

# The Face of Scandal

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Denise Rich is all about connections: her hit songwriting powered her social aspirations, which powered her fund-raising. Marc Rich is defined by his money, the kind of wealth that moves governments and transcends borders. But despite their bitter divorce, Denise says, what drove her to seek a pardon for her ex-husband from Bill Clinton was a deeply personal tragedy—the death of their daughter. In interviews with Denise, with Marc’s new wife, Gisela, and with the U.S. marshal who spent 14 years trying to bring the financier to justice, the author explores the passions behind Clinton’s farewell scandal.

BY MAUREEN ORTH

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**I** have a two-word answer: *Denise Rich*. —Senator John McCain, asked about the need for campaign-finance reform.

**D**enise Rich is finally getting the tidal wave of publicity she always craved, but there’s a downside to it. Since she [#image: /photos/54cc03532cba652122d9ae2d]played a key role in persuading her friend Bill Clinton to pardon her fugitive billionaire ex-husband, Marc Rich, the songwriter and political party giver is blinded by flashbulbs at every event she attends, but she is also bombarded with questions: \* \* Rich, who adores the attention, eagerly wades right up to the lenses, flashing cleavage and major jewelry, and firmly stays on message as if no brash questions had been asked: “I’m just here to talk about my music.... Did you see my daughter’s fabulous fashion show?” Meanwhile, behind the scenes, her entire existence is “being turned upside down,” according to Brad Boles, her “imagist,”

who acts as her dresser, makeup man, and confidant. “She has lawyers examining every inch of her life under a microscope,” he says. In February she declined to appear before Congress, invoking the protection of the Fifth Amendment against self-incrimination. In mid-April her lawyer labored to work out a deal to have her cooperate with the office of the U.S. attorney for the Southern District of New York, which is investigating President Clinton’s 11th-hour pardons. In exchange for limited immunity, Rich is now expected to appear before the grand jury. She will also be called before the House Government Reform Committee.

“It’s almost a Shakespearean tragedy,” one of Rich’s legal advisers tells me. “She marries young and then finds herself living abroad with a fugitive. She decides to rebuild her life and returns to the United States. She becomes a successful songwriter. Then her daughter dies. Now this.”

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Jews don’t usually pray to angels, but Rich, who has endured more than her share of grief, fervently believes in calling on them for everything: “I got a whole angel chorus up there humming. I really believe angels are happiest when you’re happy.” After she petitions her angels, she claims, her song lyrics streak right through her. She also consults gurus and psychics, takes 30 vitamins a day, and believes in past-life regressions. “One great life I had, I was an Indian woman who ran around giving people herbs and lived in Native America.” As her soulful lyrics for such rhythm-and-blues singers as Aretha Franklin, Natalie Cole, Patti LaBelle, and Mary J. Blige might indicate, Rich also believes “there is definitely a black person inside [of me] waiting to get out. I’m sure I was once black.” Natalie Cole, who is a close friend, told me one night in the living room of Rich’s New York penthouse that before Denise’s photo got published so often, “people thought she was black.”

There is no denying that Rich is a real songwriter with a big career. “She’s not afraid to be vulnerable,” says Cole, who co-wrote last year’s “Livin’ for Love,” a No. 1 dance hit, with Rich.

“She speaks on behalf of women. Her lyrics are about what she imagines women have gone through, what she has gone through.” Rich’s duet for Aretha Franklin and Mary J. Blige, “Don’t Waste Your Time,” was nominated for a Grammy, and she has written hits for Céline Dion and Marc Anthony, as well as the title song for the film *The First Wives Club*. After a recent radio-station appearance in Jersey City, Rich was on the phone in the backseat of a town car, chatting with Ricky Martin’s manager in fluent Spanish. “This too shall pass,” she said. “I want to write a song called ‘Perdoname.’” Although Rich may kid about her current situation, in the months ahead she’ll need her angels more than ever.

**A**ccording to Rich, her only sister, Monique, who died of cancer at 45 in 1983, is the angel who gave her “the gift” of her first hit, “Frankie,” a No. 1 song in Britain recorded by Sister Sledge. Rich’s mother also died of cancer, a few years after Monique, and in 1996, Rich’s middle daughter, Gabrielle, died at 27 of leukemia. Responding to Gabrielle’s last wish, Rich formed a foundation to find a cure for cancer. Much of her severely scrutinized Democratic gift giving, in fact, began as a lure to get President Clinton to come to her biennial Angel Ball in New York. “She has to give a few hundred thousand in order to make sure Clinton shows up at the ball,” says Kalman Sporn, the self-described “gay Republican businessman son of an Orthodox rabbi,” who has helped Rich organize the events. “It’s a small price to pay to ensure he shows, and it means celebrities give more and all the corporations buy tables.”

“Gabrielle is always with me,” Rich says, and she often wears an old suede jacket of Gabrielle’s for good luck. “I’d give anything—I’d die—to have my daughter back. But with her death I learned another strength inside me I didn’t know I had.” Rich is convinced it was Gabrielle whispering in her ear from on high that prompted her to forgive her ex-husband after a bitterly fought divorce, and to intercede on his behalf for a pardon from Bill Clinton, an action which has sullied her and stained Clinton’s legacy forever. The fact that Marc Rich cheated on her after they fled to Switzerland 17 years ago, that he participated in the biggest tax fraud in U.S. history, that he traded with Iran during the hostage crisis and defiantly renounced his U.S. citizenship rather than face a trial here—all that has been washed away with a mother’s tears. As for her notorious list of gifts to the Clintons—\$7,000 worth of furniture for their Chappaqua, New York, house; \$450,000 for the Clinton Library; more than \$100,000 for Hillary’s Senate campaign; more than \$1 million for the Democratic National Committee, not to mention many millions more raised at Democratic fund-raisers in her apartment—Rich dismisses all that airily as a piffling amount. About the furniture for Chappaqua (two coffee tables and two chairs), she says, “*Everybody* gave furniture. There was a list going around from the decorator.”

In her eyes there was no quid pro quo whatsoever. “The truth is, there are a lot more people who gave a lot more money. Of course it gave me access [to the Clintons],” she admits, “but it went beyond that. There was truly a friendship with both of them.” Since the pardon, however, she has not heard from her good friends.

Instead, Rich has joined the bruised and swollen ranks of so many others who displayed generous impulses toward the Clintons. She is paying fat legal fees and spending untold hours on the various investigations into the Rich pardon, by Congress, the F.B.I., and the U.S. attorney for the Southern District of New York, Mary Jo White. Today Denise Rich, who spent millions and worked so hard to erase the stigma of always being described as “former wife of the fugitive financier,” and who briefly tasted the triumph of being able to stick it to her ex-husband that it had been her influence that got him pardoned, finds that he goes right on poisoning her. Overnight she has become this year’s poster girl for campaign-finance reform and a synonym for wretched excess.

**R**ich has a staff of six maids, two butlers, a cook, and a secretary, as well as two drivers, two masseuses, a hairdresser, a trainer, a yoga instructor, and a personal photographer on call. Her imagist often travels with her, as does Jimmy Hester, the vice president of Denise Rich Songs, her music company. In Manhattan, four people work for the company, and two more are employed by her foundation. She also maintains staffs at her houses in Southampton and Aspen. Rich’s mammoth two-story creamy-beige marbled apartment, said to be in the \$40 million range, overlooks Fifth Avenue and Central Park, and is decorated with works by Picasso, Chagall, Miró, Léger, Braque, Warhol, Calder, and Lichtenstein, as well as a Julian Schnabel broken-crockery portrait of her with black hair and larger features. A recording studio, an office, a spa, and guest rooms are on the lower floor; there is also a rooftop garden. Two of New York’s best-known publicists, Bobby Zarem and Howard Rubenstein, work for her. Even for someone with a nine-figure fortune, that is a big support team.

