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Europe

Death of Adnan Khashoggi, Saudi arms dealer and playboy, once dubbed 'world's richest man'

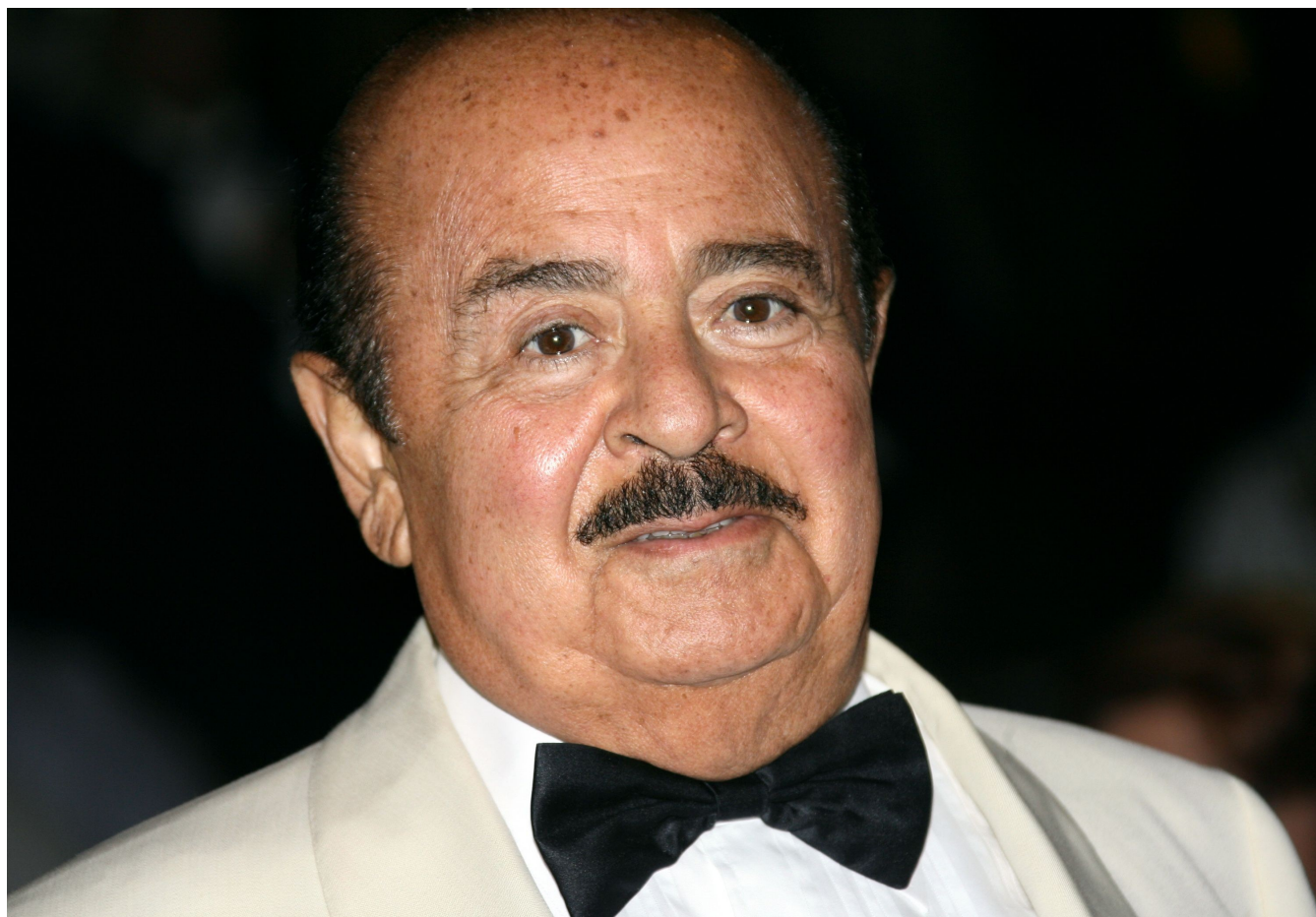
The infamous dealmaker was implicated in spectacular scandals, even as he lived a life of dazzling opulence surrounded by Hollywood elite

