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ARABIAN NIGHTS

From penthouse to dungeon, Adnan Khashoggi lives a life of extravagance and intrigue

By MICHAEL MOSS
Newsday

The man once described as the world's richest was lounging in his suite at the five-star Schweizerhof Hotel in Bern, Switzerland.

An hour later, he was in the town dungeon, wondering where his next meal would come from.

Adnan Mohammed Khashoggi — merchant of arms, playboy, and all-around dealer in intrigue extraordinaire — was arrested this week.

It's not the first time the 53-year-old Saudi Arabian has hit bottom in his decades of international frolicking. His fortunes have risen and sunk with everything from the Iran-Contra scandal to the price of crude oil.

But this time Khashoggi may return to New York with cuffs on his hands and in something less flashy than his $31 million DC-8, with its trademark blue-and-white trident spear on the tail.

U.S. authorities have been hunting Khashoggi for months, eager to force him to stand trial on fraud and other charges in connection with his alleged dealings with Manhattan properties owned by former Philippine President Ferdinand Marcos and his wife, Imelda.

Khashoggi's wild parties in Manhattan and all over the world headlined the gossip columns for years.

His affairs drew oohs and aahs even from those inured to excess such as television's rich and famous lifestyler Robin Leach, who spun an entire show around Khashoggi.

Just ask Brooke Shields, Sean Connery, Raquel Welch, Cheryl Tiegs, Frank Sinatra, or the thousands of other celebrities who have dropped into his pad on Spain's Costa del Sol.

"His was conspicuous consumption on the grandest scale, and I think you can legitimately call him the Donald Trump of the Arabian world," said author Patrick Brogan who, in profiling arms dealers, watched as one party in 1982 shifted to his ship, the Khalifa.

Trump, pushing at its lavishness even by his experience, bought Khashoggi's boat last year and paraded it through New York waters. That deal, a Trump executive aide said this week, was done through an intermediary.

Not content this one time with the Monte Carlo casino agency women he perpetually kept on his arm, Khashoggi got Liz Taylor to pop out of the 21st birthday cake for one of his five sons, Hussein.

In the Khashoggi heyday of the 1970s when he'd need $330,000 a day for expenses, he also was a high roller in London's Mayfair casino district, where his reputed losses reached $15 million.

Khashoggi, with escorts on arm, liked to arrive late at his favorite casino, Ladbroke, take a private elevator to the top floor casino, and then proceed to plunk 20 bets of $2,000 each on each spin.

"Mabruk," he'd shout when he won. "Well done!"

Khashoggi's first marriage, to British photographer Sandra Jarvis-Daley, ended in 1974, five years later she sued him in a California court and won a $2.5-billion settlement, only to have it lowered when he challenged their residency.

Khashoggi may not have lived in Los Angeles. But he kept homes with his second wife, the Italian-born Lamia Bianconi, in Paris, Madrid, Rome, Monte Carlo, Cannes and Jeddah.

In Manhattan, he bought a set of six suites, ranging up to $1.5 million, in Olympic Towers on Fifth Avenue at 51st Street, where — again — his parties were famed.

And always, "pretty ladies on his arm," said Marc Packer, owner of a Park Avenue restaurant where Khashoggi and his daughter, Nabila, used to dine. His favorite dish: linguini and white clam sauce.

Khashoggi, born in Mecca, Saudi Arabia, has lived and partied even in war-torn Beirut, when Khashoggi's game was as a dealer in arms.

He got his start in the mid-1950s as a Saudi middleman, using his Stanford University schooling to engage and introduce such clients as Lockheed, Rolls-Royce, and Chrysler to Saudi Arabian royalty.

Lockheed's F-104 Starfighter combat plane led to arms sales ad infinitum. While Imelda Marcos accumulated shoes, Khashoggi diversified and bought real estate, gold mines and then built a magnificent commercial centre in Salt Lake City with his conglomerate, the Triad Corp.

Then came the stumbles. Khashoggi figured in several kickback scandals with U.S. aircraft manufacturers paying him large amounts for arranging multi-billion dollar defence contracts.

He was also involved in the Iran-Contra affair in which proceeds from sales of U.S. arms to Iran allegedly were funneled to U.S.-backed rebels fighting Nicaragua's leftist government.