According to Kalman Sporn, however, “For all the influence she curries as a result of her financial resources, she’s not a power broker. She listens to the men in her life.” Bobby Zarem goes further: “Denise is warm and bubbly. Both men and women can push her around and use her for their own purposes.” Jimmy Hester says, “I wish she weren’t so kind.” Her 88-year-old father, Emil Eisenberg, a retired shoe manufacturer and art collector from Worcester, Massachusetts, where Rich says she grew up with “unconditional love,” tries to keep tabs on her, but any effort to curb her spending is futile. She donates lavishly to countless charities and is a notorious soft touch.

Rarely idle, Rich is usually racing from one life to another—from the songwriter who shuts herself off in a studio every day to the party giver, the partygoer, and the New Age devotee. She is all about multiple use: each of her activities can be cross-pollinated with the others, and the goal is always to promote Denise, her two living daughters—Ilna, 33, the married mother of three who in March launched her first fashion collection, and Daniella, 26, an actress and writer—and her causes. “That’s what I’m really about,” says Rich. “Politics goes into music, which goes into social life, which goes into the arts, and everything connects.”

**A**fter 25 years of being held down by a controlling husband, Denise Rich likes to flaunt it. If Brad Boles is called away to do makeup for a film, he carefully calibrates her wardrobe for each scheduled event up to six weeks in advance, individually numbering the designer and custom-made outfits, often for as many as three changes a day. “What if she wants to wear something before the appointed day?,” I ask. “She can’t do it,” he answers. “I won’t let her.”

The first thing Boles did when he went to work for her in 1993 was throw out all her Charles Jourdan shoes. “Marc only allowed her to wear a two-inch heel,” he claims. “‘Oh no, no, no,’” Boles says he told her. “‘If you’re going to be in New York, you’ve got to be fabulous! You can only wear Manolo Blahnik.’ So the next thing you know, the whole closet is filled with Manolo Blahniks. He has the best toe cleavage.” The sexy Manolos run about \$500, but Rich doesn’t seem to mind, since recently in one of her giant closets, which are organized by season, there were garbage bags filled with dozens of pairs of the pricey shoes waiting to be disposed of.

Rich’s appearance has also undergone a radical transformation since her married days. “Marc kept her in shirts buttoned up to her neck,” says Boles. Her curly hair has been straightened and highlighted, and her features have been altered. She still has a great figure, and she has elected to keep her own cleavage, which she is proud to display. With her big brown eyes and superglossed lips, Rich gives the illusion of being younger than her age, 57.

The striking physical changes over the years can be seen in dozens of neatly catalogued and dated photo albums of Denise Rich’s parties, which show her with a mix of global statesmen, rap stars, politicians, and B-minus tabloid celebrities—everyone from Foxy Brown and Dewi Sukarno to Luciano Pavarotti and Mike Wallace. Bill Clinton appears at one fund-raiser in a bright-blue shirt and yellow tie. “He’s always very relaxed here,” Rich says. “We are not judgmental.” Noticeable in one photo of Patti LaBelle’s birthday party in September 1998—a full year before his services were engaged by Marc Rich to handle his pardon petition—is

former White House counsel Jack Quinn. “I’ve known Jack socially for a long time,” Rich explains, but she says she did not recommend him to her ex-husband.

There are also videos of Rich’s two Angel Balls to support the G&P Foundation, named for Gabrielle and her Lebanese husband, Philip Aouad. The biennial balls, given in 1998 and 2000, were among the very few private events both President Clinton and the First Lady agreed to chair. According to the charity’s tax returns, the first ball raised \$2.3 million, but “fundraising expenses” of \$855,000 ate up 37 percent of that (the rule of thumb for nonprofits is to try to stay below 25 percent). Nobody who was there has forgotten that evening. The seating plan was lost and celebrities had to scramble for tables, but there was plenty to make up for it. Plácido Domingo sang “Granada,” Dan Rather presented an award to CBS president Les Moonves, Bill Cosby introduced President Clinton, Stevie Wonder sang “Happy Birthday” to Milton Berle, and the Duchess of York made a speech.

In 2000, with Queen Noor and Mikhail Gorbachev scheduled to appear, Rich was in despair over Paul McCartney’s cancellation until the day was saved by Kalman Sporn, who is a first cousin of Kalman Stern, one of the four Hasidim from New Square, New York, granted clemency by Clinton, who are now under investigation. When I ask Sporn if the fact that his cousin’s community voted overwhelmingly for Hillary Clinton had anything to do with the four getting their sentences commuted, he says, “Yes, I think there is a connection. Jews know how to show gratitude.” Through his friend Rabbi Shmuley Boteach, the self-help author, Sporn got Boteach’s friend Michael Jackson to replace McCartney. Jackson, whose career has never recovered since he paid in excess of \$25 million to settle a 1993 suit alleging that he had sexually abused a 13-year-old boy, welcomed an opportunity to stand next to the president and First Lady. That same night Rich presented Bill Clinton with a new saxophone.

*When first approached about getting involved, I was highly skeptical. But, I studied the facts and the law carefully and became convinced of both Marc’s innocence and the outrageously prejudicial and unfair treatment of him by the then-new U.S. Attorney in New York, Mr. Giuliani.* —Jack Quinn, in a letter to President Clinton, January 5, 2001.

**I**n the offices of the U.S. Attorney for the Southern District of New York in Manhattan, there are 600 locked boxes of evidence prepared for the prosecution of Marc Rich and his partner, Pincus Green. In 1983 the two men fled to Switzerland rather than face a 65-count indictment. Fifty witnesses, many of whom had been granted immunity, were waiting to testify. “There were a number of things we could have indicted on,” says Morris Weinberg, the former assistant U.S. attorney who was the lead prosecutor. “This was the tip of the iceberg. It

just so happened the iceberg was on U.S. soil. We discovered it, we got the evidence, and we nailed him.”

In the 1970s, oil trading had been carried on mainly among a small group of giant oil companies known as the Seven Sisters. Marc Rich broke the market open when he persuaded Third World producers in countries such as Iran and Nigeria to sell to him. Rich invented the spot oil market, by trading oil both in units and in futures, just as he would any of the many other commodities he dealt with—metals, coal, sugar, grain. Pincus Green transported these commodities all over the globe. One oil broker tells me, “Pinky knew how to move it, Marc knew how to trade it.”

In the late 70s and 80s, the Department of Energy (D.O.E.) controlled the price of oil by age and provenance. The government learned that Rich was conspiring with two Texas companies, West Texas Marketing and Listo, to convert the oil certification on his barrels and sell them at a higher price. All these illegal trades were meticulously recorded in two separate sets of books. Rich also had “pots” where in just six months he hid \$100 million in illegal profits. In order to “lose” those profits, as well as evade taxes and get around the D.O.E., he washed them away in a series of phony transactions between Listo and West Texas and his offshore companies.

The government indictment charged Rich’s companies with evading \$48 million in taxes and lying about it. In October 1984 his companies pleaded guilty to 78 felonies. The indictment also accused him of trading with Iran when Americans were being held hostage there and charged him with two *rico* (racketeering) counts of wire and mail fraud. Though *rico* is no longer applied to such tax cases, Jack Quinn referred to the counts as the “*rico* sledgehammer” in congressional hearings, and used them as an example of the overzealousness of the government in what he downplayed as essentially a tax squabble. (Quinn failed to mention that the government in recent years agreed to drop those charges.) Martin Auerbach, a former assistant U.S. attorney who also prosecuted the original case, counters, “It’s not merely a tax case. Today I believe they would be prosecuted for money-laundering—there were no money-laundering statutes then.” At the time of his pardon, Marc Rich was still facing 65 felony counts.

