

I'm Your Boss Now

A magazine.atavist.com/im-your-boss-now

March 17,
2016

Episode 2: When you don't know who your boss really is, a dream job can turn into a nightmare.

Evan Ratliff

One morning in early 2009, a 26-year-old manager of an Israeli customer-relations call center named Moran Oz found himself treading water in a hail of bullets. A moment before, he'd been sitting on the deck of a small yacht, cruising just out of sight of the Philippine shoreline. Then he was in the water, the boat was pulling back around, and the three men he had thought were his boss's business partners were standing above him. Two of them were armed, and one began firing into the ocean close to Oz. "That was for the sharks," one said when the shooting finally stopped. "The next time will be for you."

The man was holding a satellite phone. "You are stealing from Paul," he said. "You need to tell us where you put the money."

Oz felt disembodied and panicked for time. Whatever they thought he'd done, he told them, it was all a mistake. "If I'd done anything," he said, "I would've told Paul."

When I first heard the outlines of this story, from an attorney in Minneapolis last fall, I initially had a hard time believing it. Later I would learn of incidents even more difficult to comprehend, but at the time it sounded too much like something out of a movie. Then I remembered a couple of things that Joseph "Rambo" Hunter, one of Paul Le Roux's enforcers, had once said in a conversation recorded by the DEA. "This is real stuff," he told a new member of an assassination team. "You see James Bond in the movie and you're saying, 'Oh, I can do that.' Well, you're gonna do it now."

Then, amid a string of boasts about intimidating and killing people who stole from Paul Le Roux, Hunter said: "We ah... not kidnapped a guy, but we conned him to come with us. We put him in the ocean, shot at him."

As I tracked down former employees of Paul Le Roux—in Israel and the U.S., the Philippines and Hong Kong and Zimbabwe—many of their stories followed a similar arc. At one moment they're involved in workaday, seemingly legitimate tasks. Some never even heard the name Paul Le Roux; others thought of him as a brilliant but eccentric and occasionally obnoxious boss. Then something happens—a message arrives, a rumor reaches their ears, they're told to meet three strangers at a marina—and they realize they're involved in a sinister world beyond their comprehension. At that point, they face a moral and practical

question of how to proceed. For some, how they confront that moment will mean the difference between freedom and confinement. For a few, it will be the difference between life and death.

As one former associate of Le Roux's, and friend of Moran Oz's, told me as we sat at a bustling café inside a mall in Tel Aviv, the majority of his colleagues were "good people, educated about the difference between good and bad." We'd been talking for an hour about his experience with Le Roux, and for the first time he seemed genuinely dismayed. "That's what is really sad about this," he said, "good people getting sucked into something just because they felt threatened."

To understand how Moran Oz ended up in the ocean off the Philippine coast, I traveled to Tel Aviv to talk with his friends and colleagues—both inside Le Roux's organization and out—along with the accountants and lawyers who had represented him. Many had spoken to Oz in detail about his experience and agreed to talk to me on the condition that I not use their names, out of fear that by revealing their identities they could end up in a similar predicament as Oz.

Such was the case with Oz's childhood friend, whom I met on a beautiful afternoon in February, in an office park at the center of Tel Aviv's vibrant startup scene. He was as eager to share his detailed recollections of Oz as he was desperate to make sure that he didn't come to share his friend's fate.

Moran Oz grew up in Jerusalem. He was the sort of kid everyone wants to be around, the friend told me: "The kind of guy who could miss class and then waltz in and get an A." In February 2005, Oz had just graduated from high school and completed his compulsory service in the Israeli army. He was visiting an uncle in New York, pondering what to do next with his life—go to school? start a business of his own?—when another friend called to say that his brother-in-law had launched a company in Israel and was looking to hire. The only requirements were a good command of English and a basic understanding of computers. Oz flew home and took the job.

