Metal Men: Marc Rich and the 10-billion-dollar Scam Study Guide

Metal Men: Marc Rich and the 10-billion-dollar Scam by A. Craig Copetas

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Plot Summary

"Metal Men" by A. Craig Copetas is, as described in the work's sub-title, "the stunning true story of big money gone berserk." And, no money was bigger than that of Marc Rich. The book follows Rich from his humble beginnings as the son of a low-level Jewish merchant in Antwerp, Belgium, through his rise to never-before-seen power and wealth in the world of metal trading.

Metal traders were a different breed among the commodities traders of the world. There was very little regulation in metal trading and the operations of the traders and the secretive deals they made never made the front pages of Business Weekly. What actually occurred during metal transactions was mysterious and if asked, some traders themselves would have a difficult time explaining exactly all the intricacies involved in metal trading.

Rich's family moved from Europe just before World War II broke out and settled in Kansas City, Missouri. Rich's high school classmates and teachers—those who can remember him—describe him as shy and remote. He did not do well in school and was socially inept. His father opened a business in New York City and Rich began to take school more seriously at his new school there. He did much better in scholastics and showed the flashes of brilliance that were certainly there all along. However, he did not participate in extracurricular activities and made few friends.

Rich's father was highly successful in his new business and paid Rich's tuition for his freshman year at the prestigious New York University. Rich found college boring and a waste of time and when tempted by an executive at a metals company to come on board as a trader, Rich jumped at the chance and dropped out of school. Rich had joined the most influential and successful metals trading company in the world, Philipp Brothers. He soon made a good impression on the executives with his boldness and willingness to do whatever it took to make deals. Rich was considered the most promising young trader who was a quick learner and had an amazing memory.

As time went by, Rich began to resent the relatively small salary he was receiving in comparison to the millions he was making for the company. He left the company after being refused the huge bonus he demanded. Rich carried a grudge against his former company and boss and vowed to ruin them. Although Rich did not quite destroy the company, he certainly left a mark on them that stung for years.

Rich established his own company with his partner, Pincus (Pinky) Green, who was the only business associate in his entire life with whom he developed a close relationship. Rich and Pinky stole a number of key traders from Philipp Brothers and the new company went on to become a key competitor of his former company. Rich elevated himself to dizzying heights when he decided to enter the oil trade industry. By the time Rich's risky and illegal business practices caught up with him, his company was pulling in billions a year.

Rich operated outside rules and regulations and laws his entire career. But when two con-men with whom he had dealings were caught on other charges, they revealed to the feds some of the corrupt practices in which Rich was involved. A bright and tenacious federal prosecutor, Sandy Weinberg, was soon on his trail and though it took him years, he was able to indict Rich and Pinky on multiple charges of tax evasion, fraud and conducting business with an enemy of America. Rich stayed hidden in a safe haven in Switzerland and was never brought to trial. However, Weinberg was satisfied by the huge fines that Rich paid and the fact that the charges against Rich had no statute of limitation. Rich could never return to the United States without being apprehended.

Chapter 1

Chapter 1 Summary and Analysis

Chapter 1

In London, the center of the European industrial trading world, there was a growing awareness of the creeping power of the 1984 Ronald Reagan dollar, which was gaining fiscal strength over European currencies. Some called it the gout season—the markets were virtually paralyzed. Traders were wining and dining new bankers and investors. The metal men were out in full force for the next hot metal that could bring life back into the market.

The metal market could have virtually ruled the world. Investors were not aware that every industry in the world was driven by metal. London was the center of this trading world and because of its geographic position could buy a metal for one dollar from a Far Eastern customer and sell it for two dollars to a North American customer before the day ended. There were few regulations on this market, unlike commodity trading as extolled by Madison Avenue. What many of the transactions that took place in metal trading actually represented were elusive even to the traders themselves. It was a shadowy world in which huge amounts of money were traded and to play in that arena, one had to be "extremely smart, stupid or wealthy" (pg 19). Most metal transactions were done through private channels, a fringe market, which avoided the regulations and controls of standard commodity markets.

Metal men never lost because they played both sides of the market. They were both buyers and sellers depending on the ups and downs of the market. These men lived their lives on the edge, seeking out clandestine financial havens in diverse locations including Panama and Liberia. Only nine of the forty sought-after metals were traded openly. The others, many originating from Africa, were traded under the radar screen. The metal men had the ability to horde these metals until the market tilted in their favor. The main goal of the metal men was to become wealthy but almost as gratifying was the rush they got out of gaining and losing millions of dollars in a matter of moments. In the end, however, they made certain they gained way more than they lost.

The "cowboy" personalities of the traders working in such an unregulated world, created the perfect environment for scams and fraud. Traders of Mineral Resources, Inc. were busted by the FBI in 1981, and were charged with fraud and grand larceny. The grand dragon of Metal Men in the 1980s was Marc Rich. According to the US government, he was the most successful and most corrupt of these 2,000 barbarians. The other metal men were in awe of Rich who could construct deals with the "artistry of a pool shark" (pg 23). The college-drop out loner took pleasure that his lack of credentials did not hold him back from achieving extraordinary success in the murky world of metal trading.

Within seven short years, Rich established a $15 billion empire. He dabbled in other trading, assumed 50 percent ownership in 20th Century Fox and built a glittery restaurant in Switzerland. Rich remained exiled in Switzerland for years, preferring to pay $50,000 a day in fines rather than relinquish corporate records that could land him in jail. He ran his business on the edge, encouraging his well-paid traders to engage in risky business dealings. He had no scruples and no regrets. Rich was well aware that by keeping his billions on the move—some deposits stayed in one bank less than 24 hours—that it would be impossible for the authorities to pin down exactly how much money he had and where it came from. Beyond money, Rich enjoyed his power. He relished risk-taking making the success he gained from it all the sweeter. Ultimately, Rich became the target of the biggest US tax evasion case in history. He got caught because he took more risk than any other trader in the world.

Chapter 2

Chapter 2 Summary and Analysis

In 1984, a rumor penetrated the metal trading world that President Reagan had succumbed to a cerebral hemorrhage. Although there had been no official word from the White House, the story had spread through the trading world like wild fire. Trades were escalating. The demand for precious metals like gold and silver was burgeoning. The traders comforted themselves with speculation that the White House had delayed confirmation of the President's passing until VP Bush made it back from Russia. Gold was being sold but it was in short supply and not physically accessible. President Reagan's passing had fueled demand for the earth's resources. A ruthless fight ensued.

