

The 'Tiny' Rowland file

Part II of an EIR investigative series follows the trail of the Israel British Bank and Lonrho.

On Sept. 23, 1974 the London and Tel Aviv-based Israel British Bank (IBB) declared itself bankrupt with over \$103.3 million in losses to its creditors. Seventy international banks and the U.S. Federal Deposit Insurance Corporation were hit by the shockwaves of its fall. It was the largest collapse of a British bank since the early 18th-century South Sea Bubble, and it caused a major international diplomatic incident among the United States, Great Britain, and Israel. Right in the middle of it all, sat Tiny Rowland, chief executive of Britain's Lonrho multinational.

The bank collapsed because two of its principal officers siphoned off tens of millions of dollars in loans to dummy corporations in Liechtenstein. The results of an investigation by the British government were suppressed. No one knows where the \$100 million went.

Some things, however, are known:

- Tiny Rowland was and is intimately associated with the two figures who swindled the bank: its London branch head, Harry Landy, and its Tel Aviv branch head, Joshua Bension. Harry Landy is today employed by Rowland, who put up £100,000 bail for him during his trial. Many other members of the Landy family are on the Lonrho payroll as well.

- When the IBB collapsed, Rowland wound up with many of its key pieces. For instance, Rowland became the chairman (and Landy the managing director) of London City and Westcliff Properties, an IBB subsidiary and one of the largest real estate companies in London. Under Rowland, the LC&W provided free apartments for Rowland and other Lonrho executives.

- In 1971 Lonrho, although it was in a severe liquidity crisis, was negotiating to buy production rights to the Wankel rotary engine, which were owned by an IBB subsidiary. The IBB group was led by Capt. Stefan Klein, reportedly once a homosexual lover of Rowland. Somehow Lonrho's liquidity crisis—which was so severe that its merchant bank, Warburg's, quit Lonrho—was not only solved, but the Wankel rights acquired as well, precisely at the same time that Rowland's partners in negotiating the Wankel deal, Landy and Bension, were swindling \$100 million out of the IBB. To this day, IBB's attorney, Mossad-connected Tel Aviv attorney, Eliahu Miron, is a

close friend of Rowland and visits him whenever he is in London.

Who killed Walter Nathan Williams?

There were even more disturbing events which arose in the Rowland-IBB connection. The founder of the IBB was Walter Nathan Williams, a prominent figure in Jewish philanthropic circles who had played a role in founding the nation of Israel. Williams had four daughters, two of whom married Harry Landy and Joshua Bension. As Williams got older, Landy and Bension assumed control over the day-to-day functioning of the bank. According to one of Williams's granddaughters, Francesca Pollard, in 1970-71 Williams was complaining about how Landy and Bension were handling the IBB's affairs, about their "new friends" (i.e., Rowland), and about their plans to sell the production rights to the Wankel.

Williams fell seriously ill in 1971, but was recovering fine when he suddenly died in October. His daughter, Pollard's mother, charged that he had been murdered. The circumstances of his death were certainly curious. His death was not registered for one year afterward, and his will was not probated until 1976. In 1974, his sons-in-law Landy and Bension suddenly produced a document to which they had been the only witnesses, allegedly written by Williams, which stated that all of Williams's estate should be used to back up any loans whatsoever, either then or in the future, which any family members might take from the IBB. Thus, Williams had ostensibly issued Landy and Bension, with whom he was having sharp disagreements, a blank check to loot the IBB, with the knowledge that his own estate be used to guarantee the "loans." His sudden death on Oct. 30, 1971 occurred in the same month when Lonrho's liquidity problems were at their most severe. And in November, Rowland acquired the Wankel engine, to which Williams had been opposed.

Even more curious, the law firm which probated Williams's estate was the same which had handled the estate of Tiny Rowland's father, who died in London in 1974 at the age of 93. And it had been Rowland's own attorney, John Cama of Cameron Markby, who under false pretenses convinced members of the Pollard family to sign away their

rights to the Williams estate, thus freeing it up to be sucked into the IBB which Rowland's pals were looting.

Francesca Pollard claims that Rowland himself may have forged her grandfather's signature on the guarantee witnessed by Rowland's two cronies, Landy and Benson. The claim can not be dismissed out of hand, because not only has Rowland always refused to provide Pollard with a specimen of his handwriting to make a comparison, but a former Lonrho board member was emphatic in stating that Rowland regularly used to forge Angus Ogilvy's signature on bank papers and other documents.