The man who hired him was named Boaz Taggart. He'd started the business with his brother, Tomer, who lived in Los Angeles, even though their company—Beit Oridan, it was called—was based in Jerusalem. It was the kind of business that was thriving in Israel at the time, benefiting from the country's sound technological infrastructure and widely English-speaking population. Generally known as call centers—although much of their work happened over email—companies like Beit Oridan served as the customer-service arms of larger organizations based outside Israel, often serving customers in the United States. In this case, the larger organization was a network of websites that went by names like RX Limited and Alpha-Net, and sold prescription drugs to American consumers over the Internet.

On those sites, customers filled out a questionnaire asking about their medical history and symptoms, ordered their medication of choice, then paid by credit card. The questionnaire was transferred to an American doctor, previously recruited by the company, who would write a prescription based on the answers. The prescription would then be transferred to a pharmacist—also recruited by RX Limited and located in the U.S.—who would use a FedEx account supplied by the company to ship the drugs to the customer. Both the doctor and the pharmacist received a fee for each order.

For Israelis like Oz, whose medical needs were met by the government, RX Limited seemed like a reasonable stopgap for America's poor health care system. As one former Beit Oridan employee told me, their belief was that, in America, "if you work for a company and you are fired after 40 years, you cannot go to a doctor and get the prescription for your heart pills. So what we did was provide the doctor *and* the pharmacy."

Oz also had the impression that the RX Limited network was compliant with prescription-drug laws in the U.S. For instance, a database held the order history for every customer and tracked the dates and amounts of their last purchases. If a new order showed up more quickly than a drug should have been consumed, the customer couldn't get a refill until the appropriate amount of time had elapsed.

Occasionally, the company ran into what Oz and his colleagues thought of as regulatory hitches in the U.S. If a prescription could no longer be mailed from a certain state, the system removed it. If the rules around a medication changed, the system seemed to change accordingly. Occasionally, Oz would hear about American affiliates being inspected by the local pharmacy board; they would go offline for a few days, then reappear in the system.

Oz's job, however, didn't require any knowledge of pharmaceuticals, nor of the technological infrastructure behind RX Limited. He arrived each morning at Beit Oridan's office, quickly reviewed the prescriptions uploaded by doctors in the U.S., then clicked a few buttons to send them to one of RX Limited's participating pharmacies, allocating orders according to each store's daily capacities. The rest of the Israeli staff was responsible for communicating with doctors and pharmacists, and for customer support: dealing with password problems, lost shipments, expired credit cards, and incomplete questionnaires rejected by doctors.

In 2005, when Oz began, the company had eight American pharmacies operating in the system, taking 8,000 orders a week. But it was growing quickly, and after a few months the number of employees doubled. Among the new hires was a man named Alon Berkman, whose primary responsibility, at least at first, was to provide accounting support for the American pharmacists and doctors. Beit Oridan's employees were instructed to adopt American-sounding names and to say that they were located in Utah. Oz's handle was Ron Martin; Berkman's was Allen Berkman.

One of the people on the other end of those communications was a 74-year-old pharmacist in Oshkosh, Wisconsin, named Charles Schultz. Schultz had been in the business for a long time; following a stint as an Army medic during the Korean War, he'd opened his first pharmacy in 1964 and ran it with his wife, Jeanne. After a few false starts, they built Schultz Pharmacy into an established business, set on a quaint street in downtown Oshkosh, hugging the western shore of Lake Winnebago. In the 1980s, he bought a pharmacy called Medicine Mart in Monroe, a town 100 miles south of Oshkosh. For decades, Schultz was a respected businessman in the two communities, a good boss and tireless worker.

In the summer of 2006, Schultz received a fax from a company he'd never heard of, Alpha-Net Trading, with an address in Costa Mesa, California. The letter offered him an enticing business opportunity: Alpha-Net could augment Schultz's in-store sales with online prescriptions, without any investment from him. His role couldn't have been simpler. If he became an Alpha-Net affiliate, all he would have to do was log in to the company's system, fill prescriptions written by American doctors, and ship them using Alpha-Net's FedEx account. He'd then be reimbursed by bank transfer for the wholesale cost of the prescription, plus \$3.50 for each one filled.