As the afternoon wore on, Reagan's death was still not confirmed although the rumor had grown even stronger in the market. The acquisition of gold was a growing problem. The dollar began to drop against foreign currencies, sending a chill down the spines of the metal men. The market for precious metals had gone bonkers by late afternoon. The metal traders by now were unconcerned whether Reagan was alive or dead.

Doug Lee, also known as Dapper Dan, was the managing director of Intertech Resources. Lee had been hugely successful in the metal trading world, turning floundering organizations into solid success stories. As it turned out, the "death of Reagan" was a scam that was spearheaded by a few precious metal traders in New York on orders from high atop a Swiss mountain. The scam was designed to raise the price of silver which then would force up the price of gold. One of Marc Rich's traders commented that the price of silver rose 20 cents an ounce on word of Reagan's death and wondered who they could "kill off tomorrow" (pg 40). It is not a leap to deduce that Rich gave the orders to spread the tale of the President's demise.

Chapters 3 and 4

Chapters 3 and 4 Summary and Analysis

Chapter 3

Marc Rich was born in Antwerp, Belgium. Before World War II, Rich's father, David Reich, like thousands of Frankfurt Jewish merchants, moved to Antwerp. Reich was a low-level trader, selling and buying anything that would make a profit. Young Marc apparently spent much time alone while his parents focused on their business. However, the overpowering presence of David Reich made a life-long impression on his son.

Fearing the Nazis, the family fled from Europe in the early 1940s and landed in the US in Missouri. Rich was remembered as a quiet high school student who did not leave a lasting impression on teachers or peers, even though he was apparently bright being fluent in three languages. Rich made few friends and participated in no extracurricular activities.

Marc's future did not look particularly bright during his school years in Kansas City. However, he began to take education more seriously while attending Rhodes School in New York where he began to shine. However, he continued to be a loner and made few friends. Those who observed Marc's relationship with his father described it as more master and apprentice than father and son. Although his father footed the bill for Marc's enrollment at prestigious New York University, Marc found it dull and took the first opportunity he could to get out. Marc met Henry Rothschild of Philipp Brothers, the largest raw material trading company in the world, who encouraged him to quit school and become a trader. Rich began his career as a metal man in 1954.

Chapter 4

Rich began his career in metal trading in the impressive McGraw-Hill Building in New York City where Philipp Brothers occupied five entire floors. The company originated in Europe when the two Philipp brothers began a modest trading company that eventually emerged as one of the major suppliers of metal to European industrialists. They eventually established a firm in London which they, miraculously, were able to keep alive during World War I. The brothers set up American offices at the end of the Great Depression and just before World War II. A distant cousin, Ludwig Jesselson was dispatched to help run the operation. Jesselson began a trading career at a young age and by the time he was 25, he was considered a trading genius. Within 15 years after taking the helm, Jesselson, along with Siegfried Ullman, was able to elevate Philipp Brothers to a powerful international trading force. The numerous worldwide contacts that were cultivated by Jesselson became dependent upon Philipp Brothers for their metal requirements.

The company's method of operation was to establish long-term contracts and purchase rights to mines before the first rock was out. They handled every aspect of the process —physical movement, shipping, warehousing, insuring and sampling—building a reputation for service and competence. Jesselson and Ullman were harsh and ruthless in their dealings with customers, intimidating them and cheating them whenever they could get away with it.

Traders at Philipp Brothers were trained to move fast. As soon as they had an inkling of a trade deal, they were to act on it. Jesselson had a kind side and would be considerate of a customer who could not make a payment because he had a sick child or other personal problems. However, Jesselson demanded loyalty for these acts of kindness. If Jesselson had one flaw, it was that he overvalued aggressiveness in his employees. He would often pit one employee against another and would wind up losing some valuable talent.

Chapter 5

Chapter 5 Summary and Analysis

Jesselson's tenure at Philipp Brothers was during an era when relationships were forged by trust, not by corporate lawyers. There was no need for golden parachutes or buy-outs. "Lehrlings" like Marc Rich were trained in-house and considered the leaders of tomorrow. Being advanced merely required the ability to tame the furies of the dynamic markets. Many of the new recruits worked under the tutelage of Sam Fishman, the master mover of the precious metals. Not only could Fishman distribute Philipp Brothers metals around the world, he was masterful at calming the frayed nerves of his anxious customers.

Marc Rich began his career at Philipp Brothers earning $60 per week, working under Fishman from whom he would learn the secrets of shipping metals worldwide. While Rich's contemporaries found him aloof and sometimes explosive, Jesselson seemed to bond with him. Rich was the company's fastest learner and had an amazing memory. Rich began trading mercury and enjoyed an astonishing success by taking risks which greatly impressed the higher-ups.

In 1960, Philipp Brothers merged with the publicly owned Minerals & Chemicals Corporation. Jesselson knew that the company could turn a greater profit if it was publicly held. Jesselson was proven correct as the company soon enjoyed increased profits. Rich, very much on the rise in the company, knew how to play the game. Some in the company sensed that Rich was setting Jesselson up for something—they weren't sure what. However, Jesselson never himself had any such indication. In fact, Jesselson thought of Rich as a son. He sent him abroad to further his education in the trading world. Rich did business with contacts in Cuba, landing there just when Castro had taken over. Marc was told do whatever was necessary to get Phillip Brothers' nickel and copper out of the country. It was Rich's first taste of illegal operations. He returned from Cuba well-schooled on illegal methods of operation.

In 1966, Rich married Denise Eisenberg whose father was the chairman of Desco, Inc., the country's largest shoe manufacturer. Some commented at the time that the wedding was more like a merger than a marriage. In the late 1960s, Mineral & Chemicals Philipp Brothers merged with Engelhard Industries. The company's chairman, Charles Engelhard, was the inspiration for Ian Fleming's "Goldfinger." Philipp Brothers' goal in the merger was to position itself as the middle-man for South America's mineral wealth and to allow South African resources to be brought onto the world market. Anglo-American was created as a "shareholder" of 22 percent of the company's value. Anglo-American, through a Bermuda PO Box, was able to move millions of dollars out of South Africa and became the largest foreign investor in the United States.

With all these deals, operations and millions swirling in his head, 33-year-old Marc Rich was enjoying his position as Ludwig Jesselson's heir apparent.

Chapter 6

Chapter 6 Summary and Analysis

Everyone from bellhops to brokers had similar thoughts about Marc Rich—he was effective but secretive and paranoid. He never developed relationships with his colleagues many of whom had the need to share their angst over the roller-coaster aspect of their jobs with one another. While secrecy in the company's operation was crucial so that deals could not be stolen from them, Rich took it to an unnecessary level. He almost hated to go home and sleep, fearing that he would miss a deal. He was demanding and unfair with underlings and displayed little personality and had no sense of humor.