From the beginning Rich threw the best legal minds he could find at the government, beginning with the late Edward Bennett Williams, whose Washington firm now represents Bill Clinton. They filed 17 separate motions to delay the case, and these took more than two years to resolve. Rich and Green fled before they were indicted, but Williams always insisted that they would show up. At one point, with contempt-of-court fines of \$50,000 a day mounting, Rich’s lawyers agreed to pay the fine and turn over disputed documents. Instead, prosecutors received a call from inside Rich’s New York company saying two steamer trunks full of

documents were being shipped to Switzerland that afternoon. Agents stopped the plane and hauled the trunks off the runway. Rich let the fine run for a year, until the government served restraining notices on his U.S. banks and customers. Then he folded, after having accumulated \$21 million in contempt fines alone.

To avoid extradition from Switzerland, Rich and Green eventually renounced their U.S. citizenship, which, according to Morris Weinberg, made Edward Bennett Williams very unhappy. Rich became a citizen first of Bolivia, then of Spain and Israel.

In June 1983, Rudolph Giuliani was appointed U.S. attorney for the Southern District. By then the case had been going on for 18 months. Yet of all the people involved in the prosecution, it was the specter of Giuliani, the demon prosecutor who threatened he could put Rich away for good, that would haunt Rich through the years. That same specter became a powerful tool for Jack Quinn to use in lobbying Bill Clinton at a time when Giuliani was fresh in the president's mind as Hillary Clinton's fierce original opponent for a U.S. Senate seat.

*No matter how I'm / Beat down, broke down, tore down, wore down, / Fed up, messed up, I still get up.* —Denise Rich's lyrics to "Livin' for Love."

**D**enise Rich taught herself to play the guitar at Boston University, and she originally began writing songs to communicate with her husband, who constantly put her down. "I have a gentle soul," she tells me. "I have difficulty with confrontation. So it's much easier for me to communicate through writing."

Marc expected her to stay home and entertain his business associates. She claims he told her almost nothing about his business. "She was the perfect wife," says a longtime friend of theirs. "She did everything for him." But for years they did not get along. "She wanted to have a career in music, and Marc didn't take it seriously. She wanted to be an artist, creative—she's out there. He's not; he was born with a phone in his hand. But it was his way or the highway."

In 1984 it was not easy for Denise to move to Europe with three daughters and begin life anew as the wife of a man whose companies had pleaded guilty to 78 counts of tax evasion, wire fraud, and making false statements, and who was one of America's most wanted fugitives. On top of that, Denise's sister was dying.

The Riches lived in the tax haven of Zug, Switzerland, and had a sumptuous villa in Marbella, Spain. Heavily guarded by former Israeli soldiers, Marc was not free to travel. But Denise was, and once she began taking trips to promote her music, he began appearing places with a good-



looking, six-foot blonde German woman named Gisela Rossi, the widow of a German-Italian businessman and the mother of two young boys.

By 1991, Denise was spending more and more time in New York, and in 1992 she sued for divorce in Switzerland. With the aid of a well-known attorney, the late Max Lebedkin, she asked for a \$1 billion settlement. Marc's first offer was about \$3.6 million. In 1993, after Marc reportedly moved Rossi into the lakeside villa outside Lucerne that he and Denise had been constructing, Denise's fury spilled out in an interview she gave to a Swiss magazine: "For 25 years I was a loyal wife and dedicated mother. People gossiped, said he was a crook. But I stood by him. He shows his thanks by cheating on me with another woman and publicly humiliating me and my children."

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As the fight wore on, all three daughters went through health crises. "Gabrielle had cancer, one was anorexic, one had a back operation," Denise says. By then she was ensconced in New York and independently wealthy. Her father had given Marc money to start his company, and in 1990, when Denise and several partners redeemed their shares in Marc Rich & Holding Co. AG, Denise's 13.9 percent was worth, according to court documents, \$165 million.

**A**aron Richard Golub, who had delivered groceries to Denise's house in Worcester, when his father owned a grocery store and her father owned the shoe factory, became her New York attorney. Golub knew that Marc Rich was a master of assets subterfuge, and he drove Denise's legal team to work such long hours that one lawyer quit because her hair began to fall out. Golub tells me he had no choice: "Marc Rich uses lawyers the way carpenters use nails. Lawyers and rabbis are his pawns."

The prominent Washington attorney Lloyd Cutler was hired by Denise to see how she might benefit from congressional hearings held by Democrats in 1991 and 1992 to find out why a company owned in part by a wanted fugitive had been able to sell \$45.5 million worth of nickel to the U.S. Mint, and why another Marc Rich company had managed to collect \$55 million in U.S. grain subsidies. The embarrassed federal government ceased doing business with Marc Rich.

After countless trips to Switzerland, Golub felt he could pinpoint assets of Marc Rich's totaling at least \$1.4 billion. Using Swiss law, Lebedkin got Swiss authorities to institute a criminal-fraud case against Rich, charging that in 1988 Denise had turned over \$39 million worth of her shares to him to start a charitable foundation, and that he had not only failed to put up his half but also used some of her money for his own purposes. Marc's lawyers dismissed the charges as totally without merit. Nevertheless, when Rich was hauled into court in Zurich to testify, according to Golub, he became so agitated that he turned cherry-red and shouted to the court, "Scheisse" (shit). In the end the case was dismissed, because the statute of limitations on family fraud had run out. Meanwhile, Lebedkin applied heat in Israel, telling journalist Mody Kreitman there that Rich should watch out: "If he goes to Israel, that's all very well, but the last thing he needs is for the airplane to get engine trouble and land in Cyprus."

**G**olub's strategy was to take up where the U.S. government's case against Rich had left off with regard to the valuation of his former U.S. company, Marc Rich International. During his tax-fraud investigation, Rich, to avoid having his assets seized, had "sold" controlling interest in the company to a partner and changed its name to Clarendon. A judge saw through the ploy and did not allow it to affect the tax-fraud charges, for which Rich paid a \$159 million fine, with money obtained through California mogul Marvin Davis for the 1984 sale of the half of Twentieth Century Fox that Rich then owned. Once the case was settled with the U.S. government, however, Clarendon technically remained in the hands of a partner, and thereby out of reach of any claim to it by Denise.

In 1993, Golub filed an affidavit from Denise seeking to remove the trustees and a law firm from a trust established for the Riches' daughters. She claimed there was a conflict of interest, because the firm and trustees, while advising her, were really working for Marc. The law firm was not dismissed, and the rest of the case was still pending in May 1996, when, on the eve of the day Marc Rich was obliged to produce his financial records for the Swiss court, he retained a California lawyer to negotiate a settlement with Denise's father. The divorce became final in June 1996, while the couple's daughter Gabrielle, then 27, was living with Denise in New York and undergoing chemotherapy.

The terms of the settlement remain confidential. In addition to the \$165 million Denise had redeemed for her shares in Marc Rich's company, informed sources estimate that she collected between \$100 and \$200 million in her final divorce settlement.

*The worst thing that can happen to you is to lose a child. I changed so much. —Denise Rich.*

**G**abrielle Rich was 23 in 1993, when she felt a small lump under her jaw. Her sister Ilona remembers a doctor telling Gabrielle not to worry about it. Six months later the lump had progressed to stage-four Hodgkin's lymphoma.

In May 1996, Gabrielle moved from California to her mother's Fifth Avenue apartment to undergo a course of chemotherapy. That July she summoned Brad Boles to her room and said, "Brad, you're from Seattle. I have decided to go to the Fred Hutchinson Cancer Research Center there for a bone-marrow transplant." Denise was going to give Gabrielle her bone marrow.

