

US scandal over Marc Rich pardon: big money politics and right-wing provocation

By Patrick Martin
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The political furor over the pardoning of wealthy speculator and oil trader Marc Rich—Bill Clinton's last act before leaving the White House—combines big money politics, media hypocrisy and right-wing hysteria in roughly equal proportions.

There is little dispute about the basic facts of the case. The Belgian-born Rich, who became a multimillionaire commodities trader in the 1960s, fled the United States in 1983 after he was indicted on charges of tax evasion related to his oil-trading business, as well as violating the US ban on trade with Iran. Rich-owned companies paid \$200 million in penalties for the tax charges. Many other US-based international oil companies paid similar fines and civil penalties for such infractions, under Department of Energy regulations which were abolished by the Reagan administration in 1984, but Rich was the only capitalist to face criminal charges.

Over the past 17 years, Rich has grown even wealthier in exile, with especially lucrative ventures in the former Soviet Union, Iraq, Nigeria and South Africa. He renounced his US citizenship, and now holds Swiss, Spanish and Israeli citizenship. His money has bought him effective immunity from US prosecution in Switzerland, where he resides, as well as in Israel, where he has top-level connections with politicians in both the Labor and Likud wings of the Zionist political establishment, and unspecified but well-publicized relations with the Israeli intelligence agency Mossad.

For years Rich sought a settlement of his legal problems in the United States, but US prosecutors, beginning with Rudolph Giuliani, now the mayor of New York City, always refused to negotiate with a fugitive, while Rich refused to return without assurances that he would not receive a prison term.

Rich's money has now bought him a pardon in the United States. Direct bribery was unnecessary. After hiring prominent Republican lawyers during the Reagan and Bush administrations—Leonard Garment, former Nixon White House counsel, William Bradford Reynolds, once an official of the Reagan Justice Department, and Lewis Libby, now chief of staff to Vice President Richard Cheney—Rich hired a top Democratic lawyer, Jack Quinn, to give him direct access to Clinton.

Quinn was White House counsel in 1993-94, and remained close to both Clinton and Gore. He eventually opened a lobbying firm in Washington with such well-heeled clients as Cisco Systems, Viacom and a bevy of telecommunications firms. His partner in the bipartisan firm was a former communications director for the Republican National Committee, Ed Gillespie, who took a leave of absence last year to work for the Bush campaign.

Rich's ex-wife Denise, a major contributor to the Democratic Party and the Clinton Presidential Library, also played a significant role,

making personal appeals to Clinton in the waning days of his administration.

Even more important was the extraordinary outpouring of support from the American Jewish and Israeli political establishment, including Prime Minister Ehud Barak, Foreign Minister Shlomo Ben-Ami, Jerusalem Mayor Ehud Ohlmert, former Mossad chief Shabtai Shavit, Abraham Foxman, head of the Anti-Defamation League of B'nai B'rith, and Rabbi Irving Greenberg, chairman of the US Holocaust Memorial Council. All cited Rich's assistance to Israeli intelligence and his donations to Israeli charities in their messages to Clinton.

The pardon was rushed through in the midnight hours of Clinton's final day in office, avoiding the usual Justice Department reviews as well as any consultation with the US Attorney in Manhattan, Mary Jo White, who has jurisdiction over the case.

However crass and tawdry this influence-peddling may be, it hardly comes as a shock. The American two-party system serves the interests of the corporate elite, and Marc Rich and his advocates pulled all the strings available to a man possessed of a vast fortune. Clinton denied clemency for prisoners genuinely deserving of mercy, such as Leonard Peltier, the American Indian activist framed up and imprisoned for a quarter century, and many other less prominent but equally unfortunate victims of the capitalist "justice" system. Meanwhile, he placed the billionaire wheeler-dealer at the head of the pardon queue.

What is striking about the furor over Rich's pardon is the cast of characters leading the onslaught against Clinton. Those who spearheaded the Whitewater and impeachment campaigns—the national media and the frothing right wing of the Republican Party—are out in force.

The *Wall Street Journal*, which ordinarily defends billionaires as an abused and persecuted minority, suddenly finds it shocking and abhorrent that vast wealth should bring with it political privilege. The Marc Rich case, the newspaper declared, was a vindication of impeachment, demonstrating that Clinton's character was "sociopathic." (It is noteworthy that, even as it fulminated over the pardon of Marc Rich, the *Journal* ran a fawning column over the plight of another billionaire swindler, junk bond king Michael Milken, whose pardon application Clinton turned down.)

The television networks have given saturation coverage to the case, together with a series of even more flimsy allegations about supposed sabotage by outgoing Clinton White House aides, the Clintons' removal of gifts from the White House, the ex-president's efforts to rent high-priced Manhattan office space, and other trivialities. According to a study by the Center for Media and Public Affairs, the

network coverage of the ex-president's affairs has been comparable to that provided to all the actions, appointments and statements of his successor. The most Clinton-obsessed TV network, NBC, actually ran more stories on Clinton than on Bush during the first 25 days of the new administration.