Topic | Obituaries



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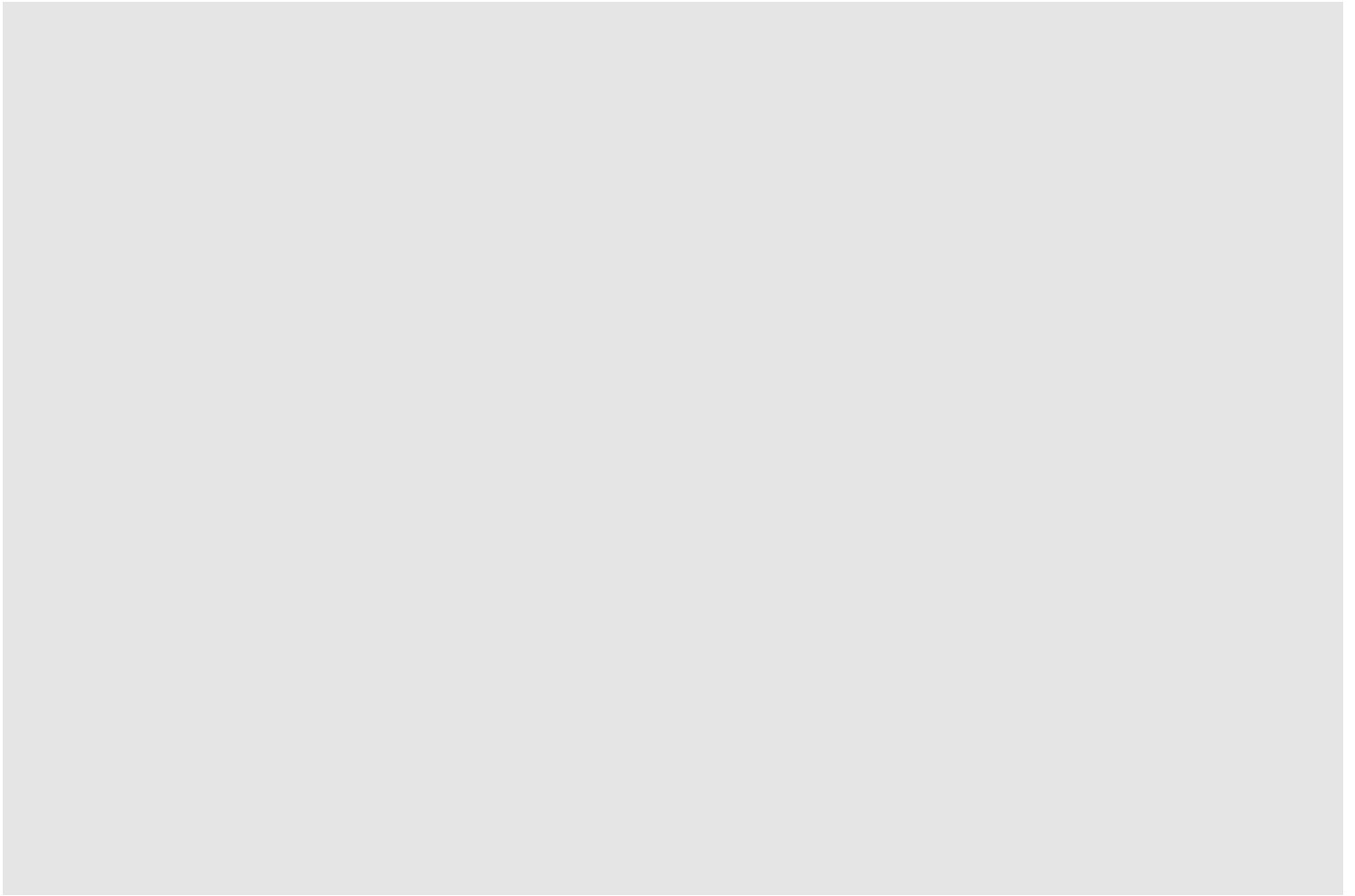


Adnan Khashoggi, a Saudi middleman-for-hire who amassed huge wealth and influence peddling everything from American weapons to favours for Riyadh's rulers and CIA spymasters, only to see his fortunes collapse amid the Iran-contra affair and other scandals, died on June 6 at a hospital in London. He was 81, by most accounts.

The cause was complications from Parkinson's disease, the family said in a statement reported by the Associated Press.

