

The Talented Mr. Epstein; Lately, Jeffrey Epstein's high-ying style has been drawing oohs and aahs: the bachelor nancier lives in New York's largest private residence, claims to take only billionaires as clients, and ies celebrities including Bill Clinton and Kevin Spacey on his Boeing 727. But pierce his air of mystery and the picture changes. VICKY WARD explores Epstein's investment career, his ties to retail magnate Leslie Wexner, and his complicated past Vanity Fair March 2003

bizarrely." This same guest also attended a cocktail party thrown by Maxwell that Prince Andrew attended, which was filled, she says, with young Russian models. "Some of the guests were horrified," the woman says.

"He's reckless," says a former business associate, "and he's gotten more so. Money does that to you. He's breaking the oath he made to himself-that he would never do anything that would expose him in the media. Right now, in the wake of the publicity following his trip with Clinton, he must be in a very difficult place."

According to S.E.C. and other legal documents unearthed by Vanity Fair, Epstein may have good reason to keep his past cloaked in secrecy: his real mentor, it might seem, was not Leslie Wexner but Steven Jude Hoffenberg, 57, who, for a few months before the S.E.C. sued to freeze his assets in 1993, was trying to buy the New York Post. He is currently incarcerated in the Federal Medical Center in Devens, Massachusetts, serving a 20-year sentence for bilking investors out of more than \$450 million in one of the largest Ponzi schemes in American history.

When Epstein met Hoffenberg in London in the 1980s, the latter was the charismatic, audacious head of the Towers Financial Corporation, a collection agency that was supposed to buy debts that people owed to hospitals, banks, and phone companies. But Hoffenberg began using company funds to pay off earlier investors and service a lavish lifestyle that included a mansion on Long Island, homes on Manhattan's Sutton Place and in Florida, and a fleet of cars and planes.

Hoffenberg and Epstein had much in common. Both were smart and obsessed with making money. Both were from Brooklyn. According to Hoffenberg, the two men were introduced by Douglas Leese, a defense contractor. Epstein has said they were introduced by John Mitchell, the late attorney general.

Epstein had been running International Assets Group Inc. (I.A.G.), a consulting company, out of his apartment in the Solo building on East 66th Street in New York. Though he has claimed that he managed money for billionaires only, in a 1989 deposition he testified that he spent 80 percent of his time helping people recover stolen money from fraudulent brokers and lawyers. He was also not above entering into risky, tax-sheltered oil and gas deals with much smaller investors. A lawsuit that Michael Stroll, the former head of Williams Electronics Inc., filed against Epstein shows that in 1982 I.A.G. received an investment from Stroll of \$450,000, which Epstein put into oil. In 1984, Stroll asked for his money back; four years later he had received only \$10,000. Stroll lost the suit, after Epstein claimed in court, among other things, that the check for \$10,000 was for a horse he'd bought from Stroll. "My net worth never exceeded four and a half million dollars," Stroll has said.

Hoffenberg, says a close friend, "really liked Jeffrey... Jeffrey has a way of getting under your skin, and he was under Hoffenberg's." Also appealing to Hoffenberg were Epstein's social connections; they included oil mogul Cece Wang (father of the designer Vera) and

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