The offer arrived at a particularly vulnerable time for Schultz. His business had been in decline for a decade or so as big-box drugstore chains began to crowd out the little guys. His family, meanwhile, was beleaguered by health problems. His son suffered from a neurological disorder that required nearly full-time care. And Schultz himself had been struck by a series of small heart attacks, brought on in part by the stress of keeping his business afloat and the long hours spent shuttling between the Oshkosh and Monroe stores.

At first, Schultz ignored the offer. Then he conducted a bit of online research to determine if it was real. Finally, he got in touch with the company's recruiter. Schultz said he had doubts about the ethics of the operation. But the recruiter quickly dispelled them, sending Schultz copies of the licenses of the physicians writing the prescriptions and explaining that Alpha-Net didn't sell controlled substances. "If an online pharmacy is asking you to ship controlled drugs, you better put your fees away for a lawyer," Alpha-Net's reps were trained to tell prospective pharmacists, "because you are going to jail."

Alpha-Net and its dozens of affiliate websites offered a range of prescription medications—everything from Propecia, the hair-loss drug, to generic forms of Viagra. But its three biggest sellers were Ultram, Soma, and Fioricet. Ultram was the brand-name version of an opioid painkiller called tramadol. Soma, also known as carisoprodol, was a muscle relaxant often prescribed for back problems. And Fioricet, recommended for tension headaches, was often prescribed to treat migraines. To further put his mind at ease, Alpha-Net gave Schultz the number of a former DEA agent in Florida, who assured him that none of the medicines he would be shipping would cause problems.

In the summer of 2006, Schultz signed up both of his pharmacies, and before long he was filling thousands of prescriptions a month. His bank account received increasingly frequent wire transfers from Hong Kong in amounts that grew to the tens of thousands of dollars. Someone at the top was clearly making tremendous amounts of money selling online prescriptions. Who that might be, Schultz didn't have the first idea. "Alpha-Net said that its operation was legal and legitimate," Schultz would later explain in a sentencing memo that his attorney filed in federal court in Green Bay, after the DEA had shown up at Schultz's door, altering his life forever. "I wanted to believe them."

Boaz and Tomer Taggart told their employees that they had a third, silent partner in the business—a programmer Tomer had met after posting an ad in an online forum. That programmer handled the infrastructure of the company, part of which he outsourced to two contractors in Romania. The day-to-day operations, though, and the future plans for the company, were determined by the brothers. In July 2006, however, Oz returned from a vacation to discover that Boaz had been ousted from the business. No reason was given for the falling out between the brothers, but from then on Tomer would be in charge, running the operation predominantly from the U.S.

After Boaz's departure, the business continued to grow. Oz and Berkman recruited friends to work with them, extolling the flexible shifts and good pay, which was generally about 15 percent higher than other call-center jobs in Israel.

Then, one afternoon in the fall of 2007, an instant message popped up on Moran Oz's computer screen. "I'm your boss now," wrote someone calling himself Paul Le Roux, a name Moran had never heard before. There was no explanation, no pleasantries, simply a statement that he'd been in charge with Tomer from the beginning, but now Tomer was out. "From now on," Le Roux said, "you report to me."

Oz called Taggart, who quickly explained that Le Roux was a South African programmer living in the Philippines. Taggart was stepping aside for this formerly silent partner, he said. When Oz asked him why, he said only that he had been working too hard and wanted to see his daughters grow up.

At first the new boss didn't alter the atmosphere in Jerusalem. The business was the same, the customer-service concerns unchanged. The company kept growing, retaining its high pay and decent hours. Oz's and Berkman's responsibilities began to expand.

As for Paul Le Roux, he always claimed to be too busy to travel to Israel and conducted almost all his business over the company's chat system, in a gruff style utterly devoid of small talk. He didn't joke, and he never asked questions about the lives of his employees or offered up any information regarding his own. He was more concerned about information security than Boaz or Tomer ever had been; he insisted that Oz and Berkman encrypt their

hard drives, at first with a program called E4M (which stood for Encryption for the Masses), and then with one called TrueCrypt. But otherwise, as far as Oz was concerned, a boss was a boss.

