Fug 1

Office of the Legal Attache
American Embassy
Bern, Switzerland

Fax No. 41/31/357-73-68
(International)
031/357-73-68 (Domestic)
Telephone Number: 031/357-73-40



Date: 19 August 1994

TO: New York Division

FAX NUMBER: 212 335 2999

ATTN: SA [redacted] b6 b7C

FROM: LEGAL ATTACHE, BERN
ORIGINATOR: [redacted] Assistant Legal Attache

SUBJECT: Marc RICH - FUG (B); Pincus GREEN - FUG (B); FBW, MF, RICO, Income Tax Evasion; Trading with the Enemy; OO: New York.

OUR REF: 196A-NY-1774

COMMENTS/MESSAGE: Reference New York teletype dated 16 August 1994 and Bern Alat [redacted] telephone contact with New York SA [redacted] 19 August 1994. b6 b7C

Attached are the following two articles regarding captioned subject RICH:

1) one copy in German of the Sonntag Zeitung, 7 August 1994, article, "Israelischer Pass fur Rich";

2) one copy in French of Le Nouveau Quotidien, 8 August 1994, article, "Marc Rich devient Israelien".

As discussed during referenced telephone contact, New York will translate attached articles and furnish Bern copies of same.

Regards, [redacted] b6 b7C

Nun hat Marc Rich den israelischen Pass als Helfer in der Not

Eine weitere Waffe des Rohstoffhändlers gegen Auslieferungsbegehren und Scheidungsklage

VON ERIK WOLMANS UND CHARLES LANDSMANN

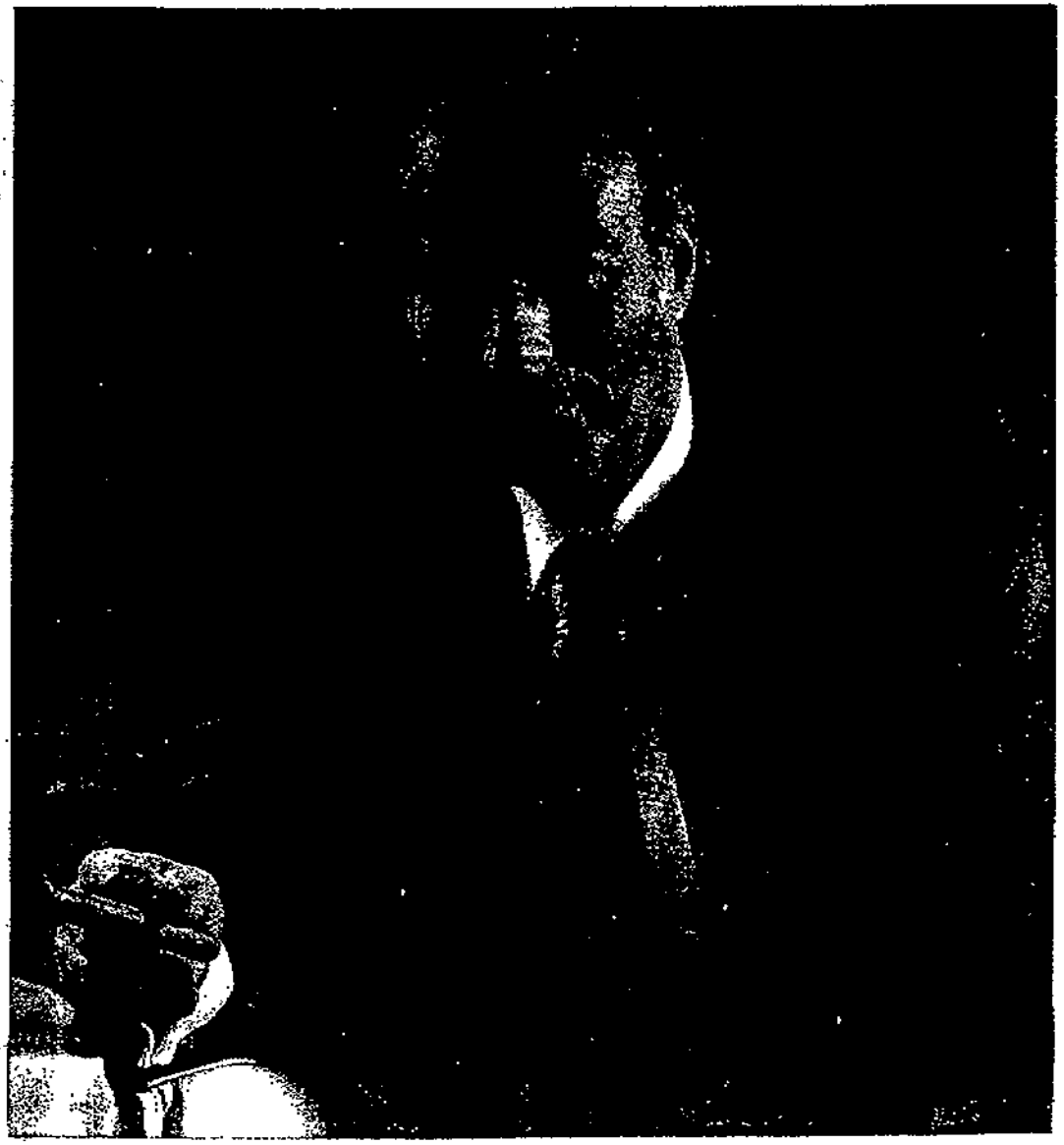
ZUG/TEL AVIV – Der Zuger Rohstoffhändler Marc Rich hat die israelische Staatsbürgerschaft erworben – ein wichtiger Schritt im Kampf gegen das US-Auslieferungsbegehren. Der zusätzliche Pass könnte Rich auch im Scheidungskampf mit seiner Frau Denise von Nutzen sein.

Am letzten Dienstag liess die Zuger Grosshandelsgruppe Marc Rich verlauten, sie ändere ihren Namen per 1. September in Glencore International AG. Grund für diese Namensänderung sei der inzwischen abgeschlossene Wechsel der Besitzverhältnisse: Ende 1993 hatte Marc Rich die Mehrheit am Zuger Handelshaus ans Management abgetreten. Nur rund ein Viertel der Aktien gehören heute noch Rich selber.

Den Schritt über die Grenze wagt Marc Rich nur selten

Es scheint, als ob mit dem Verschwinden des Namens Marc Rich auch die Person Marc Rich der Schweiz langsam aber sicher den Rücken kehrt: Laut mehreren israelischen Zeitungen ist Marc Rich seit einigen Monaten immer häufiger in Israel anzutreffen.

Dass sich Marc Rich überhaupt aus der Schweiz hinausgetraut, ist äusserst selten. Denn Rich, den die USA via Interpol international ausgeschrieben haben, ist in seinem Bewegungsradius stark eingeschränkt. 1982 hat sich Rich in die Schweiz abgesetzt und hat hier inzwischen die Niederlassungsberechtigung. Rich [illegible]



GOOD NEWS

Die guten Nachrichten der Woche

Werbespot gekürt

Intelligente und zugleich witzige Werbung ist so selten, dass sie mehrfach prämiert wird. Der Milchspot mit der steppenden und fussballspielenden Kuh wurde am Filmfestival in Locarno zum besten Auftragsfilm gekürt.

Sulzer erwacht

Beim Webmaschinenhersteller Sulzer Rüti wird wieder voll gearbeitet. Die Kurzarbeit für 1[illegible] Beschäftigte im solothurnischen Werk Zuchwil wurde aufgehoben. Anfang Jahr waren [illegible] insgesamt 1600 Beschäftigte in Kurzarbeit gesetzt worden.

Bier exportiert

China ist zum zweitgrössten Bierbrauer der Welt hinter den USA aufgerückt. 1995 dürfte China 1 Milliarden Liter Bier exportieren, darunter auch das von Kennern geschätzte Tsingtao-Bier.

Post spediert

Die Schweizer B-Post hat [illegible] gepunktet gegenüber ihrem italienischen Pendant. Ein Abgeordneter hat sich am Wochenende beim italienischen Postminister beschwert. Ein an ihn adressierter Brief brauchte 40 Tage [illegible] Strecke von drei Kilometern.

BAD NEWS

Die schlechten

[illegible] Seite 17 [illegible] und [illegible]s als Langeweile fürs [illegible]ikum. Seite 41 [illegible]

iger Strafe bei mehr Tempo: es Gesetz schont Autoraser

ıus dem Departement Koller wird für politischen Zündstoff sorgen

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ämlich

die Geschwindigkeitslimiten an, die im einfachen Verfahren per Ordnungsbusse bestraft werden und bei Autofahrern als «Kavaliersdelikt» gelten. Auch höhere Tempi fallen künftig in den Geltungsbereich von simplen Ordnungsbussen. Dabei wird aber auch der heutige Maximalsatz von 100 auf 300 Franken erhöht.

Konkret schlägt das Departement Koller als Folge des neuen Gesetzes in einer Verordnung vor, auf Autobahnen Übertretungen bis zu 25 km/h nur mittels Ordnungsbussen zu ahnden. Dies bedeutet unter Einbezug der Sicherheitsmarge, dass die heute geltenden Tempolimiten um bis zu 30 km/h überschritten werden dürfen, bevor der Verkehrssünder verzeigt wird.

Auch innerorts soll vermehrt mit Ordnungsbussen bestraft werden – gilt doch die Höchstbusse von 300 Franken neu für Geschwindigkeiten zwischen 16 und 20 km/h – womit dank Toleranzgrenze ein Tempo von 75 km/h innerorts noch als «Kavaliersdelikt» taxiert würde.

Laut den Vorschlägen aus dem EJPD wird zu schnelles Autofahren also vermehrt in das vereinfachte Bagatellverfahren der Ordnungsbussen einbezogen und damit künftig auch salonfähig. Denn: Ohne Verzeigung bleibt der Täter anonym – in einem Wiederholungsfall wird er deshalb nicht wie gemäss der bisherigen Praxis üblich härter bestraft, sondern kommt erneut als nicht registrierter Ersttäter davon. Zu schnelles Autofahren wird dadurch verstärkt ein kalkulierbares Risiko und kann ganz einfach mit einem Griff zum Portemonnaie und durch Bezahlen einer Busse gelöst werden.

Kein Wunder, stossen die Expertenvorschläge aus dem Departement Koller auf Widerstand. «So war das Ganze nicht gemeint. Das zielt ja nicht auf mehr Sicherheit im Verkehr, sondern geht in eine ganz andere Richtung», sagte Nationalrat Roland Wiederkehr (LdU), Kopräsident der Vereinigung für Familien der Strassenverkehrsopfer (VFS), gestern und kündigte «geharnischten Protest» an. Überhöhte Geschwindigkeit wirke sich bei Verkehrsunfällen verheerend aus.

Auch SPS-Nationalrat Peter Vollmer wehrt sich gegen die vorgeschlagene Bussenliste aus dem Departement Koller. «Bei Verkehrsunfällen ist sehr oft überhöhte Geschwindigkeit im Spiel – deshalb muss der Gesetzgeber bei Geschwindigkeitsüberschreitungen, insbesondere bei wiederholten – härter durchgreifen.»

Der Ständerat hat das neue Ordnungsbussengesetz bereits gutgeheissen und damit die Kompetenz für die Festlegung der Bussen dem Bundesrat abgetreten. Im Nationalrat, der das Gesetz in der Herbstsession beraten wird, will Vollmer die EJPD-Tempovorschläge nun umkrempeln. Er beantragt im Ordnungsbussengesetz selbst festzuhalten, dass Geschwindigkeitsüberschreitungen von mehr als 15 km/h grundsätzlich bei einem Richter angezeigt und damit wie bisher auch registriert werden müssen.

kson und Presley in Budapest

rbewirksamer Besuch des US-Popsängers und der Elvis-Tochter

Zusätzliche Staatsbürgerschaft: Rohstoffhändler Marc Rich Foto: Markus Senn

Israelischer Pass für Rich

US-Auslieferungsbegehren: Multimillionär sichert sich ab

ZUG/TEL AVIV – Der Zuger Rohstoffhändler Marc Rich hat die israelische Staatsbürgerschaft erworben. Damit sichert sich Rich gegen das hängige Auslieferungsbegehren der USA zusätzlich ab – und kann der Schweiz vermehrt den Rükken kehren.

Der in der Schweiz niedergelassene Multimillionär Marc Rich hat einen Pass, von dem man bisher nichts wusste – einen israelischen. Dies bestätigten Gewährsleute von Marc Rich der *SonntagsZeitung*.

Die zusätzliche Staatsbürgerschaft ist deshalb wichtig, weil sie den Aktionsradius von Marc Rich erweitert. Rich drohen in den USA wegen Steuerhinterziehung 323 Jahre Gefängnis. Die USA haben den Rohstoffhändler schon seit mehreren Jahren international zur Fahndung ausgeschrieben.

Der gebürtige Jude Marc Rich kann sich damit nicht nur in der Schweiz – sie liefert Steuerflüchtlinge nicht aus – sondern auch in Israel ohne Angst vor der Auslieferung bewegen. Laut israelischen Zeitungen soll Marc Rich in den letzten Monaten denn auch immer häufiger in Israel aufgetaucht sein. Er gilt laut den Medienberichten als potentieller Kaufinteressent bei der Privatisierung der israelischen Chemie-Gruppe CIL. Seite 27

Trotz Aufsch[illegible]

abgesetzt und hat hier dadurch die Niederlassungsberechtigung. Reich wohnt im luzernischen Meggen in einer wunderschönen, schlossähnlichen Villa direkt am Vierwaldstättersee. Die Schweiz liefert Steuerhinterziehern nicht aus.

Israel tut dies unter gewissen Bedingungen schon – ausser bei eigenen Staatsbürgern.

Der gebürtige Jude Marc Rich ist, so wurde der *SonntagsZeitung* von Richs Büro bestätigt, in den Besitz der israelischen Staatsbürgerschaft gelangt. Einem Juden wird das Gesuch um die Erteilung der Staatsbürgerschaft in Israel in der Regel problemlos bewilligt.

Unternehmer mit wechselvoller Nationalitätenkarriere

Der zusätzliche Pass war schon bald einmal von Nutzen. Den Amerikanern nämlich waren die Ausflüge des Zuger Rohstoffhändlers in den Nahen Osten ebenfalls aufgefallen. So starteten sie eine informelle Anfrage an die israelischen Behörden, ob man denn Marc Rich, den «grössten Steuerflüchtling der US-Geschichte» – so das Wirtschaftsmagazin «Fortune» – nicht den USA überlassen könne.

Dies erstinnen wurde abgelehnt. Am 17. Juni titelte die grösste israelische Tageszeitung «Yedioth Ahronoth»: «Israel teilt den USA mit: Wir liefern euch den Multimillionär Rich nicht aus.» Diese Antwort hatte der Justizberater und oberste Gefaankläger Israels, Michael Ben Yair, persönlich den Amerikanern zukommen lassen. In Israel – in Unkenntnis der neuen Staatsbürgerschaft – vermutete man vor allem politische Protektion hinter der klaren Antwort des obersten israelischen Justizbeamten.

Mit dem Verschwinden des Firmenmusens scheint auch die Person der Schweiz langsam, aber sicher den Rücken zu kehren: Rohstoffhändler Marc Rich
Foto: Markus Senn

So ist die Erlangung des israelischen Passes ein weiterer Teil in der wechselvollen Nationalitätenkarriere des Marc Rich. 1941 war er mit seinem Vater David Reich, einem jüdischen Kaufmann, vor den Nazis in die USA geflüchtet und dort eingebürgert worden. Die Reichs änderten ihren Namen in Rich. 1982 schliesslich nahm Marc Rich nach einem Madrid-Aufenthalt für seine Firma die spanische Staatsbürgerschaft an. Auch die luzernische Fremdenpolizei führt Rohstoffhändler Rich heute als spanischen Staatsangehörigen.

Ausserhalb der Schweiz ist die Bewegungsfreiheit von Marc Rich eingeschränkt. Einmal musste Unternehmer Rich kurz vor seiner Landung in Finnland mit seinem Firmenjet durchstarten und umkehren, weil er erfuhr, dass am Flughafen die Behörden mit einem Haftbefehl auf ihn warteten.

Herzlicher Empfang in Israel für den gebürtigen Juden

Unter dieser erheblichen Einschränkung der Mobilität soll vor allem auch Marc Richs neue Partnerin Gisela Rossi gelitten haben, die 42jährige, blonde Witwe eines reichen italienischen Kaufmanns. Gisela Rossi gilt als Mitglied der internationalen Jet-set-Szene mit einem grossen Hang zur Internationalität. Die Abschottung in der kleinen Schweiz kommt diesem Drang nicht gerade entgegen.

In Israel hingegen hat man Rich immer wieder mit offenen Armen empfangen. Kein Wunder, denn Rich verkörpert immer noch ein grosses wirtschaftliches Potential. Als Grund für seine gehäuften Israel-Besuche in der letzten Zeit gelten denn auch handfeste geschäftliche Gründe. Rich wird in den israelischen Medien vor allem als potentieller Interessent für das grosse Basischemie-Konglomerat CII, genannt, das momentan privatisiert wird. Inzwischen soll Marc Rich in Israel zudem ein enges politisches und wirtschaftliches Beziehungsnetz unterhalten.

Rich hat sich ausserdem in seiner neuen Zweitheimat als eigentlicher Wohltäter profiliert. Dem bekannten Doron-Fonds für Kunst und Wohlfahrt spendet er jährlich eine bis zwei Millionen Dollar, 14 Millionen sind es bisher insgesamt. Grosse Spenden hat auch das Israel-Museum und die Cinemathek in Tel Aviv erhalten. Rich fördert vor allem künstlerische und medizinische Organisationen.