Khashoggi's name may have lost its lustre since his peak in the 1970s and 1980s - he was hyperbolically dubbed the world's richest man - but not so the list of misdeeds and abuses that remain defining events of the time. Though never convicted, the US-educated Khashoggi was linked, as a money-mover and five-star fixer, with some of the era's most infamous figures and schemes.

At the same time, he moved seamlessly between covert shadows and dazzling opulence - a lifestyle estimated by the *Economist* in 1987 to cost US\$250,000 a day. He partied with Hollywood elite such as Cary Grant and Elizabeth Taylor; travelled in a blinged-out DC-8; kept an Indian swami as an on-call adviser; and boasted about his bevy of young mistresses.



Adnan Khashoggi (right), Chairman of the Triad Holdings Corporation, speaking at the annual general meeting of Southern Pacific Properties in Hong Kong in 1976. Looking on is Peter Munk, Chairman of SSP.
Photo: SCMP

This was grade-A fodder for tabloids and gossip magazines years before Khashoggi's nephew Dodi al-Fayed riveted the world's attention with his brief and tragic romance with Princess Diana.

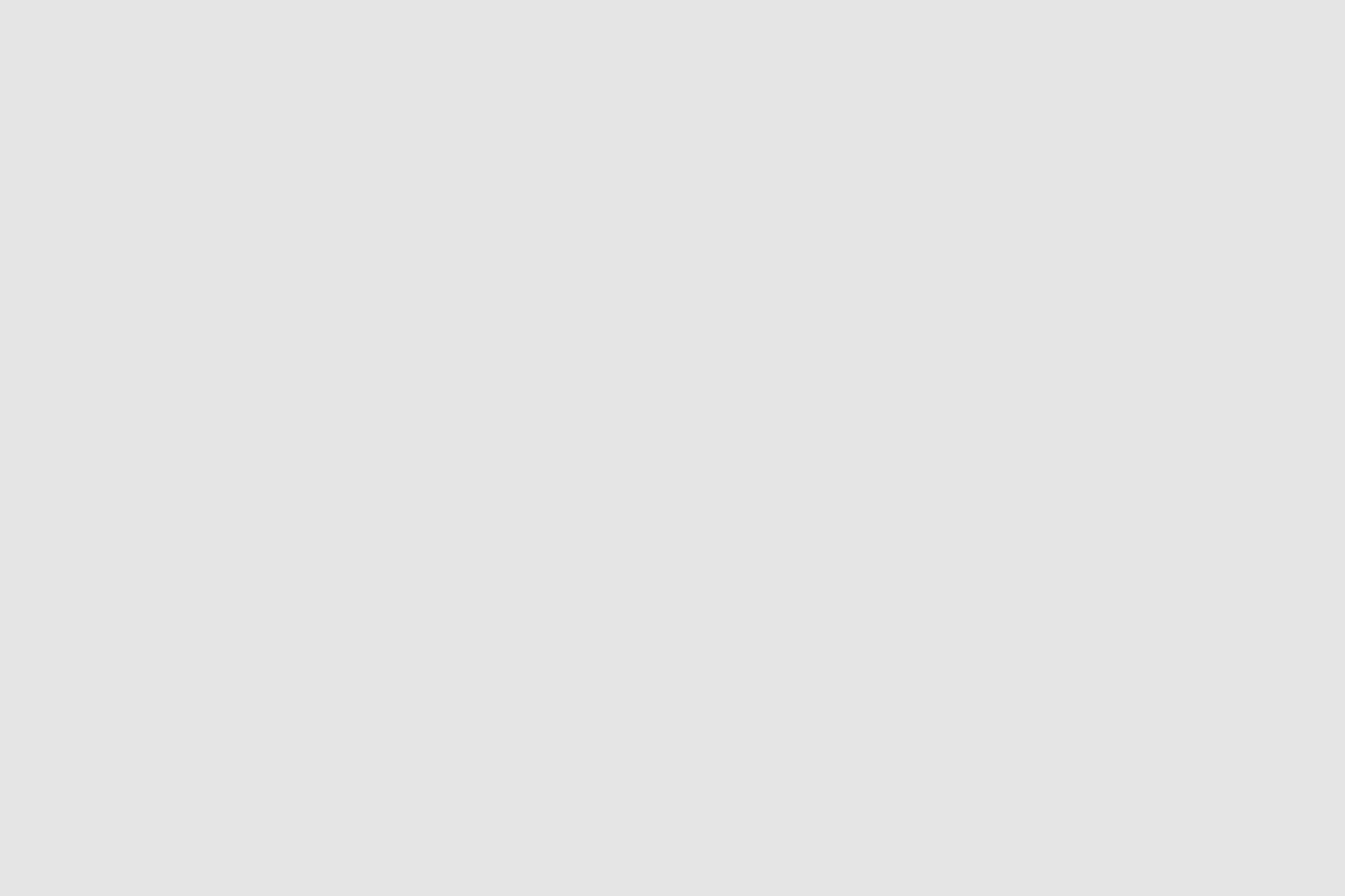


**OK, I behaved
unethically, for ethical
reasons
Adnan Khashoggi in
2009**

Khashoggi's swashbuckling career and personal indulgences were underwritten by international weapons trade - of which he took a healthy commission - and other forays well off the books: funneling weapons to Iran and elsewhere; working as a private Saudi envoy; and forging bonds with former Philippines president Ferdinand Marcos and his wife, Imelda, amid accusations that they fled the country in 1986 with looted riches.

Khashoggi, meanwhile, was building a business empire that included companies in Hong Kong, resorts in Kenya, shipping lines in East Asia and an office complex in Salt Lake City that was left partially built.

“There are skeletons hidden behind skeletons in the Khashoggi closet,” Theodore Karasik, a Dubai-based defense analyst specialising in Persian Gulf affairs, said in an interview. “No history of the region can be written without hearing them rattle.”



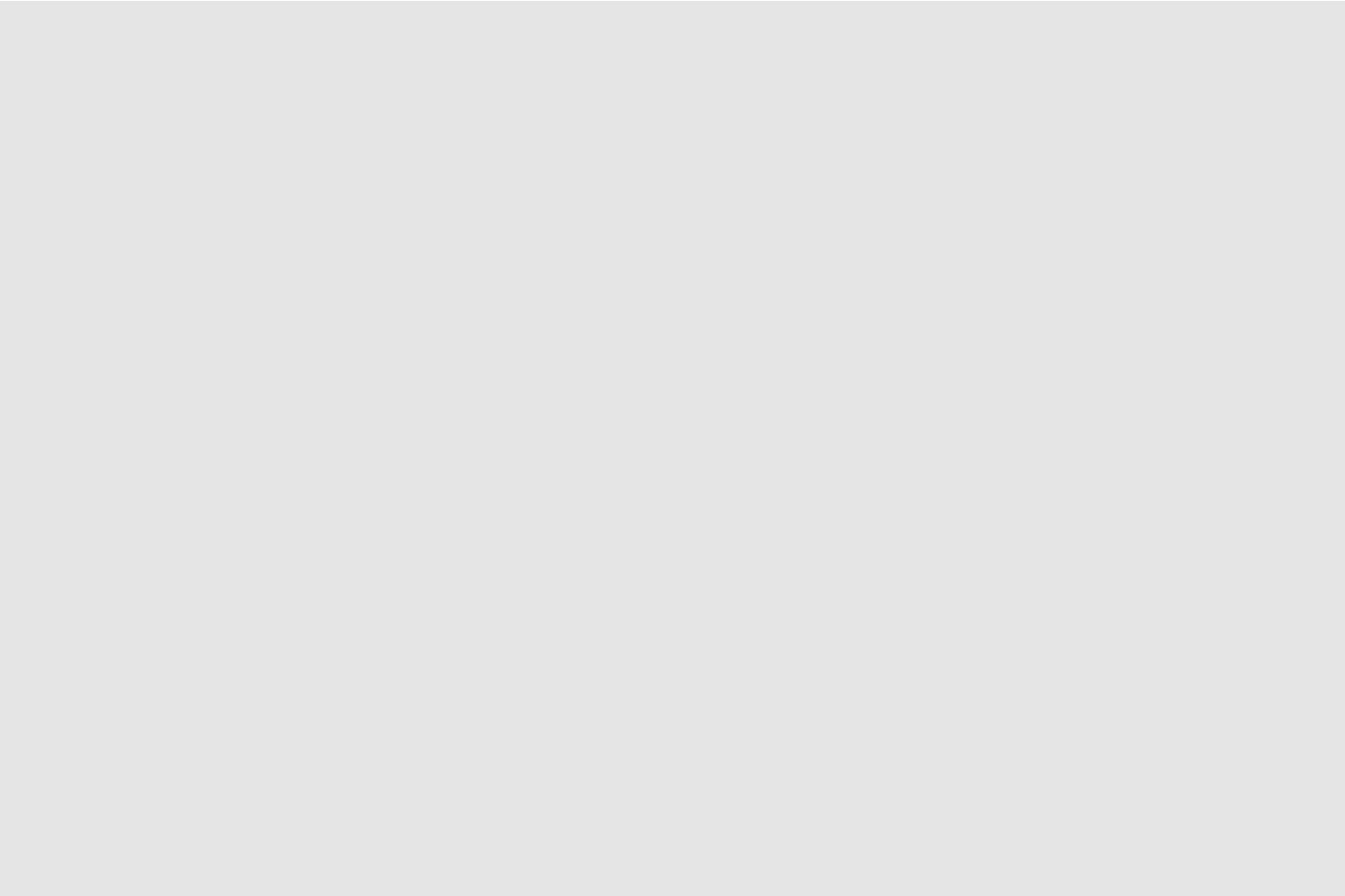
Saudi-born businessman Adnan Khashoggi in 2016 attending the 68th annual Red Cross Gala in Monaco.
Photo: AFP