A few months later, Le Roux declared that he wanted to meet Oz and Berkman in person, in Manila. Oz's childhood friend told me that at first, the new jet-setting aspect of the business made Oz's position sound "like a dream job." The pair flew business class to Manila via Hong Kong. A driver fetched them from the airport and deposited them at a luxury condo located next to a synagogue.

They met Le Roux for a series of dinner meetings at the Hard Rock Café, located in a mall in Makati, the upscale shopping and business district in the center of Manila. "These Jews can't eat any of this!" Le Roux joked with the waitress. "Just get them some chips." I learned about those meetings, and others that would come later, from former employees who worked closely with Le Roux. They would speak with me only on the condition of anonymity, concerned that discussing Le Roux might come back to haunt them.

In the fall of 2008, Le Roux brought Oz and Berkman back to Manila to tell them he would be opening a new call center in Tel Aviv, which he wanted them to staff and oversee. "Money is not an issue," he told them.

Shortly after that meeting, Le Roux sent an advance man, a British citizen named Robert McGowan, to Israel to register the new company—called Customer Service Worldwide, or CSWW—under McGowan's name. Beit Oridan, which had formerly been renamed IBS Systems, became SCSM. (The company was meant to be called Customer Service Management, one employee told me, but the name was taken. So a meaningless "S" was tacked onto the front.) When I recently got a hold of the government's official records on the various iterations of the companies, I found photocopies of not only McGowan's British passport but Le Roux's Australian one. It seemed curious that a man so concerned with secrecy would leave such a blatant clue in the paper trail of a possibly illegal enterprise.

CSWW opened in 2009, housed in an 11-floor building not far from the government center of Tel Aviv. The Israeli national government's Money-Laundering Prohibition Authority was located on another floor of the building. Under the new system, CSWW would handle customer service in Tel Aviv, while SCSM would manage accounting and company infrastructure from Jerusalem. Neither CSWW nor SCSM made any money themselves. To cover the two companies' expenses, Le Roux was soon wiring \$300,000 a month from a bank in Hong Kong.

None of that was unusual in the call-center industry, according to Dov Weinstein, an accountant I met with in Tel Aviv. Each month, he said, Oz made a list of the company's expenses, and Le Roux sent a payment to cover them. Oz had brought in Weinstein, an experienced CPA and a friend of his father's since Oz was a child, to make sure the

company's books were being done correctly. "They mentioned all the time that there is a South African guy," Weinstein told me. "If you ask me, I think that maybe they did not trust him."

As RX Limited grew, Le Roux opened call centers beyond Israel. The company's volume of orders created an endless stream of customer-service requests, and RX Limited adopted aggressive email marketing techniques to recruit more. In the Philippines, Le Roux's call centers were given names like Dial Magic and Global I-Net Bridge. (Eventually he added one in India as well.) To fill the managerial positions, he turned to Oz and Berkman. Oz's childhood friend told me, "His boss was always asking him to recruit people, Israelis, to go to the Philippines."

In one sense, Le Roux's trust of Israelis seemed odd. Among employees he was widely known for his openly racist views. "For Paul, everyone was a 'nigger.' I was a 'white nigger,'" one call-center manager told me. "Or a 'floppy,' which is a South African term for nigger." But Le Roux reserved special vitriol for the people in whose midst he lived, "calling Filipinos monkeys—to their faces."

Israelis seemed to be exempt from Le Roux's personal animus. "I don't think he particularly *liked* Jews," the call-center manager said. They were simply the "cheapest, honest, smartest labor that he could find."

Eventually a kind of pipeline developed, with one Israeli following another to Manila. In January, I tracked down one of those transplants, Yehuda Ben-Dor, an Israeli-American whose LinkedIn profile suggested that he had been high up in the Philippine version of CSWW. Unlike many former employees, Ben-Dor—who now runs his own call center in the Philippines—told me by phone that he'd be happy to talk on the record. "My understanding was that this was all legal," he said. "There was nothing fishy about it."

Ben-Dor was living in Tel Aviv, he told me, when he answered a local ad for work in the call center there. He took the job and quickly moved up to manager. In 2010, his boss asked if he wanted to transfer to the Philippines. "I wasn't the first to come over here. There were many others before me who had been coming over to man them," Ben-Dor told me, referring to the call centers. "The thing with Paul's company was that the attrition rate was pretty high, people come and go, and he was always looking for new people. I was the next guy, so to speak. I didn't know anything about the Philippines at that time."