Solche Grosszügigkeit dürfte aber andernorts eher für gemischte Gefühle sorgen. Marc Richs Ex-Partnerin Denise, die heute getrennt von ihrem Mann in New York lebt, fordert in einer Scheidungsklage bisher erfolglos 750 Millionen Franken. Der Versuch, Marc Rich zusätzlich mit einer Betrugsanklage in die Knie zu zwingen, ist dabei Ende Juni vor dem Strafgericht Zug vorerst gescheitert. Weil der Strafantrag von Denise Richs Vertreter, dem Staranwalt Max Lebedkin, zu spät eingereicht wurde, wird das Verfahren gar nicht erhoben. Das Urteil ist allerdings noch nicht rechtskräftig.

Grosses Misstrauen zwischen Rich und seiner Ex-Frau

Die Parteien gingen an der Verhandlung unzimperlich aufeinander los. So bezeichnet Marc Richs Anwalt das Verfahren als «das einer rücksichtslosen und rachsüchtigen Frau». Der Richter musste die Beteiligten darauf hinweisen, dass «wir hier nicht in Amerika sind». Die Auseinandersetzung zwischen Marc und Denise Rich hat längst die Stufe eines veritablen Scheidungskriegs erreicht.

Das gegenseitige Misstrauen ist riesengross. Aus dem Lager um Denise Rich ist zu vernehmen, Marc Rich wolle sich mit der israelischen Staatsbürgerschaft und mit einer eventuellen Absetzung um weitere Verpflichtungen gegenüber Denise Rich drücken. Dies wäre beispielsweise in gewissen erbrechtlichen Teilbereichen möglich. Israel kennt eine grosse Testamentsfreiheit, wodurch sich Marc Rich theoretisch um gewisse Erbverpflichtungen für seine Frau drücken könnte.

Die schlechten Nachrichten der Woche

Gewinn geschmälert

Die grösste Schweizer Bank hat weniger verdient. Die Bankgesellschaft weist für das erste Halbjahr 1994 einen Rückgang des Gewinns um 37,9 Prozent auf 929 Millionen Franken aus.

Stolz verletzt

Das geht an den Nationalstolz. Ausgerechnet am 1. August hat ein Gericht in den USA entschieden, dass Schweizer Armeemesser vorderhand auch von einem chinesischen Billighersteller unter dem Namen «Swiss Army Knife» nach Nordamerika importiert werden dürfen.

Papier zerrissen

Mit Papier lässt sich kaum noch Geld verdienen. Die grossen drei Papierhersteller der Schweiz – Biber, Holvis, Sihl – schrieben im letzten Jahr samt und sonders rote Zahlen. Die Sihl-Gruppe musste gar einen Abschreiber von 50 Millionen vornehmen.

Verkauf gebremst

Es ist einfach zu heiss. Selbst zum Shoppen hat kaum jemand Lust bei diesen Temperaturen. Deutschlands Läden haben deswegen den schlechtesten Ausverkauf seit 25 Jahren erlebt.

o-Kollektion

Uhren

MCM

MCM DEPENDANCEN

Storchengasse 7 / In Gassen
8001 Zürich, ☎ (01) 211 44 09

Theaterplatz 7
3011 Bern, ☎ (031) 312 55 12

Le Nouveau Quotidien, 8/8/1994

Marc Rich devient Israélien

L'homme d'affaires risque encore moins d'être extradé.

L'hebdomadaire alémanique *SonntagsZeitung* l'a révélé dans son édition d'hier: le commerçant en matières premières Marc Rich, poursuivi aux Etats-Unis pour fraude fiscale, et qui a élu domicile à Zoug, a acquis récemment un passeport israélien. Rich, qui possède actuellement la nationalité espagnole, renforce ainsi ses moyens de défense contre son extradition demandée par la justice américaine.

Alors qu'en Suisse, il est à l'abri parce que ce pays n'accorde pas l'extradition pour des infractions fiscales, il pourra désormais également être en sécurité en Israël, puisque cet Etat, comme la plupart des autres, ne livre pas ses propres ressortissants. La semaine dernière, le groupe de Marc Rich à Zoug a annoncé avoir modifié sa raison sociale. Il s'appelle désormais Glencore International. Ce changement correspond au retrait de Marc Rich de l'opérationnel. L'homme d'affaires garde environ un quart des actions seulement en son nom propre. LNQ

toppe le Pacifique. American a racheté les lignes sud-américaines de Pan Am, qui marchent très fort aujourd'hui. Nous sommes restés fixés sur l'Europe et l'Atlantique Nord, marché qui ne tire plus.» Le futur d'une compagnie à peine sortie des affres de la faillite (LNQ du 9 mai 1994) est-il menacé? Samuel Nakamura nuance: «Je pense que les décisions douloureuses que nous prenons aujourd'hui vont permettre d'assainir notre situation financière. Notre réseau intérieur nous apporte des satisfactions. Nous devons consolider nos positions bénéficiaires; nous n'avons pas les moyens de jouer une autre partition – surtout pas ceux d'investir dans des diversifications, vers d'autres continents.» D'autre part, Nakamura tient à préciser qu'à part les licenciements annoncés pour la Suisse, les autres chiffres sont encore sujets à négociations: en Europe, la coupe pourrait toucher moins des 300 personnes initialement annoncées. Aux Etats-Unis, si 500

Le Nouveau
complice des fes

- 28E MONTREUX JAZZ FESTIVAL
  1-16 JUILLET
- FESTIVAL BELLUARD BOLLWERK INTERNATIONAL FRIBOURG
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SUBFUG. 1

Trading with the enemy and corrupt Soviet officials and evading U.S. taxes, Marc Rich got fabulously rich. But his empire's turning to ashes now.

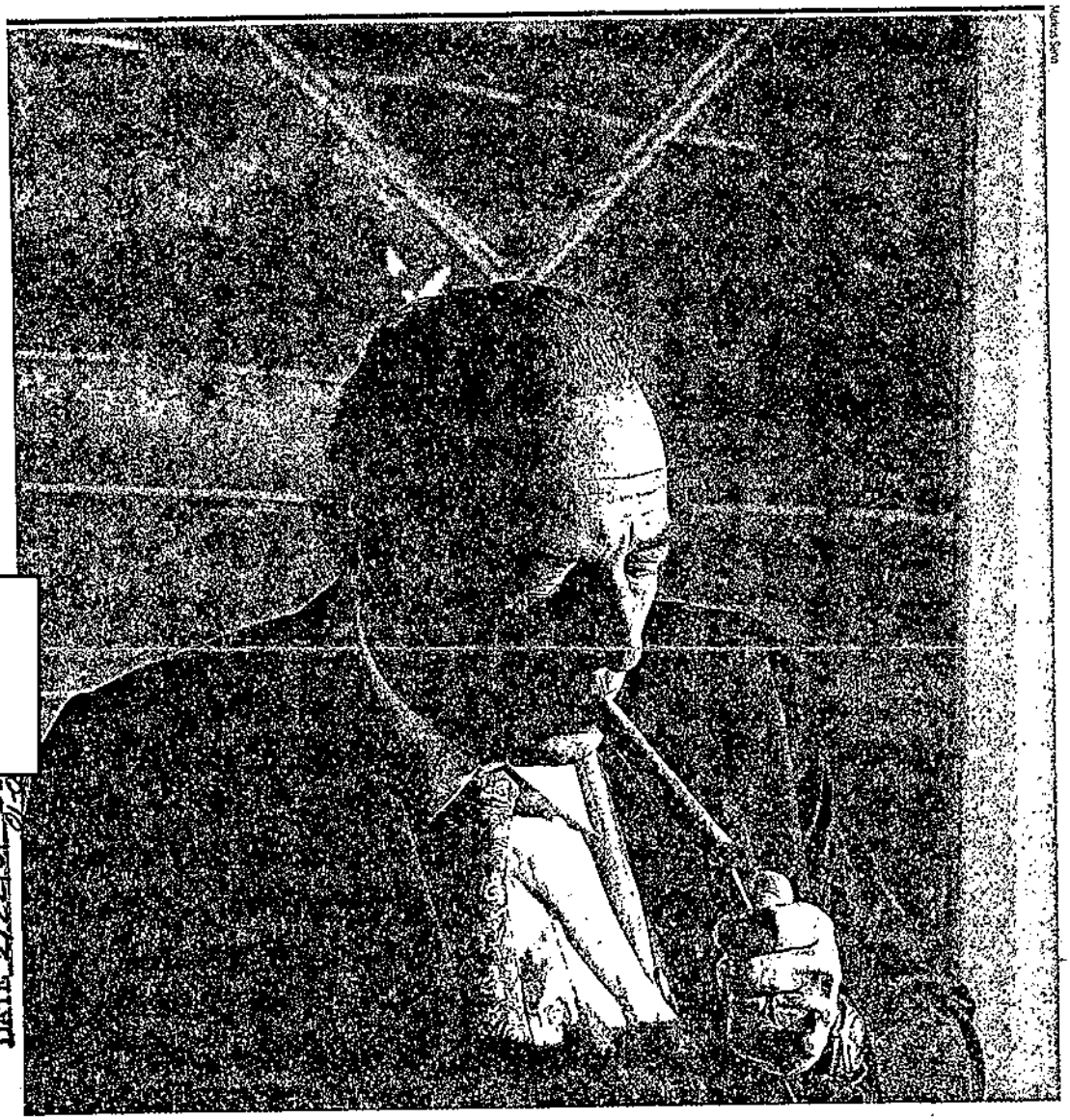
"You didn't make the profit: The market did"

By Paul Klebnikov

ON SEPT. 1 Marc Rich & Co. AG will formally cease to exist. The secretive Zug, Switzerland-based multinational will no longer bear the name of the high-living playboy and fugitive from U.S. justice who built it into one of the world's great trading companies. Henceforth it will be Glencore International AG.

Is the change merely cosmetic, designed to shed a tainted name? Apparently not. The 59-year-old Rich has reduced his stake from 51% to 25%, and, says a well-informed former executive: "The top employees have taken over the company, and they want to distance themselves as much as possible from Marc Rich. Marc still works there, but he is weaning himself off the business."

Besides cavorting with his girl-



Fugitive trader Marc Rich **"All his old partners are gone—he's the last of the Mohicans."**

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Glencore's Willy Strothotte **The employees have taken over the company, but the exodus of talent and capital has continued.**

friend (FORBES, *Oct. 18, 1993*), Rich is fighting his wife's divorce action. Denise Rich is suing in Switzerland for half of Rich's assets.

The trading company, meanwhile, is shrinking. Its trading in such materials as oil, aluminum and coal has slumped from $30 billion in 1990 to $20 billion last year, according to a company spokesperson. Net profits sank to about $30 million last year, a sad comedown from the $500 million the company made in 1978 and the $200 million or so it averaged in the late 1980s.

Gone are the windfall profits reaped on the Iranian oil trade in the 1970s and breaking the South African embargo in the 1980s. The company has also been badly hurt by a mass exodus of talent and capital that has been going on for the past four years. According to former executives, the equity in Marc Rich & Co. used to be divided something like this: Marc Rich had about 35%, Pincus (Pinky) Green about 25%, Alexander Hackel an estimated 15%, Felix Posen 5%, and the 70 or so top traders the rest.

First Marc Rich's three original partners—Green, Hackel and Posen—cashed out and retired. How much did they take with them? A fair guess would be $900 million, enough to badly deplete the coffers and weaken the firm's ability to wheel and deal.

After Green, Hackel and Posen cashed out, Marc Rich apparently took out most of his own capital, putting the cash into Marc Rich Holding AG, which also owns a lot of real estate in Spain, Switzerland and Eastern Europe. To keep the trading company afloat, he put back in a relatively modest amount of capital to allow the smaller employees to raise their equity stake to 40%.

But as long as Rich is involved, the shrinkage will probably continue. The original 1983 indictment by the U.S. government charged Rich with racketeering, fraud, tax evasion and trading with the enemy (Iran). Switzerland is unwilling to extradite Rich to face the charges, but the U.S. has strong extradition treaties with most other countries in Europe. Interpol has a "red notice" on Rich, which means it is giving the highest possible priority to his apprehension. Thus he travels only at great risk of arrest. It's not easy to run a business like his on the phone and fax alone.

There have been close calls. A few years ago, Finnish police received a tip that a private plane supposedly carrying Rich would be arriving in Helsinki. They alerted U.S. authorities and prepared to make an arrest. To their dismay some reporters also showed up at the airport; the information had been leaked. The plane made a U-turn and returned to the Continent. U.S. law enforcement officials say that there have been at least five times when they were "moments away" from apprehending Rich during his travels.

Nor is he particularly welcome in Russia these days. As communism was collapsing, the lucrative commodities trade in the Soviet Union was Rich's most important market. His company sold the Soviets zinc concentrate, bauxite, sugar and grain in exchange for oil, aluminum, copper, nickel and other metals. Marc Rich kept a staff of about 150 in the Soviet Union. Rich boasted to a Russian newspaper in 1992: "[We are providing] Russian companies with investment, know-how and help in entering the world market at a time when other Western firms are either turning away from Russia or are making intolerable commercial demands."

In fact, Rich gouged the Russians, buying Soviet commodities at the ridiculously low domestic prices and reselling them much higher on the world market. Illegal according to Soviet and Russian laws, but Rich had astute collaborators on the inside. One of the company's trading partners was Artem Tarasov, Russia's commodities kingpin (FORBES, *June 8, 1992*). Both Tarasov and Rich benefited from the patronage of the notoriously corrupt former Russian Prime Minister Ivan Silayev.

In 1992 the honeymoon ended. Marc Rich was accused in Russia of massive bribery, illegal export of raw materials, aiding in capital flight, even laundering drug dollars. Inquiries were started in the Russian government. By this time, Artem Tarasov had taken his fortune and fled to London while Prime Minister Silayev had been forced to resign; he is said to be living now in his villa in Switzerland.

At home in Zug, Switzerland, a new generation of Rich traders, headed up by Willy Strothotte, was coming to the fore. They felt they should get

2

the equity stake that the three old partners had relinquished, but Rich has always been stingy about rewarding his top employees, even with praise. A former Rich executive, Arye Berest, remembers one incident from the late 1970s: "One trader came running to Marc Rich to say that he had just made a $10 million profit on an oil deal. Rich said: 'You didn't make the profit. The market did.' "

In the summer of 1992 Marc Rich and Willy Strothotte clashed on management issues and equity stakes. Strothotte was fired.

Virtually all the company's top managers followed him out: Claude Dauphin, head of oil trading; Manny Weiss, head of aluminum and sugar trading; Eric de Turckheim, chief financial officer for trading operations; Daniel Posen, head of the Moscow office; and many others.

Claude Dauphin established a new trading company called Trafigura Beheer BV and brought in dozens of former Marc Rich employees; the offices in Bulgaria, Romania, China and Argentina defected to him en masse.

Less than a year after he had fired him, Marc Rich brought Willy Strothotte back. After that Rich began playing a smaller role in the trading activities, although apparently staying involved in general corporate strategy.

But the exodus has continued. This May, Omar Shah, a top ferrous metals trader, and his team of traders left the company, voicing dissatisfaction over the distribution of the equity.

Lucio Genovese, the new head of the Marc Rich office in Moscow, plays down the importance of the defections, declaring: "There's no problem with morale. People are always coming and going—that's the nature of the business."

So maybe the firm will survive—but eventually without Rich, who is becoming an increasingly isolated figure. These days, Rich seems more focused on living the high life in his villa in Marbella, Spain, and in chic ski resorts like St. Moritz. Says an acquaintance from Rich's old Philipp Brothers days: "I think he has lost interest in the business. All his old partners are gone—he's the last of the Mohicans." You can say of Marc Rich that he won a fortune but lost his soul. ■

Starting life as an embargo-buster, Alan Clingman, at 34, is on his way to becoming a top commodities trader.

Buy cheap, sell dear

By Paul Klebnikov

As Marc Rich fades, new players emerge in the international commodities markets. A prominent newcomer is 34-year-old Alan Clingman, a native South African now living and working in New York, where Rich dares not tread.

Clingman's metals trading company, AIOC Corp., has come out of nowhere to build a worldwide trading network in a commodities market that was severely depressed for years. It already boasts 340 employees, 24 offices around the world and $3 billion in sales on an estimated equity base of over $100 million; Clingman says he is getting close to a 100% return on equity. Owning 77% of the company, he is on his way to becoming rotten rich.

Had he not been a South African, Clingman might well have chosen a different business, because commodities were in the tank when he started with AIOC in 1988. "People thought we were crazy," Clingman recalls. "Most of our competitors were doing badly or going out of business. Here we were expanding and opening up new offices."

Clingman was born in Johannesburg, a son of South Africa's largest

Alan Clingman, chairman of AIOC, his own metal trading firm
He flourished at a time when most traders were suffering.

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manufacturer of flags. In 1978 the 19-year-old Clingman was just completing his first year of college, studying business at the University of Witwatersrand. South Africa was under a U.N. embargo covering the sale of oil, armaments and many other goods. But clever businessmen were making a fortune running the embargo. Clingman decided to become an embargo-buster.

He quit school and hung around the offices of the South African Strategic Fuel Fund until he finally convinced the administrators that he had a viable plan for secretly importing oil from the Persian Gulf. They agreed to have Clingman serve as broker and gave him a letter of credit to present to the supplier.

Busting the South African embargo, as honored in the breach as in the observance, was not terribly difficult. Iran, Iraq and Oman all happily flouted the embargo, as long as some discretion was observed. Shippers would simply declare that the oil was destined for, say, Singapore, and then switch the documentation en route. Sometimes the deal would be done through shell companies registered in the Caribbean or elsewhere.