In 1985, an American taxpayer subsidy for a Khashoggi synthetic fuels project in Louisiana looked like money down the hole. A Khashoggi mining venture went broke in 1987.

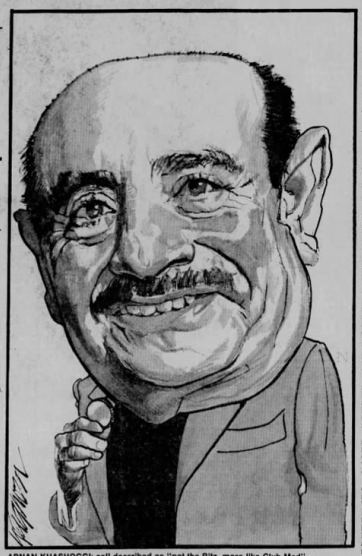
Khashoggi had several dealings with Vancouver Stock Exchange companies in 1986 and 1987. One related to Skyhigh Resources, a VSE company whose shares rocketed after it announced it would acquire Edgington Oil, a Khashoggi company based in Salt Lake City. Khashoggi resigned as chairman of Skyhigh Resources Ltd. in December 1987.

In 1987 he dumped his share interest in VSE-listed Pacific Star Communications Corp., formerly Tangent Oil & Gas Ltd. His presence as an investor had helped send the stock shooting up from 10 cents to more than $2. After the arms sales disclosures, Pacific Star's shares dropped.

At one time, published reports estimated his personal wealth at up to $4 billion. But declining oil prices and stricter control of arms dealings were said to have reduced his fortune.

Bankruptcies have led to seizures and freezes on his property. The securities and exchange commission in the 1970s brought civil charges against him and Khashoggi stayed out of the United States for two years until the case was dropped.

And yet the lesson appears lost, despite his assertion that he's learned from his business — if not lifestyle — mistakes. "Before," he told a reporter in 1985, "our eyes were closed. Now we are more aware."


ADNAN KHASHOGGI: cell described as "not the Ritz, more like Club Med"

Search for youth led him to jail

By WILLIAM TUOHY
Los Angeles Times

BERN, Switzerland

IT WAS Adnan Khashoggi's search for the medical fountain of youth here that led him into the arms of American justice.

Government sources said the free-wheeling Saudi Arabian financier came to the Swiss capital for cellular therapy aimed at rejuvenating flagging virility.

In fact, Khashoggi's Swiss doctor, who specializes in therapeutic cellular injections, was with the plump multimillionaire in Khashoggi's lavish hotel suite when he was arrested at breakfast.

Later, Khashoggi's battery of international lawyers pondered their strategy as their client rested in a spartan jail cell, scarcely 100 metres from the five-star Schweizerhof Hotel.

Police sources also said Khashoggi was apparently recognized checking into the hotel by a Swiss lawyer who represents the Philippine government, which is seeking bank accounts of former President Ferdinand Marcos and his wife, Imelda. Khashoggi has been wanted by the U.S. government on charges of helping the Marcoses hide wealth that they had looted from their country's treasury before going into exile.

The lawyer, according to the sources, called the U.S. Embassy here, which then notified Swiss authorities that a warrant had been issued in New York City last month for Khashoggi's arrest and asked the Swiss to take him into custody.

Until then, a justice ministry source said, the Swiss did not know that the high-flying jet-setter was wanted in America, because Washington had not issued a world-wide bulletin on the warrant.

Swiss justice ministry sources indicated there was little chance that Khashoggi could avoid being extradited.

"He can appeal to our Supreme Court," one ministry official said, "but I don't think they will accept his claim that he has medical problems — not if he was undergoing cellular therapy to stay young."

Since there is no bail in Switzerland, under ordinary circumstances, Khashoggi would have to remain in his cell until various legal appeals were exhausted.

"Our prisons are not bad by American standards," a Swiss official said. "Single cells, a cot, washbasin, toilet, table, chair, TV if you want. But it's not the Ritz. Some say more like the Club Med. Even so, I don't think it would appeal to Mr. Khashoggi."

