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## Khashoggi Jailed, Accused of Hiding Marcos' Riches : Swiss Hold Him for U.S. Extradition

April 18, 1989 | From Associated Press



BERN, Switzerland — Adnan Khashoggi, the flamboyant Saudi financier once reputed to be the world's wealthiest man, was arrested today on charges he helped Ferdinand and Imelda Marcos hide riches stolen from the Philippines.

The jet-setting arms merchant, allegedly the man who brokered the Iran-Contra arms deal, was seized by police at an elegant Bern hotel and jailed, said Pierre Schmid, assistant director of the Swiss Federal Police Office.

Schmid said the arrest came shortly after the U.S. Embassy tipped off Swiss authorities that Khashoggi was in the capital and issued a warrant, demanding his arrest.

The United States plans to submit a detailed extradition request within 60 days as required by treaty.

Indicted in New York

Khashoggi, the Marcoses, five other people and a California bank were indicted in October by a U.S. District Court in New York.

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The indictment accuses the ousted Philippines dictator and his wife of stealing more than \$100 million from the Philippine treasury to buy real estate and expensive art objects in New York.

Overall, the Philippines says the couple took \$3.5 billion in cash and property.

The U.S. government alleges that Khashoggi, 54, posed as owner of some of the assets to help hide that they actually belonged to Marcos, prosecutors have said.

'Obfuscation Maneuvers'

Swiss authorities said a U.S. diplomatic note demanding Khashoggi's arrest cited four buildings in Manhattan and a collection of paintings that disappeared from a Manila museum. Khashoggi allegedly bought them for Marcos as part of "obfuscation maneuvers" during the ex-president's reign, Schmid said.

Marcos fled into exile in Hawaii after the February, 1986, civilian-military uprising that put Corazon Aquino in power.

Under the U.S.-Swiss extradition treaty, Swiss authorities must decide whether Khashoggi's alleged offenses are considered criminal acts under both U.S. and Swiss law.

Police arrested Khashoggi in a "gentlemanly" way without using handcuffs at the downtown, five-star Hotel Schweizerhof where he was staying, Manager Jean-Jacques Gauer said.

High Bail Likely

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He was taken to the nearby district jail, the Swiss Justice Ministry said. Schmid indicated that bail is likely to be set exceptionally high.

Khashoggi arrived in Switzerland on Monday for unspecified medical treatment, said a well-placed Swiss official speaking on condition of anonymity. Khashoggi, who has lived in Paris, has visited a Bern hospital in the past for rejuvenating fresh cell therapy.

The Philippines claims that after the Marcoses went into exile, their agents and Khashoggi carted away 25 paintings from New York properties owned by the Marcoses. The action allegedly came after a California federal judge ordered that none of the Marcoses' property could be moved.

Khashoggi allegedly sold 12 paintings for \$3.2 million.

Published reports once estimated his personal wealth at up to \$4 billion, and he was reported to be the richest man in the world. But falling oil prices, stricter control of arms dealing and recent loss-making deals have reportedly left him in financial straits.



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