In his first year Clingman says he brokered several shipments of oil, totaling 10 million barrels, with enormous profits. In his first year of business Clingman garnered some $10 million in commissions. A 19-year-old college dropout!

Next, he established a company to export South African coal and steel to Europe and Asia. By 1988 Clingman was trading about $100 million a year, but the embargo of South Africa wouldn't go on forever. He needed new business.

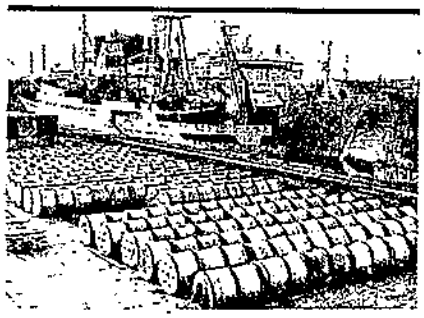
He teamed up with a former Philipp Brothers employee named Alexander Krasner, a Soviet émigré who helped him into the Soviet and American metals trade. Clingman bought $50 million (sales) AIOC, moved to New York and took the company into a period of heady growth, trading aluminum, copper, nickel, zinc, steel and ferroalloys; AIOC also traded in precious metals and coal.

Commodities prices were sinking, and most traders in physical markets—as opposed to options traders—were suffering. Clingman handled the down market by keeping inventories to a minimum and shorting the market by selling metals before he bought them or borrowing commodities and paying the producers later.

He flourished at a time when most of his competitors were suffering. Cargill went out of the nonferrous metals business in the late 1980s and Philipp Brothers got out of the metals business altogether. Last year Germany's Metallgesellschaft took a $1.3 billion loss because of a series of bad calls on oil futures.

Clingman just rubbed his hands. He hired over a dozen former Philipp Brothers and Marc Rich traders.

Then, at the beginning of this year, commodities prices turned up. Japanese and American companies are restocking raw materials inventory. Western banks and hedge funds are rushing into commodities.



Wire exports in Kaliningrad harbor

Barter deals with 25% markups.

Clingman has stayed with physical trading, steering clear of derivatives and foreign exchange speculation. The biggest chunk of his business today is buying raw materials in the former Soviet Union and selling them to the U.S. or Western Europe.

Though most Russian exports now sell at world prices, leaving little margin for trading companies, there are still big returns to be made trading commodities in the former Soviet Union. The profit is in the financing. Russian mining and industrial companies are starved for cash, and Clingman is a whiz at this kind of deal.

Say you are the manager of a steel plant in Russia and need dollars abroad to buy iron ore, coal and sugar to feed your work force. You go to the banks for a loan; they refuse.

Along comes a trading company like Marc Rich or AIOC, which offers to sell you on credit the iron ore, coal and sugar you need in return for, say, 12 months of the steel production. (Alternatively, the trading company could offer to lend you the raw materials, which you process for a fee. Or it might prepay on a shipment of steel, so you can go out and buy what you need yourself.)

In any case, the profit is built into the price the trading company agrees to pay for your steel, how much material it buys and, if it's a barter deal, the price it charges for the oil, grain or sugar it sells in return.

There are innumerable ways to fatten the profit margin. Trading profits of 25% on a single deal are not unusual. And if the Russians complain? They've nowhere else to turn. Russian banks, reluctant to lend, demand up to 30% interest on dollar loans to industrial enterprises.

For the Western trading companies, of course, there is credit risk. Alan Clingman says he has had some very scary moments. A Yugoslav state-owned metals company refused to pay up on a $10 million deal after Yugoslavia split apart. Several of Clingman's customers in the U.S. were unable to pay after they went bankrupt. But in the much larger and much scarier market in the former Soviet Union, Clingman says that so far he hasn't had any big losses.

But he has his fingers crossed. If a business partner defaults in the former Soviet Union, you can try pulling political connections. Or you can hire hit men. Neither course is recommended. Clingman says his strategy to deal with laggard payments is to flaunt his market clout, letting business partners know that if they cheat on him he can hurt them. "We want to be a dominant player in the market and a major supplier to the company before we lend money or materials to a Russian company," he says.

Clingman has invested in a number of different assets in the former Soviet Union: commercial real estate in Moscow, a bank in Ukraine, two aluminum smelters and two steel mills. He has also bought metals companies in South Africa and Latin America.

Yesterday Marc Rich, today Alan Clingman. The king is dead, long live the king. Clingman.

Memorandum

To : SAC, NEW YORK (196A-NY-1774) Date 10/4/94

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING WITH
THE ENEMY
OO: NY

On 10/3/94, [redacted] AIOC Corporation, 230 Park Avenue, NY, NY 27th FLOOR, [redacted] who resides at [redacted] New York consented to be interviewed [redacted] by SA [redacted] and U.S. Deputy b6 b7C

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OCT 05 1994
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DATE 2/22/01 BY [redacted]
01-08

b6
b7C

Marshal [redacted] concerning his knowledge of Marc Rich.

[redacted] an article in "Forbes Magazine" dated 9/12/94 [redacted] advised apparently the author Paul Klebnikov doesn't like Rich for some reason and chose to write a very flattering article about [redacted] which [redacted] added contains several inaccuracies. He noted [redacted], AIOC, does not compare in size to Rich's company which is now Glencore International. [redacted] employees about 300 people to Rich's 1300.

b6
b7C

[redacted] said he has never met Rich, nor any of [redacted] Pinius Green, [redacted]

[redacted] said the only place he understands Rich travels to is Spain. He has no knowledge of travels to Russia or other eastern European countries. [redacted] noted Rich reportedly has investments in hotels, real estate, etc. in Spain and eastern Europe.

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b7C

[redacted] said AIOC does business with [redacted] in Connecticut, covers trades for Rich as his company does for AIOC. That is, if they are short a commodity

b6
b7C

AIOC will lend it and vice versa. also if Russia owes x amount of dollars to Rich and Rich owes AIOC then they agree to have Russia pay the money to AIOC to satisfy the debt. These dealings are done by AIOC traders with Rich company people and not Rich himself.

[redacted] said AIOC basically deals in metals and does not deal in oil. AIOC competes vigorously with Rich in eastern Europe particularly TADZHIKISTAN.

b6
b7C

[redacted] said he cant understand this country's position with Rich when he hears President Clinton giving aid to eastern European countries that trade heavily with Rich.

He said although reports circulate that Rich no longer occupies a dominate position in his company which appears to be [redacted] feels for Rich and that all major decisions are still made by Rich.

b6
b7C

[redacted] advised he would assist the FBI in any situation he is able to.

The following is background info re [redacted]

b6
b7C

NAME : [redacted]
Race : White
Sex : Male

Dob: [redacted]

Pob:

Height: 6'0"

Weight: 180 lbs.

Address: [redacted] NY.

Employment: [redacted] AIOC Corporation, 230 Park Ave., NY, NY.

b6
b7C

4 *

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 08/24/99 Time: 16:42

Case ID: NY 196A-1774-FUG 1 Serial: 48

Description of Document:

Type : LETTER
Date : 01/21/99
To : [redacted] b7D
From :
Topic:

Reason for Permanent Charge-Out:

belongs in subfile

Employee: [redacted] b6 b7C

b6
b7C

01-081
ALL INFORMATION CONTAINED
HEREIN IS UNCLASS
DATE 2/22/01 BY [redacted]

NY 196A-1774-Fug 1 - 48

FD-315 (Rev. 8-16-88)

Federal Bureau of Investigation
INS Lookout Notice

INS Use Only
SDX-

Name *(Last, First, Middle)* GREEN, PINCUS	**Aliases** *(Last, First, Middle)*
Address *(Number and Street, City, State)* Switzerland	b6 b7C ALL FBI INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 03-13-2017 BY [redacted]

Date of Birth *(Include mo, dy, yr)* [redacted]	**Nationality** POB: Brooklyn, NY Citizenship: U.S., Israeli	**Passport** Number: Country:	**Reason for Lookout Notice** ☐ Security/Terrorism ☒ Arrest Warrant *(explain charge)* ☐ Other Reason *(explain)*
Date of Request *(Include mo, dy, yr)* 7/24/00	**Cancellation Date** *(Include mo, dy, yr)* 7/23/05 b6 b7C	**INS File Number** A-	
Type of Request/Action ☐ Caution *(explain)* ☐ F-1 ☐ Place ☒ F-2 ☐ Remove ☐ F-3 ☐ Amend	**Requesting FBI Office** NEW YORK **FBI File Number** 196D-NY-1774	**Other Identifying Numbers** U.S. SSAN [redacted] Possible Israeli passport [redacted]	

Miscellaneous:

PINCUS GREEN, w/m, 5'10", gray hair, green eyes was indicted in U.S. District Court for the Southern District of New York on 9/19/83 for wire fraud, mail fraud, RICO, Income Tax Evasion and Trading with the Enemy.

Mail To: Assistant Commissioner Inspections
Immigration and Naturalization Service
425 "Eye" Street, N.W., Washington, D.C. 20536

(See instructions on reverse)

9/06

196D-NY-1774-Fug 1-49

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
JUL 24 2000
FBI — NEW YORK

(1) Sub FUG 1

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

INS Use Only This space is for INS to insert soundex letters of last name.

Name List full legal name or principal name of subject. Do not list spelling variations for any name.

Aliases List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".

Address List only one address.

Date of Birth List only one birth date. **INS will not place a Lookout Notice without a date of birth.**

Nationality List country of birth and country of citizenship, if different. **INS will not place a Lookout Notice without a nationality.**

Identifying Numbers If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.

Date of Request Enter date prepared. **Ins will not place a Lookout Notice unless a date is shown.**

Cancellation Date Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.

Request Type and Action Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".
Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:
F-1. Notify nearest FBI Special Agent; **Do not detain.**
F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)
F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)
"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.

Requesting Office and File Number Enter the FBI field office designator and office file number. **INS will not place a Lookout Notice without a requesting office and file number.**

Reason for Lookout Notice Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. **INS will not place a stop unless an appropriate block is checked.**

Miscellaneous Use this space to note additonal information from other sections or for explanations.

FD-315 (Rev. 8-16-88)

Federal Bureau of Investigation
INS Lookout Notice

INS Use Only

SDX-

Name *(Last, First, Middle)* Green, Pincus	**Aliases** *(Last, First, Middle)*
Address *(Number and Street, City, State)*	ALL FBI INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 03-13-2017 BY [redacted] b6 b7C

Date of Birth *(Include mo, dy, yr)* [redacted]	**Nationality** POB: Brooklyn, NY Citizenship: U.S.	**Passport** Number: Country:	**Reason for Lookout Notice** ☐ Security/Terrorism ☐ Arrest Warrant *(explain charge)* ☐ Other Reason *(explain)*
Date of Request *(Include mo, dy, yr)* b6 b7C	**Cancellation Date** *(Include mo, dy, yr)*	**INS File Number** A-	
Type of Request/Action ☐ Caution *(explain)* ☐ F-1 ☐ Place ☒ F-2 ☒ Remove ☐ F-3 ☐ Amend	**Requesting FBI Office** New York **FBI File Number** 196A-NY-1774	**Other Identifying Numbers**	

Miscellaneous:

INS Lookout Notice previously placed should be removed as Pincus Green is no longer wanted by the U.S. Government.

Mail To: Assistant Commissioner Inspections
Immigration and Naturalization Service
425 "Eye" Street, N.W., Washington, D.C. 20536

(See Instructions on reverse)

C-3

1/01

-Fug 1

196A-1774-Fug 1
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SEARCHED
SERIALIZED
FBI — NEW YORK

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

INS Use Only This space is for INS to insert soundex letters of last name.

Name List full legal name or principal name of subject. Do not list spelling variations for any name.

Aliases List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".

Address List only one address.

Date of Birth List only one birth date. **INS will not place a Lookout Notice without a date of birth.**

Nationality List country of birth and country of citizenship, if different. **INS will not place a Lookout Notice without a nationality.**

Identifying Numbers If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.

Date of Request Enter date prepared. **Ins will not place a Lookout Notice unless a date is shown.**

Cancellation Date Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.

Request Type and Action Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".
Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:
F-1. Notify nearest FBI Special Agent; **Do not detain.**
F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)
F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)
"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.

Requesting Office and File Number Enter the FBI field office designator and office file number. **INS will not place a Lookout Notice without a requesting office and file number.**

Reason for Lookout Notice Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. **INS will not place a stop unless an appropriate block is checked.**

Miscellaneous Use this space to note additonal information from other sections or for explanations.

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 01/24/2001

To: New York **Attn:** Operations Center

From: New York
C-3
Contact: SA [redacted]

Approved By: [redacted] b6
b7C

Drafted By: [redacted]

Case ID #: 196A-NY-1774 (Pending)

Title: MARC RICH-FUG (B);
PINCUS GREEN-FUG (B);
FBW, MF, RICO, INCOME TAX EVASION,
TRADING WITH THE ENEMY;

Synopsis: It is requested that both subjects be removed from NCIC.

Details: It is requested that MARC RICH born 12/18/34 and PINCUS GREEN born [redacted] be removed from NCIC since both have received a Presidential pardon from President Clinton. b6 b7C

♦♦

NCIC	SUBJECT	CHECK	AGENT
ENTER ☐			
MODIFY ☐			
CLEAR X			
CANCEL ☐			
LOCATE ☐			

DATE _____ NCIC # _____

196A-1774 - Sub 1 - 51

SEARCHED _____ INDEXED _____
SERIALIZED _____ FILED _____
JAN 24 2001
FBI — NEW YORK

① SubFug 1

Clinton Pardons Deutch but No Milken or Hubbell

By MARC LACEY

WASHINGTON, Jan. 20 — With just hours to go in his presidency today, Bill Clinton issued pardons to 140 people, including John Deutch, a former director of central intelligence; Henry G. Cisneros, a former secretary of Housing and Urban Development; and Susan H. McDougal, a onetime Clinton business partner who was jailed in the Whitewater scandal.

Others receiving presidential pardons in one of Mr. Clinton's last official acts were his half-brother, Roger, who pleaded guilty to distributing cocaine in Arkansas, and Patricia Hearst Shaw, the heiress who robbed a bank in 1974 after being kidnapped by a small band of political radicals that called itself the Symbionese Liberation Army.

Aides to the president said those on the list fit no pattern. Some, in Mr. Clinton's view, had been victims of overzealous prosecutors. Others had made a convincing case in their written petitions that they had already paid their debt to society.

The offenses of those on the list varied widely. There were white-collar criminals and drug offenders, killers and an accused spy. Arnold Paul Prosperi, a fund-raiser for the former president, had been convicted of embezzling money from a law client. David Ronald Chandler, who long insisted he was innocent, was the first person sentenced to death under the federal drug kingpin law. Both had their sentences commuted. Norman Lyle Prouse, who received a pardon, was among the first commercial pilots to be convicted of flying while intoxicated. Witnesses testified that Mr. Prouse had consumed 15 to 20 rum-and-colas at the Speak Easy bar in Moorhead, Minn., the night before a 6:30 a.m. flight.

Just as significant as the pardons the president issued were the ones he did not hand down. Without explaining his decisions, Mr. Clinton declined to issue pardons to the one-

Continued on Page 19

196A-NY-1774-Fug 1 53

SEARCHED
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Sub Fug 1

On Last Day, Clinton Clears 140, Including Hearst bu

Continued From Page 1

time Wall Street financier Michael R. Milken; Leonard Peltier, the American Indian who was convicted of killing two F.B.I. agents in 1975; the former Justice Department official Webster L. Hubbell, who was a close Clinton friend and a former law partner of Hillary Rodham Clinton's; and the spy Jonathan Pollard.

The pardon of Mr. Deutch spares the former spy director any criminal charges for mishandling secret information on his home computer. Mr. Deutch, who resigned in 1996, has already had his security clearance stripped. He had been considering a deal with the Justice Department in which he would plead guilty to a misdemeanor charge of keeping classified data on home computers.

Mr. Deutch's lawyer, Terrence O'Donnell, declined to comment.

Mr. Cisneros pleaded guilty in 1999 to a misdemeanor count of lying to F.B.I. agents about payments to a former mistress while he was being considered for a job in the Clinton cabinet. By agreeing to the plea deal with the independent counsel David M. Barrett, he avoided a trial on 18 felony charges.

The pardon of Ms. McDougal came just as the independent counsel Robert W. Ray agreed to close his investigation of Mr. Clinton's misstatements during his deposition in the Paula Jones sexual harassment case. When the original investigation began in 1994, it focused on whether the Clintons had received special treatment from Ms. McDougal and her husband, fellow investors in the Whitewater land venture.

Ms. McDougal spent 21 months in jail for refusing to testify about Mr. Clinton to Mr. Ray's predecessor, Kenneth W. Starr.

"She's absolutely delighted," said her lawyer, Mark Geragos. "She is speechless for once in her life. And I think it is especially poignant that it was one of the last acts of Bill Clinton's administration."

Mr. Clinton's half-brother, Roger, served time in prison after pleading guilty in 1985 to a charge of conspiracy to distribute cocaine. He had tried to sell the drug to an undercover state trooper in Hot Springs, Ark. The former president has said in the past that the conviction, while unfortunate, helped straighten out his brother's life.

Mrs. Shaw's bank robbery conviction has been challenged for more than two decades. Former President Jimmy Carter commuted her seven-year jail sentence in 1979 but she continued to pursue a full pardon. She participated in the holdup of the Hibernia Bank in San Francisco on April 15, 1974, but said from the start that her kidnappers coerced her.

Others who were pardoned by Mr. Clinton today included the former Arizona governor Fife Symington, a Republican, who was convicted in 1997 on six of counts of bank and wire fraud. The convictions were overturned on appeal but prosecutors asked for a rehearing.