"They tell you it's like being kicked by a horse, but it's really like being in a very bad car accident," Boles says of the procedure Denise endured for her daughter. "Mommy, I'm looking at your bone marrow—it's the color of red wine with gold specks," Gabrielle told her. "You're giving birth to me again!" Denise rejoiced and said it was a miracle.

The euphoria was temporary. Nine days later Gabrielle developed a staph infection, and there were indications that her liver was failing. "Denise decided she needed all the help she could get," says Boles. The call went out, and soon the hospital corridor was full of "Orthodox rabbis, Buddhists praying on sacred mats, Hindus, Christians reading from Bibles."

Marc and Denise began to speak for the first time in years. "At one point he wanted to come, and Gabrielle just didn't want it. God forbid something should happen to him," Denise Rich tells me. "His pain was so great, but I had no strength for that—to deal with his pain." Boles says, "There was so much speculation whether he was going to come into the country or not, disguised as a doctor or an orderly. In the end he didn't enter the country. He made that choice—he decided his freedom was worth more." Ilona tells me, "It was really hard for him. He wanted to come back. We have a video of Gabrielle cooking—she loved to cook—and she's saying, 'All I want is my dad, to get him back—I want him to come back.' I never showed it to him."

By August, Gabrielle had slipped into a coma, but she came to for a moment when she heard a string quartet outside her room, arranged for the birthday of Philip Aouad, her constant companion, who was with her all during her illness. By early September the prognosis was so bleak that Gabrielle's doctors reluctantly gave in to Denise's request to try an alternative treatment. A liquid-vitamin formula was flown in from Germany, and Boles got immune-system boosters from an AIDS doctor. But nothing helped. Two days later, according to Boles, the doctors told Denise, "You have to make the decision whether to put her on life support."

Boles stood outside Gabrielle's door, and at 10:22 p.m. he heard a whooshing sound stop. "For seven minutes it was so silent you could hear a pin drop. Then I heard this wailing and

shrieking, and I knew she had died.”

Marc Rich was informed by phone. “We spoke, but he was so devastated,” Denise says. “I didn’t find comfort in speaking to him. My strength came from God. I had a vision of her when she died—she was walking with my mother and sister.” Gabrielle’s death allowed Denise to come to terms with the man she hated. She says, “After you’ve lost a child, you don’t ask questions anymore. There’s a forgiveness that goes on after you’ve lost a child.”

Before Gabrielle left New York for Seattle, she had asked Boles to buy a safe she could keep in her room. After her death, Philip Aouad opened the safe to reveal a wedding ring and a note from her in a manila envelope informing her family that the two of them had secretly married in 1993.

The next time Denise Rich saw Bill and Hillary Clinton, in a receiving line at a 1996 White House Christmas party, they both hugged her and told her that they too believed that nothing compared to having a child die. That meant a great deal to her, she tells me.

*When Marc Rich’s head hit the pillow every night, the last thing he saw was Ken Hill’s face.* — James Comey, assistant U.S. attorney.

**F**or 14 years, until he retired in 1997 at age 50, Ken Hill was the U.S. marshal in charge of tracking down Marc Rich and bringing him to justice. He has never before spoken on the record to a reporter. Hill probably knows far more about Rich than Rich’s own family does. “The philosophy was simple: I could make a thousand mistakes—he couldn’t make one,” Hill tells me. “The only place I could slow him down was in his mind. I contacted anybody and everybody I could to let him know we were on his trail.” Hill now teaches diving in Florida and observes that spending a lot of time underwater is similar to his old occupation: “cold, dark, and lonely.”

In the first seven years alone, Hill pursued more than 1,400 “investigative actions” and followed the activities of 37 of Rich’s close associates and important business contacts in 33 countries. Competitors who were “appalled by Rich’s business practices” were more than happy to give Hill inside information. “I was shocked by the numbers of people who came forward,” he says. “He screwed a lot of people to get where he was.” Some had code names—Concorde, Empire, Merlin, Trader. “I was the Riddler,” Hill tells me, “because it was always a riddle or a puzzle trying to figure out what would or could happen next.”

Some sources assisted because they found themselves in dire straits, for example Ivan Boesky, the jailed financier, who had moved into Rich’s former office space, and who told Hill

something he never forgot: “Just remember, there are very few people in this world who can lend each other a billion dollars no questions asked.” Rich flourished as a lender and a barterer with Third World and Eastern-bloc countries which were strapped for cash or in debt, and which had commodities for collateral that Rich could get hold of and sell for fat profits. When I inform Hill that British customs agents recently seized a briefcase containing \$1.9 million in cash which Rich was sending to London, he replies without hesitation, “The first thing I’d do is check which head of state or oil minister was visiting London that week.” Hill continues, “The smoking gun is greed. This is what Marc thrived on—the greed of those who had commodities and were in positions of influence and power.”

“He probably had every oil minister of these countries,” says one of the world’s top independent oil traders. “From Nigeria to Russia, everyone was on the payroll of Marc Rich. Dollar for dollar in his time, no one, including sheikhs, had more money than Marc Rich.” He adds, “You have no idea the strength this man had in the world economy.”

“He virtually hijacked Jamaica’s economy,” Hill says. “He involved himself with Venezuela, Angola, Romania, Yugoslavia, Bulgaria, and North Korea.” Sources told Hill that Rich was trading with the North Koreans, for example, through the Russians, who by the mid-90s, Hill says, were “coming over here in droves, looking me up, looking to get revenge on him. He was just ripping them off, manipulating their ministers and politicians better than they were.” Rich, however, has repeatedly refused to discuss his international business relations.

Rich once was the bauxite trader in Jamaica; he is rumored not only to have prepaid Jamaica’s debt to the International Monetary Fund but also to have financed the country’s 1988 Olympic bobsled team. Wherever Rich went, says Hill, he made his own rules. “I had a South African law-enforcement contact [during the time of the trading sanctions against South Africa]. I called and said, ‘Is it true at least 6 percent of your oil is coming from Rich?’ He said, ‘We’ve been friends for a long time. Don’t call me anymore.’”

**I**n May 1991, Hill detained former Venezuelan president Jaime Lusinchi when he was passing through New York’s J.F.K. Airport with his longtime female companion, Blanca Ibañez. She was traveling on an expired tourist visa, and there was an Interpol warrant for her extradition to Venezuela. Hill had received information that Ibañez was a possible conduit for payments from Rich to certain officials within the Venezuelan government, which had banned him several times—once when it was reportedly found that boxcars he was trading to them from Brazil for Venezuelan iron ore had actually cost \$3 million less than he was charging. Hill had hoped to enlist her aid, but he shows me a document the Immigration and Naturalization Service received from the American Embassy in Caracas “requesting” the I.N.S.

not to detain Ibañez. “It’s a chess game, because the I.N.S. had a piece of paper from the U.S. Embassy in Venezuela saying they’re friends—let them go.” Hill never knew why.

Hill saw a pattern over and over again whereby “Rich through his department head would make a longtime offer for a country’s commodity at the fair market value or higher. But there are two sides to the deal.” The good side, Hill explains, was that the country would have its product contracted for at a decent price and in some cases have its debts paid off as well. In return, however, “Rich became the sole provider of energy needs, grain, gas, oil, coal at a higher-than-fair rate, and since he controls the commodity, he controls the country.” Then the opportunity always existed to have inside cooperation in order to “get more of his commodity than he actually paid for. These practices drove U.S. businessmen up the wall. How could they compete?”