Within a few days of arriving in Manila, and never having met Le Roux in person, Ben-Dor found himself overseeing ten call centers with more than 1,000 employees. "They didn't tell me anything about the job," he said, "basically just that they needed Americans or English speakers to train the Filipinos."

Le Roux provided apartments to the Israeli transplants. “He had a lot of condos,” Ben-Dor said. “He moved people around in them for some reason, like musical chairs. When I was first here, I was working in a house in Taguig, and then he said, ‘I need you to move over to the Fort’”—a financial district in Manila also known as Bonifacio Global City—“so I moved over to a condo in Global City. Then he said, ‘OK, I need that one, so I need you to move to another one.’ I was like, why does he have all these empty condos?”

Le Roux was as much a mystery to employees in the Philippines as he was to those back in Israel. He owned a pub called Sid’s in Manila, a dumpy expat hangout, but was rarely seen there. “I don’t believe that he had a social life,” one former call-center manager told me. “It’s not like he would go to the country club or meet other expats of his age. He was a workaholic, from what I understood, 18 to 19 hours a day. At no point did I ever meet anybody that was introduced as his friend.”

Le Roux paid Israel-level salaries in the much cheaper environs of Manila, offering a standard of living that was hard for recruits to turn down. And he seemed willing to spend on quality employees. “He would start very, very low,” the manager told me, “but you could negotiate with him easily. He had this intimidating physical presence, so people would be afraid to ask for more. But when you understood that money meant nothing to him, then I thought, Why not ask for a significant pay raise? The numbers, the money, wasn’t important.”

Ben-Dor told me that in nearly two years working for Le Roux, he saw his boss only a handful of times. Once “he called me up and asked me to just come on over to his condo,” Ben-Dor said. Ben-Dor described the apartment, a massive, empty space, with Le Roux sitting alone at a desk—the only piece of furniture there. He was flanked by stacks of servers, Ben-Dor said, like he was at the helm of some sort of command center. Le Roux dispensed with greetings.

“How’s it going?” Le Roux asked.

“It’s going good,” Ben-Dor told him. He began rattling off numbers, eager to prove that the call centers were performing well, but Le Roux cut him off.

“Well, let me know if you need anything,” he said.

The meeting with the boss he’d barely met, who had moved him to the Philippines and housed him and placed him in charge of over 1,000 people, was over in five minutes. “You called me all the way over here to tell me that?”

“Yeah,” Le Roux told him. “I just wanted to meet you.”

For Charles Schultz, the pharmacist in Oshkosh, the relationship with Alpha-Net was everything they'd promised. The system provided him with a regular stream of prescriptions, written by doctors all over the country. Alpha-Net representatives, whom he knew by names like Mike Gilmore and Will Morris, straightened out any problems when they arose and stayed in touch by phone and email. On one day in July 2010, Schultz Pharmacy filled and shipped 973 prescriptions. On another, in December 2011: 575. Schultz would later admit that he knew that the volume of prescriptions coming his way strongly implied that doctors weren't examining the patient questionnaires thoroughly. But he never heard from any authorities, and his business was finally on level footing.

By the end of 2011, Schultz's two pharmacies had shipped over 700,000 prescriptions. Alpha-Net had wired over \$27 million from various accounts in Hong Kong to Schultz's bank. Most of the money was to cover the wholesale cost of the drugs, but \$3.3 million came from the per-prescription fee that Schultz received, which the company had raised in 2007 from \$3.50 to \$4.

Among the hundreds of thousands of shipments Schultz sent out, it would take only six of them to unravel his life. A customer in Minnesota placed a half-dozen orders for Soma and Fioricet through five different Alpha-Net-controlled websites between 2007 and 2010. The customer's questionnaires were handled by four different doctors, whose prescriptions in turn were filled by Schultz Pharmacy and Medicine Mart. That customer was a special agent for the DEA.