Joining in this chorus are the usual suspects among the congressional Republicans. They combine furious denunciations of the Rich pardon as a case of political bribery with plans to greatly expand tax breaks for the wealthy capitalists who funnel bribes, disguised as campaign contributions, in their own direction.

House Government Affairs Committee Chairman Dan Burton, who has made a career of anti-Clinton probes, has already held one set of televised hearings at which Denise Rich took the Fifth Amendment (hardly surprising given that her ex-husband is a fugitive and her contacts with him putatively illegal). More hearings have been set for March 1, at which the former president himself may be called as a witness, giving the ultra-right the prospect of their most deeply felt wish, Clinton in the dock.

On the Senate side Arlen Specter of Pennsylvania took the early lead, suggesting that it might be possible to impeach Clinton a second time, even though he is out of office, for abuse of his pardon power. Republican deputy leader Don Nickles suggested legislative action to reduce Clinton's pension and perks as an ex-president. Another Republican, Jefferson Sessions of Alabama, declared that there was an evident basis for a criminal charge against Clinton.

Congressional Democrats, prostrate before the new occupant of the White House, saw no reason to defend the previous resident. They tried to outdo Republicans in their denunciations of the pardon. Liberal Congressman Barney Frank denounced Clinton's action as "a real betrayal." Wisconsin Senator Russ Feingold, who voted to confirm John Ashcroft, declared that he was "appalled by the connection between the pardon and the soft money." Illinois Senator Richard Durbin condemned "the appearance of impropriety." Senator Charles Schumer of New York said Clinton's action "makes a mockery" of the criminal justice system.

The most sickening hypocrisy comes from the *New York Times*. Its specialty has been to use moralizing about Clinton's personal conduct to cover up the fundamental issues of democratic rights raised in the right-wing campaign over impeachment, and then in the Supreme Court coup that placed George W. Bush in the White House. The *Times* urged submission to the high court's partisan and anti-democratic subversion of the 2000 election. Now it declares, "We sense a national need to come to grips with the wreckage, both civic and legal, left by former President Clinton."

It is significant that the Bush administration has been openly unenthusiastic about a heavily publicized investigation of the Marc Rich pardon. Only days after Burton announced his plans for expanded hearings based on a grant of limited immunity to Denise Rich, and possibly a subpoena ordering Clinton to testify, the Justice Department authorized US Attorney Mary Jo White to begin a criminal investigation into the pardon.

This legal move could yet become the starting point for another round of investigations modeled on those of Independent Counsel Kenneth Starr. But it is more likely that it will have the effect of crimping the congressional probe, since prosecutors are certain to oppose grants of immunity to those, like Denise Rich, whose testimony might be sought in a federal investigation.

The *Wall Street Journal* criticized the action for exactly that reason, noting that White's office in Manhattan had been investigating a

campaign contribution swapping arrangement between the Teamsters Union and the Democratic National Committee since 1997 without charging any top Democrats. "The Bush Administration keeps suggesting it wants the pardon scandal to go away, so perhaps Ms. White's blockade serves their purposes as well as Mr. Clinton's," the *Journal* complained.

There are numerous reasons for the Bush White House to be less than enthusiastic about a full-fledged exploration of the Marc Rich affair. There is concern for the institutional prerogatives of the president, such as the right to grant executive clemency or pardon. Not that mercy was a defining characteristic of Bush's six years in the Texas state house, when he put more prisoners to death than any other governor in modern US history.

More significant is the concern that public attention to tax evasion in the oil industry could be damaging to the section of big business with which Bush and Cheney are most closely aligned. Cheney himself could become the subject of such a probe, since there are reports that Halliburton, the giant oil services company he headed for five years, carried out operations in Iran which may be illegal under US law. During his tenure as Halliburton CEO, Cheney made speeches denouncing the very sanctions on Iran that Rich was prosecuted for violating.

The whole subject of presidential pardons is a touchy one for the Bush family. Clinton's pardon of Marc Rich is a squalid affair, but it pales by comparison, as an act of presidential malfeasance, with the pardons issued by President George Herbert Walker Bush in December 1992 to five of the principal figures in the Iran-Contra affair. The pardon of former Secretary of Defense Caspar Weinberger was a particularly flagrant case of politically motivated abuse of power.

Weinberger had lied to special prosecutor Laurence Walsh, concealing for years his contemporaneous notes of White House discussions on the secret arms sales to Iran and the illegal war against Nicaragua. Weinberger's notebooks were eventually uncovered by investigators for Walsh, and the former Pentagon chief was about to go on trial for perjury and cover-up.

Walsh hoped that a conviction would induce Weinberger to testify against President Bush, who as vice president had famously claimed to be "out of the loop" where Iran-Contra was concerned. Weinberger's notebooks reportedly contained material contradicting Bush's denials of involvement in the illegal Iran-Contra operations.

Thus by pardoning Weinberger, Bush not only let a crony go scot free, he immunized against prosecution a potential witness against himself. This crude judicial "fix" was given far less examination by the media than the Clinton pardon of Marc Rich, and was quickly buried.

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