“No matter where I was in the world, he was always ahead of me,” says Douglas Jaffe, who comes from a wealthy Democratic Texas oil family and outfits private jets. “In Romania in 1990–91, he was in control of all their resources, all their trades.” Jaffe calls Rich a “mastermind,” who dictates to any number of “heads of state. They like him because he gets things done, he’s practical, he understands. A lot of these guys were thrust into their positions and have never dealt in the capitalistic world. They’re used to the Communist Party, where orders came down from the top. He had to go in and explain things, explain how they work.”

One thing Hill learned, he says, is that Rich never comes at anything directly. Hill was told by a competitor of Rich’s that when Rich lost a bid to mine a metal deep in the Amazon rain forest he lent his “silent support and perhaps a million dollars to an environmental group that picketed and sealed the routes to and from the mine.” When the competitor did not renew its contract, “Rich bid at half the going rate, and everyone thought he was crazy. He then withdrew support from the environmental group, which eventually went away.”

“He’s a man who makes his greatest profits in places where markets function badly, either because of corruption or ignorance, or because a particular country is a pariah state or isolated by sanctions,” says Paul Klebnikov, author of *Godfather of the Kremlin*, a biography of Russian oligarch Boris Berezovsky. “He came in and became Russia’s largest single trading partner for commodities and helped pioneer a system of fraudulent foreign-trade deals involving setting up shell companies, double contracts with secret kickback clauses, bank accounts in Switzerland, and whole banks set up in the Cayman Islands and South America.” Along with the K.G.B., Klebnikov says, Rich “served as the teacher of a new breed of corrupt Russian traders, who looted the country’s natural resources, which ruined the economy and bankrupted the government.”

**K**lebnikov quotes Rich saying in a Russian press report from the early 90s, “[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 making intolerable commercial demands.” “Yes, we bought for a small amount of Russian rubles and sold for a large amount of dollars,” Artyom Tarasov, a former member of the Russian parliament and “the first official millionaire in Communist Russia,” tells me. Tarasov, who now resides in London, was one of Rich’s first facilitators in Russia. A veteran of scandal himself, he says that since the ruble was not convertible to the dollar then, “it couldn’t be evaluated.” Therefore, there was nothing illegal in getting Soviet crude at the insiders’ price and selling it on the world market for much more. “Rich made a lot of money in Russia with officials, because they did not ask him to return dollars—they asked him to return barter,” says Tarasov. “They did not know how much he spent in Argentina to buy grain instead of oil.... The profit could reach 100 percent, 200 percent, because nobody was certain what Rich paid for Argentine meat or Brazilian coffee.” Once the Russian Mafia—especially those in the aluminum business—began to catch on, though, Tarasov says, Rich’s welcome was worn out, and his company Marc Rich & Co. “had to change its name.”

**‘W**e had no clear tax system here, no clear regulations—that’s why everything was done a little bit illegally,” Konstantin Borovoi, founder of the Russian Commodities and Raw Materials Exchange, tells me. Borovoi says Rich became “sort of an awful capitalist for Russians. He was the dangerous face of capitalism in Russian eyes among ordinary people.” Last February, Rich sold a substantial business to a London subsidiary of the Alpha Group, which is run by two of Russia’s biggest oligarchs. But his “pop-up factor” in Russia, as in many other parts of the world, is well known to U.S. intelligence. “If anybody stopped to ask what the guy’s been doing since he left the U.S.,” says retired C.I.A. Russia analyst Fritz Ermarth, “you’d find out he was very prominent in gray and black markets”—particularly the aluminum market.

Just as Marc Rich’s name popped up to investigators of the notorious B.C.C.I. banking scandal in the 90s, causing him to be listed in the appendix of the official report issued in December 1992 by the Senate Subcommittee on Terrorism, Narcotics, and International Operations as one whose business with the discredited bank “requires further investigation,” his name also popped up in the murky shadows of a \$2.7 billion lawsuit between two Russian aluminum magnates filed in federal court in New York last December by Robert Abrams, former state attorney general. “The world of aluminum trading is filled with incredible acts of treachery,



including murder, extortion, money-laundering, bribery, and corruption of public officials,” Abrams tells me. “Rich is a player in this whole milieu.”

In many areas, Hill says, Rich “wore his fugitivity as a badge of honor: ‘I’m not an ugly American—I’m a fugitive.’” In Israel, which receives more American aid than almost any other country, and where money-laundering is still relatively easy, Rich and Green were always afforded full protection. Rich, with his charitable donations totaling \$100 million, is one of the biggest philanthropists in Israel.

At one point during the Gulf War, Hill says, he learned that Pincus Green and his son were stuck in the King David Hotel in Jerusalem while Scud missiles were falling around them. Hill phoned their room, and Green picked up. “Wouldn’t it be easier to come back and surrender than go through a Scud attack?” asked Hill. Green hung up on him. “Other white-collar fugitives, like Eddie Antar [owner of the Crazy Eddie stores], fled to Israel, and the authorities there were fully cooperative [with us],” Hill says. “Why wouldn’t they help us capture those two? With Israel, it was like staring into a black hole. The irony is, Israel was more than forthcoming in asking for a pardon.”

*The only people who think Marc is a swindler, and a crook, and a forger, is Mr. Giuliani and the Justice Department—nobody else. —Gisela Rossi Rich.*

**A**s Marc Rich’s chauffeur drives me up to the Villa Rose, the lakeside manse just outside Lucerne where Rich lives with his second wife, Gisela Rossi Rich, he phones ahead and the iron gates swing open.

Rich, who was born in Antwerp, Belgium, considers himself a European, even though he was raised in Kansas City and New York after his family, to escape Hitler, had crossed Vichy France and booked passage in 1941 on an ocean liner from Morocco. Like Denise’s parents, they found success in America; his father owned a burlap-bag factory. Rich’s view of Lake Lucerne with the Alps beyond is striking, and in the house’s beige living room with red accents, two needlepoint pillows on leopard-print chairs announce, it’s expensive being rich and i don’t think we’re in kansas anymore, toto. Although there are paintings by Braque and van Gogh on the walls and the villa is luxurious, it is quieter, smaller, and less dramatic than Denise Rich’s penthouse. Rich, who is 66, has clearly opted not to talk to me. He has made plans to go helicopter skiing, but he leaves his vivacious wife to deal with me in her rapid-fire English. She is loaded for bear.



Gisela Rich has a trim, wealthy air about her. While carefully casual in jeans and loafers, without makeup or rings, she is poised and attractive. Over a lunch that begins with Galician broth and ends with an apple tart, she keeps emphasizing that her husband is an honorable man, who was given “very bad legal advice” from the late Edward Bennett Williams to “stonewall” the U.S. government. “But that doesn’t make him bad,” she says. “He started working when he was 17, so he is in a business—very volatile, the commodities business—based on integrity, reliability, and also trust. Nobody ever had any lawsuit or anything with him.”

The very idea that there was a calculated campaign for a presidential pardon is absurd: “That’s the whole misconception. Marc basically gave up on the idea through proper channels—the Justice Department, whatever. Nothing ever worked.” In fact, she says, he was very pessimistic when Avner Azulay, the former Mossad operative who runs the Rich Foundation in Israel, urged the pardon route. And former White House counsel Jack Quinn, who presented the petition to the president, was at the very least cool to the idea. While visiting them, he said, “I don’t think this will ever work.”

**G**isela insists no money for a pardon ever changed hands between Marc and Denise, especially any intended for the Clinton Library. “She has a life of her own in New York. She likes the Democrats, and she contributed for years and years and years, and that has nothing whatsoever to do with Marc. She has enough money of her own—everybody should know that. She doesn’t need a couple hundred thousand from Marc.” Nor, she says, has Marc’s generosity been in any way targeted to curry favor with the dozens of V.I.P. Jews who wrote letters for his pardon petition both in Israel and the United States. “Do you think he made all the charitable donations in his life in the last 30 years because one day some American president is ... going to give him a pardon? That’s so far-fetched. And the money given from Denise came from him for the pardon? That’s ridiculous!”

