

Marc Rich Linked To \$9 Billion Money Laundering Investigation

By P.K. Semler
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MILAN, Italy - European prosecutors say that documents identifying Marc Rich - the American fugitive who won an 11th-hour pardon from President Clinton - have turned up during a crackdown on money laundering and the Russian mafia.

While Mr. Rich has not been named as a suspect, prosecutors do not rule out issuing a subpoena or even an arrest warrant for him as their investigation develops.

Magistrates in Bologna said Mr. Rich's name and companies with whom he has been affiliated repeatedly surfaced during "Operation Spiderweb," which was carried out last week by Swiss and European police forces in cooperation with the FBI.

A top executive with Mr. Rich's companies said there was no link between Mr. Rich and the companies identified in the documents.

The operation led to the arrests of 50 persons, and 150 more are under investigation in connection with a \$500 million money-laundering ring.

The probe, one of the largest in recent history, was born out of the U.S. Justice Department investigation of the Bank of New York's role in large-scale money laundering from Russia in 1999.

The "Spiderweb" probe focused on the repatriation of funds from the Bank of New York and offshore centers to Russia through Italian and other European front companies.

"Basically, the Russians were sending all the money that they could out of the country, and at one point, many of the same people decided they wanted

to bring the money back," one Italian investigator said.

"The problem was, as they had illegally sent the money out, now they had to find a way to re-launder, or make their money legal for the Russian authorities. So they decided to use friendly Italian companies to issue false invoices or send goods to Russia and make everything look more or less legit."

Bologna's chief investigating magistrate, Paolo Giovagnoli, said in an interview that his office does not exclude either issuing a subpoena for Mr. Rich as a "person informed about the facts" " a warrant similar to that of an unindicted co-conspirator in the United States " or issuing an arrest warrant if incriminating evidence emerges against Mr. Rich.

"Right now, we have 150 people under investigation and 50 people under arrest and would like to question these people first before naming other people as suspects. Currently, Marc Rich is not on the list of those under investigation, but his name has appeared in relationship with those who are," Mr. Giovagnoli said.

"I cannot exclude that our office will issue a subpoena or arrest warrant based on the testimony of those under investigation," he said.

He said he would send any evidence he uncovers linking Mr. Rich to money laundering to Swiss authorities so that they can decide whether to prosecute him.

Because of his Swiss citizenship, Mr. Rich cannot be extradited from the country that he has used as his base since the 1970s, but recent changes in Swiss law have made money laundering a serious offense with heavy criminal penalties.

Mr. Giovagnoli said he first wants to question Grigori Loutchansky, whose Nordex company has been linked with Mr. Rich.

Mr. Loutchansky, who has Israeli citizenship, is considered by law-enforcement authorities to be a major figure in the Russian organized-crime network, Mr. Giovagnoli said.

"I have an Interpol report that states that Marc Rich was one of the founding partners of Nordex," he said. According to prosecutors, Nordex, a company based in Vienna, Austria, with offices in Germany, Ireland, Lithuania,

Russia, Switzerland and Ukraine, is accused of having had a central role in the money-laundering operation uncovered by the "Spiderweb" operation.

In court documents in Britain, authorities maintain that Mr. Rich was a founding partner of Nordex. They say Nordex was "created by the old guard of the communist regime to allow the exodus of U.S.S.R. Communist Party funds before the Soviet Union's collapse."

Mr. Loutchansky was expelled from Britain in 1994.

Authorities say Mr. Rich's name also surfaces in connection with Benex, a company named in former U.S. Attorney Mary Jo White's investigation of suspected money laundering by the Bank of New York. Italian magistrates say Mr. Rich, as the principal director of Glencore International AG, had a direct relationship with Benex. Although the true owners of Benex were never conclusively identified in Miss White's investigation, Benex's offices, located on Queens Boulevard in Forest Hills, N.Y., shared the same building with two companies connected with Mr. Loutchansky.

U.S. and Italian authorities say that a good part of the money laundered on behalf of the Russian mafia and businesses passed through Benex's Bank of New York account and that from June to December of 1998 there had been a number of wire transfers from the "Glencore of Rich" to Benex for a total of \$178,000.

Authorities were not clear whether the "Glencore of Rich" refers to Mr. Rich's Zug, Switzerland, finance and trading company Marc Rich & Co. Holding Gmbh or Glencore International AG, one the world's major commodity-trading companies with an annual turnover of \$44.5 billion.

Mr. Rich had sold his entire stake in Glencore in 1994, in part because of a messy divorce with his ex-wife, Denise, a songwriter and Democratic Party fund-raiser.

Both Glencore International and Marc Rich & Co. Holding said they never had any dealings with either Nordex or Benex.

Thomas P. Furtig, the chief executive officer of Marc Rich & Co. Holding Gmbh, said without elaboration that the company has never had ties with Nordex and that "everyone knows who are the owners of Nordex."

Mr. Furtig also said that he had never heard of Benex until it was mentioned

in the Italian press.

Mr. Furtig later issued a written statement that "Marc Rich Holding and its subsidiary companies have never been involved in the transfer of funds or stolen assets from the Soviet Union to other countries."

The Observer (16Jun02) provided an update to the reporting of "Operation Spiderweb" and Igor Berezovsky and Oleg Berezovskii (surname spelled both ways). The estimated money laundering has been increased to \$9 billion. That plus the estimated \$15 billion in the earlier stories at Bank of New York, gets us a bit closer to the estimated total of \$300 - \$500 billion in loot from the FSU.

RFE added Nordex to this developing story...

RFE reports that Nordex and Grigori Loutchansky are part of the investigation by "Operation Spiderweb", a European anti-mafia operation conducted by several police agencies. Earlier reports had linked Nordex and Grigori Emmanuilovich "Lucky Loutchano" Loutchansky to such prominent names as Marc Rich (the Mossad operative who was pardoned by President Bill Clinton), Viktor Chernomyrdin (an earlier prime minister of Russia, co-chairman of the Gore-Chernomyrdin commission, and currently ambassador to Ukraine), Vadim Rabinovich (an earlier business partner of Nordex/Loutchansky, adviser to Leonid Kuchma, and currently the president of the All-Ukrainian Jewish Congress), Yury Luzhkov the mayor of Moscow, a failed steel deal with Kazakhstan President Nursultan Nazarbayev and the Israeli Eisenberg group, and the gangster Semion Mogilevich.

<http://www.washtimes.com/world/20020621-417058.htm>