For his 50th birthday in 1985, Khashoggi threw a five-day bacchanal at his retreat in southern Spain. The cake was topped by a spun-sugar crown modelled after one worn by France's Sun King, Louis XIV, and guests roamed the grounds with flutes of Moët champagne among imported African wildlife.

At another villa, near Cannes – one of more than a dozen homes he once owned across four continents – Khashoggi provided a haven-for-rent for the ousted Haitian ruler Jean-Claude Duvalier after he was driven from his Caribbean nation in 1986.

The mix of hedonism, power and audacity swirling about Khashoggi was so heady that the British rock band Queen wrote a song about it, *Khashoggi's Ship*, referring to his 85-metre yacht outfitted with a laser that sketched its owner's smiling image in the main cabin.

It all unravelled for Khashoggi – or AK, as he liked to be called – in equally spectacular fashion.

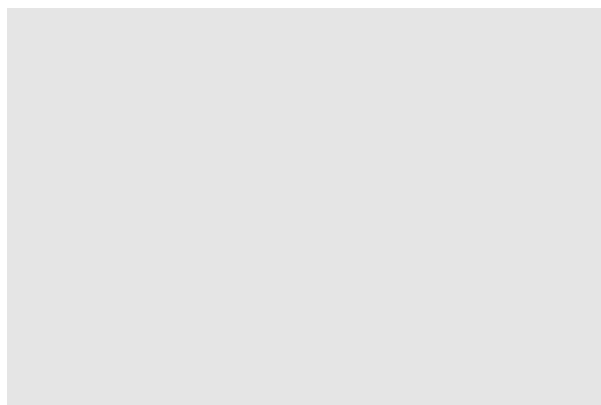


Dodi Al-Fayed chats with his aunt, Soraya Kashoggi (right) and Linda Atterzaedh, in this undated photo.
Photo: Alpha

He was named, along with Iran-contra pointmen Oliver North and others, as a key intermediary in the clandestine CIA-directed plan in the 1980s to send arms to Tehran in exchange for captives held by pro-Iranian militias in Lebanon. The Iranian money was then shifted to US-backed contra rebels in Nicaragua, in violation of various codes including Congress-imposed limits on aid to the contras.

Khashoggi was never charged in the Iran-contra dealings. But his fingerprints cropped up in many other shady places.

He was accused of bankrolling some of the Iran-contra arms purchases through the Luxembourg-based Bank of Credit and Commerce International, which collapsed in 1991 amid probes into widespread money laundering. In the United States, Khashoggi was mentioned by investigators on the fringes of the contract-for-kickbacks scandal around Wedtech Corp, whose downfall also led to the resignation of prominent officials such as then-Attorney General Edwin Meese III in 1988.