Also pardoned was Peter MacDonald, a former Navajo chief convicted of conspiracy and burglary in a 1989 riot in Arizona that left two of his followers dead. He also served a six-year sentence for bribery.

The conviction stemmed from an unsuccessful five-month struggle by Mr. MacDonald to reverse a 1989 decision by the Navajos' Tribal Council to suspend him as chairman after he was accused of corruption at hearings before a Senate committee.

Departing presidents often issue pardons, though Mr. Clinton's latest batch was unusual in that it came just hours before the inauguration of George W. Bush as his successor. Christmas Eve is a traditional date for White House pardons. On Dec. 24, 1992, former President George Bush pardoned six officials from the administration of Ronald Reagan, including Caspar W. Weinberger, the former secretary of defense; and Robert C. McFarlane, the former national security adviser.

Mr. Weinberger had been accused of misleading Congress about the Iran-Contra affair, and Mr. McFarlane had pleaded guilty to withholding information from Congress about the affair.

The latest pardons brought the total number issued over the course of Mr. Clinton's presidency to nearly 400 — a smaller number per year than his recent predecessors issued.

Mr. Clinton, who was barraged with pardon requests in recent weeks, left more than a thousand petitions pending for the new president. As for commutations, which reduce the punishment doled out, Mr. Clinton issued 36 of those today, bringing his total to 61.

Four of those on the president's list were caught up in the investigation of the former agriculture secretary Mike Espy, an inquiry that resulted in the acquittal of the ex-cabinet member himself.

Ronald H. Blackley, a former aide to Mr. Espy, was convicted in late 1997 of making false statements about $22,000 in outside income he received while serving as the secretary's chief of staff. He was sent to prison for 27 months, a sentence Mr. Clinton commuted.

John J. Hemmingson, a former chief executive of a Kansas crop insurance company, was convicted in 1997 of laundering a $20,000 campaign contribution to Mr. Espy's brother, Henry, who was trying to win Mike Espy's old Congressional seat. Mr. Hemmingson received a presidential pardon.

Richard Douglas, the former head of a fruit cooperative, was convicted the same year of giving $7,000 in illegal gifts to the agriculture secretary. He also received a pardon.

Alvarez Ferroulliet, who also received a pardon, was a lawyer for Henry Espy. He pleaded guilty in 1997 to conspiracy and making false statements to a bank in connection with a $75,000 campaign loan.

Others who received pardons or commutations from Mr. Clinton:

¶Marc Rich and Pincus Green were once among the world's leading commodity traders. Their companies pleaded guilty in 1984 to evading millions of dollars in taxes by hiding profits on crude-oil trading. But Mr. Rich and Mr. Green avoided prosecution themselves by flying to Switzerland, which has refused to extradite them to the United States. Mr. Rich's former wife, Denise, is a songwriter and has been a fund-raiser for the Democratic Party.

¶Adolph Schwimmer, an Israeli arms dealer and friend of the former Israeli prime minister Shimon Peres, became ensnarled in the Iran-contra scandal during the Reagan administration.

¶Howard Mechanic threw cherry bombs at the authorities in 1970 during a protest in St. Louis. Mr. Mechanic was sentenced to five years in prison but he fled, living under an alias for decades. He revealed his true identity when he decided to run for public office.

¶Derrick Curry was among many drug defendants to receive pardons. Mr. Curry was arrested in 1990 in a drug sting in suburban Washington. He received a sentence of nearly 20 years in prison for conspiracy and distribution of crack cocaine. His case was seized upon by critics of mandatory minimum sentence laws, which restrict judges' o

¶Edward R. Downe prominent Long Island who was convicted on t insider trading, a practi ecutors said was ofte poolside in luxury hom ampton. A former hus automobile heiress Ch Mr. Downe also settl complaints by the Secur change Commission b estimated $11 million in

¶Samuel Loring Mo time Navy intelligence convicted on espionage providing spy satellite to the news media. Mr. grandson of the historia iot Morison, had argue

PARDONS IN NEW YORK AREA

A former terrorist was among a dozen or so people remembered by former President Bill Clinton. The Metro Section, Page 32.

THE PROCESS

Protests May Have Kept Milken From Pardon Roll

By NEIL A. LEWIS

WASHINGTON, Jan. 20 — President Clinton's final pardon list today was notable for names not included, especially that of Michael R. Milken, the convicted Wall Street financier whose appeal for clemency was a source of great debate.

Mr. Clinton had signaled his willingness to pardon Mr. Milken as recently as last week, based on his philanthropic record. But the president was apparently persuaded not to do so because of protests from law enforcement officials and administration aides who counseled that a Milken pardon would not be appropriate.

Mr. Milken's spokesman, Geoffrey Moore, said that upon learning he would not receive a pardon, Mr. Milken had told him: "Back in '93, I was given a year to live, so in that context, it's hard to be disappointed about this." Mr. Milken had prostate cancer then but has enjoyed good health recently.

Mr. Clinton began considering a pardon after being pressed to consider the idea by Ron Burkle, a supermarket magnate who has been a generous donor to the Democratic Party and has pledged, fund-raisers said, to support the Clinton Presidential Library in Little Rock, Ark.

But the White House received strong protests, principally from the United States Attorney's office in Manhattan, which had initially prosecuted Mr. Milken, and from the Securities and Exchange Commission, which brought an action against him after he served two years in jail.

Mr. Milken, who pleaded guilty to securities fraud in 1990, served nearly two years in prison, paid more than $1 billion in fines, penalties, restitution and civil settlements and was barred from the securities business for life.

The Forgiven a

In one of his final acts as Americans yesterday. He who were considered for

PARDONED

John Deut

C.I.A. di from May 1 December

Was stri C.I.A. and defense int clearances government secrets on his computer.

Susan H.

A partne President Hillary Rod in the failed Whitewater venture.

Was cor bank fraud, and spent 18 prison for civil contempt f testify before a grand jury investigating Whitewater.

Fife Symi

Former governor c

Resigne after being of lying on statements during his real estate developer.

NOT PARDONED

Michael R

Former Drexel Bu Lambert w neered the bonds" to corporate

Pleade counts of securities fraud served nearly two years i paid more than $1 billion penalties, restitution and settlements, and was ord out of the securities busi

Jonathan

Former intelligenc

Serving sentence United Sta intelligenc document

Giuliani questions Clinton pardon of fugitive

By MICHAEL GORMLEY
The Associated Press

ALBANY, N.Y — New York Mayor Rudolph Giuliani said Monday that Congress should look into former President Bill Clinton's pardon of a multibillionaire fugitive whose ex-wife is a Clinton friend and Democratic fundraiser.

"I don't see a pardon for somebody who ran away as a fugitive," Giuliani said in Albany about Clinton's weekend pardon of commodities trader Marc Rich. "He's involved in $150 million in tax evasion and the president just wiped that away."

The Republican mayor said the pardon is questionable, particularly because Rich's "family members raised enormous amounts of money for the president."

"I think it's worth Congress looking into it," said Giuliani, who as a federal prosecutor had pursued Rich.

Congress could review Saturday's pardon, but has no authority to overturn Clinton's action.

Rich's ex-wife, songwriter Denise Rich, wasn't involved in the pardon and "was as surprised as anyone" by it, said her spokesman, Bobby Zarem. He said Giuliani is "just trying to pull a political thing. It has no basis in reality."

On Sunday, Clinton said Rich's Washington attorney, Jack Quinn, convinced him of the merits of a pardon.

"I spent a lot of personal time talking [about this request] because it's an unusual case, but Quinn made a strong case, and I would suggest he was right on the merits," Clinton said.

Quinn, who once worked at the White House for Clinton, couldn't be reached for comment Monday.

Rich was convicted in the early 1980s on 51 counts of conspiracy, tax evasion, racketeering, and trading with the enemy. Before his trial, he fled to Switzerland to escape the charges. Switzerland has refused to extradite him.

The indictment accused him of making huge profits through an illegal pricing scheme in the wake of the 1973 oil crisis and evading taxes. He also was accused of making oil deals with Iran during the U.S. Embassy hostage crisis in Tehran, according to the U.S. Department of Justice's Fugitiv Lookout notice.

Denise Rich has not only cor tributed to Democrats, but, h also been a financial supporter Giuliani.

Federal records show she co tributed at least $7,000 to Hilla Rodham Clinton's successf U.S. Senate campaign as well $1,000 to Giuliani's aborted Se ate run. A financial supporter the Gore presidential campaig Denise Rich also gave more th $200,000 to the Democratic N tional Committee.

On Jan. 29, she is hosting welcome home party at her Fif Avenue penthouse for Andr Cuomo, Clinton's housing sec tary who is considering runni for governor of New York 2002.

196A-1774 - Fug 1 - 54

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JAN 2 4 2001
FBI — NEW YORK

(1)
Sub Fug 1

1/22/01
NY TIMES

(2)

196A-NY-1774-Fug 1-55

SEARCHLD
SERIALIZED

Sub Fug 1

goods through a small number of auction houses, like eBay-owned Butterfields. Today's agreement, with the London-based company icollector, founded in 1994, will greatly expand the available live auctions and will expose eBay's 22.5 million registered users to those sites.

Calling the agreement between the two companies a "winning com-

Geoff Iddison, general manager of eBay Premier, said that the new agreement with icollector would change the face of live auctions worldwide by making an online audience an essential element.

"Auction houses will not be able to do without something like this," he said. Mr. Iddison noted that the deal would extend eBay's growing business in Europe, where many of

bids during the auction. A picture of the item appears on the screen, along with the current high bid and the "ask price" — the amount the auctioneer is pushing for the next increment of bidding.

In most auctions now, participants enter their bids over several days until the auction closes. During that time, they receive e-mails alerting them when they are outbid.

EBay has been embarrassed in

vidual," he said.

The deal between the two companies "is almost an ideal marriage of the traditional auction world with the reach of the Internet," said Derek Brown, an analyst with W. R. Hambrecht. Because many auction houses have long allowed telephone bidding, he said, "It almost seems like a natural extension of the traditional way of doing business."

The Fugitive Commodities Trader Who Can Go Home Again

By MILT FREUDENHEIM

President Clinton pardons a financier still hiding in Switzerland.

They are both billionaire philanthropists who enhanced their fortunes in financial deals that put them into big trouble with the federal justice system. But when President Clinton issued 140 pardons on Saturday as one of his last official acts, Marc Rich made the list and Michael R. Milken did not.

Mr. Milken, a premier junk bond financier of the 1980's, was apparently bumped after prosecutors and securities regulators protested. In the case of Mr. Rich, the commodities trader who went to live in Switzerland after he was charged with evading $48 million in taxes and violating United States sanctions by trading oil with Iran, the protests may have arrived too late.

Mayor Rudolph W. Giuliani, who was the United States attorney whose office prosecuted Mr. Rich in 1983, said yesterday that he was "shocked that the president would pardon him," because, "after all, he never paid a price."

"He ran away" and flouted American law, the mayor added. "He was one of the most wanted fugitives by the F.B.I. for years and years."

Other financiers who also received presidential pardons included Mr. Rich's former partner, Pincus Green, who went with him to Switzerland and Salim B. Lewis, a trader who pleaded guilty to criminal charges that he had helped manipulate a stock price in 1986.

Mr. Rich, 65, was indicted on charges of trading in Iranian oil at a time when Americans were being held hostage in Iran. If he had been found guilty of all the charges against him, he could have faced more than 300 years in prison. He reportedly offered to pay fines to settle the charges but refused to agree to Justice Department officials' insistence that he serve time in prison.

Later, he was accused separately, but not charged, with skirting sanctions against South Africa by selling oil there from the Soviet Union for above-market prices and helping Russian oligarchs to extract millions of rubles from the foundering Russian economy.

His former wife, Denise Rich, a songwriter and a philanthropist, is a fund-raiser for Democrats, including President Clinton and Senator Hilary Rodham Clinton. Ms. Rich declined to discuss her financial agreement with Mr. Rich in a recent interview with The New York Times. According to one of her lawyers, their divorce was bitterly disputed.

Liaison

Marc Rich, the pardoned fugitive commodities trader, in 1983.

Neither of the Riches could be reached for comment yesterday.

Marc Rich was born in Belgium and came to the United States with his parents during World War II.

After the indictment, he moved to Zug, Switzerland, where he cut a wide swath, financing local sports teams and befriending officials. Switzerland did not recognize extradition requests based on charges of infractions of financial laws.

He has traded in crude oil, aluminum and lead as well as real estate in Spain, Switzerland and Eastern Europe. His philanthropic gifts have included several million dollars to museums in Jerusalem, gifts to concert halls in Switzerland, an eye clinic in Zimbabwe and a health program for Palestinian children, according to Bloomberg News.

He told the Israeli newspaper Ma'ariv last year that he had offered to pay $100 million in fines to settle the tax fraud case.

Mr. Lewis, who was once a special adviser to the Securities and Exchange Commission, was indicted, along with his brokerage firm, in 1988 on charges of stock manipulation, conspiracy and related offenses. He was charged with driving up the price of shares of the Fireman's Fund Corporation before a public offering of that company's shares.

Mr. Lewis pleaded guilty to three counts of stock manipulation, violating margin requirements and keeping false books and records. Mr. Lewis's actions benefited the American Express Company, which Mr. Lewis had assisted in earlier transactions. There were no charges brought against American Express, which said at the time that an internal investigation had uncovered no wrongdoing.

Mr. Lewis was sentenced to three years' probation and several thousand hours of community service.

Allegheny Technologies ..... ER
Allete ..... ER
Amazon.com C4
America West ..... ER
Americredit ..... ER
Ameritrade C1
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AmSouth BanCorp ..... ER
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AOL Time Warner C4
Apple Computer C9
Applied Industrial Technologies ..... ER
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ArvinMeritor ..... ER
AT&T C1,C4,C12
ATI Technologies ..... ER
Aurora Foods C12

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BB&T ..... ER
Bcom3 ..... C12
Becton Dickinson ..... ER
Belo C1
Biogen ..... ER
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BlackRock ..... ER
Boise Cascade ..... ER
BP Amoco C4
Brill Media C1
Buckeye Technologies ..... ER
Burlington Resources ..... ER

C
Canon Kabushiki Kaisha C6
Caterpillar ..... ER
Charles Schwab ..... ER
Cheyron C4
Cisco Systems C4
Citigroup ..... ER
Citizens Banking ..... ER
Clarcor ..... ER
Clayton Homes ..... ER
ClubMom C12
Coastal Bancorp ..... ER
Collaborative Media C4
Commerzbank C6
Community First Bankshares ..... ER
Compaq Computer C9
Consolidated Edison ..... ER
Constellation Energy ..... ER
Cox Communications C1
Cylink C12

D
Dell Computer C9
Delta Air Lines ..... ER
Deutsche Bank C6
Disney (Walt) C1
Dow Jones C1
D.R. Horton ..... ER
DreamWorks C1
Drug Emporium ..... ER

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Ebay ..... ER
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EMC C4
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Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 10/16/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO
OO: NY

It is requested that a fugitive sub file be opened for subject ~~Pincus Green~~ Marc Rich.

It is also requested that Sub A be closed.

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b6 b7C

OPEN OR REOPEN CASE 196A-NY-1774 Fug 2
ORIGIN NY DATE 10/16/91
SUPV. SECT. C-13
CLASS OR UNCLASS

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BY ____

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FBI—NEW YORK

10-30-91 OSM
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(Title)

(File No.) NY 196A-1774-Fug 2

Item	Date Filed	To be returned Yes	To be returned No		Disposition
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Title: Marc Rich - Fug. (B); Pincus Green - Fug. (B); FBW

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Title: MARC RICH - FUG (B); PINCUS GREEN - FUG (B); FBW

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

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Memorandum

To : SAC, NEW YORK (196A-NY-1774) P Date 11/26/91

From : SA [redacted] (C-12) b6 b7C

Subject : MARC RICH - FUG. (B);
PINCUS GREEN - FUG. (B);
FBW, MF, RICO, INCOME
TAX EVASION
OO: NY

Attached is a Three page article from BUSINESS WEEK dated 11/11/91 entitled "Making Marc Rich Squirm."

The article explains the basis for the congressional inquiry initiated by Representative Bob Wise (D-W.VA.).

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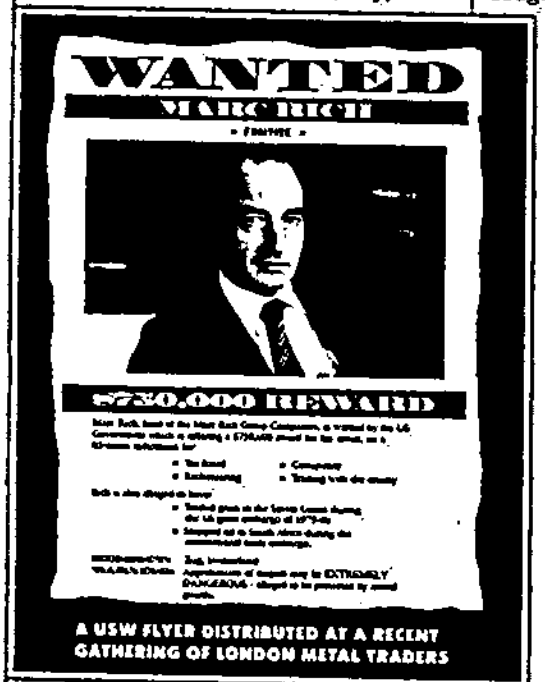
MAKING MARC RICH SQUIRM

The Steelworkers could hinder his attempts to return to the U.S.