Why did Marc Rich want the pardon? “The main reason is to be able to travel, to go there to see Ilona, to see Daniella, to see the three grandchildren, who are very cute, to visit his daughter’s grave, and to see his father’s. You always have this weight on your shoulders, not being able to travel anywhere—even if you don’t want to. But it’s a good feeling if you can, and that’s the only reason.” I ask her where her husband can travel, and she answers, “Spain and Israel. That’s about it.”

When I suggest people are outraged because they consider Marc a fugitive who renounced his American citizenship and traded with the enemy, she corrects me. “‘Fugitive’ is also a word

which doesn't quite fit, because he had a Spanish passport, so he's not a fugitive, he's a citizen of Spain, and he had a company in Switzerland a long time. The argument is, and there is a point, why did he not stand trial at the time? But if you see the media frenzy now, the hysteria, it's almost like a lynch mob." Marc, she says, was afraid he would receive the maximum sentence of 360 years in jail.

"Can you imagine?" she asks me. "Not even a serial killer gets that much. Unbelievable! If you're a child molester, you get six months to one and a half years. I think it's completely out of proportion. Do they make a big fuss out of rapists, about organized tourists to child brothels in Bangkok or in India, where American and European men go to have sex with five-year-olds? Why are the journalists not there, shooting through a hole in the wall and putting those guys on the front page?"

Gisela maintains that they were really stunned that he received the pardon. "I tell you frankly, when we heard it was done, we couldn't believe it! I said, 'No, Marc, there must be some mistake.'" Avner Azulay called with the news very early on January 20. "We were in [our house] in Saint-Moritz, in bed. It was four o'clock in the morning."

There is a six-hour time difference between Switzerland and Washington. According to testimony given by Justice Department pardon attorney Roger Adams to Congress, the Pardon Office was notified about Rich shortly after midnight. Therefore, Rich heard that he had been pardoned two hours before anyone in the White House told the U.S. Justice Department. It was already after six a.m. in Switzerland when someone in the White House counsel's office finally got around to asking Justice to obtain the F.B.I.'s criminal-record checks on Rich and Pincus Green, who also received a pardon. The White House said they would probably not find much, because "the two men had been living abroad for several years."

*I believe that if a political decision was made at the highest level of this government that we go apprehend Marc Rich and Pincus Green and use all the tools that are available to the U.S. government, we would have Marc Rich and Pincus Green very quickly. —Howard Safir, former director of the U.S. Marshals Service.*

**H**oward Safir was speaking in code when he said that in 1992 before a House committee, referring to an edict that had come down from "the highest level of the Justice Department" instructing law enforcement not to employ "extraterritorial renditions," meaning not to kidnap fugitives, because it was not worth the political fallout. Nevertheless, Ken Hill almost got Rich several times, including once when he hid beside a runway near London's Biggin Hill Airport, holding an early satellite phone, with the knowledge

that Rich was due to land any moment in a private plane. “Ken called me at four a.m.,” says prosecutor James Comey, “to tell me, ‘Damn, the fog hasn’t lifted.’”

For years, Hill and Rich and Green played an elaborate cat-and-mouse game. At Rich’s 50th-birthday party, according to Hill, a boxer representing Rich knocked down a boxer representing a New York police officer again and again. Hill once had a bottle of Rich’s favorite scotch sent to his hotel in Saint-Moritz with a card saying, “Have a drink on me.” One year Hill’s Christmas was ruined when British authorities received information that two men dressed as women and resembling Rich and Green were about to land at Biggin Hill Airport.

Huge sums of money were offered to get the two men off. Morris Weinberg says that in the early days Edward Bennett Williams promised \$100 million to the government to resolve the case. Safir claims he was present at a spy exchange at Templehoff Airfield in West Berlin in 1986 when an East German lawyer offered \$250 million on behalf of Marc Rich. During Clinton’s first term, Douglas Jaffe was approached by the Egyptian financier Adnan Khashoggi to intercede for Rich. “He was prepared to pay a hell of a lot more,” Jaffe says. “Adnan asked me, ‘Is it something you could work on?’ I said, ‘No, it really isn’t.’”

“Every year there was a new initiative,” says Comey, who in 1992 joined Otto Obermaier, then U.S. attorney for the Southern District, at a meeting in Switzerland with Rich and Green and their lawyers. Comey says they had been led to believe that the two men were ready to plead. “But it quickly became apparent to us they wanted to explain their enormous good works and debate the merits of the case. Rich said, ‘I don’t want to spend a day in jail,’ and we said, ‘We won’t make that promise.’” In 1992 the Russian Interior Ministry requested a meeting in Moscow to see if Russia might help capture Rich. U.S. officials proposed that the Russians try to lure him to their country. “They were willing to explore the possibility,” says a Justice Department attorney who was present, “but nothing ever came of it.”

By then Rich was represented by former Nixon White House counsel Leonard Garment and current vice-presidential chief of staff Lewis “Scooter” Libby. Bradford Reynolds, head of civil rights at Justice under Ronald Reagan, also worked for Rich, and for a while Robert Kennedy’s press secretary, Frank Mankiewicz, handled Rich’s P.R. Libby has testified that over the 11 years he did work for Rich (at three law firms) he received more than \$2 million.

**A**t one point Garment hired two tax experts, Supreme Court justice Ruth Bader Ginsburg’s husband, Martin Ginsburg, and Harvard professor Bernard Wolfman, for more than \$70,000. They rendered an opinion that, “according to the facts given” them—which prosecutors insist were far from complete—Rich and Green were technically not

guilty of criminal tax evasion. Comey says Garment came to see him with a flip chart and said, “Yes, it’s true [Rich’s] companies kept two sets of books, and it appears they desperately tried to commit a crime.” But then their actions were compared to those of a car thief intending to steal a car: Having larceny in his heart, he breaks into the car in the dark of night and drives it away only to find it’s his own car! Comey adds wryly that this argument “lacked a certain appeal.” But that opinion is pretty close to the heart of the petition Clinton responded to with a pardon, ostensibly convinced that Rudolph Giuliani’s original indictment was flawed and that Rich’s actions warranted at most civil penalties.

Meanwhile, rabbis from Brooklyn, where the Orthodox Green grew up, also got involved. David Luchins, who oversaw Jewish affairs on the staff of former New York senator Daniel Patrick Moynihan, tells me about a warning he got from the late New York rabbi Morris Sherer. “Sherer said he was offered a million-dollar donation to charity if someone could get through to see Moynihan about Rich and Green.” (No one ever did.) Two other rabbis, Ronald Greenwald, who once worked as a metal trader for Rich, and Milton Balkany, who is currently under investigation for welfare irregularities, also supported Rich and Green. In 1989, acting on a tip from Ken Hill, the office of Elizabeth Holtzman, then district attorney of Brooklyn, wired a source who was present at a meeting with Brooklyn councilman Noach Dear, who is still in office. According to Hill, Dear had attempted to intervene in a property dispute on behalf of Green’s family and had then “speed-dialed” Green in Europe to discuss it. “He should never have been trying to help a fugitive,” Hill says, although the Brooklyn D.A.’s office declined to take the matter any further. (Dear claims the story is “pure fiction.”) Luchins adds, “However much money Marc Rich was throwing around Israel, Pinky Green was throwing it around New York.”

Although Rich’s and Green’s “Wanted” posters remained on the Internet until January 20, 2001, the Oklahoma City bombing in 1995 and threats of further violence took priority with U.S. marshals. Rich never let up, however. His lawyers even offered the United States his help, both in the drug war and in apprehending Tom Billman, another white-collar fugitive. The last and most sophisticated campaign on Rich’s behalf, though, was launched from Israel.