Pollard has been on a campaign for years against Rowland. Insiders report that Rowland is terrified of her, and what she might bring forward were he to ever wind up in court with her. She has been offered £1 million to relinquish all claims to the Williams estate and cease her attacks on him as the looter of that estate. Besides that carrot, Rowland is apparently brandishing a stick as well: a series of break-ins and beatings have struck Pollard's family recently, in an obvious attempt to shut her up. But as one City of London insider who has examined the case in depth remarked, "It is perfectly clear to me that he has ripped off her and the Israeli British Bank and taken over all that company at virtually no cost to himself. Enormous assets, in what could only be a criminal conspiracy. And he has never been prosecuted." Or, as a former longtime Rowland associate commented, "You do not blow up a bank that size without assurances that there won't be repercussions." Clearly, those assurances were given: The IBB (London) is the only fully authorized British bank ever allowed by the Bank of England to collapse.

Not only was the money never found in this unprecedented bankruptcy, but Rowland's two cronies who swindled the money were let off virtually scot-free. Harry Landy was acquitted upon appeal, and Joshua Benson was set free after serving only two years, due to the personal intervention of his in-law, Israeli Prime Minister Menachem Begin.

The House of Fraser investigation

The cast of characters in the IBB affair re-emerged in a curious way in Rowland's long, obsessive battle to win control of Harrod's department store and its holding company, House of Fraser. During an investigation by the British government's Department of Trade and Industry (DTI) into the takeover of the House of Fraser, IBB attorney Eliahu Miron and some of his friends were investigated to see if they had illegally bought shares in the House of Fraser on Rowland's behalf. Miron, who counts many very wealthy Israelis among his clients, admitted that he had offered to do so, but insisted that Rowland had turned him down.

The connections of Rowland and his IBB friends, particularly the Landy family, to the House of Fraser saga did not end there.

In 1987, Paul Shannon, the head of the DTI, recused

himself from major responsibilities in the department, because he was a distant cousin of the Guinness family, whose brewing empire was then under investigation for substantial fraud. With Shannon's recusal, a great deal of power fell into the lap of the DTI's number-two man, its minister of corporate affairs, Michael Howard. Abruptly, charges which Tiny Rowland had made against the takeover of the House of Fraser by the Al Fayed brothers, which had been examined by several successive DTI heads and deemed not actionable, were accepted by Michael Howard, and an investigation was launched into the Al Fayed.

Why had Michael Howard acted, in effect, on behalf of Tiny Rowland? Howard, it emerges, is not merely a personal friend of Rowland employee (and, some would say, co-conspirator) Harry Landy, but is Landy's first cousin! The close ties between the Landy and Howard families go back to the early part of this century, to the same little Welsh town from which both families come. Rabbi Morris Landy, Harry Landy's cousin, married Michael Howard's parents. Harry Landy owns a reported £500,000 worth of Lonrho stock; Rabbi Morris has been a big Lonrho stockholder. And when one of the Landy clan died recently, a big notice of sympathy was inserted in the London *Times* by Michael Howard and his family.

The Meyer Lansky connection

According to sources intimately familiar with the Benson family, Tiny Rowland's friend and business partner Joshua Benson was on very close terms with the late underworld kingpin Meyer Lansky. So close were the two, that Lansky was a guest in Benson's home during his early 1970s stay in Israel. Lansky at the time was heavily funding the country's "religious right," in hopes of being granted the right to stay in the country. The Bensons were also reported to be squiring Mandy Rice Davies, of Profumo sex scandal fame, around Israel, introducing her into the best country clubs, etc.

One of Lansky's associates during his stay in Israel was a man named Richard Amsterdam. In 1981, as Lonrho was preparing to raise \$1 billion to buy the House of Fraser, Amsterdam's name would surface again. According to informed sources, in September 1981, Lonrho chairman William DuCann was attempting to raise \$1.1 billion, part of which was reportedly for an unspecified "operation" concerning the House of Fraser, and part for Lonrho's Beira pipeline in Mozambique. In January 1981, Lonrho had launched a bid for the House of Fraser, and by the autumn of that year was expecting a go-ahead from the Monopolies Commission, at which point it would need massive funds to augment its 29.9% stake in House of Fraser.

The loan DuCann was working on was most curious. Normally one might expect that Lonrho, one of the top 40 corporations in Britain, would go to a regular bank or insurance company to secure the funds. Nor was DuCann raising

the money openly on Lonrho's behalf. The intended recipient of funds was a company represented by DuCann, the Jersey Island-based West of England Development Co. (Jersey) Ltd., had a paid-up share capital of \$9. The company from which he was trying to secure this huge loan was an equally shadowy entity, the Liechtenstein-based Linsher Anstalt, with a tiny share capital of 20,000 Swiss francs. Linsher was controlled by Joseph J. Hirsh, the true party with whom DuCann was negotiating. Hirsh, an American financier and reputed licensed gold bullion dealer, was the senior partner in Joseph J. Hirsh Associates of 201 E. 79 St. in New York City. To establish his bona fides, Hirsh provided a list of nine personal references, the last four of whom were Richard Amsterdam, Raymond Johnson, Jack Pearlman, and Max Gross—all reputedly longtime associates of Meyer Lansky!