The DEA had stumbled into the path of RX Limited almost by accident. In an investigation into a pharmacy in Chicago in 2007, agents had discovered that the business appeared to be shipping large amounts of prescription drugs using a single FedEx account. When they obtained records from FedEx, they found something more astounding: Approximately 100 pharmacies across the country were using that same account number. All of them were predominantly shipping the same three drugs: Fioricet, Ultram, and Soma.

That fall agents from the DEA started making undercover, or "controlled," buys of prescription drugs on RX Limited-related websites. Helpfully, when each delivery arrived, it came labeled with the doctor who had written the prescription and the pharmacy that had filled it. The websites made sure to emphasize, as a court filing later noted, that they "did not sell controlled substances, that their drugs were dispensed by board certified and/or licensed physicians and/or pharmacies, and that RX's customers did not need to see a physician in person or have a prior prescription in order to purchase prescription drugs online."

There were dozens of RX Limited websites from which to make controlled buys, with names like Cheaprxmeds.com, Allpharmmeds.com, Buymedscheap.com, Your-pills.com, and Speedyrx.com. The agents began, in October of 2007, with a site called Acmemeds.com. An

agent logged on as a customer, filled out a questionnaire, and ordered 30 tablets of Soma. The prescription was filled by a pharmacy in Monroe, Wisconsin, called Medicine Mart, owned by Charles Schultz.

After the boat incident, people close to Moran Oz told me that his demeanor changed. The childhood friend I spoke to in the office park said that Oz wouldn't tell him what happened on his trip, only that, speaking of his boss, "I don't think I should be working with this guy." The friend tried to persuade Oz to come work with him at a startup, but Oz said he couldn't. "He was different, like he was shut down," the friend said. "He was suspicious. We didn't know of what."

To Oz, it also seemed that Le Roux was different after that trip. He was always short on social graces, but in the ensuing months he became increasingly vicious, threatening employees when something wasn't done in the way he'd asked. "Alon better answer the phone or he won't have a hand to do it with or a tongue to speak," he once told one of Berkman's coworkers.

Among the managers at his call centers, there were now constant whispers about the boss. "I heard he was doing human trafficking, he was doing arms trades, he was having people killed. It sounded like a comic book, and I didn't know what to believe and not to believe," one former call-center manager in the Philippines told me. "I heard that he had an airplane business where he was making airplane engines and hiring people to fly to other countries to smuggle drugs. It was too surreal to believe that this guy was actually getting away with stuff like this. I didn't know what of it was credible information. I could only confirm what I knew."

The more I heard from former employees and associates of Le Roux's, the more I wondered why they didn't just walk away. Some did. Another former call-center manager in the Philippines, who met me at a Starbucks in Makati one afternoon, told me that over several years it gradually dawned on him that Le Roux's primary interest was in pushing his businesses as far into the darkness as possible. "There's a difference in doing a gray businesses and just being interested in illegal business," the manager said. When he asked Le Roux why he didn't build on his growing fortune by expanding his call-center services and selling them to other companies, Le Roux professed not to be interested. The manager decided he wanted out. "I didn't want to be working for a guy that was more interested in illegal businesses than legal ones," he told me.

The question of why more people among the dozens who managed operations for Le Roux didn't abandon him, once they started to learn troubling facts about him and the business, is one that defense lawyers and prosecutors are grappling with now. The answer for some of them, as Oz's attorneys explained it to me, was simple: They believed Le Roux would kill them if they did. I heard much of Oz's story sitting in a conference room one morning last November, in the Minneapolis office of Joe Friedberg. Friedberg and Robert Richman, both

prominent local attorneys who specialize in high-profile criminal cases, currently represent Oz. They told me that it wasn't just Oz who was intimidated by Le Roux. Omer Bezalel, an operations manager at one of the Israeli businesses, had once attempted to leave Le Roux's employ. "Two guys showed him pictures of his family," Friedberg said, "and said, 'You aren't going to quit.'"