*I want every American to know that, while you may disagree with this decision, I made it on the merits as I saw them, and I take full responsibility for it.* —William Jefferson Clinton, *The New York Times*, February 18, 2001.

Former Israeli intelligence officer Avner Azulay laid meticulous groundwork for his patron’s pardon. For nearly a year, as head of the Rich Foundation in Tel Aviv, he managed an

**F** ingenious campaign on two fronts, in Israel and in the United States, and if the House Government Reform Committee had not obtained the E-mails of Jack Quinn, Rich's latest factotum in Washington, the whole thing might have gone off without a hitch. Instead, the intricate web of charities, diplomacy, credentials, connections, and cunning suddenly unraveled.

At the center of the web were Azulay's ties to Prime Minister Ehud Barak. In January 2000 a scathing report from Israel's state comptroller's office pointed out illegal funding practices in Barak's 1999 campaign. His One Israel party was fined \$3.2 million, and a criminal investigation was launched into the activities of his cabinet secretary, Yitzhak "Bojie" Herzog, the son of a former president of Israel. Herzog denies channeling money from two of Marc Rich's foundations into two phony foundations set up to funnel funds into Barak's campaign. Recent reports in the Israeli press, however, allege that at least \$120,000 of Rich Foundation money went into Barak's coffers. Michal Herzog, Bojie's wife, works for the Rich Foundation. Bojie and his mother both wrote letters included in the pardon petition without mentioning Michal Herzog's connection to the foundation.

**A** lso under investigation is a foundation begun by former Israeli foreign minister Shlomo Ben Ami, who received over \$100,000 from the Rich Foundation. He wrote to Clinton on Rich's behalf and lobbied King Juan Carlos of Spain, who also phoned Clinton to commend Rich.

The Rich Foundation donated \$300,000 to former Prime Minister Shimon Peres's Peace Foundation—the equivalent of a presidential library—on whose board Azulay sat. Peres phoned Clinton on Rich's behalf. Azulay also donated \$60,000 to the cause of "moral purity in public life" through the Israel Movement for the Quality of Government organization, and invited U.S. ambassador to Israel Martin S. Indyk to be a speaker at the closing ceremonies of the annual Marc Rich Seminar in Tel Aviv last December 21. Indyk's name was printed on the invitation, but allegedly after a reporter questioned the appropriateness of the ambassador's seeming to embrace the cause of a wanted fugitive, Indyk did not show. The U.S. Embassy now says the printed invitation was only a "rough draft."

"It's time to move on the GOI [Government of Israel] front," Quinn E-mailed Marc Rich's longtime attorney in New York, Robert Fink, in March 2000, nine months before he personally delivered a two-inch-thick pardon petition to the White House on December 11. The petition contained dozens of letters from "a Who's Who of Israeli society," says David Luchins. It later came out that a number of charities solicited for letters had no idea they were for a pardon

petition, and many of the letters were drafted within days of one another, in English, a language Israeli journalist Mody Kreitman, who has reported extensively on the pardons, says some of the signatories can't write. "Azulay created an outer circle based on people who did not know the real purpose of his plan, and they wrote letters of courtesy," Kreitman tells me. "But in the inner circles mentioned in the E-mails [Peres, Barak, the family of slain president Yitzhak Rabin], they knew about the plan. He created such a small inner circle because he didn't want it to leak." Indeed, in an E-mail dated January 9, Quinn states, "I think we've benefitted from being under the press radar."

**S**imultaneously, Azulay was persuaded to cultivate Denise Rich by Abraham Foxman, national director of the Anti-Defamation League of B'nai B'rith, who, after receiving a \$100,000 contribution from the Rich Foundation, had dinner with Azulay in Paris in February 2000. On March 18, after another attempt to reach out to the court of the Southern District of New York had been rebuffed, Azulay E-mailed Bob Fink and sent a copy to Jack Quinn: "We are reverting to the idea discussed with Abe—which is to send DR [Denise Rich] on a 'personal' mission to No. 1 with a well prepared script."

Denise Rich represented everything Bill Clinton loved most: showbiz glitz, a penthouse that was a fabulous staging area for entertainment and fund-raising in his and Hillary's newly adopted home state, unlimited largesse, and gaga admiration for him. She was definitely his type, and she ingratiated herself immeasurably when she threw a big fund-raising lunch for the Clintons and the Gores that brought in \$3 million right after the Starr report detailing Clinton's affair with Monica Lewinsky was released. Her support has never wavered. "He has so much charisma, who wouldn't be attracted?" Rich says. "He's a very spiritual person."

Contrary to what Azulay has said in published reports, Denise Rich was first approached to consider supporting the pardon late in the spring of 2000. "Denise hesitated—her father was against getting involved—and she struggled until summer," says a close friend. "Meanwhile, several friends of Marc's kept pressuring her to use her relationship with the president." So did her daughters. "They did say, 'Please help,'" Denise tells me. When I suggest that some people feel she supported the pardon in order to ensure her daughters' full inheritance, she denies it. "All I thought at the time was, O.K., he's the father of my children, and if that's what they've asked me to do, I'll do it." On December 6, she signed a letter to President Clinton that she had not written herself: "I support his application with all my heart"—the last four words being exactly the same as those Jack Quinn uses in his pardon letter to Clinton.

**D**enise was the trump card, but she was not enough. Knowing Clinton's White House as intimately as he did, Jack Quinn realized that he needed advocates deep inside the president's most trusted circle. He chose Arkansas lawyer Bruce Lindsey, perhaps Clinton's closest confidant, who quietly dates Cheryl Mills, Clinton's impeachment attorney, who was formerly on the staff of the White House counsel and is now a trustee of the Clinton Foundation. Although Mills was no longer employed at the White House, she too received the pardon petition.

Rather than approach Clinton's chief of staff, former law professor John Podesta, who would undoubtedly have sent the pardon petition immediately to the Justice Department Pardon Office for proper vetting, Quinn sought out Bruce Lindsey on December 13 during a sentimental farewell visit Clinton made to Northern Ireland. When Quinn realized that Lindsey had reservations because Rich and Green were fugitives—the pardon application neglected to mention that they had renounced their citizenship—he followed up with a letter to him on December 19: “Their failure to return to New York was not a crime and no one has ever accused them of a crime for failing to come to the US for a trial.” In an E-mail to Azulay, Quinn said he was working the White House counsel's office “pretty hard.”

Meanwhile, at the Justice Department, according to Roger Adams, the pardon attorney, “none of the regular procedures were followed.” Quinn relied primarily on his friend Deputy Attorney General Eric Holder, one of the highest-ranking African-Americans in the U.S. government. Widely admired, Holder was someone seen to have a limitless future. At that time he was sending Quinn résumés of people on his staff and asking for his help in finding them jobs after Clinton left office. Between November 2000 and the night of January 19, Quinn wrote to and spoke with Holder several times. First he told him he would be sending the pardon application directly to the White House. In early January he called to say he hoped Holder would say positive things about it to the president. Finally, on January 19, Quinn told Holder he would be called by the White House counsel's office about the pardon. Holder later testified to Congress that the opinion he gave, “neutral, leaning toward favorable,” was out of foreign-policy considerations, meaning it would help Barak. He now says he never thought a pardon would be seriously entertained. But at no time during this period did Holder ever attempt to notify anyone at the Justice Department office or the Southern District of New York about the application.