Solid relationships with banks were essential in the trading world. Jesselson had skillfully nurtured these relationships for many years prior to the Engelhard merger. After the merger, banks were lined up waiting to make loans. Jesselson allowed Rich to use the company's letters of credit to make deals around the globe—South Africa, Russia, China. The trading community admired Rich because he was able to get around many of the rules and regulations that stood in the way of many countries and their corporations. Rich's attitude was to do anything and worry about it later. Risky for sure, but Rich delivered. Rich was a driven man—born to make deals and money. It became his life.

In 1967, Rich became the manager of Philipp Brothers' Madrid office. Rich took no time for sightseeing; he was all business all the time. He antagonized the traders in the Madrid office who saw that his only goal was to make himself look good. During this period, Rich began to drink heavily. He was older looking than his years, due in part to his burgeoning waistline. He began taking amphetamines to lose weight, washing them down with whiskey. Already demanding and cantankerous with his underlings, he became even more on edge from the drugs and liquor.

Rich's goal was to have great success in Madrid, become European manager and eventually take over Jesselson's responsibilities. However, the downturn in industry in the US and other markets left Philipp Brothers with a shrinking customer base. The situation worsened when, in 1971, the dollar was no longer backed by gold, inflicting great damage on the metal market. When OPEC reared its ugly head in 1973, oil prices began to dictate market value. Rich decided that Philipp Brothers should enter into oil deals. He created an oil market that allowed customers to buy oil without dealing directly with the oil companies. Rich branched out to capture the chromium market in Iran. He fostered a long-term relationship with an Iranian broker, Ali Rezai, who was well-placed in Iranian society. Rich was able to parlay his friendship with the broker into meaningful associations with highly-placed Persians.

It was during this time period that Rich became associated with Pincus (Pinky) Green. He was the only person ever to develop a close business association with Rich. They were instrumental in the successful oil dealings into which the company would enter. Rich was well aware that OPEC's demand for more production would lead to an oil glut that the globe could not handle. Rich was unconcerned about the misery the glut would cause, knowing that a smart trader would be able to create a profitable situation from its ashes.

Chapter 7

Chapter 7 Summary and Analysis

OPEC had effectively narrowed oil exports as they continued to make more government to government deals that did not require middle men. However, the demand for oil remained high and Rich, with his unlimited Philipp Brothers' bank roll, fulfilled that demand at whatever price the market would bear. The oil-producing nations were glad to unload their gluts of oil on Rich. Transportation and storage of the oil was a problem for Philipp Brothers. Nonetheless, Rich and Pinky continued to make oil deals usually without New York's knowledge. Although Jesselson believed in his protégé, the Board of Directors was very concerned with the risks that Rich was taking. The company was willing to speculate on commodities but risky oil deals were new and somewhat off-putting to the board.

The Board members were frantic when learning of Rich's oil deal with Iran. In the deal, Rich agreed to pay $5 over the current barrel price, committing some $150 million to the entire deal without first having a buyer in place. Under pressure, Jesselson ordered Rich to find a buyer. Reluctantly, Rich sold the oil for a small profit. He was shaken by the rebuke he received from the Board. His plan had been to hoard the oil until it rose enough to make a good profit, which it did by the end of the year. He had been right and he was incensed.

Jesselson was never comfortable with oil trade because it was a segment of the market that was controlled by forces outside of Philipp Brothers. Rich decided that Philipp Brothers needed its own tanker which would serve as a tax advantage and would allow them to move the oil more easily. When the Board got wind of Rich's plan, Rich was forced to renege on the deal to which he had verbally agreed. Jesselson was upset—it was the first time a representative of Philipp Brothers had reneged on a deal rather than renegotiated it. But Jesselson recognized that times had changed and that the volatile oil market made for different rules. Although Rich was constantly under scrutiny from the Board, he made huge profits in oil trading. Rich was well aware that the New York executives had no idea what went into making these huge oil deals.

Rich was unhappy with the set-up and the constant scrutiny he was under. He wanted to strike a deal that would unnerve Jesselson and the Board and one that would prove to be a grand triumph. Rich had decided to leave Philipp Brothers. He was irritated by Jesselson's unwillingness to pay him what he was worth and wanted to seriously damage him before he left the company. Rich wanted to show the Board that Jesselson was not invincible. Rich and Pinky began to plot what would later be referred to as "The Mutiny." He was hoping that his actions would make other traders follow him and leave the company.

The plan began when Rich and Pinky demanded $400,000 bonuses from Jesselson. When the very frugal Jesselson rejected the demand, Rich vowed to leave. Eventually, Rich and Pinky separated from the company which left behind quite a traumatic effect. The other traders were distracted and annoyed by the incident and by the small amount of money they were paid to make huge profits for the company. Jesselson was made to look ineffective in the management of the company. The mutiny had been a great success. Six top traders left with Rich and Pinky who had begun their own business.

Chapters 8 and 9

Chapters 8 and 9 Summary and Analysis

Chapter 8

Rich set up operations in Zug, Switzerland, a safe headquarters for thousands of public and private trading firms. The town allowed individuals to conduct business by simply putting up a sign. Also appealing to Rich was Switzerland's legendary secrecy laws which allowed for the unrestricted movement of capital. The town of Zug encouraged the presence of anyone with money.

Rich registered his company as Marc Rich + Co. AG. Listed as a trading company, the organization would be allowed to conduct business anywhere in the world under the protection of Switzerland's secrecy laws. Although most competitors were frightened of Philipp Brothers' power, many thought Rich still wanted to extract revenge from his alma mater. The traders who left with Rich were not paid well but were promised a share of the profits. Rich made sure to make quick deals on copper and chrome, which had always been considered Jesselson's specialty.

Rich's first office was in London but after six months, he and Pinky moved their offices to New York City's Park Avenue. The operation was heavily secured with the latest security systems requiring each employee to use special computerized passes for entry. Short of operating cash, Rich had Pinky turn to Ali Rezai, Rich's old friend in Iran. Through this contact, a deal was struck whereby Rich would be provided with a 200,000 barrel supply of oil daily. The relationship with the Iranians, including the Shah of Iran, grew and benefited both parties. In exchange for oil, Rich agreed to finance a German company that was constructing an Iranian power plant.