Four officials of the United Steelworkers got a nasty reception on Oct. 8, when they crashed the annual shindig for traders on the London Metal Exchange (LME). As the unionists handed out "Wanted: Marc Rich" posters to black-tie guests at London's fashionable Grosvenor House Hotel, four men emerged from a black BMW and threatened to "hurt" the leafleters if they didn't withdraw, claims Joseph B. Uehlein, one of the USW four. The next day, two of the Americans say, their hotel rooms were entered and searched.



A USW FLYER DISTRIBUTED AT A RECENT GATHERING OF LONDON METAL TRADERS

What beef does a U.S. union have with Rich, a commodities whiz who controls a $30 billion-a-year trading operation in 40 countries? The USW claims Rich is an influential absentee owner of Ravenswood Aluminum Corp., a private West Virginia company that's locked in a violent labor dispute with 1,700 USW members. The union has picketed his six-story headquarters in Zug, Switzerland, enlisted the aid of European unions, and called for a congressional investigation of Rich's U.S. government contracts.

These are standard tactics in labor disputes—and ordinarily about as bothersome as a gnat to someone of Rich's estimated $3 billion net worth. Except for this: Rich has wanted to return home ever since he fled the U.S. eight years ago, just ahead of a 65-count federal indictment for criminal tax evasion and racketeering. Because his ailing mother lives in Manhattan, as does his estranged wife, Denise, who recently returned with the youngest of their three daughters, he has recently stepped up these efforts.

Indeed, Rich's lawyers, including Washington's Leonard Garment, make regular overtures to the Justice Dept. "to negotiate terms of his surrender," says a Justice official. That's a matter of some urgency, because the U.S. government is offering a $750,000 reward for Rich. And because the USW dispute is dragging Rich back into the limelight—and providing an unusual look at his secretive U.S. empire, which has rarely been scrutinized before.

Born in Belgium, Rich moved to the U.S. with his family in 1941 at the age of eight. In 1954, he joined Philipp Brothers Inc., a leading commodity trader. Credited with developing the independent spot market for oil in the early 1970s, Rich later started his own company, which grew to $10 billion in sales.

Then, in 1983, his troubles began. The U.S. Attorney's office in Manhattan indicted Rich, his partner Pincus "Pinky" Green, and Marc Rich & Co. on charges of rigging a huge, illegal oil-pricing scheme, evading $48 million in taxes, and illegally buying oil from Iran during the 1979 hostage crisis. Shortly before the indictments, Rich claimed to have sold his U.S. operating arm, Marc Rich & Co. International Ltd., to Alex Hackel, an unindicted partner in Switzerland. The company was renamed Clarendon Ltd., and another unindicted Rich employee, a top aluminum trader named Willy R. Strothotte, was made chief operating officer and later, president.

The new entity seems to have existed in name only. The judge hearing the indictments called the maneuvers a "ploy" to avoid the $50,000-a-day fine he had slapped on Rich's U.S. company. He noted that Clarendon employed the same people as before and was still headquartered in Rich's offices in Zug—as it is today. Ultimately, Rich paid the fine as part of a $171 million settlement of civil charges against Clarendon.

CLEAN FACE. Ever since, Clarendon officials have insisted that Rich no longer controls the company. They have good reason to do so: Rich's indictment drove away customers, say federal prosecutors in the case. By distancing himself from the company—he still owns 49%—Rich gave Clarendon a clean face. Then, he used it to expand vigorously in the U.S., first in commodity trading and subsequently, in aluminum production.

The first major step came in 1986, when Clarendon signed a 10-year agreement to buy all 800,000 tons of alumina produced annually by a Jamaican company. Clarendon sells most of the semi-refined white powder, which is used in smelting aluminum, to major U.S. producers. Then, Clarendon got into smelting. It took a part ownership in at least four smelters, then signed agreements for each to process alumina that Clarendon supplies. These were often sweet deals. For instance, Clarendon paid a reported $40 million to buy 27% of an Alumax of South Carolina Inc. plant in Mt. Holly, S.C. Clarendon's share of output

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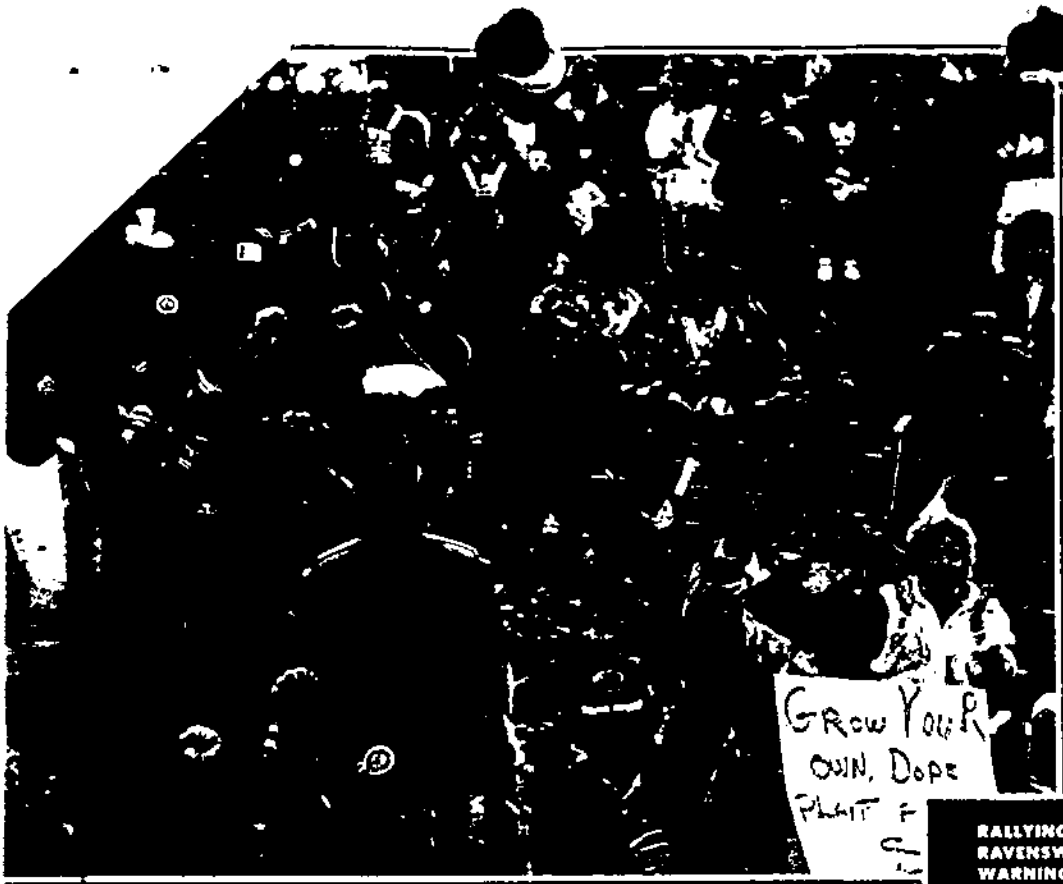

RALLYING IN RAVENSWOOD: A WARNING TO OTHER STEELMAKERS

is 45,000 tons of aluminum a year. Analysts say a smelter to produce that much would cost about $220 million to build.

With such deals, Clarendon bought major positions in the U.S. aluminum industry. Today, it controls more than a third of the world market for independent primary aluminum and alumina, according to major rivals. "You cannot do business in the aluminum industry without doing business with Marc Rich," says a senior Alcan Aluminum official.

As Clarendon expanded, it spawned a labyrinth of subsidiaries and partly owned companies aimed, prosecutors say, at insulating the fugitive executive from notice of his U.S. activities (table). Take Ormet Corp., Clarendon's next big investment after Mt. Holly. Ormet was an alumina and smelting operation jointly owned by Revere Copper Products Inc. and Alusuisse, a Swiss aluminum company. In 1986, an investment group including Strothotte bought the company for a cheap $98 million. Clarendon used a similar approach in early 1989, when Strothotte and others bought Ravenswood, then a unit of Kaiser Aluminum & Chemical Corp.

The Ormet investors joined forces again, including R. Emmett Boyle, the former president of Ormet, who became Ravenswood's chairman; Stanwich Partners in Stamford, Conn.; and Rinoman Investment in Amsterdam. Rinoman, which owns 48% of Ravenswood, is 100% owned by Strothotte, Clarendon's president.

There are other links between Ravenswood and Rich. Clarendon supplies Ravenswood with most of its alumina. Clarendon also buys some aluminum produced by Ravenswood. The acquisition from Kaiser, for $170 million in cash and $180 million in assumed liabilities, was financed with a $205 million loan from Ridgeway Commercial, a Swiss affiliate of Clarendon. The investors also lined up a $140 million line of revolving credit led by Amsterdam's NMB Postbank, which regularly does business with Rich. "It's understood that Rich is behind the ownership [of Ravenswood and Ormet], although I never knew him to get involved in the management," says Thomas J. McGinty, who sold his 29% Ormet stake to Strothotte in 1989.

'NOBODY'S PUPPET.' Boyle adamantly denies that Rich is connected to Ravenswood. He argues that Rinoman is simply Strothotte investing as an individual. "I resent anybody saying I'm a puppet" of Marc Rich, Boyle snorts. "I'm nobody's puppet. I run this company." Rich himself declined to discuss the issue. A letter BUSINESS WEEK sent to him in Zug elicited a response from Robert Thomajan, a New York lawyer on leave from his firm to work for Rich in Zug. Thomajan says Rich's company "has not and does not comment publicly on its business activities."

Strothotte sent BUSINESS WEEK a letter, faxed from Rich's Zug headquarters, denying any "ownership link" between Ravenswood and Clarendon or Rich. Strothotte also says that "efforts by the [USW] to involve Clarendon and its shareholders in a resolution [of the Ravenswood dispute], their conduct at the LME dinner, and the rather absurd reference to threats are all misdirected and serve no useful purpose." In response to a second query, he issued further general denials but did not reply in detail before this issue went to press.

The USW concedes that Boyle is the primary architect of Ravenswood's labor policies. The friction began when the company's labor contract expired a year ago. After Boyle demanded pay cuts, talks over a new pact deadlocked. Boyle then locked out union members and hired 1,100 replacements.

Since then, there have been hundreds of acts of vandalism and clashes between Ravenswood security

MARC RICH'S TANGLED U.S. EMPIRE

Marc Rich has expanded his U.S. operations ever since he fled the country in 1983 ahead of a 65-count indictment. His holdings are controlled through a labyrinth of subsidiaries and partly owned companies

MARC RICH & CO. HOLDING Based in Zug, Switzerland, with $30 billion in sales

CLARENDON LTD. Holding company for U.S. operations; 49% owned by Marc Rich & Co.; based in Zug with offices in Stamford, Conn. President: Wally R. Strothotte

RINOMAN INVESTMENT CO. Clarendon affiliate owned by Strothotte. Owns 48% of Ravenswood

BERKELEY ALUMINUM INC. Clarendon affiliate based in Stamford, Conn.

ORMET CORP. Aluminum producer in Hannibal, Ohio. Clarendon owns 6% and controls part of its output

RIDGEWAY COMMERCIAL Clarendon affiliate based in Switzerland; supplied $205 million for Rinoman's purchase of Ravenswood

ALUMAX INC. Aluminum smelter in Mt. Holly, S.C.; 27% owned by Berkeley. Clarendon controls 75% of its output

RAVENSWOOD ALUMINUM CORP. Aluminum producer in Ravenswood, W. Va.

DATA: BW

PHOTOGRAPH BY GARY TRUMAN

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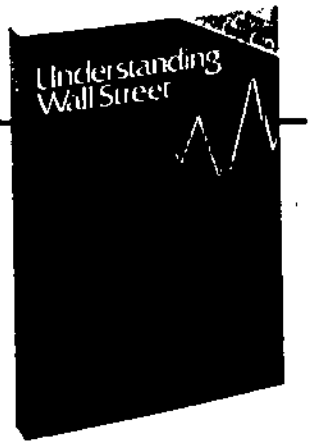

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Frankly Fenton, when I named you Manager of excess inventory, this isn't what I had in mind.

guards and USW members. Boyle has spent more than $1.5 million to fortify the plant, ringing it with tractor-trailers, railcars, and a 10-foot-high barbed-wire fence. The union has spent an estimated $11 million on its campaign, largely strike benefits.

Insiders say the USW wants to send a message to other aluminum and steel producers not to try the same thing. Indeed, they may now think twice. "The two sides are in a death grip," says Peter W. Merner, an aluminum analyst at Merner Research. USW President Lynn Williams says he recently persuaded Ravenswood's biggest customer for aluminum-can sheet, American National Can, to cancel future orders that represent 23% of Ravenswood's sales. Boyle denies this. American National won't comment.

LONG ROPE. The USW also hired a private investigator to look into Ravenswood's tangled ownership—which is what led it to Rich. To rope him into the dispute, the union complained to Representative Bob Wise (D-W. Va.), whose district includes Ravenswood. Now, Wise's subcommittee on government operations is investigating allegations that Rich & Co. may have traded in Iraqi oil during the Persian Gulf war. This would have violated both U. N. sanctions and Swiss law. European unionists are also attacking. They're trying to thwart Rich's attempts to buy Slovak State Aluminum Co. And pro-union politicians in the European Parliament have questioned his ethics.

Rich's lawyers continue to press for his return to the U.S., offering to pay multimillion-dollar fines he still owes. Rich's one condition is that he avoid prison. He may have allies in the State Dept. U.S. marshals have tried several times to trap Rich, most recently in September, when they alerted officials in Finland that he was due to arrive by private plane. But in that instance, as in previous ones, Rich got away. A. Craig Copetas, author of a 1985 book on Rich, says the marshals suspect that someone in State, which must be notified of such operations, is leaking their plans to Rich because they value his high-level contacts around the world. The Justice Dept., however, "will never make a deal that will let Rich buy his way out of a possible prison term," says Morris "Sandy" Weinberg, a former U.S. prosecutor who led the case against Rich.

Implicit in the USW's strategy is that if Ravenswood is settled, the spotlight on Rich will go dark. Maybe so. But it's just as likely that, win or lose, the union has ensured that the fugitive from New York will long remain a prisoner in Zug.

By Michael Schroeder and Maria Mallory in Pittsburgh, with John Templeman in Bonn

C-12

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [X] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 4/30/92

FM FBI NEW YORK (196A-NY-1774) (P) (C-11)

TO DIRECTOR FBI/ROUTINE/

LEGAT LONDON/ROUTINE/

BT

UNCLAS

CITE: //3540//

Corrections p-4

SUBJECT: MARC RICH - FUGITIVE (B);PINCUS GREEN - FUGITIVE (B); FBW, MF, RICO, INCOME TAX EVASION TRADING WITH THE ENEMY; OO:NY.

REGARDING LONDON TELETYPE TO NEW YORK APRIL 22, 1992.

ON OCTOBER 8, 1991, [redacted] FROM THE UNITED STEEL WORKERS UNION FROM THE U.S. DISTRIBUTED WANTED POSTERS FOR

b6
b7C

1 - NEW YORK

1 - SUPERVISOR C-12

JCM:CAH00~~12W~~.121

(2)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted] #01-081

corrections made 5/8/91 Cah-16

196A-1774 Fm 2

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b7C

Searched
Serialized
Indexed
Filed

5/12/92

(1) Sub Fug File 2

Approved: [signature] Original filename: CAH00~~12W~~.121

Time Received: Telprep filename: CAH00250.121

MRI/JULIAN DATE: 1711.129 ISN: 035

FOX DATE & TIME OF ACCEPTANCE: 1957

MARC RICH AT THE ANNUAL DINNER FOR TRADERS ON THE LONDON METAL EXCHANGE HELD AT THE GROVESNOR HOUSE HOTEL IN LONDON. THE POSTERS DEPICTED RICH AS A U.S. FUGITIVE WANTED FOR SEVERAL CRIMES AND CLAIMED THE U.S. GOVERNMENT IS OFFERING A $750,000 REWARD. [redacted] WERE REPORTEDLY THREATENED BY FOUR PERSONS WHO APPEARED APPARENTLY ON BEHALF OF RICH. b6 b7C

THE BASIS FOR THE STEELWORKERS' COMPLAINT IS RICH'S ALLEGED OWNERSHIP AND CONTROL OVER THE RAVENSWOOD ALUMINUM CORPORATION IN WEST VIRGINIA RESULTING IN A LABOR DISPUTE INVOLVING 1700 UNITED STEEL WORKERS. THIS HAS LED TO A CONGRESSIONAL COMMITTEE LOOKING INTO U.S. GOVERNMENT CONTRACTS PRESENTLY IN EFFECT WITH RICH, A FEDERAL FUGITIVE. MOREOVER, THE UNITED STEELWORKERS HAVE GALVANIZED THEIR COUNTERPARTS IN EUROPE RESULTING IN THE PICKETING OF RICH'S HEADQUARTERS IN ZUG, SWITZERLAND.

SINCE THE DISSEMINATION OF THE WANTED FLYERS CLAIMING THERE IS A REWARD OF $750,000, THE NYO HAS RECEIVED SEVERAL INQUIRIES AS TO ITS AUTHENTICITY.

THE FBI, IRS AND U.S. MARSHALS HAVE OFFERED NO REWARD AND ARE PROBABLY PROHIBITED FROM DOING SO. HOWEVER, IT IS FAIR TO

SAY THE FBI AND, PERHAPS, THE OTHER AFOREMENTIONED AGENCIES ARE WILLING TO MAKE ONETIME LUMP SUM PAYMENTS OF AN UNDETERMINED AMOUNT FOR INFORMATION LEADING TO RICH'S ARREST.