Quinn also turned to his friend and business associate Beth Dozoretz, a trustee of the Clinton Library who had proudly visited the White House 96 times in the preceding two years. A perfect character for a Washington novel, but one you couldn't make up, the aggressively social, thrice-married Dozoretz, a former New York Garment District executive, had come out



of nowhere to become finance chair of the Democratic National Committee (she was later asked to resign) and have Bill Clinton be the godfather of her adopted daughter in a Jewish naming ceremony blessed by a swami. After pledging to raise \$1 million for the library, she solicited \$450,000 of the amount from her friend Denise Rich. Dozoretz, who is married to a psychiatrist who has made a fortune providing mental-health services through state contracts, frequently chats with the president on her cell phone. Although there has been much speculation about the real nature of Dozoretz's relationship with Clinton, her husband, Ron Dozoretz, says she is merely a pal, another shoulder Clinton could cry on after Monica Lewinsky messed up his place in history, and nothing else. "I'd stake my life on it," Dozoretz says.

With her customary can-do attitude, Beth Dozoretz, who is friendly with the Barak family and serves on the executive committee of the American Israel Public Affairs Committee, plunged into helping her friend Denise's very rich former husband. She seems to have been the final arbiter on whether or not to enlist Hillary Clinton in the pardon effort. Denise said no to the lawyers after an E-mail from Bob Fink to Jack Quinn revealed, "Beth warned her not to raise the issue while HRC was in ear shot." Then Quinn E-mailed Azulay on January 10: "DR called from Aspen. Her friend B—who is with her—got a call today from potus [president of the United States] who said he was impressed by JQ's last letter and that he wants to do it and is doing all possible to turn around the WH counsels. DR thinks he sounds very positive but 'that we have to keep praying.'" Denise Rich and Beth Dozoretz were both in Aspen, but they were not staying together, and Dozoretz has claimed the president did not mention the resistance of the White House counsels to her. Nevertheless, she definitely queried the president about the pardon, and like Denise Rich she has taken the Fifth Amendment before Congress, on "stuff Denise has told her," according to a friend. "The president on the phone to two girls in Aspen? Come on," a prominent Democratic senator says to me. "It has to be sex or the library."

Denise Rich brought the pardon up with President Clinton at least four times: in her letter, in a second copy of the letter sent with a cover note written by Marc Rich's attorneys for her signature, in a phone call, and in a brief conversation at a party at the White House on December 20.

**T**he petitioners knew how seriously Clinton would take a major request made by Ehud Barak on behalf of Marc Rich. At the end of his administration, Clinton was pushing Barak—who was locked in a difficult election he was losing—to deliver a Middle East peace agreement, which would burnish the Clinton legacy. In addition, Hillary Clinton was newly elected as a senator from New York, where the Jewish constituency has an outsize



influence. Though Barak originally denied that he had petitioned Clinton, he now admits to having spoken three times on behalf of Rich.

The greatest electoral gift Clinton could have bestowed on Barak—probably over the dead body of U.S. intelligence—was a pardon for convicted Israeli spy Jonathan Pollard, who is a cause célèbre in Israel. Azulay and Quinn cleverly planted the seed in Clinton’s mind that if he couldn’t give the Israelis Pollard he should give them Marc Rich. On January 3, Quinn E-mailed Azulay, Fink, and Kathleen Behan, the other lawyer on the case, after yet another conversation with White House counsel Beth Nolan, who would remain skeptical about the Rich pardon to the end: “Lastly, I told her that, if they pardon JP, then pardoning MR is easy, but that, if they do not pardon JP, then they should pardon MR.” On January 4, Azulay sent the following message: “I am convinced that the President is aware releasing JP will be a big problem with the intelligence community and Mr. R can be included in this since less attention will be paid to him.... If he says no to JP, then this is another reason to say yes to Mr. R.”

On January 19, the Clinton White House was in chaos. Clinton, loath to leave, had not slept in days, and his primary concern was working out a deal with the independent counsel’s office to stave off an indictment over his perjured testimony in the Monica Lewinsky affair. Although Podesta and Nolan and Lindsey all later testified to Congress that they had opposed the Rich pardon, they certainly did not argue against it vigorously after the president received a final call from Barak, which Clinton belatedly spun as a deciding factor. Meanwhile, when the pardon attorney Roger Adams called the White House counsel’s office, who should answer the phone and begin discussing pardon issues but ex-staffer Cheryl Mills, who had been invited there by Lindsey and who also attended a final Oval Office meeting on the disposition of the Rich pardon.

Late that night the White House heard from Justice, following an F.B.I. criminal-record check, that there might be a problem for Rich with arms dealing. Once again the president turned to Quinn, who denied it. Clinton simply said, “Take Jack’s word.”

In congressional hearings, members queried Quinn about his representation of Rich to his old boss the president in a case which ultimately made the president look bad. Shouldn’t Quinn have been more loyal? And wasn’t Quinn stretching a “revolving-door” rule that he had helped write which barred former presidential-staff members from lobbying the White House for five years? Quinn, when pressed on this question, countered that he didn’t believe he was violating his own rule—there was an exception for “criminal proceedings.” Martin Auerbach, who prosecuted the Rich case in the U.S. Attorney’s Office, recognized the classic Marc Rich strategy: “An important piece of Rich’s success comes from information arbitrage—knowing something the guy across the table doesn’t know and getting the guy to betray his primary

allegiance. In this case he gets Quinn to push the definition of lobbying, because it's in Marc's best interests instead of the president's best interests, with a package giving only one side of the story. And he's able to time it so precisely that it can't be checked. What Marc Rich finally figured out is, if you attack the pardon process the same way you attack your business, you will achieve the same result." Morris Weinberg adds, "It's really why [Rich and Green] ran—because they thought money would always resolve everything. Now, 20 years later, it appears they're right."

**D**enise Rich at first appeared to deny any knowledge of the pardon, but then reversed herself. Jack Quinn wasted no time in telling the press that his now former friend Eric Holder had known all about the pardon, and Holder's weak testimony before Congress has dimmed his shining career. Like a deadly virus escaping from a broken vial, the Rich pardon infected everyone who touched it.

After Barak lost the election, the Pollard forces were furious. "I am disgusted," Esther Pollard, Jonathan's wife, told Kreitman in the Israeli daily *Yediot Ahronot*. "Ehud Barak took an active role running Jonathan as a spy when he was head of Israel's military intelligence." Pollard's sister, Carol, tells me, "I wouldn't even want to be associated with that pardon list." Carol Pollard says she was solicited for a million dollars for a pardon for her brother—"no guarantees." "Nobody in Israel cares about an American tax cheat—nobody," says Zev Chafets, an Israeli columnist for the New York *Daily News*. "Those people prostituted themselves.... Why in the world would anyone do anything for him except for money?"

Denise Rich will never be free of being known as the ex-wife of an infamous fugitive, and her usefulness as a Democratic donor and fund-raiser is probably over. Beth Dozoretz is leaving Democratic fund-raising altogether. The State Department has not accepted Marc Rich's renunciation of his citizenship, so he faces serious tax investigations by the state of New York and the I.R.S. for the last 17 years—a sum that could run to hundreds of millions of dollars—should he ever set foot on U.S. soil again. He will also probably have to litigate the issue of his citizenship. Leading Democrats are outraged that Jack Quinn, who has said he got only \$330,000 for his efforts, has put the party and President Clinton in such a compromised position. As for the Clintons, their stock has plummeted. The Rich and other controversial pardons not only raised the specter of new investigations for them but also ruined Hillary Clinton's Senate debut and any chance she may have had to run for president in 2004.

Whether conduits, conspiracies, or quid pro quos will ever be nailed down is doubtful. Marc Rich is far too shrewd ever to have left a real money trail, and bribery is hard to prove.

Therefore, while President Clinton's reasons for the pardon appear indefensible, perhaps one of his closest advisers came near the truth when he told me, "He did it for Denise."

**Maureen Orth** is a *Vanity Fair* special correspondent and National Magazine Award winner.

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