Chapter 9

Although the Shah of Iran was the leader of a nation that produced 7 million barrels of oil each day, it was a country that was strapped for cash and open to what some called "funny business." Rich and his traders offered bribes to people within the Iranian government. These payments allowed Rich to access more crude oil. Rich made a killing in the seventies, especially in 1976 and 1977 when American demand was at its peak. If Iranian oil was selling for $20 a barrel, Rich could get it for $15 and make $5 on each barrel. Rich's oil sales constituted 50 percent of the oil consumed by America. Rich had become huge in oil and was considered to be on a par with the Saudi sheiks.

Rich targeted Angola and other Third World countries for their oil. He was able to convince the leaders that they would become wealthy if they entered into oil deals through him. Rich lined up Nigerian oil contracts representing 200,000 to 300,000 barrels per day. Large oil corporations like Exxon and Arco reluctantly went through Rich to make many of their deals.

In 1974, his first year in his own business, Rich made $14 million dollars and between 1979 and 1980, according to Swiss records, he earned $367 million. The quick rise in revenue was attributed to Rich's cozy relationship with Iran. The minimum oil deal Rich would make was 100,000 tons and a deal that small was rare. He continued to buy oil at cheaper rates from governments and sell to oil companies at huge profits. Rich continued to wield his power and offer bribes whenever it was to his benefit—including a reported $1 million payoff to a Nigerian transport minister. He always kept the upper hand with the countries with which he did business because he knew if he didn't, he'd get swindled.

An epidemic comically named Richophobia swept through Philipp Brothers. Insiders feared that Rich was somehow infiltrating the company and stealing their telexes and secret files. The executives feared that their phones were bugged. Rich did steal employees. He'd seek out disgruntled employees and offer them three and four times the salary they were making at Philipp Brothers. Rich was not above any guerrilla tactics as long as it hurt Philipp Brothers and helped him. Jesselson met with Philipp Brothers' suppliers, trying to convince them not to deal with Rich. The psychological effect that Rich had on Jesselson and Philipp Brothers was devastating.

Rich's power and influence and wealth grew by leaps and bounds. He soon had some forty operations in thirty countries and the net worth of his company swelled to $1.5 billion. By 1980, sales reached the $12 billion range with profits channeled through some 48 secret companies peppered across the globe. For $1,650, Rich incorporated his operations in the Republic of Panama which served as a very effective tax haven. The company had so much cash in various accounts that the interest it earned covered salaries and overhead. Rich was both feared and admired in the trading world. He was a genius, becoming a one-man cartel at the expense of his former company.

Chapters 10 and 11

Chapters 10 and 11 Summary and Analysis

Chapter 10

A Philippine chromium mine owner invaded the Manila offices of Philipp Brothers at gunpoint, demanding that the chrome he supplied them be returned to him for non-payment. Philipp Brothers' representatives feared for their lives and allowed the man to take back his ore. The New York office was furious because the man had been paid in full. Soon Rich was transporting a large shipment of chromium from the Philippines. No one could actually connect Rich to the armed attack, but there was plenty of speculation.

Rich was not intimidated when all his contacts in Iran were either killed or in exile when the Ayatollah Khomeini took over government control. While all other traders fled Iran fearing for their lives, Rich took out new ads in the trade papers proclaiming that he would not be run out of Tehran and would remain there to conduct business as usual. One bump in the road, however, was that now doing business with Iran was a U.S. crime and considered treasonous. Undaunted, Rich continued his deal-making for Iran crude, filtering his money through his kaleidoscope of bank accounts. Rich, taking his treason a step further, often paid for Iranian oil with small arms, automatic weaponry and rockets that were purchased outside the U.S.

Chapter 11

In the spring of 1981, Rich found himself badly in need of a tax shelter. He was convinced by an oil company executive to purchase 20th Century Fox. At first Rich was hesitant. He was a private man and a Hollywood venture might shine the light of celebrity on him. His wife, Denise, who was interested in the movie and music industries, was anxious to make the deal. Rich created a Netherlands holding company and, as a silent partner, bought 50 percent of the voting stock of 20th century. A short time later, Rich purchased the remainder of the company with cash. His ownership of 20th Century remained a secret for six months.

Once word got out that Rich was the mysterious purchaser of the studio, he received unexpected positive feedback across the globe. Buying the studio, he said later, was the best thing he ever did for his image. Everybody loves the movies. He saw to it that his customers received tapes of all the movies and TV shows they wanted. He offered Third World countries support in developing fledgling film industries. All these activities were done with only one goal, which was to enhance his trading business. Gaining prestige by his ownership of a legendary Hollywood studio, Rich developed relationships with important people. Henry Kissinger became a regular visitor to Rich's offices. A former Rich executive was under the impression that Rich picked Kissinger's brain for information not available to the general public. Rich was not above using anybody to further his ambitions.

Chapters 12 and 13

Chapters 12 and 13 Summary and Analysis

Chapter 12

Marc Rich's only hiring standard was that his traders possessed the necessary grit and steady nerves to do anything it took to make a deal. He was not concerned with background or education. He paid them well but he expected extraordinary success and demanded loyalty and secrecy. The traders working for Rich were both stimulated and paranoid. Business was inspired by intimidation and fear. The traders were well-compensated for their deal-making but were expected to gather intelligence by wining and dining competitors. Rich paid for everything from cocaine to prostitutes in hopes that he may gain a small scrap of intelligence about his competition.

Rich's new office, atop a ritzy Fifth Avenue skyscraper, was cutting edge and reminded people of the starship Enterprise. Rich spent a million dollars on his lobby's décor alone. He did not allow his employees to have personal items in their offices and would inspect offices at the end of the day to make sure no secret papers were lying out on desks. The yearly performance reviews that the dead-eyed Rich held caused a great deal of angst among his traders.

Rich was greatly disappointed by two employees. One employee embezzled some $3 million. Rich caught him and demanded his resignation but, for obvious reasons, did not call in law enforcement. Another employee in Malaysia tried to drive up tin prices by hoarding a massive amount of the resource. However, he held it too long and lost Rich $150 million.

Rich was a lonely man whose only interest was the next deal. On Friday nights, he would often sit alone in his penthouse office, drinking whiskey and calling around the globe looking to make a deal.

Chapter 13

Rich's chief operations officer in Thailand was found murdered in an empty apartment in the village of Eze, France, on the Mediterranean in April 1983. It was apparent to the police that the man, Edmond Mantell, had been tortured to death. Mantell had never been a great trader but Rich kept him on because he was willing to be a "lost boy" in a far off land and he was fluent in Thai and some Chinese dialects. One talent Mantell possessed was his wizardry with the countertrade. The countertrade was a popular practice in some Third World countries in which the seller helped his customers increase exports of other products to offset the costs of arms. Thailand was a politically volatile country and Mantell was usually able to stabilize such sensitive situations by promises and payoffs.