AUSA [redacted], SDNY, HAS STATED THE JUSTICE DEPARTMENT THROUGH THE ATTORNEY GENERAL, CAN PAY UP TO $250,000 FOR SUCH INFORMATION. b6 b7C

IT CAN, THEREFORE, BE ASSUMED ANYONE PROVIDING RELEVANT INFORMATION LEADING TO RICH'S ARREST WILL BE ABLE TO RECEIVE SOME REMUNERATION. THE AMOUNT IS UNKNOWN.

THE NYO BELIEVES IT IS AWARE OF THE IDENTITY OF THE

[redacted] b6 b7C b7D

THE NYO HAS BEEN IN CONTACT WITH AN ASSOCIATE OF HIS IN

[redacted]

[redacted] AUSA, SDNY, ASSIGNED THE RICH/GREEN CASE, IS UNAVAILABLE FOR SEVERAL DAYS BUT IT IS THE BELIEF OF THE NYO THAT PROVISIONAL ARREST WARRANTS FOR MARC RICH ARE FILED AND OUTSTANDING IN GREAT BRITAIN, FINLAND, RUSSIA AND CZECHOSLOVAKIA. b6 b7C

THE NYO IS UNAWARE OF ANY ARTICLES RELATING TO RICH's ACTIVITIES IN LONDON ALTHOUGH, IT IS KNOWN HE HAS A COMPANY BY HIS NAME IN LONDON.

THE NYO HAS RECEIVED INFORMATION RECENTLY THAT A BRITISH MAGAZINE CALLED "SPECTATOR" CARRIED AN ARTICLE SOMETIME DURING APRIL 1992 UNDER THE BYLINE OF TAKI, WHOSE FULL NAME IS TAKIDOPOULIS (PH), AND OFTEN WRITES GOSSIP ABOUT THE ROYAL FAMILY IN ENGLAND. THE ARTICLE BY TAKI SUPPOSEDLY SAYS SENATOR CLAYBORNE PELL, LONG TIME SENATOR FROM RHODE ISLAND, WAS RECENTLY INTRODUCED TO MARC RICH AT A GATHERING IN SANMT MORITZ.

THE NYO WOULD LIKE TO HAVE THE SENATOR INTERVIEWED BUT WOULD LIKE A COPY OF THE ARTICLE TO CONFIRM THE EVENT TOOK PLACE.

LEADS:

LEGAT LONDON

AT LONDON, ENGLAND.

1. OBTAIN WHATEVER INFORMATION [redacted]

b6
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2. OBTAIN A COPY OF THE ARTICLE WRITTEN BY TAKI IN THE BRITISH MAGAZINE "SPECTATOR" DURING APRIL 1992 AND FORWARD IT TO THE NYO IF IN FACT IT MENTIONS RICH MEETING SENATOR PELL.

BT

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [X] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 5/7/92

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b7C

FM FBI NEW YORK (196A-NY-1774) (P) (C-12)

TO DIRECTOR FBI/ROUTINE/ (ATTN: SSA [redacted] FUG./GOV. RESERVATION Crimes (unit))

LEGAT BERN/ROUTINE/

BT LEGAT, LONDON
LEGAT, MADRID

UNCLAS

CITE: //3540//

SUBJECT: MARC RICH-FUGITIVE (B); PINCUS GREEN-FUGITIVE (B); FBW; MF; RICO; INCOME TAX EVASION; TRADING WITH THE ENEMY; OO: NY.

ON MAY 5, 1992, [redacted] MARC RICH, WHO CURRENTLY RESIDES AT [redacted] NY, VOLUNTARILY APPEARED AT THE NYO WITH [redacted]

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1 - New York
1 - Supervisor C-12

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JCM:pg
(2)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted] #01-081

-18

196A-1774 Fug 2 Cont. made PS

Searched
Serialized
Indexed
Filed 5/12/92

(1) Sub FUG. File 2

Approved: JWF Original filename: PX6002W.128

Time Received: Telprep filename: PX6002JO.128

MRI/JULIAN DATE: 1249/132 ISN: 024

FOX DATE & TIME OF ACCEPTANCE: 2028

[redacted] AND FURNISHED THE FOLLOWING: b6 b7C

SHE CURRENTLY RESIDES IN [redacted]

THE ABOVE ADDRESS WITH [redacted]

SHE HAS BEEN [redacted] FOR ABOUT [redacted] MARC

RICH WHICH INCLUDED A PORTION OF TIME IN [redacted] FOR THE b6 b7C

LAST [redacted] SHE HAS BEEN [redacted]

[redacted] THE U.S. AND DURING THE LAST YEAR SHE HAS BEEN

A PERMANENT RESIDENT IN [redacted]

SHE IS [redacted] WHICH, ACCORDING

TO [redacted] MAY TAKE [redacted] BEFORE [redacted] b6 b7C

[redacted] SINCE RICH IS CAPABLE OF STALLING AND BLOCKING

EFFORTS TO DETERMINE HIS TRUE NET WORTH.

MARC RICH IS CURRENTLY [redacted]

[redacted] NATIONALITY. RICH CURRENTLY RESIDES AT 28 b6 b7C

HIMMELREICH, BAR SWITZERLAND (SUBURB OF ZUG) AND IS PRESENTLY

BUILDING A HOME ALONG THE LAKE IN MEGGIN, SWITZERLAND. HIS

[redacted]

RICH ALSO MAINTAINS HOMES AT 27 OR 29 CHASA LA DINA (PH), ST. MORITZ, SWITZERLAND, PUERTA DE HIERRO, MADRID, SPAIN (CALLED EL RINCON), AND MARBELLA, SPAIN.

SHE STATED SHE KNOWS OF NO BOAT OR VESSEL OWNED BY RICH AS A PLEASURE VEHICLE OTHER THAN A SMALL SPEEDBOAT [redacted] HAD IN SPAIN. SHE WAS UNFAMILIAR WITH ANY VESSEL CALLED HAPPICOAT.

b6
b7C

SHE STATED PINCUS GREEN HAS RETIRED FROM THE COMPANY DUE TO FAILING HEALTH AND THE FACT HE HAS ACCOMPLISHED WHAT HE SET OUT TO DO. GREEN [redacted] WILL BE GETTING [redacted] GREEN AND RICH REMAIN CLOSE FRIENDS.

SHE EXPRESSED SURPRISE WHEN TOLD THE U.S. GOVERNMENT BELIEVES RICH TRAVELS FREQUENTLY. SHE ADDED UP UNTIL THE TIME [redacted] SHE NEVER KNEW HE TRAVELED ANYWHERE OUTSIDE OF SWITZERLAND OTHER THAN SPAIN (WHERE HE IS A CITIZEN). SHE ADDED HE DID NOT TRAVEL FOR FEAR OF BEING ARRESTED. SHE COULD NOT OFFER AN OPINION CONCERNING THE LAST THREE YEARS. THEREFORE, SHE COULD NOT FURNISH ANY INFORMATION REGARDING ADDITIONAL PASSPORTS HE MIGHT HAVE OR NAMES HE MIGHT USE WHEN TRAVELING.

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SHE SAID WHEN RICH'S FATHER DIED IN NEW YORK IN 1986, SHE [redacted] BUT RICH DID NOT ATTEND THE FUNERAL FOR FEAR OF BEING ARRESTED. RICH'S MOTHER, WHO RESIDES IN NEW YORK CITY AND IS ABOUT 80, TRAVELS FREQUENTLY TO SEE HER SON IN SWITZERLAND. b6 b7C

SHE ADVISED PINCUS GREEN HAS A HOME IN LONDON BUT SHE DOES NOT KNOW THE ADDRESS.

SHE IS CURRENTLY [redacted] b6 b7C

SHE WAS ASKED WHETHER SHE WOULD HELP THE U.S. GOVERNMENT IN APPREHENDING RICH AND HER ATTORNEY SAID HE DID NOT FEEL THAT WAS A FAIR QUESTION. HE SAID HE WOULD STAY IN TOUCH AND BE COOPERATIVE IN ANY WAY HE COULD.

SHE SAID BOTH RICH AND GREEN WOULD LIKE TO RETURN TO THE U.S. AND RESOLVE THE CRIMINAL CHARGES BUT HAVE NOT DONE SO FOR FEAR OF GOING TO JAIL.

BT

EXEMPTED FROM AUTOMATIC
DECLASSIFICATION
AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
EXEMPTION CODE: 25X(1.6)
DATE 03-28-2017 BY: [redacted]

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Memorandum

~~SECRET~~

(S) To : SAC, DIVISION I [redacted] (P) Date 6/17/92

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From : SA [redacted] (I-6)

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(U)

(S) Subject: [redacted]

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(S) OO: NEW YORK

This document is classified "SECRET" in its ~~entirety.~~

[redacted] (U)

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For information of the above file, on 6/16/92, [redacted] (U)
(reliable) advised writer that [redacted]

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(S) [redacted]

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Classified by G-3
Declassify on OADR

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CLASSIFIED BY: [redacted]
REASON: 1.5 (c d)
DECLASSIFY ON: X
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ALL INFORMATION CONTAINED
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WHERE SHOWN OTHERWISE.

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(4) New York
(1) [redacted]
(1) [redacted]
(1-SA [redacted] (Info)
(1) 196A-1774 FUG 2) (C-12)
TPW:tpw
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196A-1774 Fug 2
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SERIALIZED FILED
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EXEMPTION CODE: 25X(1)
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196A-NY-1774-21

SEARCHED ____ INDEXED ____
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JUL 0 3 1992
FBI — NEW YORK

RESPONDENCE: LOVE LETTERS & ARROWS

Referenced Articles

come forward. Proving unfounded gossip only adds more fuel to the fire.

IRENE BUDOFF
Houston, Texas

ROCK & ROLL used to be an escape, then it became art, and soon it will be an endless, politically correct Jerry Lewis telethon. I'm switching to country or rap.

ANDY CAO
Merritt Island, Florida

THE AUTHORS' OMISSION of Sebastian Bach's apology for wearing a T-shirt that says [illegible] JESUS SAYS DEAD, was [illegible] on MTV and even [illegible] a gay friend pulled him aside and said the message he conveyed in public was important. Bach admitted that he had friends, which didn't really illustrate homophobia. But some people, in and out of music, will never care about AIDS and gay rights. At least ask the artists their feelings on the subject first.

[illegible] C. YOCOM
Indiana

I'VE BEEN WRITING and recording Aerosmith's next album and haven't done any interviews. Rock gives you the right to make the grand fucking assumption that minor bits of available translates into being disgusting to be part of an article because it's about AIDS? For the record, AIDS sucks. Like too many of us, I have AIDS and I am losing friends from this terrible disease. Perhaps more donations would be better directed toward political [illegible]. Enjoy spent half the energy combating AIDS that they have bailing out the Stills and covering up the Kennedy assassination, might have the disease beaten by now.

STEVEN TYLER
AEROSMITH
Massachusetts

Steve Fleischman and Mary Herczog respond: Steven Tyler was approached through his representative [illegible] about AIDS [illegible] part of the [illegible] planned that he and [illegible] music again. I can't wait to see that.

SANDY WARD
Schertz, Texas

SOME STARS don't have to put out a whining, crying project after a hard time in order to get the credit they deserve. David Fricke did a great job of showing the Leps' attitude of putting the past behind but not forgetting.

JILL O'BRIEN
Des Plaines, Illinois

DEF LEPPARD is the meaning of hope and inspiration.

DIANE SCHEIDT
Miami, Florida

THAT DEF LEPPARD has been able to carry on in the shadow of tragedy says so much about the integrity of the band. Members of bands like Motley Crüe that kick out members over petty squabbles could learn a few lessons from the Leppards.

JIM COOK
Orlando, Florida

I DEEPLY RESPECT Rick Allen for having the courage to pose shirtless.

GARFIELD HOSSELTON
Flora, Illinois

THE PICTURE of Allen was the sexiest photograph I have seen this year. Not only does the man have balls, but he has class to go with it.

[illegible] CAMPBELL
Victorville, California

State of Disunion

THE LITTLE GUY is standing up and winning some rounds against the bully ("Hope and Hard Times," RS 629). The people of Ravenswood Aluminum are examples that you can and should stand up to your oppressor. Even if they don't win this battle, in the eyes of the American public they have won something even more – dignity.

MICHAEL ZACCHERIO

A few days after "Hope and Hard Times" appeared, a group led by the Swiss financier Marc Rich and his partner Willy Strothotte seized control of the Ravenswood Aluminum Corporation and forced R. Emmett Boyle to resign as CEO. The board of directors was then reconstituted by Rich and Strothotte with the express purpose of ending the labor dispute in Ravenswood and, at long last, negotiating with the union. Though the negotiations have yet to begin, it is widely believed that the result of these talks will be the return of the unionized workers to their jobs. – ED.

The [illegible] of the Aquarium Rescue Unit at the Rock & Roll section (RS 631). The photographer was Jeff Fraser.

[illegible] correspondence to the Letters Editor, Rolling Stone, [illegible] Avenue of the Americas, New York, NY [illegible] to 212-767-8214. Include your address and [illegible] Questions about subscriptions to Rolling Stone? Call 1-800-368-7649, 9:00 a.m. to 9:00 p.m. EST. [illegible] To order back issues, send $10 and issue number to Back Issues, P.O. Box 40, Mamaroneck, NY 07462.

THE CAMPAIGN By James T. Pendergrast

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/21/01 BY
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196A-NY-1774-22

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

JUL 03 1992

FBI — NEW YORK

FBI FACSIMILE COVERSHEET

CLASSIFICATION

PRECEDENCE

Immediate ——Top Secret
Priority ——Secret
Routine ——Confidential
——Sensitive
——Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: _____

To: FBI New York (Name of Office) Date: 6-11-92

Facsimile Number: 212 335 2999

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Attn: SSA [redacted] C-4
(Name) (Room) (Telephone No.)

From: FBI DETROIT (Name of Office)

Subject: MARC RICH

please research in Indices

Special Handling Instructions: PLS HANDCARRY TO [redacted]
THEN ROUTE TO SA WITH MARC RICH TICKET

Originator's Name: [redacted] Tel: 313 965-2323

Originator's Facsimile Number: 313 965 2323 FAX OPS.

Approved: HNH/JA

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/21/01 BY [redacted]
#01-081

① Sub FUG 2

196A-NY-1774-24

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/21/01 BY
#01-081

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SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

SEP 28 1992

FBI — NEW YORK

FD-36 (Rev. 8-29-85)

FBI

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PRECEDENCE:
- [ ] Immediate
- [X] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 7/6/92

FM FBI NEW YORK (196A-NY-1774) (P) (C-12)

TO DIRECTOR FBI/PRIORITY/

BT

UNCLAS

CITE: //3540//

PASS: SSA [redacted], FUGITIVE/GOVERNMENT RESERVATION CRIMES UNIT AND SSA [redacted] ECONOMIC CRIMES UNIT.

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b7C

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B); FBW, MF, RICO, INCOME TAX EVASION, TRADING WITH THE ENEMY; OO:NY.

1 - NEW YORK

1 - SUPERVISOR C-12

JCM:SLT004W.188

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted]
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196A-NY-1774-Fug 2-25

Searched
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Correction made 8

7/10/92

(1) sub. Fug 2

Approved: [signature] Original filename: SLT004W.188

Time Received: Telprep filename: SLT004S1.188 to SLT004S3.188

MRI/JULIAN DATE: 1572, 73, 74 ISN: 056, 057, 058

FOX DATE & TIME OF ACCEPTANCE: 2044, 2045, 2046

REFERENCE NEW YORK TELETYPES TO BUREAU, DATED MAY 13, 1992 AND JUNE 8, 1992 AND NEW YORK TELEPHONE CALL TO SSA [redacted] BUREAU, ON JULY 1, 1992.

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ON [redacted] SPECIAL AGENT [redacted] OF THE NYO [redacted]

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THE [redacted]

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ON [redacted] AFTER A BRIEF [redacted]

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SPECIAL AGENT

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OVER THE NEXT TWO DAYS, [redacted]

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ALL OF THE ABOVE HA~~S BECO~~ME ARE AWARE OF [redacted]

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ONE SUGGESTION OFFERED WAS [redacted]

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IN CONCLUSION, [redacted] WAS CAN BE SUMMARIZED AS FOLLOWS:

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IT WAS SOMEWHAT [redacted]

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A CAUSE OF [redacted]

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FM FBI NEW YORK (196A-NY-1774) (P) (C-12)

TO DIRECTOR FBI/PRIORITY/

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SECTION ONE OF THREE SECTIONS

CITE: //3540//

PASS: SSA [redacted] FUGITIVE/GOVERNMENT RESERVATION CRIMES UNIT AND SSA [redacted] ECONOMIC CRIMES UNIT. b6 b7C

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B); FBW, MF, RICO, INCOME TAX EVASION, TRADING WITH THE ENEMY; OO:NY.

REFERENCE NEW YORK TELETYPES TO BUREAU, DATED MAY 13, 1992 AND JUNE 8, 1992 AND NEW YORK TELEPHONE CALL TO SSA [redacted] BUREAU, ON JULY 1, 1992. b6 b7C

ON [redacted] SPECIAL AGENT [redacted] OF THE b7D b7E

196A-NY-1774 Fig 2 -25

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted] #01-081

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NYO [redacted]

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THE [redacted]

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ON [redacted] AFTER A BRIEF [redacted]

[redacted]

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AT APPROXIMATELY THE SAME TIME AS [redacted]

[redacted]

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BT

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PP FBINY

DE FBINY #0057 1912049

ZNR UUUUU

P 092042Z JUL 92

FM FBI NEW YORK (196A-NY-1774) (P) (C-12)

TO DIRECTOR FBI/PRIORITY/

BT

UNCLAS

SECTION TWO OF THREE SECTIONS

CITE: //3540//

PASS: SSA [redacted] FUGITIVE/GOVERNMENT RESERVATION CRIMES UNIT AND SSA [redacted] ECONOMIC CRIMES UNIT. b6 b7C

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B); FBW, MF, RICO, INCOME TAX EVASION, TRADING WITH THE ENEMY; CO;NY.