Adnan Khashoggi in Le Bourget, France, in 1987. Photo: AFP

The following year, Khashoggi was arrested in Switzerland on US charges linked to accusations of helping the Marcos family conceal more than US\$200 million in cash and artworks allegedly stolen during Ferdinand Marcos' presidency from 1965 to 1986. While awaiting extradition, Khashoggi had his jailhouse meals catered by the luxury Schweizerhof Hotel in Bern.

Khashoggi faced trial on racketeering and other charges. But he and Imelda Marcos, then a widow, were acquitted in US federal court in New York in 1990.

“Where did I go wrong?” he told the *New York Times* in an interview while trying to drum up clients in Cairo in 2009. “Nowhere.”

Then, just a hint of enigmatic contrition: “OK, I behaved unethically, for ethical reasons.”

Adnan Mohamed Khashoggi, born in Mecca on July 25, 1935 (according to most biographies), had advantages from the beginning.

His father was the personal doctor of King Abdul Aziz bin Saud, the first ruler of the young Saudi kingdom. Khashoggi was sent to a top boarding school, Victoria College, in Alexandria, then a cosmopolitan enclave on Egypt’s Mediterranean coast.

After he graduated in 1952, Khashoggi enrolled at the Colorado School of Mines to study engineering, but he disliked the cold. He transferred to California State University at Chico, then had a brief stint at Stanford University. His real passion, however, was shepherding deals.

He pulled together a key one: an exclusive contract to export American trucks to Saudi Arabia in the early 1960s, pulling in US\$150,000 in commissions over several months. He soon was the Saudi conduit for automakers such as Rolls-Royce, Chrysler and Fiat.

By 1980, Khashoggi was the intermediary for up to 80 per cent of the military purchases by Riyadh. He had other high-level connections in the wings, too.

From 1954 to 1956, his sister Samira was married to Mohamed al-Fayed, an Egyptian-born business magnate whose later holdings included Harrods department store in London and the Hotel Ritz in Paris. Their son Dodi died in 1997 in Paris along with Diana and driver Henri Paul in a tunnel crash.

It was widely assumed that best-selling author Harold Robbins used Khashoggi as inspiration for his 1974 novel *The Pirate*, about a Middle Eastern mogul with a ruthless streak.

As Khashoggi grew in stature and riches, he also came under scrutiny. In 1975, he was drawn into a US Senate investigation of alleged bribes and other favours by US companies to foreign governments.

Meanwhile, his home life was coming unmoored after having five children with his British-born wife, Sandra Jarvis-Daly, who converted to Islam and took the name Soraya after their marriage in 1962. They divorced in 1979, after having split years earlier amid rumours of Khashoggi's numerous affairs. Soraya had her own flings, including with actor Warren Beatty, former British lawmaker Jonathan Aitken, and the namesake grandson of former British prime minister Winston Churchill.

Even before their divorce was final, Khashoggi had remarried – this time to an Italian teenager, Laura Biancolini, who also converted to Islam and took the name Lamia. They had a son.

In the early 1980s, Khashoggi was so awash with commissions and moneymaking projects that he was often called the “world's richest man”. He wasn't – his net worth was about US\$4 billion at its peak in the mid-1980s, according to various estimates. But he lived as if he were.

His yacht, the *Nabila*, named for his only daughter, was a floating pleasure palace and was used in the 1983 James Bond film *Never Say Never Again* starring Sean Connery – an occasional guest at Khashoggi's soirees.

As the Iran-contra affair unfolded, however, Khashoggi's star began to dim.

Suddenly, no one returned his calls, and the cash spigots dried up. The *Nabila* was seized by the sultan of Brunei in 1987 for an unpaid loan. It was then sold to Trump for US\$29 million in 1988. He unloaded it several years later to Saudi Prince al-Waleed bin Talal at a substantial loss.

Survivors include his six children. Lamia Khashoggi remained active in charity events. In the early 1990s, Khashoggi took a second wife, Iranian-born Shahpari Zanganeh, under Islamic law. The marriage was later ended.

“My personal philosophy is I don’t regret matters that happen, good or bad,” he told the *New York Times* in the 2009 interview. But he was not ambivalent when it came to cash, explaining, “Money is not everything. It’s the means to everything.”

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This article appeared in the South China Morning Post print edition as: Death of a Playboy and ‘five star fixer’