A colleague who was the last Rich employee to see Mantell alive commented that Mantell seemed very worried about a deal on which he was working, but would not divulge what it was. He apparently fled Bangkok with his wife in January 1983. He traveled to Germany and Monte Carlo and Nice. No one knew why he had made such a quick departure from Bangkok but everyone agreed that he must have found himself in a difficult, untenable situation. Mantell's ritualistic murder seemed to tie it to Bangkok. However, the police could find no connection to Thailand. Ultimately, two Swedes were arrested for the murder.

Most in the trading world believed the murder was an act of revenge for a Rich deal gone sour. The most popular theory was that a Thai group had sought revenge against Mantell who had demanded a return of money in a deal he had brokered for the purchase of arms that later proved to malfunction. The murder sent shivers through Rich's company. The traders, though making outstanding incomes, began to wonder what they were doing there and when it might all blow up in their faces.

Chapters 14 and 15

Chapters 14 and 15 Summary and Analysis

Chapter 14

Rich was unconcerned with the personal behavior of his traders. Many were young and partied heavily and consumed their shares of drugs and alcohol. Rich also did not care what steps his traders had to take to close a deal. Many of the traders bragged about making bribes yet staying out of jail. Rich's core team of traders dubbed themselves the Heavy Metal Kids. Within a year after Rich established his company, there were over twenty Kids in the trading group. These traders were given the opportunity of partying with customers at a posh gathering in London each year.

One Kid got wound up in an impending rebellion in Zaire's Shaba Province. Since sixty-five percent of the world's cobalt is mined there, the trader managed to hoard a huge amount of the ore. After the unrest settled down, the trader made a huge profit for Rich. The most popular kid was Robbie Lichtenstern who was Rich's aluminum chief. One of the first traders to leave Philipp Brothers to join Rich, he was the epitome of the high-spirited trading group. Robbie became a great metal trader because he loved to gamble. The inherent risk and rewards in metal trading suited both his personality and ambition. He partied and caroused with the best of the group. But Robbie, unlike Rich, drew the line at cheating his clients.

By the early 1980s, Robbie began to feel he had sold his soul to Rich and wanted out. The job was too pressurized and, Robbie felt, no longer worth it. Unfortunately, Robbie was never able to get away. He died in 1984 of a cerebral hemorrhage at the age of forty-six. Three-hundred people attended Robbie's funeral but Rich and Pinky were missing. However, present at the funeral were a Scotland Yard inspector and a U.S. Justice Department representative hoping that Rich and Pinky would show. But Rich and Pinky were hidden away in Zug. They were wanted by the U.S. government on a fifty-one count indictment for racketeering, mail and wire fraud, tax evasion, conspiracy, price fixing and potentially a charge of treason for their dealings with Iran. They were being charged under RICO (Racketeer Influenced and Corrupt Organization) laws.

Chapter 15

The Arab oil embargo made the oil business one of gluts and deficits which opened the doors to manipulation and corruption. Quick profits could be made by shady traders who would simply pass paperwork through several oil traders. The process was called "daisy chaining" or "flipping the price." Unsavory traders took advantage of new US laws and manipulated oil classifications and pricing to their advantage. By 1978, the U.S. Department of Energy determined that over 200,000 barrels of old oil had vanished. It was learned that between 1973 and 1981, some 400 million barrels had disappeared.

During a congressional hearing, a witness testified that two-thirds of the amount paid for gasoline at the pump went to crooks who participated in "daisy chaining" activities.

Not one to be left out of easy profits, Marc Rich's company entered into the "daisy chaining" arena in 1979. Rich entered into a relationship with David Ratliff and John Troland, two Texas oil laundrymen who reaped huge profits from the illegal operation. The men operated under West Texas Marketing. They had a cash flow problem which Rich was more than happy to fix. He saw the relationship as a way for his company to capture a larger segment of the American market. Rich would sell and buy and resell the same oil through a series of his own companies until he could eventually sell it to a customer for a huge profit. By 1980, West Texas Marketing was making a billion dollars a year in oil transactions.

The Justice Department had Ratliff and Troland under investigation for several years and ultimately charged them with a con that was unrelated to Rich. They were sent to prison but not before they met with Rich to divvy up their profits. There was a huge disagreement and some say a violent argument over the money to be divided. The two men were subsequently interrogated by a federal prosecutor, Sandy Weinberg, after their sentencing. Asked about their "daisy chaining" activities, they disclosed that Marc Rich was a major player.

Chapters 16 and 17

Chapters 16 and 17 Summary and Analysis

Chapter 16

Sandy Weinberg began gathering a prosecution team with members from the Justice Department, the FBI, the Treasury Department, Customs Service and the State Department. Weinberg and his team had no idea what the scope of the Rich case might be. In early 1982, a federal grand jury issued indictments for some of Rich's top New York executives as well as several Arco oil executives. Weinberg subpoenaed 200,000 financial and other documents from Rich's company.

During this initial period, Rich was unfazed, conducting business in New York as if the little investigation was meaningless. Pinky convinced Rich that they would never be indicted. Rich and Pinky both thought that their lawyers were being paid enough to keep them out of any problems. But Weinberg was gathering evidence, offering immunity to many of Rich's associates, most of whom took the offer and spilled their guts.

When he started to feel the heat, Rich had his lawyer offer a $100 million settlement to the government to drop the case. When Weinberg refused, Rich and Pinky were floored. They thought everything had a price. In April 1982, Rich refused to turn over his Swiss files to the government. Eighteen months of appeals and denials ensued, Rich shoring up his defense with the best lawyers that money could buy. Rich's defense was based on a Swiss law that his Swiss company would be committing "economic espionage" (pg 190) if they released the subpoenaed documents.

A federal judge issued a contempt of court citation against Rich and ordered that he pay $50,000 per day until he provided the subpoenaed documents. Rich's defense was that he was in a double-bind, caught between the laws of two countries. The Swiss courts issued an injunction to keep Rich's documents in Switzerland. Rich's lawyers asked the Supreme Court to dismiss the $50,000 a day fine but the Court refused to hear the case. To get around the $50,000 daily fee, Rich sold his company to a new company that had the same employees, customers and board of directors. The only officers not listed in the new company were Rich and Pinky. The "new" company's lawyers claimed that they did not owe the daily fine. The judge was infuriated at this ploy and ordered Rich to pay the fee and that any assets owed to Rich be frozen. By the end of that year, there was over $100 million in frozen assets. The Swiss government continued to protect Rich, but the US government was stubborn in their pursuit of him. What had started as a minor investigation of something called "daisy chaining" became an international incident. A former Rich associate commented later that the documents that the feds wanted were worth way more than $50,000 a day.