TEXT CONTINUES:

[redacted] b6 b7C b7D b7E

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SPECIAL [redacted]

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THE [redacted]

ON [redacted]

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PAGE FOUR DE FBINY 0057 UNCLAS

[redacted]

ON [redacted]

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THE DISCUSSION SHIFTED FROM [redacted]

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THE [redacted]

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THE [redacted]

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OVER THE NEXT TWO DAYS, [redacted]

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ALL OF THE ABOVE ARE AWARE OF [redacted]

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ONE SUGGESTION OFFERED WAS [redacted]

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ZNR UUUUU

P 092042Z JUL 92

FM FBI NEW YORK (196A-NY-1774) (P) (C-12)

TO DIRECTOR FBI/PRIORITY/

BT

UNCLAS

SECTION THREE OF THREE SECTIONS

CITE: //3540//

PASS: SSA [redacted] FUGITIVE/GOVERNMENT RESERVATION CRIMES UNIT AND SSA [redacted] ECONOMIC CRIMES UNIT.

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b7C

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B); FBW, MF, RICO, INCOME TAX EVASION, TRADING WITH THE ENEMY; OO:NY.

TEXT CONTINUES:

[redacted]

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IN CONCLUSION, [redacted]

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THE [redacted]

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IT WAS SOMEWHAT [redacted]

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A CAUSE OF [redacted]

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THE SIGNIFICANCE OF [redacted]

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196A-1774-28

SEARCHED ____ INDEXED ____
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JUL 6 1990

FBI — NEW YORK

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FBI FACSIMILE COVERSHEET

CLASSIFICATION

PRECEDENCE
- [x] Immediate
- [ ] Priority
- [ ] Routine

- [ ] Top Secret
- [ ] Secret
- [ ] Confidential
- [ ] Sensitive
- [ ] Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: _____

b6 Per FBI
b7C

To: [redacted] FBI (Name of Office) Date: 7-8-92

Facsimile number: _____

Attn: SSA C-12 (Name Room Telephone No.)

From: FBI - NYO (Name of Office)

Subject: Immediate teletype
196A-NY-1774

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted]
#01-081

Special Handling Instructions: hand carry to C-12 SSA
or SA [redacted]

b6 Per FBI
b7C

Originator's Name: [redacted] Telephone: X3910

Originator's Facsimile Number: _____

Approved: CMB

196A-1774F 95 2-29

SEARCHED _____ INDEXED _____
SERIALIZED Sen FILED Sen
JUL 08 1992
FBI—NEW YORK

FBI/DOJ

Sub FUG 2

(1) Sub Fug. 2

(X) 1

196A-NY-1774-32

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JUN 18 1992
FBI — NEW YORK

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/21/01 BY [redacted]
#01-081

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 03-07-2017 BY [redacted]

Ravenswood robber in Russian ripoff

b6
b7C

By Jim West

He is the billionaire who locked out the Ravenswood workers for more than a year and a half trying to bust their union and force their living standards down so he could make more profits.

He jumps at every chance to make megabucks coming to the aid of reactionary, anti-people governments, as when he helped South Africa get around the embargo by supplying it with oil.

He is the supreme example of capitalist-opportunist money-grubbing for whom corruption, bribery and lawlessness are tools for amassing billions.

He is a fugitive living in luxury in Switzerland evading prosecution under a 65-count indictment for tax fraud, racketeering and conspiracy — among other charges.

His name is Marc Rich and he does his slimy business through a Swiss-based firm which has a worldwide trading volume estimated at $15 billion.

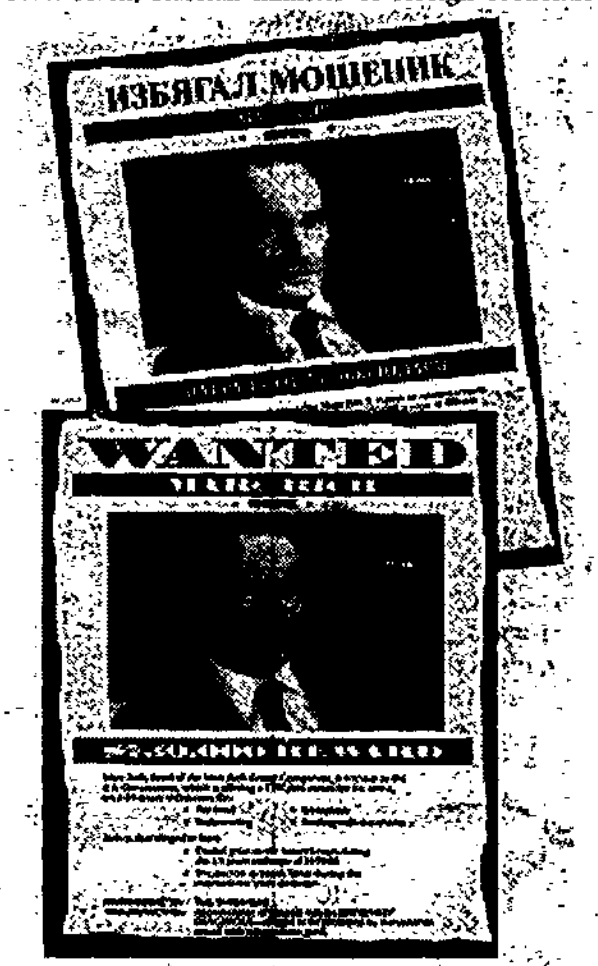
He established a toe-hold in Moscow in the early 1980s but quickly expanded it to thieving operations in 1990 when the doors were opened wide to capitalist inroads. Today, his Moscow office has some 50 employees, with dozens more in other Soviet cities.

Last year he arranged about $1.2 billion in trade with the former Soviet Union, all of it in aluminum and oil. His profit margins come to two and three times above the average trade margins in world markets.

Forbes magazine writes, "True to form, Rich is shortchanging the Russians." (June 22, 1992). In receiving machinery and other commodities in exchange for their aluminum and oil, Soviet plants are known to lose 30 percent and more on the trade.

The breakdown in central planning and authority in the former USSR was used by Rich and his ilk to play off and bribe local leaders and central authorities against each other.

Piotr Aven, Russian minister of foreign economic relations, is reported as saying: "There have been several cases where long-term contacts have led to informal, often corrupt relationships. Firms that have long experience here know how much to pay to whom, what kind of presents to give, and then can purchase goods at cheaper prices than it costs to produce them. We have evidence against several such companies." (Ibid.)



All this corruption, bribery and ripoffs are at the expense of the Soviet people, whose living standards worsen from day to day.

Rich has also moved into Romania and Bulgaria.

The Yeltsins and Gorbachevs are painting pictures of capitalism as a blessing. "Learn from America," they say. For Marc Rich and his corporate class cronies it is indeed a blessing. For the laboring masses it is a daily fight to stay alive.

Capitalism's reality as a system of exploitation and oppression, of corporate thievery and corruption is being brought home to the Soviet peoples by the likes of Marc Rich. The realization is dawning that the class struggle does, indeed, exist in their country as well.

Still, there is something to learn from the United States of America; from that other America represented by the workers of Marc Rich's Ravenswood Aluminum Company. It is the lesson of class unity across national and racial lines, of solidarity and unbending determination to win against all odds, against starvation and the threat of loss of homes and all the gains made through years of struggle. Soviet workers had won far more in the 70 years of existence of Socialism in the land of Lenin. They have more to lose.

Jim West is chairperson of the education commission of the CPUSA.

P9.17 THE People's WeeKLY WORLD 6/27/92

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 03-28-2017 BY [redacted]

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SECRET

PP RUCNFB FBINY

DE FBIWMFO #0018 2111623

ZNY SSSSS

P 2914482 JUL 92

FM FBI WMFO (196A-NY-1774) (P) (C-9)

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TO DIRECTOR FBI/PRIORITY/

FBI NEW YORK/PRIORITY/

BT

S E C R E T

2/21/01
CLASSIFIED BY: [redacted]
REASON: 1.5 (c,d)
DECLASSIFY ON: X 1,6

SECTION ONE OF TWO SECTIONS

#01-081

b6
b7C

CITE: //3920//

PASS: FBIHQ CID SSA [redacted] FUGITIVE UNIT; SSA [redacted]
[redacted] INTD, CI-1B AND CI-3A; NEW YORK SA [redacted]
SQUAD I-6 AND NEW YORK SA [redacted] SQUAD C-12.

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE
(B) FBW; MF; RICO; INCOME TAX EVASION; TRADING WITH THE ENEMY;
OO:NEW YORK.

RE WMFO TELETYPE, 5/29/92, AND TELCALLS OF WMFO SA
[redacted] WITH NEW YORK SAS [redacted]

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COPY: I-6

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196A-NY-1774-33

C-12
JUL 29 1992
FBI - NEW YORK

BS/OPL
7-29-92

(1) Fug sub File 2

SECRET

[redacted] 7/22 AND 24/92. b6 b7C

WARNING: FOREIGN INTELLIGENCE INFORMATION; THIS COMMUNICATION IS CLASSIFIED ~~"SECRET"~~ IN ITS ENTIRETY.

WARNING: INFORMATION FROM [redacted] (S) (U) IS HIGHLY SINGULAR IN NATURE AND DISCLOSURES COULD REVEAL SOURCE'S IDENTITY. SOURCE IS A HIGH LEVEL INFORMANT [redacted] WHOSE IDENTITY, IF REVEALED, WILL POSITIVELY LEAD TO PHYSICAL DANGER TO SOURCE AND SOURCE'S FAMILY. (S) b7D b7F b7E

WARNING: [redacted] (S) (U) b6 b7C b7D b7F b7E

WARNING: STATEMENT TO BE ADDED TO ANY DISSEMINATION: INFORMATION ON THIS DOCUMENT SHOULD NOT BE PROVIDED TO ANY OTHER AGENCY WITHOUT PRIOR BUREAU APPROVAL.

WARNING: [redacted] b7E

WARNING: FOR PROTECTION OF SOURCE, THE FOLLOWING HIGHLY SINGULAR INFORMATION IS NOT TO BE DISSEMINATED OUTSIDE THE FBI

WITHOUT CONSULTING NEW YORK AND WMFO.

FOR INFORMATION OF FBIHQ FUGITIVE UNIT AND NEW YORK SA

[redacted] b7D b7F

[redacted] ~~(S)~~ (U)

SOURCE EXPECTS [redacted]

[redacted] b7D b7F

[redacted] ~~(S)~~ (U)

REFERENCED TELETYPE NOTED SOURCE'S [redacted]

[redacted] b6 b7C b7D b7F

PROVIDED BY SOURCE TO WMFO SA [redacted] DURING THE PERIOD FROM [redacted] ~~(S)~~ (U)

SOURCE [redacted]

[redacted] ~~(S)~~ (U)

(S) (U)

IN REGARD TO

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(S) (U)

SOURCE OBSERVED

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SOURCE IDENTIFIED

(S) (U)

WHILE IN

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(S) (U)

[redacted] (S) (U)

THROUGH CONTACTS [redacted]

[redacted]

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[redacted] (S) (U)

LEAD:

FBIHQ IS REQUESTED TO CONTACT APPROPRIATE OFFICIALS AT U.S. DEPARTMENT OF STATE, U.S. CUSTOMS AND IMMIGRATION AND (S) (U)

NATURALIZATION SERVICE [redacted] b7D b7F

[redacted] (S) (U)

ADMINISTRATIVE:

FOR INFORMATION OF FBIHQ AND NEW YORK, SOURCE ADVISED

[redacted] b7D b7F

[redacted] (S) (U)

IT IS POSSIBLE THAT [redacted]

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PP RUCNFB FBINY

DE FBIWMFO #0019 2111624

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P 291448Z JUL 92

FM FBI WMFO (196A-NY-1774) (P) (C-9)

TO DIRECTOR FBI/PRIORITY/

FBI NEW YORK/PRIORITY/

BT

S E C R E T

SECTION TWO OF TWO SECTIONS

CITE: //3920//

PASS: FBIHQ CID SSA [redacted] FUGITIVE UNIT; SSA [redacted] [redacted] INTD, CI-1B AND CI-3A; NEW YORK SA [redacted] SQUAD I-6 AND NEW YORK SA [redacted] SQUAD C-12.

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SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B) FBW; MF; RICO; INCOME TAX EVASION; TRADING WITH THE ENEMY; OO:NEW YORK.

TEXT CONTINUES:

[redacted] ~~(S)~~ (U)

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196A-NY-1774 Fig 2-33

JUL 29 1992

SECRET

[redacted]

[redacted] (S) (U)

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FBIHQ AND NEW YORK WILL BE KEPT APPRISED OF INFORMATION DEVELOPED BY SOURCE [redacted] IN VIEW OF THE EXTREME SENSITIVITY OF SOURCE, DISSEMINATION OF THE ABOVE INFORMATION OUTSIDE THE FBI COULD RESULT IN DISCLOSURE OF SOURCE'S IDENTITY. (S)(U)

C BY G-3 DECL ON OADR.

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196A-1774 Pg 2-36

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

AUG 21 1992

FBI NEW YORK

DECLASSIFICATION AUTHORITY DERIVED FROM:
FBI AUTOMATIC DECLASSIFICATION GUIDE
DATE 03-28-2017 BY: [redacted]

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DE FBIWMFO #0059 3160029

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FM FBI WMFO (196A-NY-1774) (P) (C-9)

TO DIRECTOR FBI/ROUTINE/

FBI NEW YORK/ROUTINE/

BT

UNCLAS E F T O

CITE: //3920//

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE.

2/21/01
CLASSIFIED BY: [redacted]
REASON: 1.5 (c)
DECLASSIFY ON: X
#01-081

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PASS: FBIHQ CID SSA [redacted] FUGITIVE UNIT, CID; ECONOMIC CRIMES UNIT, CID; SSA [redacted] INTD, CI-1B AND CI-3A; NEW YORK SA [redacted] SQUAD I-6 AND NEW YORK SA [redacted] SQUAD C-12.

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b7C

SUBJECT: MARC RICH - FUGITIVE (B); PINCUS GREEN - FUGITIVE (B); FBW; MF; RICO; INCOME TAX EVASION; TRADING WITH THE ENEMY; OO:NEW YORK.

FOR INFORMATION OF FBIHQ AND NEW YORK, ON 11/10/92 A SENSITIVE AND RELIABLE SOURCE PROVIDED THE FOLLOWING [redacted] (U)

196A-NY-1774 Fug 2-42

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SERIALIZED [illegible] FILED
NOV 10 1992
FBI - NEW YORK

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11/10/92

C-12

(1) Fugitive sub File - SECRET

SECRET

, CE FBIWMFO 0065 UNCLAS E F T O

ATION TO WMFO SA [redacted] b6 b7C b7D b7F

[redacted]

SOURCE LEARNED [redacted] b7D b7F

[redacted] (S) (U)

SOURCE WILL CONTINUE EFFORTS TO DEVELOP INFORMATION CONCERNING [redacted]

ADMINISTRATIVE:

SOURCE PROVIDING THE ABOVE INFORMATION IS [redacted] (S) (U) b6 b7C b7D b7F

SOURCE LEARNED THAT [redacted]

[redacted] (S) (U)

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EE DE FBIWMFO 0059 UNCLAS E F T O

[redacted] (S) (U) (S) (U)

WARNING: INFORMATION FROM [redacted] IS HIGHLY SINGULAR IN NATURE AND DISCLOSURES COULD REVEAL SOURCE'S IDENTITY. SOURCE IS A HIGH LEVEL INFORMANT [redacted] WHOSE IDENTITY, IF REVEALED, WILL POSITIVELY LEAD TO PHYSICAL DANGER TO SOURCE AND SOURCE'S FAMILY.

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WARNING: [redacted] (S) (U)

WARNING: STATEMENT TO BE ADDED TO ANY DISSEMINATION: INFORMATION ON THIS DOCUMENT SHOULD NOT BE PROVIDED TO ANY OTHER AGENCY WITHOUT PRIOR BUREAU APPROVAL.

WARNING: [redacted]

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196A-NY-1774
JCM:mmb

On November 12, 1992, furnished the following to Special Agent of the New York Office of the Federal Bureau of Investigation:

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Source said he/she has recently learned

Source added he/she is

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY
#01-081

196A-NY-1774-Sub Fwg 2
-45

SEARCHED INDEXED
SERIALIZED FILED
DEC 04 1992
FBI—NEW YORK

196A-NY-1774
JCM:mmb

On November 12, 1992, furnished the following to Special Agent of the New York Office of the Federal Bureau of Investigation:

Source advised he/she does not

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Source added he/she

Source further added he/she will

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY
#01-081

196A-1774 Sub Fug 2-4,6

SEARCHED INDEXED
SERIALIZED FILED
DEC 04 1992
FBI—NEW YORK

FD-36 (Rev. 11-17-88)

FBI

TRANSMIT VIA:
- [ ] Teletype
- [ ] Facsimile
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PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 12/17/92

TO : DIRECTOR, FBI

FROM : ADIC, NEW YORK (196A-NY-1774) (P)

SUBJECT : MARC RICH - FUG (B);
PINCUS GREEN - FUG (B);
FBW, MF, RICO, INCOME
TAX EVASION, TRADING WITH
THE ENEMY
OO:NY

Re Bu Airtel to NY dated 11/17/92.

SA [redacted] C-12, NYO, will interview [redacted] pursuant to the [redacted] request.

