

Metal Men Marc Rich and The 10 Billion Dollar Scam: The Rise and Fall of a Notorious Commodities Trader



In the annals of international finance, the name Marc Rich looms large as a figure of both intrigue and controversy. As the founder of the infamous

commodities trading company Metal Men, Rich became one of the wealthiest and most influential individuals in the world, amassing a vast fortune built on a network of global connections and shrewd trading deals. However, his empire was brought crashing down by a series of scandals and allegations that culminated in a decade-long pursuit by the United States government, ultimately leading to his exile in Switzerland.

The Early Years: From Belgium to the Commodities Markets

Marc Rich was born in Antwerp, Belgium, in 1934, to Polish Jewish parents who had fled Nazi persecution. At the age of 18, he moved to the United States to pursue a career in commodities trading, eventually joining the Philipp Brothers trading company in 1954. Over the next decade, Rich rose through the ranks, developing a reputation as a skilled and aggressive trader.



Metal Men: Marc Rich and the \$10 Billion Scam

by A. Craig Copetas

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The Founding of Metal Men: A Global Trading Empire

In 1970, Rich co-founded his own commodities trading company, Marc Rich & Co., later known as Metal Men, which quickly became one of the largest and most successful trading firms in the world. Metal Men specialized in trading oil, metals, and other commodities, operating in dozens of countries around the globe.

Oil Embargo and Secret Deals

Rich's rise to prominence coincided with the 1973 oil embargo imposed by OPEC, which sent global energy prices soaring. Metal Men played a key role in supplying oil to various countries during the embargo, including South Africa, which was subject to international sanctions at the time. These dealings raised eyebrows and sparked allegations of illegal oil trading, which would later come to haunt Rich.

Profiting from the Iranian Revolution

In the late 1970s, Rich capitalized on the chaos caused by the Iranian Revolution to secure highly favorable oil deals with the new Iranian regime. These deals gave Metal Men exclusive rights to purchase Iranian oil at deeply discounted prices, which the company then resold on the international market for significant profits.

Wealth and Influence: The Pinnacle of Success

By the early 1980s, Metal Men had grown into an international trading behemoth, with revenues in the billions of dollars. Rich himself amassed a personal fortune estimated to be as high as \$10 billion, making him one of the richest men in the world. His wealth and influence extended far beyond the financial world, as he became a philanthropist, art collector, and supporter of various causes.

Scandal and Indictments: The Beginning of the Downfall

However, Rich's empire was built on shaky ground, as allegations of tax evasion and illegal trading practices began to surface. In 1983, he and his business partner, Pincus Green, were indicted by a federal grand jury in the United States on charges of tax evasion, racketeering, and trading with Iran during the hostage crisis.

The Notorious Commodities Scandal

The allegations against Metal Men exploded into a major scandal, as the company was accused of selling \$10 billion worth of oil to Iran in violation of U.S. sanctions. Rich and Green became international fugitives, fleeing the country to avoid prosecution.

Exile in Switzerland

For the next two decades, Rich lived in exile in Switzerland, where he continued to manage his vast fortune and business interests. He remained a controversial figure, as the U.S. government relentlessly pursued his extradition.

Presidential Pardons and the Controversy

In 2001, President Bill Clinton granted Rich a controversial pardon, just hours before leaving office. The pardon sparked outrage among many in the United States, who believed Rich had escaped justice for his alleged crimes. Clinton later defended his decision, citing Rich's age, health problems, and his wife's charitable work.

The Ongoing Saga

Despite the pardon, the scandal surrounding Metal Men continues to cast a shadow over Marc Rich's legacy. In 2013, a civil lawsuit was filed against Rich in the United States, alleging that he had profited from the illegal sale of oil to Iran during the hostage crisis. The lawsuit remains unresolved.

Analysis: The Man, the Company, and the Scandal

The story of Marc Rich and Metal Men is a complex and fascinating tale that raises important questions about the ethics of international business, the role of government regulation, and the interplay between wealth and power.

A Trailblazing Entrepreneur

There is no denying that Marc Rich was a brilliant and ambitious entrepreneur who built a global trading empire from humble beginnings. His ability to identify and capitalize on market opportunities made him one of the most successful commodities traders in history.

Ethical Controversies

However, Rich's legacy is also marred by allegations of illegal and unethical business practices. The accusations of tax evasion, racketeering, and trading with Iran during sanctions have left a lasting stain on his reputation.

Regulatory Challenges

The Metal Men scandal highlights the challenges of regulating international commodities trading, which often operates in a complex and opaque global marketplace. The vast sums of money involved and the cross-border nature of these transactions make it difficult for regulators to effectively enforce laws and prevent misconduct.

The Pardon Controversy

The presidential pardon granted to Rich remains a polarizing issue, raising questions about the influence of wealth and political connections in the justice system. The decision to pardon Rich despite the serious allegations against him left many Americans feeling that he had escaped accountability.

: A Legacy of Intrigue and Controversy

Marc Rich and Metal Men stand as a testament to the power and pitfalls of global finance. Rich's entrepreneurial spirit and business acumen built an international trading empire, but his dealings with Iran during sanctions and allegations of wrongdoing tarnished his reputation and led to a life in exile. The legacy of Metal Men continues to be debated, as the controversy surrounding the company and its founder highlights the ethical challenges, regulatory complexities, and lasting impact of the international commodities trading industry.



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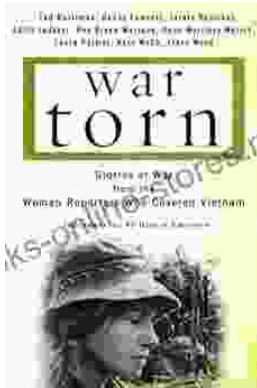
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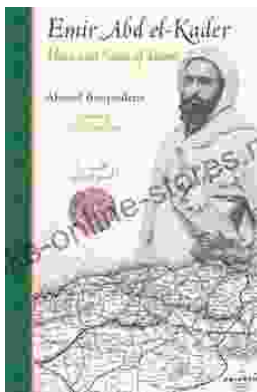
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