Weinberg estimated that Rich owed in excess of $90 million dollars in back taxes. He caught Rich liquidating and moving large sums of money. As the legal wrangling continued, warrants were issued for the arrest of Marc Rich and Pinky Green in September 1983. By October, Rich had dismissed 40 employees and the other 130 knew their days were numbered. Rich's London-based operation closed its doors and the American operations were sputtering. Rich and Pinky were hiding out in Switzerland. Just in case the Swiss were pressured into giving him up, Rich sought and was granted Spanish citizenship since their extradition laws offered more solid protection. Pinky became a Bolivian.

Chapter 17

The metal men were upset with Rich. His activities had exposed all the traders to scrutiny. They did not want the world at large to know how they operated. Now with Rich being hung out to dry, would everyone go down with him? Would the metal trading world ever recover? The new corporation, Clarendon, which Rich had established to avoid paying the fines, had been ruined by publicity. Rich still owed money to some of his well-paid traders. They were warned that if they cooperated with the feds, they would never see a dime of it.

Rich was allowed to sell off his American assets. The profits from these transactions were placed in a court escrow account. Many of the oil barons and other figures in the oil world began to disassociate with Rich. Rich's lawyers made an offer of $75 million in January 1984 to settle the case. After it was rejected, the amount was upped to $150 million, which was also rejected by Weinberg. The settlement offer also included a request for immunity for Rich and Pinky. Weinberg flatly refused any such talk; he saw prison time in each man's future. Swiss authorities reiterated their decision not to extradite Rich and Pinky.

In October 1984, Marc Rich AG, Marc Rich International and Clarendon Limited all pleaded guilty to a multitude of charges including tax evasion and making false statements to the federal government. It cost Rich $340 million in fines and charges not including interest and penalties. Rich and Pinky never personally admitted to any guilt and were still wanted and at-large. Although they had plans to return to America to begin anew, they were faced with possible arrest and stayed in Europe. Weinberg agreed to the settlement since actual trials would drag on for years. He was also quite pleased with the amount of money he gained for the U.S. Treasury. Weinberg had no expectations that he would have ever gotten such a huge amount from Rich. But most of all, Weinberg was gratified that Rich and Pinky were still wanted on charges that had no statute of limitations and could never return to America without being apprehended.

Characters

Marc Rich

Marc Rich was born in Antwerp, Belgium in 1934 to parents of humble means. His father, David Reich, was a low-level Jewish merchant who would trade anything that would make him a profit. Fearing the Nazis, David Reich moved his family to the United States just prior to the beginning of World War II. Marc was remembered by his classmates and teachers as a quiet, unsociable young boy who did not do well in his high school class in Kansas City, Missouri. The family moved to New York City where David developed a thriving business and Marc began to show flashes of brilliance in his studies.

Marc's father paid his son's freshman tuition to the prestigious New York University but Marc found college boring and a waste of time. When an executive of Philipp Brothers, the most successful metals trading organization in the world, offered him a job as a trader, Marc jumped at the chance and dropped out of school.

Rich went on to become the most successful metals and oil trader the world had ever seen. His colleagues and employees were in awe of him, respecting and fearing him at the same time. He was brilliant, some said genius, in conducting business and making deals. But his brilliance, and the lack of regulations in the metals trading world, led him down a path to corruption and illegal activities. The U.S. government pursued Rich, issuing a 51-count indictment against him for everything from tax evasion to conducting business with an enemy of the United States. Rich, though he never admitted guilt, paid huge fines and escaped trial and probable imprisonment by remaining at large in Switzerland.

Sandy Weinberg

Sandy Weinberg first got wind of Marc Rich and his operations when two con-men who were associates of Rich were interrogated by federal authorities. When asked about a corrupt process that cheated oil customers called "daisy chaining," the men revealed that a metals trader named Marc Rich was deeply involved in the practice. Weinberg had no idea that he had a real tiger by the tail when he began looking into the business practices and international operations of Marc Rich.

Sensing that he had uncovered just the tip of the iceberg, Weinberg formed a prosecutorial team recruiting members of the FBI, State Department, Justice Department and other experts to follow the trail of Marc Rich. The team worked doggedly and uncovered multiple violations of U.S. laws, including everything from tax evasion to treason. At one point, the feds had determined that Rich owed in excess of $90 million in back taxes. Weinberg presented his case before the grand jury which indicted Rich on 51 separate counts.

As the months and years dragged on through Rich's stalling tactics and his multiple appeals filed by the best lawyers that money could buy, Rich finally made several settlement offers. Weinberg refused the first offers, determined that Rich and his close partner Pincus do jail time. Rich never admitted guilt but wound up paying huge sums in fees and penalties. However, he remained hidden in Switzerland, a nation that did not falter in their support of him. Weinberg felt satisfied from the huge amount of money he secured for the U.S. Treasury and gratified that Rich would be jailed the minute he set foot back on American soil.

Pincus Green

Pincus "Pinky" Green was the only business associate with whom Marc Rich developed a close relationship. Pinky's ruthless manner in conducting business appealed to Rich. Green and Rich both avoided prosecution by the U.S. government by remaining in their safe haven in neutral Switzerland.

Ludwig Jesselson

Ludwig Jesselson was an executive at Philipp Brothers when Marc Rich came on board. He bonded with the new young trader who proved to be invaluable to the company. Years later, Rich turned on Jesselson when, after his bitter departure, he vowed to ruin Jesselson.

Denise Rich

In 1966, Marc Rich married Denise Eisenberg whose father was the chairman of a huge corporation. Many observed that the marriage seemed more like a merger than a marriage.

Edmond Mantell

Edmond Mantell was in charge of Rich's Thailand operations. He was tortured and murdered in Monte Carlo where he fled after feeling uneasy about a deal struck between Rich's company and a Thai group.

Ali Rezai

Marc Rich fostered a business relationship with Ali Rezai who was a well-placed person in the Iranian government. This relationship led to many lucrative arrangements with Iran. At the time, it was illegal to conduct business with Iran, a sworn enemy of the U.S. Ultimately Rich was indicted for conducting business with an enemy of the state.