Around 2011, Le Roux began to disappear for long stretches. None of the high-level employees whom I spoke with knew at the time where he was or what he was doing, only that when he resurfaced he would be more threatening than before. "The fact that he was underground was scarier," the Israeli call-center manager said. "When he was overground you could talk to him. But when he came back it wasn't reasonable. He was so angry, and the questions he was asking didn't make sense. He would just explode. Whatever he said, you said, 'OK, OK,' and then hoped that he would forget it."

In 2011, the U.S. government declared distribution of the drug Soma across state lines illegal. It was one of RX Limited's tentpole pharmaceuticals, and when pharmacies refused to ship it, a third of the company's business evaporated overnight. Federal prosecutors would later allege that in the four-year period leading up to August 2011, RX Limited had shipped \$300 million worth of drugs.

Le Roux decided to close the Tel Aviv office and move all customer service to the Philippines. Oz and Berkman helped unwind the operations, shipping the computers and office furniture to Manila. The process lasted into 2012, when Le Roux announced that he was downsizing the Jerusalem logistics office as well. He told Oz that the company had lost its credit-card-processing service and needed to scale back further.

The transfers that normally came in from Le Roux's accounts in Hong Kong started arriving from new and strange places. Then they became sporadic, according to Dov Weinstein. Soon the company lacked the funds to pay severance owed to laid-off employees. When Oz complained, Le Roux wired two-thirds of the money and—in a move that seemed to defy his increasingly dark character—pledged to send the rest soon.

Meanwhile, Le Roux designated a new point man in the Philippines for the Israeli companies to communicate with, a Filipino whom Oz and Berkman had never met and knew only by his online handle: It struck them as strange; Le Roux had never trusted locals to run any part of the business before. But Oz, already stung from having to lay off most of the company, was desperate to get the remaining severance. He stayed in touch with both the Persian Cat and Le Roux, who kept promising that the money would arrive.

In March 2012, DEA agents showed up at Schultz Pharmacy in Oshkosh armed with search warrants. Schultz immediately admitted his involvement and handed over his computers and records. He also agreed to maintain his relationship with his Alpha-Net contacts, and he

let the agents record telephone calls. He gave the agents a room to set up in at the pharmacy and served them coffee.

The DEA had in its possession RX Limited's largest supplier, an 80-year-old pharmacist in Wisconsin. Schultz had little in the way of information about the larger scheme he'd been a part of—some names and phone numbers, emails back and forth about prescriptions and accounting. But the agents were pulling at the threads of the business, hoping to find one that led to whoever sat at the top.

Then, late in the summer of 2012, Paul Le Roux disappeared again. Moran Oz and the other Israelis stopped hearing from him. Rumors swirled that he had gone underground because authorities had intercepted one of his boats carrying arms or drugs. Oz, Berkman, and others pressed Persian Cat for information, but he professed to having no idea where Le Roux was or what had happened to him. The transfers from Hong Kong and the other accounts stopped entirely. "We knew something had happened," one former manager told me. "We prayed that he was dead."

Le Roux would sometimes give Israeli employees who had relocated to the Philippines entirely new duties, employing them in parts of the business they had previously known little about. Tales of Le Roux-sponsored operations in exotic locales began to filter back to the call centers in Israel.

Oz got his childhood friend, Asaf Shoshana, who had served in an elite Israeli military unit called the Duvdevan, a job working for Le Roux in the Philippines. Not long after he arrived, though, Shoshana reported back to Oz that he had been put in charge of a logging business in the Democratic Republic of the Congo. Another Philippine Israeli, Shai Reuven, told a friend that he had been assigned to run an elaborate operation to procure gold directly from African mines. Still others were being hired to guard houses that Le Roux owned in Hong Kong.

Sometime in 2007, an Israeli-American named Levi Kugel, a friend of Berkman's, was invited to come to the Philippines and work for Le Roux directly. Kugel was put in charge of a call center but soon began working closely with Le Roux on projects far beyond the prescription-drug business. "It was love at first sight," one employee told me of the way Le Roux and Kugel hit it off. By 2008, Oz was hearing stories that Kugel, who was operating under the name Steve Lebaron, was being sent around the world by Le Roux on mysterious business related to Zimbabwe.

