

Arms dealer, Dodi Fayed uncle Adnan Khashoggi dead at 81



Adnan Khashoggi arrives at Manhattan Federal Court, New York, on April 4, 1990. Saudi arms dealer Khashoggi, once one of the world's richest men who was implicated in the Iran-Contra affair, has died. He was 81 and had been suffering from Parkinson's disease, it was reported on Tuesday, June 6, 2017. (File/AP)

By Brian Murphy The Washington Post

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Adnan Khashoggi, a Saudi middleman-for-hire who amassed huge wealth and influence peddling everything from American weapons to favors 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 luster since his peak in the 1970s and 1980s, but not so the list of misdeeds and abuses that remain defining events of the time. Though never convicted, the U.S.-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 \$250,000 a day. He partied with Hollywood elite such as Cary Grant and Elizabeth Taylor; traveled in a blinged-out DC-8; kept an Indian swami as an on-call adviser; and boasted about his bevy of young mistresses.

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.

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 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 specializing in Persian Gulf affairs, said in an interview. “No history of the region can be written without hearing them rattle.”

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 modeled 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 281-foot yacht outfitted with a laser that sketched its owner's smiling image in the main cabin. The vessel would eventually end up with Donald Trump, who called Mr. Khashoggi “a great broker and a lousy businessman.”

Journalist Ronald Kessler, author of a 1986 book, “The Richest Man in the World: The Story of Adnan Khashoggi,” described Khashoggi as a scalpel-sharp strategist. “Even at these fantastic parties, he's working, doing deals,” Kessler told People magazine at the time. “He's thinking, ‘Who's important, who might help me with this or that?’ A deal is like a big hunt for him.”

It all unraveled for Khashoggi – or A.K., as he liked to be called – in equally spectacular fashion.

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 U.S.-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.

The following year, Khashoggi was arrested in Switzerland on U.S. charges linked to accusations of helping the Marcos family conceal more than \$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 U.S. federal court in New York in 1990. Jurors appeared swayed by contentions that Imelda Marcos knew nothing of alleged wrongdoing and that Khashoggi broke no American laws.

He then faded into a kind of gilded twilight: living comfortably in Saudi Arabia and Monaco but shunned by the executives and political bigwigs who once clamored for his let's-make-a-deal skills.

Even well into his 70s, he pitched himself as a seen-it-all consultant unburdened by regrets.

“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 ibn 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.

Khashoggi met the father of an Egyptian classmate whose family ran a textile company. The father of another school chum wanted to sell towels and sheets in Libya. Mr. Khashoggi arranged a meeting and earned a commission worth about \$200. “That made me feel it’s only (by) putting people together (that) you make money,” he later quipped.

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 \$150,000 in commissions over several months. He soon was the Saudi conduit for automakers such as Rolls-Royce, Chrysler and Fiat.

He branched out to defense and aviation firms eager for a share of the kingdom’s oil-fueled spending spree. Lockheed, Northrop, McDonnell Douglas and others joined his client list, bringing Khashoggi millions of dollars in fees. According to various accounts, his Rolodex by the late 1960s contained CIA operatives, Swiss bankers, gun runners and Washington insiders such as Nixon confidant Charles “Bebe” Rebozo.

By 1980, Khashoggi was the intermediary for up to 80 percent 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 Senate investigation of alleged bribes and other favors by U.S. 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 rumors 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 \$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 \$29 million in 1988. He unloaded it several years later to Saudi Prince al–Waleed bin Talal at a substantial loss.

In January 1987, Khashoggi was on the Time magazine cover alongside the headline, “Those Shadowy Arms Traders.” Weeks later, his U.S. subsidiary, Triad American Corp., filed for bankruptcy, leaving investors holding the bag and projects unfinished, such as a \$400 million office and hotel complex in Salt Lake City.

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. They divorced in 2015.

Even after open–heart surgery, he was trying to get back into the mix. Just two months before the U.S.–led invasion of Iraq in 2003, Khashoggi set up a secret meeting in France between a Saudi tycoon and Bush administration insider Richard Perle, a former assistant secretary of defense under President Ronald Reagan. According to the New Yorker magazine, the tête–à–tête included brainstorming about ways to cash in on the coming conflict.

“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.”

Editor’s Note: An earlier version of this story did not mention that Mr. Khashoggi and his second wife, Shahpari Zanganeh, were divorced in 2015.