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# *Marc Rich, Financier and Famous Fugitive, Dies at 78*

**By Douglas Martin**

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Marc Rich, a shrewd, swashbuckling oil trader who fled to Switzerland after being indicted on charges of widespread tax evasion, illegal dealings with Iran and other crimes, and who was later pardoned by President Bill Clinton in his last hours in office, setting off a whirlwind of criticism, died on Wednesday in Lucerne, Switzerland. He was 78.

The cause was a stroke, his spokesman said.

Mr. Rich escaped the Holocaust with his parents and became one of history's most successful commodity traders, a billionaire who cornered the market for aluminum, silver and zinc and promoted a spot market for oil outside the control of the international petroleum giants.

Nicknamed El Matador for his steel nerves and razor-sharp acumen, Mr. Rich pushed the limits of legality and, the government said, broke them. In 1983 he was indicted on 65 criminal counts that included tax fraud and trading with Iran when it was holding American hostages.

One of the most serious allegations was that Mr. Rich had misrepresented the provenance of crude oil he sold in 1980 and 1981. Under complicated regulations then in place, newly found oil fetched a higher price than older oil. By illegally marking up the price of old oil and passing it through a bewildering chain of transactions, Mr. Rich sold oil at a markup of up to 400 percent. He was accused of making more than \$100 million from the scheme, avoiding paying \$48 million in United States taxes.

Mr. Rich paid the government about \$200 million in civil penalties but fled to Switzerland to escape criminal prosecution. The Internal Revenue Service offered a \$500,000 reward for his capture, and the F.B.I. put him on its "most wanted" list, along with Osama bin Laden. Even as he remained the world's biggest trader of metals and minerals and lived in opulence, he was called the world's most famous fugitive.

Then, on Jan. 20, 2001 — Mr. Clinton's last day in office — Mr. Rich's name appeared on the presidential pardon list. It immediately became the most debated White House pardon since President Gerald R. Ford gave one to Richard M. Nixon in 1974, and speculation about Mr. Clinton's motivation was rampant.

It was soon learned that Mr. Rich's former wife, Denise Rich, had made large donations to the Democratic Party and the Clinton library, and that Israeli officials, including Prime Minister Ehud Barak, had lobbied Mr. Clinton for the pardon. Rabbi Irving Greenberg, chairman of the United States Holocaust Memorial Museum, also pressed Mr. Rich's case, on museum stationery.

Shabtai Shavit, a former head of Mossad, the Israeli intelligence service, expressed gratitude to Mr. Rich for routinely allowing agents to use his offices around the world and for financing airlifts of Jews from Ethiopia, Yemen and other countries. King Juan Carlos I of Spain also weighed in on Mr. Rich's behalf.

Eric H. Holder Jr., then the deputy attorney general and now the attorney general, advised the White House that he was "neutral leaning favorable" to the pardon. Only weeks later, however, Mr. Holder said he regretted the recommendation.

Mr. Clinton later quoted respected tax experts he had recruited who concluded that no crime had been committed and that the tax-reporting tactics of Mr. Rich and his corporation had been reasonable. But Mr. Clinton, too, came to have regrets, calling the pardon "terrible politics."

Mr. Rich never returned to the United States, nor did American agents succeed in several attempts to seize him and bring him back. A diplomatic technicality thwarted his effort to renounce his American citizenship, but he did attain Belgian, Spanish and Israeli citizenships.

Marc Rich in 1998.

Guido Roeoesli/KEYSTONE, via Associated Press

He was born Marcell David Reich on Dec. 18, 1934, in Antwerp, Belgium, where his father eked out a living peddling factory discards door to door. In the early 1940s, the family moved to the United States, settling in Kansas City, Mo., where they opened a jewelry store. They also changed their surname to the more

American-sounding Rich. In 1950, they moved to Queens, and Mr. Rich's father, David, started a factory to make burlap bags.

Mr. Rich attended the private Rhodes School in Manhattan. His preferred languages were French, German and Yiddish. Calvin Trillin, the author, wrote that he once shared a tent in a summer camp in the Ozarks with Mr. Rich, whom he characterized as the camp's "quietest kid."

Mr. Rich later attended New York University but did not graduate. When he was 18, a friend of his father's got him a job in the mailroom at Philipp Brothers, then the world's largest raw-materials trading company. He was referred to as "the business machine" for his dedication to trading, and made a tidy profit by buying mercury at the outset of the Korean War and selling it to manufacturers who needed it to make batteries for the Army.

By 1967 he was heading the Madrid office of Philipp and had begun to develop ways to buy and sell oil for immediate delivery, rather than relying on the traditional long-term contracts preferred by big oil companies. Some credit him with helping to start the "spot" market for crude oil. He began to buy and sell oil from Iran, then an American ally.

Mr. Rich and his partner Pincus Green, known as Pinky, left the firm in 1974, unhappy with Philipp's conservative approach to trading and resentful of not getting bonuses. They formed Marc Rich AG, which later became Glencore International, a commodities trading behemoth. Mr. Rich sold his 51 percent stake in 1993.

After the pro-American Shah Mohammad Reza Pahlavi was overthrown in 1979, Mr. Rich defied a United States boycott of Iran and continued buying its oil — even as 52 Americans were held hostage for 444 days. He used some of the oil to supply Israel surreptitiously.

In an interview with Daniel Ammann for the book "The King of Oil: The Secret Lives of Marc Rich" (2010), Mr. Rich characterized his Iran deals as simply proper business. "They respected the contracts," Mr. Rich said. "We performed a service for them. We bought the oil, we handled the transport and we sold it. They couldn't do it themselves, so we were able to do it."

Mr. Rich traded with Libya under Col. Muammar el-Qaddafi, South Africa under apartheid (in violation of an international embargo), the Communist dictatorships of Cuba and Romania, and undemocratic Latin American countries. He often did business with countries at war.

He favored loud ties and Cuban cigars, collected Picassos and van Goghs and socialized with Henry Kissinger and Plácido Domingo. He owned half of 20th Century Fox in the first half of the 1980s. He had homes in Switzerland, Israel and Spain.

In 1966, he married Denise Joy Eisenberg, who wrote songs recorded by Aretha Franklin and Patti LaBelle. Their daughter Gabrielle died of leukemia in 1996, the same year the couple divorced.

Mr. Rich married Gisela Rossi in 1998, and they divorced in 2005. He is survived by two daughters, Ilona Rich Schachter and Daniella Rich Kilstock, and six grandchildren.

In 1988, Fortune magazine found that far from facing hardship as an exile, Mr. Rich experienced a “plusher and more pampered existence with each passing day.” The magazine painted a most tranquil scene, sunlight shimmering on the sea: “The enormously gifted fugitive from justice takes another puff on his cigar and sips his wine and decides to take a dip in his \$9.5 million swimming pool. Why not?”

Mark Scott contributed reporting.

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