Marvin Davis

Marvin Davis, President of Davis Oil, was a friend and colleague of Marc Rich. Davis convinced Rich, who was looking for a tax shelter, to purchase 20th Century Fox.

Robbie Lichtenstern

Marc Rich's most well-liked trader was Robbie Lichtenstern who served as Rich's aluminum chief. Lichtenstern was a good trader but would never cheat his customers. He grew weary of the corruption at Rich's company and decided to leave. Unfortunately, he died of natural causes before he got to leave.

William May

William May, of the powerful holding company that owned Philipp Brothers, the world's largest metal trader, described metal men as individuals with a sixth sense that other traders didn't have. It was his observation that metal men were cowboys whose activities were designed to enrich themselves and add virtually nothing to the overall organization.

Objects/Places

Antwerp, Belgium

Marc Rich was born in Antwerp, Belgium. His father was a low-level Jewish merchant who would sell or trade anything that would bring him a profit.

Kansas City, MO

When Rich's family relocated to the United States just before World War II, they first moved to Philadelphia and then to Kansas City, MO. Rich attended school there and became a U.S. citizen during that time.

20th Century Fox

When Rich was looking for a tax shelter to hide his massive cash assets, a friend convinced him to purchase 20th Century Fox. He bought it outright and enjoyed a temporary uptick in his image.

London, England

London was the European center for the industrial trading market in the 1980s. All major metals trading companies had offices in London, including Philipp Brothers and March Rich's company.

Zug, Switzerland

After Rich and Pinky were indicted by the U.S. government, they found safe haven in Zug, Switzerland. The Swiss courts declined to provide government records regarding Rich's operations that were subpoenaed by the United States.

New York City

Marc Rich made New York City the headquarters of his international operations. He had very posh offices there. The lobby of his office cost $1 million to decorate.

Philipp Brothers

Philipp Brothers was the foremost metals trading company in the world when Rich joined them after dropping out of college his freshman year. He quickly impressed the higher ups with his abilities and intelligence.

Marc Rich AG

After leaving Philipp Brothers, Rich registered his new company as Marc Rich + Co. AG in Switzerland. Working under the protection of Switzerland's secrecy laws, the organization would be allowed to conduct business anywhere in the world.

Clarendon Limited

Clarendon Limited was the name of the company that Rich "sold" Marc Rich + Co. AG to, in an effort to avoid heavy fines. The company had the same employees and customers. The only officers not listed on Clarendon's financials were Rich and Pinky.

Spain and Bolivia

Although Rich and Pinky remained in Switzerland free from the long arm of the United States, Rich decided to become a citizen of Spain. Spain's extradition laws were even stronger than those of Switzerland. Pinky became a citizen of Bolivia to benefit from their extradition policies.

Themes

Metals Trading Market

Of all the world's commodities that are traded, one stands apart from the others. The metals trading market, which loosely includes oil, is a murky world in which the earth's precious metals are bought, hoarded and sold for profit. Since its existence, the metals market has kept secret many of their deals and methods of operation. Many traders do not understand the entire process of shipping and distribution once they make a deal. If metals trading executives were asked to provide a job description of a metals trader, many would be hard-pressed to do so.

The men who are metals traders are aggressive and unafraid to take risks. Due to the very nature of the commodity—ware that is not manufactured and not limited but that comes from the earth itself—metals trading is difficult to regulate and control. For that reason, it is vulnerable to corruption and manipulation by unethical brokers. Since the trader controls so much of the deal, it is easy to hide details and take a share of the profit for himself.

The men who run the metals trading companies are ruthless and demanding of both employees and customers. They use intimidation and fear to get the most from their deals which, of course, puts more in their own pockets. Traders are openly encouraged to cheat, use fear tactics and basically do whatever it takes to make a deal that is profitable for their bosses and the corporation.

Power

Although Marc Rich could blame no one other than himself for his own fate, the world he entered as a young college dropout was not an ideal one for a person with a brilliant mind and no moral or ethical compass. Marc Rich had never been challenged before, never been made to feel responsible or accountable to anyone or anything. Rich came into metals trading from his short semester at college, a bored and untried young man. The opportunity to become a metals market trader was laid at his feet. He surely had no idea what he was getting into—it had to be better than school.

Once there, the executives quickly recognized that Rich was a natural. There was no one gutsier than Rich. He would literally do anything to make a deal. Later, when Rich's wealth was astronomic, he would often be found on Friday evenings alone in his office, drinking whiskey, and making international calls around the globe looking to make a deal. After he made his first millions, he relished the deal making and outsmarting or in fact cheating the customer more than the monetary gain. The money, though still important to him, became secondary to the deal. The deal was his lifeline; it satisfied his need for power.

Rich was young when he began his career in metals trading. Not that he was naïve, but he essentially grew up, matured in this nether world where laws and regulations were not even minor annoyances; they were meaningless. Rich was quick to adapt to this lifestyle and didn't look back. Things always went his way and he had to account to no one. No one, that is, until the government of the United States started sniffing around his operations. But even when the investigation first began, he hardly gave it a thought. His team of lawyers, who were the best that money could buy, he was certain, would keep him out of jail.

It never occurred to Marc Rich that he would ever have to be accountable to anyone. He was all powerful in his domain but as brilliant as he was, he forgot that the world of metals trading was just a tiny portion of the real world where his power was meaningless.

U. S. Justice

Marc Rich was a U.S. citizen, born in Belgium but naturalized and made a U.S. citizen. In his business dealings, Rich played fast and loose with laws across the globe. He cheated many companies out of millions of dollars and he cheated the U.S. taxpayer by not paying income tax on his vast fortune. He used bribes and intimidation to get his way, making deals that bolstered his bank account and his image. Rich cavalierly disrespected the countries of the world in order to make deals that would gain him power and money.

The U.S. government listed Marc Rich as the biggest white collar criminal ever, at least during the decades of his operation. Although Marc ran rampant against laws and regulations of all nations, it took his own country, the United States, to put a halt to his illegal operations and end his power and money grab.

The U.S. prosecutorial team that headed the investigation into Rich's operations was relentless in their pursuit. They refused the easy way out several times when Rich offered to pay the government huge settlement amounts. But the feds were steadfast. They wanted no deal where Rich and his partner in crime, Pinky, could just walk away and undoubtedly begin their illegal operations anew. The U.S. government wanted to see Rich in jail.

The Justice Department never got to see Rich behind bars. He paid millions in back taxes and fines to the Treasury Department but he stayed hidden in Switzerland where he had safe haven. But to the delight of the U.S. prosecutors, the charges against Rich had no statute of limitations and he would never be able set foot on American soil again without being arrested, tried and most probably sent to jail.