Periodically, Kugel would return to Israel, and he and Oz began casually discussing the idea of going into business themselves. Kugel was an American citizen, and the two of them talked about the benefits of starting their own wholesale pharmacy in the U.S. RX Limited's

business had grown so quickly that it often had trouble finding enough pharmacies to fill its orders. By opening their own, they reasoned, they might make a great deal of money and also save Le Roux some in the process.

In early 2009, Oz got a call from Le Roux saying that he had taken on new Brazilian partners and wanted Oz and Berkman to come to the Philippines to meet them. When they arrived, though, Le Roux told Oz, “Alon needs to take care of something. You’ll come with me.”

Le Roux said he wanted Oz to join the Brazilians on a short trip to inspect a potential new call-center site on an island called Cebu. They’d travel on one of Le Roux’s yachts, a full-day trip by boat. The next morning he picked up Oz at the hotel in his BMW. They stopped for breakfast at McDonald’s, then headed west toward the coast. Le Roux owned several boats that he kept docked in Subic Bay, a city two hours from Manila that had housed a U.S. military base in the early 1990s and remained a magnet for international expats, particularly former military types.

Le Roux pulled into the marina, where he put Oz up in a hotel for the night, paying the bill in advance. The Brazilians would meet him the next morning, he said, on the dock next to the yacht they would be taking to Cebu.

The whole thing felt off to Oz—the Brazilians, the boat, Le Roux driving him personally. But by this point, he had little choice but to go along with it.

When Oz arrived at the appointed dock the next morning, three men were waiting to meet him: an older white-haired American or British man named Dave and who rarely spoke. Dave invited him on board and said he was eager to talk business. It was a small yacht with three bedrooms. Dave said he’d take one, Oz another, and the Brazilians would share the third. It was sunny and warm as they cruised leisurely out to sea. Oz sat on the back deck, taking in the view.

After about a half-hour, with the shoreline now just out of sight, Dave came to the back of the boat and asked Oz to get up for a moment, he needed to get something from the compartment beneath him. Seconds later, Oz was falling overboard.

He assumed at first that he had tripped—he remembered, and quickly regretted, that he’d slid his cell phone into his sock—but then when he looked up, he was confused to see the boat moving away from him. It turned, though, and pulled alongside him. Oz looked up, expecting a ladder to be thrown over so he could be hauled aboard. Instead he saw Dave holding a gun, and before he could process what was happening, bullets were piercing the surface of the water around him.

Then the shooting stopped, and Dave told Oz that they knew he was stealing from Le Roux and they would kill him if he didn’t say where he’d stashed the money.

Oz thrashed about in the water, trying to understand what could possibly have had led to this moment.

Dave now held a satellite phone, from which he seemed to be relaying his interrogation. Dave listened on the phone and then spoke to Oz in the water below him. "We know you are talking to Levi," he said.

Now Oz understood. Somehow the business he and Kugel had discussed had gotten back to Le Roux. Why they were accusing him of stealing he didn't know, but bobbing there in the water Oz frantically explained that he and Kugel were just talking, that they'd hatched this idea of a pharmacy on the side that could be good for everyone. "I would have told Paul if we had done it," Oz said. "I would never do something behind his back."

Perhaps Dave had never intended to kill Oz, only to terrify him. Or maybe Oz talked his way out of his own execution. Whatever the case, eventually they pulled him back on board and motored to a small, isolated island, where they anchored for the night.

Thirty-six hours later, they headed back to the marina. "You need to understand that we can reach you everywhere, in Israel," Dave told Oz. He warned that if they ever caught Oz stealing from Le Roux, or even suspected it, they would kill him. "Whatever happens," Dave said, "we will get to you."

The next day, Le Roux picked Oz up for the drive back to Manila. In the face of Oz's confusion and anger, Le Roux denied knowing anything about the incident. He had nothing to do with it, he told Oz. It was the Brazilians, and they were men that Le Roux had to listen to.

Before he dropped Oz back in Manila, Le Roux left him with a warning. "If you are thinking to go to Israel to close the office, I would suggest that you don't want to deal with these guys. They will find you. Do whatever they say. By all means, don't go back and panic."