[redacted] has been contacted as well as one [redacted] who has been [redacted] The interview is tentatively scheduled for 1/8/93.

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NYO will furnish results of interview.

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/21/01 BY [redacted]
#01-081

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4 - Bureau
(1 - Foreign Liaison Unit I, Room 7446)
(1 - Economic Crimes Unit)
(1 - Fugitive/Government Reservation Crimes Unit)
(1) - New York FUG Sub 2

196A-1774-FUG 2-47
Searched
Serialized
Indexed
Filed
12/18/92

JCM:da
(5)

Approved: _____ Transmitted _____ (Number) (Time) Per _____

NEW YORK POST
12/17/92

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Page Six™

By FRANK DiGIACOMO, FLORENCE ANTHONY and BILL HOFFMANN

Joanna Molloy is on vacation

That's Rich

HAMPTONS hotlips are humming over news about fugitive financier Marc Rich. Rumors persist that Rich — who's been living in Switzerland and Spain, out of the reach of prosecution on tax evasion, racketeering and other charges — has quietly settled with the government and may be coming back to the States. The talk has been fueled by a recent report in the Long Island weekly Dan's Papers that Rich may be the mysterious prospective buyer for the Southampton Bath & Tennis Club on Gin Lane. A bank has moved to foreclose, but the club's current owner George Semerjian claims to have an anonymous buyer. Rich's ex-wife, Denise, has also been whispered as a possible purchaser. A source close to the Riches calls the reports "as far from the truth as possible."

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196A-NY-1774-546 Fg 2
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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/2/01 BY #01-081

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SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
DEC 17 1992
FBI — NEW YORK

(1) sub FUG 2

FEDERAL BUREAU OF INVESTIGATION
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FOI/PA# 1218760-0

Total Deleted Page(s) = 23
Page 2 ~ Duplicate;
Page 3 ~ Duplicate;
Page 5 ~ Referral/Consult;
Page 6 ~ Referral/Consult;
Page 7 ~ Referral/Consult;
Page 8 ~ Referral/Consult;
Page 9 ~ Referral/Consult;
Page 19 ~ Referral/Consult;
Page 20 ~ Referral/Consult;
Page 21 ~ Referral/Consult;
Page 22 ~ Referral/Consult;
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Original FD-302

FD-491 (Rev. 4-21-80)

Memorandum

C-12

P 3/20/91 JMR

8/27

To : SAC New York (196B-1774)

Date 8/16/90

From : SAC Houston (196B-881)

AUDIAS

☐ RUC

☒ File Destruction Program

Subject : Mark Rich ; Pincus Green
(Title)

Enclosed are 4 items.
These items are forwarded your office since:

☐ All logical investigation completed in this Division

☒ You were OO at the time our case was RUC'd.

Enclosures are described as follows:

3 → FD-340's

1 → FD-302

196B-1774-520X2

(X) d

C-12

No Record Last name.....Searches Completed:
No Middle Names.....Automated & Manual.....
Numerous Middle Names.....Automated Only.....
Manual Only.....

SEARCHED ____ INDEXED ____
SERIALIZED IE FILED IE
AUG 27 1990
FBI — NEW YORK

NMJ/EMP/AK

ALL INFORMATION C
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DATE 2/27/01 B
01-081

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b7C

See Exhibits
1A29, 1A30, 1A31

Enc. 4

NOTE: DO NOT BLOCK STAMP ORIGINAL ENCLOSURES.

FBI/D

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 10/24/90

TO: SAC, NEW HAVEN

FROM: ADIC, NEW YORK (196A-NY-1774) P (C-12)

SUBJECT: MARC RICH-FUGITIVE(B);
PINCUS GREEN-FUGITIVE(B);
FBW, MF, RICO, INCOME TAX
VIOLATION, TRADING WITH THE
ENEMY;
(OO:NY)

ReSFteletype to NY of 10/19/90.

Enclosed for information of New Haven is a copy of the referenced teletype.

The NYO is conducting no investigation concerning the information in the teletype at this time. nor is any request being made of New Haven.

b6
b7C

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 1/02/01 BY
01-081

196A-NY-1774-522
10/24/90

2- New Haven (encl.1)
1- New York
JCM:jcm

SEARCHED
SERIALIZED LE
INDEXED
FILED LE

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

0012 MRI 00048
PP FBINY
DE FBISF #0001 2920140
ZNR UUUUU
P 190038Z OCT 90
FM FBI SAN FRANCISCO (196B-1536) (RUC) (SQ 5)
TO FBI NEW YORK (196B-1774) (SQ C12) /PRIORITY/
BT
UNCLAS
CITE: //3790//

SUBJECT: MARC RICH (FUGITIVE) DBA MARC RICH AND COMPANY; ET AL; FRAUD BY WIRE-ENERGY RELATED; OO: NEW YORK.

RE: SAN FRANCISCO PHONE CALL TO NEW YORK, SQ C12, DATED 10/18/90 AND SAN FRANCISCO AIRTEL TO NEW YORK, DATED 2/14/83.

THE FOLLOWING INFORMATION IS BEING PROVIDED FOR CONSIDERATION AT NEW YORK AND THE SOURCE OF THIS INFORMATION SHOULD BE PROTECTED BY REQUEST.

ON OCTOBER 15, 1990 THE SAN FRANCISCO DIVISION LEARNED FROM ONE OF ITS [redacted] SOURCES THAT [redacted] b6 b7C b7D

GM 10-19-90

(3)

"AUTOMATED RECORD"

ALL INFORMATION CONT[redacted] HEREIN IS UNCLASS[redacted] DATE 2/27/01 B[redacted] 01-081

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196B-1774-523
SEARCHED DE INDEXED DE
SERIALIZED DE FILED DE
OCT 18 1990
FBI — NEW YORK

C12

[redacted]

[redacted]

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SAN FRANCISCO DIVISION HAS BEEN ADVISED THAT THE FOLLOWING

[redacted]

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[redacted]

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[redacted] b6 b7C b7D

NEW YORK SHOULD NOTE THAT [redacted] HAS DATE OF BIRTH OF [redacted] AND SOCIAL SECURITY ACCOUNT NUMBER OF [redacted] HE POSSESSES [redacted] DRIVER'S LICENSE [redacted] b6 b7C b7D

[redacted] THE SAN FRANCISCO INDICES ARE NEGATIVE CONCERNING

A REVIEW OF NCIC INDICATES THAT RICH IS CURRENTLY A FUGITIVE AND THAT IF RICH IS ENCOUNTERED, NOTIFICATION SHOULD BE MADE TO AGENT [redacted] OF C1, THE NEW YORK DIVISION OF THE FBI. THIS NCIC PRINTOUT ALSO INDICATES THAT IF RICH IS LOCATED THAT [redacted] SHOULD ALSO BE CONTACTED AT [redacted] b6 b7C b7E

SAN FRANCISCO DIVISION IS LEAVING NEW YORK THE DISCRETION AS TO WHETHER OR NOT THIS INFORMATION SHOULD BE DISSEMINATED TO NEW HAVEN FOR CONSIDERATION. SAN FRANCISCO MAY POSSIBLY BE OF FUTURE ASSISTANCE IN PROVIDING ADDITIONAL INFORMATION REGARDING THE AFOREMENTIONED [redacted] SAN FRANCISCO IS RUC'ING THIS MATTER FOR ADMINISTRATIVE PURPOSES. SHOULD NEW YORK DESIRE ANY ADDITIONAL INFORMATION PLEASE CONTACT SA [redacted] SQ 5, FTS NUMBER 448-9429. THIS MATTER IS RUC'D.

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TO: SA [redacted] SQ 1

FROM [redacted] SQ I-6

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ENJOY

Marc Rich Buys Phibro Unit

LONDON, Nov. 8 (Reuters) — The commodity trading company Marc Rich & Company said today that it had bought the base metals business of Philipp Brothers, which has been dismantled by its parent, Salomon Inc.

The company, owned by the fugitive commodity trader Marc Rich, did not disclose how much it paid for Philipp, which is known in the industry as Phibro. Industry officials said the deal was worth around $200 million.

In a statement from its head office in Switzerland, the company said: "Marc Rich has taken over contracts in the following metals: aluminium, copper, zinc, nickel and tin. It has also absorbed copper concentrates contracts."

Marc Rich & Company bought the non-American metals business of Philipp, while Clarendon Ltd., which is 49 percent owned by Marc Rich, has absorbed business based in the United States. The rest of Clarendon is owned by Alexander Hackel, who was a partner of Marc Rich when the company was formed in early 1974.

Clarendon is based in Zug, Switzerland, but it has a large American operation in Stamford, Conn.

The Federal Government is believed to have scrutinized the sale, because Marc Rich faces criminal charges in one of the biggest United States tax evasion cases ever.

Mr. Rich is said to have traded Iranian crude oil during the 1979 Iran hostage crisis, defied White House-imposed price controls on oil and moved his profits to Switzerland.

In 1983, Mr. Rich and his partner, Pincus Green, fled the United States for Switzerland. The Swiss refused to extradite them, saying their crimes were not covered by the two countries' treaty.

A year later, Mr. Rich's company paid the Government more than $200 million in back taxes, fines and interest stemming from illegal oil trading so Clarendon could resume business.

pg D-18 NY Times 11/9/90

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/22/01 BY 01-081

SEARCHED ____ INDEXED ____
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NOV 15 1990
FBI — NEW YORK

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196A-1774-527

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SERIALIZED LE FILED LE
NOV 27 1990
FBI — NEW YORK

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This is from the Swiss Magazine "NOT" pronounced as NOTE from OCTOBER 1990

Oben: Geburtstagskind Max Iten mit Gundel Fuchsberger, Ehefrau Sophie Iten und Stargast Joachim Fuchsberger (von l.n.r.)
Links: Noch einige Scheu vor dem Blitzlicht des Fotografen: Der frischgetrennte Marc Rich mit neuer Lebensgefährtin Gisela Rossi.

Zur Showtime spielte einer mit seiner Trompete auf, der auch schon ein paar Jährchen (68 1/2 genau) auf dem Buckel hat, aber noch immer swingt und singt wie in seinen besten Tagen: **Huzy Osterwald**, der dank seiner dritten Ehefrau **Eleonore Osterwald** aus dem tiefsten Tief seines Lebens glücklich herausgefunden hat und wieder europaweit mit seiner Band erfolgreich ist.

Gesprächsthema Nr. 1 allerdings war ein Paar, das wohl nicht so schnell den Weg zum Traualtar finden wird: **Marc Rich**, der beste Steuerzahler der Schweiz, und seine neue grosse Liebe **Gisela Rossi**. Ein Vermögen von drei Milliarden Schweizer Franken, so scheint's, ist schlicht zu gross, um halbiert zu werden. Deshalb haben sich der Zuger Rohstoffhändler und seine Ehefrau, Sängerin **Denise Rich**, auf eine gütliche Trennung von Tisch und Bett, aber ohne Vermögenstrennung geeinigt

AUTOMATED RECORD

196A-NY-1774-528

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SERIALIZED LE FILED LE

DEC 11 1990

FBI — NEW YORK

FD-302(rev.3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription
12/10/90

[redacted] (Protect Identity) (PI), white male, born [redacted] voluntarily consented to be interviewed by Special Agent (SA) [redacted] and United States Marshal [redacted] He furnished the following:

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[redacted] (PI) advised that [redacted]

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ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 2/23/01 BY 01-081

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Investigation on 11/20/90 at New York, New York File # NY 196A-NY-1774

By SA [redacted] /kal Date Dictated 11/20/90

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Memorandum

To : DADIC/SAC, DIVISION II
(ATT; SUPERVISOR, SECTION C2)

Date 2/7/91

From : ADIC, NEW YORK (66-7566) [redacted]

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Subject : NCIC/NYSPIN VALIDATIONS

Attached are copies of monthly NYSPIN/NCIC validations re New York Division entries.

Following proper procedures for validation of these computerized records will serve to minimize the possibility of the New York State Police, or a terminal agency from being involved in litigation because of inaccurate or obsolete information in the data base files.

Please review all information contained on these records and, utilizing this form, notify NCIC/NYSPIN of all changes to be made, updated information to be added, and whether or not the records regarding a particular item should be maintained or purged. If a record is to be purged, it is required that a date of recovery and/or arrest be provided. Where active records do not contain all available information, data should be added directly to printout in the appropriate field.

Supervisory SA and Case Agent must certify to the accuracy of this validation by initially below and returning form and printout to NYSPIN by 2/14/91.
(Date)

PURGE _____

Date of Recovery _____

Date of Arrest _____

MAINTAIN ✓

MODIFY _____
(Updated information attached)

CASE AGENT [redacted]

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SUPERVISORY SA [redacted]

DATE RETURNED _____ 196A-1774-530

DMO:
Rev. 6/6/86

ALL INFORMATION CO[redacted]
HEREIN IS UNCLASSIF[redacted]
DATE 2/21/01 BY [redacted]
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SERIALIZED EDK INDEXED
FILED RDK
FEB 19 1991
FBI — NEW YORK

BROADCAST "APTS" IF REGIONAL DISTRIBUTION MIGHT AID IN THE TIMELY APPREHENSION OF THE WANTED PERSON; COMPUTER ONLY IF BROADCAST SERVES NO USEFUL PURPOSE.
QFBC WMOD
03569 FILE 5 FBI NEW YORK NYFBINY00 FEB 14-91 ADDED INFO
TO APB

REF QFBC5851

WANTED PERSON MODIFICATION
:MKE/*:ORI/NYFBINY00
:NAM/RICH,MARC :OCA/QFBC5851 .
MIS/TAX EVASION IF ENCOUNTERED NOTIFY WILL EXTR 196B-1774
[redacted] C12.
ADDITIONAL COMMENTS b6
b7C

AUTH SA [redacted] [redacted] 9-20AM

N 0930-0930 02/14/91 02246088 QFBC16203 PART 001 OF 001
NYSP QFBC
ACK SEQ NUM 03569
WMOD NAM/RICH,MARC OCA/QFBC5851
WPR/0302454

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 2/27/01 BY
01-081

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N 0930-0930 02/14/91 02246334 QFBC16204 PART 001 OF 001
NYIS WMOD QFBC
ACK 03569
NYFBINYOO

DCJS & NCIC MODIFY RESULTS

MODIFIED ON BOTH FILES
NAM/RICH,MARC OCA/QFBC5851
DATA MODIFIED: MIS
- -
- -
YOUR RECORD AS IT NOW APPEARS ON FILE WILL FOLLOW.

N 0930-0930 02/14/91 02246369 QFBC16205 PART 001 OF 001
NYIS WMOD QFBC
ACK 03569
NYFBINYOO

DCJS & NCIC MODIFY RESULTS

WANTED PERSON

ORI/NYFBINYOO FBI NEW YORK
NAM/RICH,MARC SEX/M RAC/W DOB/121834
SOC/496343075 POB/BG HGT/510 WGT/180 HAI/XXX
LAW CAT/F NCIC OFF/2608 FRAUD BY WIRE-
OCA/QFBC5851 WARRANT TYPE/ARREST WARRANT
WARRANT STATUS/ACTIVE
DOW/091983 EXT/Z b6
MIS/TAX EVASION IF ENCOUNTERED NOTIFY WILL EXTR 196B-1774 [redacted] C12 b7C

WPR/0302454 NIC/W321531799

THE WANTING AGENCY HAS INDICATED IT WILL EXTRADITE THROUGHOUT
NEW YORK STATE AND OUTSIDE THE STATE.

FORBES MAGAZINE Feb 18, 1991

FOLLOW-THROUGH

EDITED BY EDWARD GILTENAN

Busy fugitive

FOR ALMOST EIGHT YEARS, wily commodities trader Marc Rich has been a fugitive from U.S. justice, wanted on criminal tax evasion charges. Yet from his lair in Zug, Switzerland, Rich, estimated to be worth around $800 million, keeps finding ways to do business with Uncle Sam. After a FORBES article *(June 12, 1989)* exposed Rich's role as a middleman in the shipment of American grain to the Soviet Union, the U.S. government withdrew its business from his Richco grain trading outfit. But just last month another Rich affiliate, Clarendon Ltd., won bids to supply $1.3 million worth of nickel and $4 million of copper to the U.S. Mint. That's on top of some $23 million of nickel, zinc and copper that Clarendon has supplied to the Mint in the last two years.

Fugitive commodities trader Marc Rich
In his metals we trust.

Clarendon may now be the world's biggest trader of metals on the spot market. In November Rich bought various metals contracts belonging to Salomon, Inc.'s Philipp Bros. unit, where Rich got his start as a trader almost two decades ago. The acquisition will enhance Rich's power in aluminum, copper, zinc, tin, nickel and copper concentrates. And Rich's strength in aluminum (FORBES, *Dec. 29, 1986*) will compound if a consortium that includes Clarendon gets the nod to build an aluminum smelter in Venezuela—just 650 miles across the Caribbean from the rich bauxite mines of Jamaica.

A busy fugitive, Rich. On the oil front, he's trading Soviet crude. During the American hostage crisis, Rich dealt heavily in embargoed Iranian crude. With that kind of record, it would be no surprise if Rich were behind any oil Saddam Hussein can spirit out of Iraq or Kuwait.

Leveraged givebacks?

THE BASS BROTHERS' leveraged buyout of Darling-Delaware Co. (FORBES, *July 10, 1989*) may not have such a happy ending for the financiers. Sid and Lee Bass and several partners took a $180 million dividend out of the fat-rendering company in 1988. But since Darling defaulted last September on $175 million in subordinated notes, bondholders have launched a fierce counterattack.

To pay themselves that massive div-

194A-NY-1794

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FEB 26 1991