

*This is an excerpt from Greg Palast's brand new book **Vultures' Picnic: In Pursuit of Petroleum Pigs, Power Pirates, and High-Finance Carnivores.***

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## CHAPTER 13

# Vultures' Picnic

### MIDTOWN, MANHATTAN

There is a bigger game being played here, the political protection of the Vulture system, and I wanted to get to the Big Bird behind it. Dr. Hermann, despite his Coliseum-size home, and Goldfinger with his mag wheels, are relatively small biters. Deadly, yes, to weak nations like Liberia and Zambia, but mere chicks compared to the Über-Vulture, the granddaddy of the flock, Paul Singer.

Jesus may have turned water into wine, but Singer can turn shit into silver. For instance, in the midst of the Congo's civil wars, Singer picked up bonds with a face value printed on them of \$100 million. He paid, reportedly, about \$10 million for them but now has a judgment to collect \$400 million from the Congo. Not bad for a \$10 million flutter.

Vultures don't feed only on hungry Africans. Indeed, Singer's first big score was his hit on America's asbestos victims. The executives of a few companies, WR Grace, USG, and Owens Corning, knew that their asbestos manufacturing plants were killing their workers, but didn't bother to tell them. When caught and sued, the companies filed for bankruptcy, agreeing to pay all they could to those dying and injured by their asbestos.

But Singer had a better idea. Grace, USG, and Owens Corning, as you can imagine, were worth next to nothing, and Singer bought Corning for a song. Simply by cutting the amount paid to the victims, he could boost the company's value.

You don't want to die from asbestosis. Your lungs turn to mush and you suffocate, slowly. A campaign was begun attacking the dying workers. They were faking it. One attacker was a guy named George W. Bush. In January 2005, the President held a televised meeting with an "expert" who said over half a million workers suing were liars. If workers couldn't breathe, it wasn't the fault of asbestos. The "expert" was not a doctor, but notably, his "research" was partly funded by Paul Singer. And so was Bush. Since the death of Enron's Ken Lay, Singer and his hedge fund crew at Elliott International

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have become the top contributors to the Republican National Committee. It's hard to measure their largesse exactly, because some of that help comes in through the side door. For example, in 2004, Singer put money behind the "Swift Boat" smear on Bush's opponent for the presidency, John Kerry.

The legal, political, and PR attacks on the dying workers chiseled away the compensation expected to be paid by the asbestos companies, boosting the firms' net worth. Singer then flipped Corning, selling it for a neat billion-dollar profit.

It's legal, it's brilliant, it's sick, it's Singer.

That's why Congressman Conyers didn't believe that President Bush knew nothing about the Vultures. Even if Bush didn't remember Singer's business, the President could hardly have forgotten the name of his party's Number One sugar daddy, the man who floated Bush into the White House on the swift boat.

So I thought I'd talk with Singer about his Congo jackpot—and what he might know about his former lawyer: Michael Straus Vulture Hermann's secret partner. Camera in hand, Ricardo and I walked through midtown Manhattan looking for a thirty-four-story building with a skull and crossbones on it. We located Singer's headquarters, but we didn't find a Dead Man's Chest guarded by a guy with an eye patch. Instead, we found George Gershwin, that is, a Gershwin look-alike in tuxedo tails, playing Rhapsody in Blue on a grand piano in the lobby of the office tower housing Elliott International, roost of the Vulture-in-Chief.

More than a decade ago, Straus, smelling a bird of his own feather, approached Singer with an idea: Buy up some bonds from the impoverished nation of Peru; buy dirt cheap, then sue for the "face" value. The prize: a 1,000 percent profit.

There was only one problem with Straus's method. It was against the law. The law is called "champerty." In New York, as in all states, you can't buy stuff for the sole purpose of filing a lawsuit. For example, you can't buy a wrecked car for \$100 and then sue for \$10,000, claiming, "Hey, this car is a wreck!"

Singer took Straus under his dark wing. They bought Peru's junk bonds and sued. A judge ruled "champerty" and threw Singer's suit in the garbage can, but an appeals court backed Straus and Singer.

Legal ping-pong can drag on for decades. But Singer got lucky. Peru's President decided it might be prudent to flee his country. Something about murder charges on the way. President Alberto Fujimori's cover for escape would be an official state visit to Japan, using the presidential plane.

That's when Singer, the billionaire repo-man, struck, and seized Peru's equivalent of Air Force One. Champerty, shamperty—Fujimori had to get the hell out. Peru's stunned U.S. lawyer told me that the President ordered Peru's treasury to pay everything Singer asked for (\$58 million). Then the fugitive Fujimori, the locks off the wheels of his getaway vehicle, high-tailed it to Japan and renounced his citizenship in the country in which he remained, oddly, President.

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So Singer still soars. What next? What does a man want who already has everything, or eaten everyone?

Congress. Gift-wrapped.

The day Congress passed Obama's weak but good-intentioned law to return some semblance of reason to the finance markets, Singer invited the Republicans who voted against it to come by his Central Park West apartment for some coffee, tea, and a million dollars that passed to them. Campaign contributions. Legal. Of course it is: The recipients of the million wrote the law that made it legal.

Singer, a generous man, had lent his own jet to Rudy Giuliani for Rudy's run for President.

But it's lonely at the top, atop the pile of carcasses. So Singer invited two other billionaires to join his picnic: Steve Schwartzman, the speculator known as Mr. Blackrock (after his "hedge" fund) —and The Sack.

The three together—Singer, Schwartzman, and Cohen—have agreed to make the Republican monkey jump, to fund a fearsome cash battleship to prevent the return of the rule of law to their finance playing field. They understand quite well that regulation is the expression of democracy in the marketplace. So, Singer is taking democracy head-on. Singer funded a referendum to change the way California allocates the nation's biggest pile of electoral votes for President.

Let's admit it: These guys are good at what they do. To us.

There is one instance in which the Elliott International corporate mask dropped from Singer's face, when a victim of cruel prejudice sat down to dinner with him. His son. His son wanted to get married—to another man. Suddenly, Singer's heart and checkbook opened to every gay rights political action campaign in the United States. It's just too bad that his son didn't fall in love with a sickly boy from the Congo with asbestos.

I had a lot of questions for Mr. Singer, but his gendarmes stopped us at the door. Even Gershwin looked at us with menace. I called up to his PR flack, who told me I could meet with Mr. Singer "never."

"Never ever?"

"Never ever."

I called Jones at BBC London. He had a new lead inside Elliott International. Singer didn't know it yet, but never ever is shorter than he thinks.