Style

Perspective

"Metal Men" is written in the third person narrative. The author, A. Craig Copetas, repeatedly requested interviews with Marc Rich but was always refused. Copetas wanted to provide an accurate account of the metals trading world and Marc Rich's meteoric rise and disgraceful fall in it. Since he couldn't talk directly to the man himself, he decided to do the next best thing. Although research could provide voluminous material, Copetas decided that the best way to provide a factual picture of the world of metals trading would be from an insider's perspective. To accomplish this, Copetas became a metals trader, a position which he kept for an entire year. He dealt with international bankers, shipping companies, oil barons and commodities traders as well as mining companies and competitors.

Copetas conducted many of the same business operations that Marc Rich did. He found himself bargaining and trading for cadmium and tungsten just as Rich and his colleagues had done so many times. Copetas learned the pressure a trader is under and the fast-pace that he must be able to withstand. He gained insight and understanding as to the challenges that men like Rich face and the temptation of wealth that can be gained by illegal activities.

In an ironic episode, Copetas and Rich were coincidentally in the same restaurant at the same time. Rich looked frightened when Copetas approached him. He apparently realized that Copetas was writing this book. The billionaire mastermind rushed away and reportedly climbed through the bathroom window to escape Copetas' questions.

Tone

"Metal Men," is the story of one of the most notorious white-collar criminals in the history of the United States. The account is told in a detailed, informative and non-judgmental manner. Author Copetas brings clarity to the murky world of metals trading, a world about which most people know little. By providing the background, operations and ethics, or lack thereof, of the metals trading world, he sets the stage for the entry of Marc Rich who contained the perfect skill set to make it in that market. However, in the end, his genius went into over-drive and brought discredit to the entire industry.

The author has limited the story mainly to Marc Rich's business life and includes very little mention of his personal life. This work is a study of an unusual man who was both feared and respected. It is obvious that the genius of the man earned some level of respect from the author. That Rich used his brilliance and intellect in ways that eventually destroyed him is sufficiently described with no denouncement by the author of the man on a personal level.

Rather, author Copetas, allows the factual account of Marc Rich's supersonic rise, illegal activities and disgraceful fall present the virtues of his career and allows the reader to make his own judgment. By providing rich detail about the world in which Marc Rich operated, the author provides the reader with a clear picture of the environment, the times and the opportunities and challenges that Rich faced and pursued.

Structure

"Metal Men," the non-fiction account of Marc Rich's rise and fall in the world of metals trading, is separated into four major segments. "Part I: Mineral Rites" describes the ruthless and corrupt world of metals trading and how a man who relished risk-taking and possessed virtually no values became the most successful man ever to operate in that market. "Part II: Rags to Riches," covers Rich's early life and background, including his childhood in Europe and his adolescent and young adult years in America.

"Part III: Strategic Deals and Dangerous Curves," covers Rich's entry into the metals trading world as a young college dropout and how he began to show signs of the genius and bravado that would eventually lead him to become the most successful metals trader in history. The section ends with his bitter departure from the company where he began his career only to become its biggest competitor. "Part IV: There Was A Crooked Man," describes the U.S. government's relentless pursuit of Rich after issuing a 51-count indictment against him for everything from fraud and tax evasion to treason against America.

The book is generally structured in a chronological order with a minimum of flashback episodes. Many chapters have a cliffhanger ending, spurring the reader onto the next chapter to find out what happened next.

Quotes

"We metal traders are jugglers without arms. . . .But it is essential that you never believe everything you hear from a metal trader because he will only tell you what it suits his current inventory to tell you." (Chapter 1, page 18)

"Depending on a trader's position in the metal markets that day, the death of Ronald Reagan was either a macabre way to lose money or a ghoulish plot to reap some quick profits." (Chapter 2, page 32)

"'When you want something from a person, think first what you can give in return. Let him think that it's he who is coming off best. But all the time make sure that it is you in the end' - Sir Ernest Oppenheimer." (Chapter 4, page 51)

"It was into this burgeoning corporate empire that Marc Rich, then thirty-three years old, was privately designated dauphin to Ludwig Jesselson. The possibilities whirled through his mind like a billion spinning tops." (Chapter 5, page 73)

"Rich insisted upon fast answers and frequently ripped into underlings with savage sarcasm if they were not furnished immediately. That he often neglected to tell subordinates what was going on did not enter into his anger." (Chapter 6, page 75)

"Rich didn't mind blowing what money he had because he knew he'd get a lot more out of it in the long run. He needed to scare the competition, and losing a half a million dollars calmly can start a lot of bear in this business." (Chapter 8, page 109)

"The trades grew grander in style, richer in bounty, potentially deadlier in execution. When on the hunt, Rich was the consummate charmer." (Chapter 10, page 132)

"Life inside the Rich organization had the sensitivity of a jackhammer on an open sore." (Chapter 12, page 140)

"The hunt was everything to Rich. Not to have it was to have nothing at all." (Chapter 12, page 148)

"Traders at Rich liked to explain how they could bribe foreign officials without having to go to jail." (Chapter 14, page 158)

"Rich treated his lawyers like bears dancing for their supper. The hearings were sloggy affairs designed by Rich to muddle, bedevil, flummox and take advantage of every legal loophole his cash could unearth." (Chapter 16, page 190)

"Although Rich rarely complained about life in his golden cage, he did want to come back to America but knew that if he did Weinberg would try to put him in jail. The situation was such that Rich's only option was to attempt a final settlement in regards to the charges against his companies." (Chapter 17, page 215)

Topics for Discussion

What are metal men? How is metal trading different from other commodities trading?

What characteristics did all successful metal traders have? Why did Marc Rich rises to such stellar levels as a metals trader?

Why did Marc Rich decide to leave Philipp Brothers? Why did he turn on his old mentor, Ludwig Jesselson? How did he exact revenge on Jesselson?

What first brought Marc Rich's activities to the attention of the U.S. government? What individuals tipped off the government that Rich was deeply involved in a process in oil trading called "daisy chaining?"

What was the Swiss government's stance on releasing financial records regarding Rich's business operations? What is the meaning of the "double-bind" situation that Rich claimed to be in and used as his defense?

Why did U.S. prosecutor Sandy Weinberg refuse Rich's first offers to settle his case outside of prosecution? Why did Weinberg eventually agree to settle the case?

Why can Rich and Pinky never return to the United States? What is the statute of limitations on the charges leveled against them by the U.S. government?