ABORTION

Two sides in U.S. at war over upcoming court ruling

By PETER CALAMAI
Southam News

WASHINGTON

FURTIVELY, the camera darts down a refuse-strewn city lane, hesitates and then slowly trudges up a dark staircase.

"When women had no choice, they took a terrifying walk into the back alleys of America," a voice intones over the abortion rights commercial to be shown on cable television throughout North America beginning this weekend.

Anti-abortionists are fighting back. Their full-page newspaper ads argue that the current level of abortions — 30 per cent of all pregnancies — could bankrupt the U.S. social security system by lowering the birthrate.

With all the moral fervor of medieval crusaders and all the wily manipulation of Madison Avenue, both sides of the abortion debate here are again at war, apparently battling for the hearts and minds of the eight men and one woman on the U.S. Supreme Court.

On Wednesday, these nine judges will hear oral arguments in a Missouri anti-abortion law already ruled unconstitutional by two lower courts.

Observers suggest that America's highest court — which Ronald Reagan tried to tilt to the right through conservative appointments — could use the Missouri case to chip away at its own landmark 1973 Roe-vs.-Wade ruling, which forbade government interference in first-trimester abortions.

"There's a whole parade of horribles that I fear," says Georgetown University law professor Susan Block.

Block's "horribles" won't be long in coming. Under U.S. law, the Supreme Court must hand down a decision by July or hear the case again. Potential restrictions on abortion after the ruling include mandatory parental consultation for teenage abortions, curbs on using public funds for abortion advice (like the Missouri law) or even abortion bans except in cases of incest or rape.

In 25 states such restrictive laws are already on the books, either left untouched and unenforced after the Roe-vs.-Wade ruling or else added by legislatures in anticipation of a reversal.

These state lawmakers — not the nine Supreme Court judges — are probably the real targets of the current $5-million advertising blitz, the mass marches through Washington and the celebrity fund-raisers in Hollywood.

"I don't think the leaders on either side believe this case will be a definite watershed," says Michael Tanner, who follows the abortion issue for an organization representing state legislators across the country.

"They suspect the court will slice around the edges of Roe vs. Wade, letting states make more restrictions. That will mean lots of political battles next and so they're using this case to get the troops mobilized. It's a good rallying point."

Kate Michelman, president of the National Abortion Rights Action League, confirms this analysis.

"If the court rules against us, then we are ready politically for the next step. We will be able to fight state legislative battles that come up," Michelman told National Journal, a weekly magazine here.

Such predictions that the Supreme Court might chip away at a woman's privacy rights — the underlying constitutional basis of the Roe-vs.-Wade decision — have grown despite consistent upholding of the 1973 ruling in a dozen previous challenges such as the Missouri case.

AT THE BARRICADES: in a familiar scene across North America, abortion protester Minka Cooper of Franklin, La., clutches a police barricade and weeps as women patients enter an abortion clinic in Atlanta

What's changed in the intervening 16 years, however, is the composition of the court. Instead of the clear 7-2 pro-abortion majority of 1973, the court's most recent abortion ruling was a 4-4 deadlock in December, 1987, as it awaited Senate confirmation of the newest member, Judge Anthony Kennedy.

Kennedy and another Reagan appointee, Antonin Scalia, have not yet cast a public vote in an abortion case although both are judicial conservatives. A potential swing vote is the court's only woman, Judge Sandra Day O'Connor, who has already attacked Roe vs. Wade in two dissenting judgments since being appointed in 1981.

"She's one of the centralists and that makes her vote very important," says law professor Thomas Krattenmaker, a former law clerk at the Supreme Court. "Her view is that Roe vs. Wade was rightly decided but that it has been extended too far, into some sort of super-right."

Even if O'Connor's view commands majority support, the court still doesn't have to dismantle the constitutional framework devised in 1973; instead, the judges can merely fine-tune the strict tests applied in the past to strike down state abortion laws.

Ironically, that move would meet one demand often voiced by abortion rights advocates — that the justices follow American public opinion, which supports legal abortions in principle by nearly four-to-one.

Like Canada, however, that support here is highly dependent on the circumstances. While 80 per cent of Americans approve of abortion where a woman's health "is seriously endangered," a clear majority have told pollsters over the past two decades that they oppose non-therapeutic abortions — mother unmarried, low family income, unwanted child.

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