Rowland and the Iran-Contra scandal

In 1987, and again in 1988, an independent team of accountants (as opposed to Lonrho's "in-house" firm of Peat, Marwick) undertook a review of Lonrho's accounts. They not only found the company to be in possibly shaky financial condition, but made one additional observation. In the words of a source familiar with the review, "The accountant certainly took the view that the whole structure of the company, with its 800 or so subsidiaries, could only be explained by a desire to *confuse*."

Much of the "desire to confuse" has to do with gunrunning. Though Rowland has always claimed, as he did in 1986, that "Lonrho has never been involved in arms movements," a quick overview of Lonrho subsidiaries shows how ridiculous that statement is.

Most notorious is the case of Lonrho's Tradewinds subsidiary, which has been sold off since then. From 1969-75, Tradewinds made huge losses as it worked with CIA agents Frank Terpil and Ed Wilson in arming Libya's Muammar Qaddafi. Since Rowland has always claimed with great pride that all subsidiaries of Lonrho are profit-making, and Tradewinds was racking up losses year after year, clearly Tradewinds was not merely, or even mainly, a normal commercial company; nor is the mysterious Lonrho North Africa, which also runs at a loss year after year.

Another Lonrho subsidiary, Armitage Industrial Holdings, Ltd. is a company whose annual report, every year, states: "The company did not trade this year." Its only asset is one airplane. The airplane is used, and has been for years, to shuttle between Mozambique and Libya with weapons on board. Still another Lonrho subsidiary (through Lonrho's 50% ownership of the German freight forwarder Kuhn and Nagel), Red Baron, was caught red-handed in 1980 at London's Gatwick Airport trying to smuggle arms to South Africa. In addition, numerous of Lonrho's subsidiaries are cloaked in "national security" secrecy, where the only information on file is a "dispensation not to file." This is the case with Lonrho's three arms producers in South Africa—Matrix

Products, Matrix Transvaal, and Matrix Natal—all of which are closely linked to the state arms company, Armscor.

That Rowland's name should therefore emerge in the Iran-Contra hearings, as it did in the U.S. Senate when Sen. William Cohen (R-Me.) exclaimed in a horrified voice, "Didn't any alarm bells go off within the administration saying, 'If Tiny Rowland is involved, my God, who else is involved?'" should not be surprising. For several years Rowland has been deeply involved with Iran, of which his gun-running there is but one aspect. The following are some features of this Rowland-Iran connection.

- Rowland's New York attorney is Sam Evans, who is also a close friend and partner of Rowland pal Adnan Khashoggi in gun-running ventures. In 1986, U.S. Customs officials caught Evans in connection with an undercover sting operation which also netted Cyrus Hashemi, Israeli Gen. Avraham Bar-Am, and others, who were supplying guns to Iran. Though caught red-handed, all charges were subsequently dropped.

- In 1987, Lonrho took a 50% holding in a trading subsidiary of the West German steel firm Krupp, forming Krupp-Lonrho, and making Lonrho in effect a partner with Iran, which owns 25.01% of Krupp. In 1988, Lonrho negotiated with Teheran to buy its stake as well.

- Throughout 1987 and 1988, Rowland was flying in and out of Teheran, often accompanied by German arms dealer Wolfgang Michel or the former United Arab Emirates ambassador to the United Kingdom, drug smuggler Mahdi Al Tajir. His aim was to set up a \$1 billion South African arms-for-Iranian-oil deal, and he had two people from Matrix Products in Teheran earlier this year working on the deal.

- The first recorded weapons shipment to Iran, the one credited with having kicked off the whole Iran-Contra affair, was financed by a \$7.5 million loan from Rowland to Adnan Khashoggi to purchase arms. Rowland later claimed he had no idea what his longtime business partner Khashoggi was doing with the money, for which he took mortgages on Khashoggi's planes and yacht.

- The three key figures from Israel involved in the Iran-Contra affair were: David Kimche, former director of Israel's Foreign Ministry and head of the Mossad for Africa; Amiram Nir, former security adviser to the Prime Minister; and Yaakov Nimrodi, former station chief in Teheran of the Israeli intelligence service, Mossad. Kimche is now employed by Lonrho's African Investment Trust Ltd.; Nir, according to Israeli sources, was employed by Lonrho at the time of his sudden death in Mexico in December 1988; and Nimrodi is currently the broker for Lonrho in its attempt to acquire the Aviya Sonesta five-star luxury hotel in Taba on the Red Sea.

The Dec. 5, 1986 *Jerusalem Post* reported that Rowland, Israel, and the CIA were going to ship arms to Iran via Zaire. Rowland claims that the deal did not go through.

Next week: Whom does Tiny Rowland really work for?