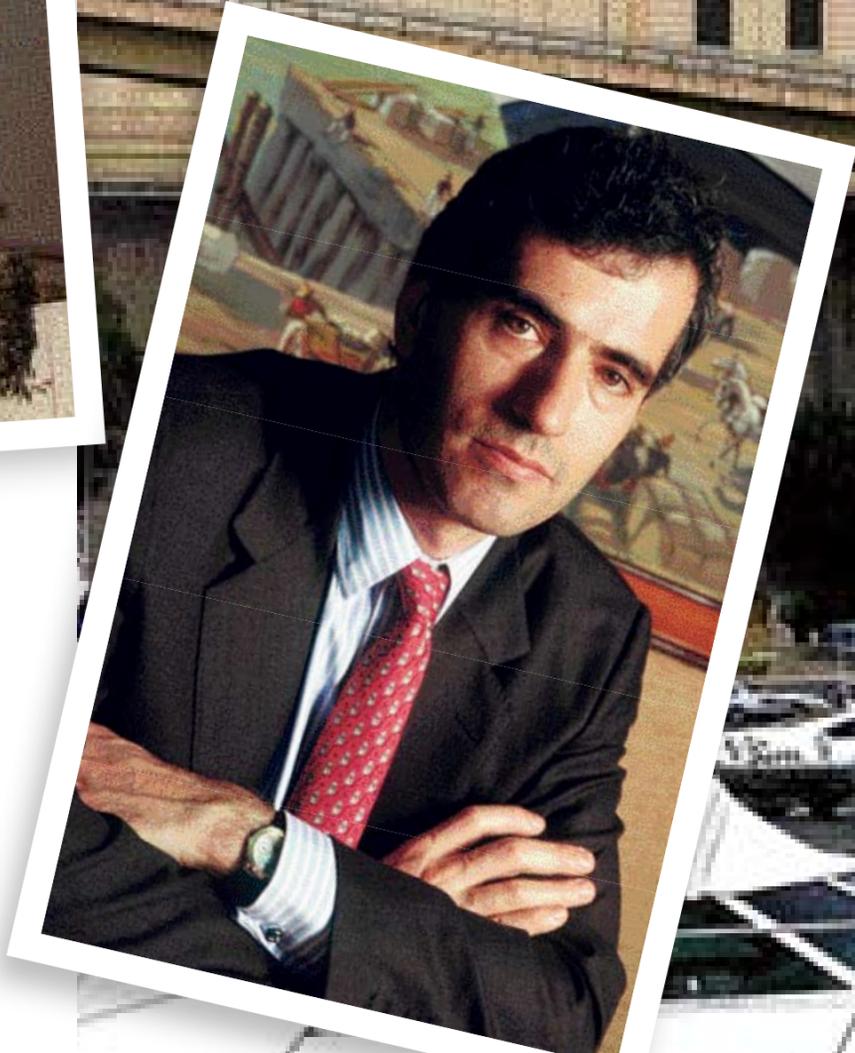
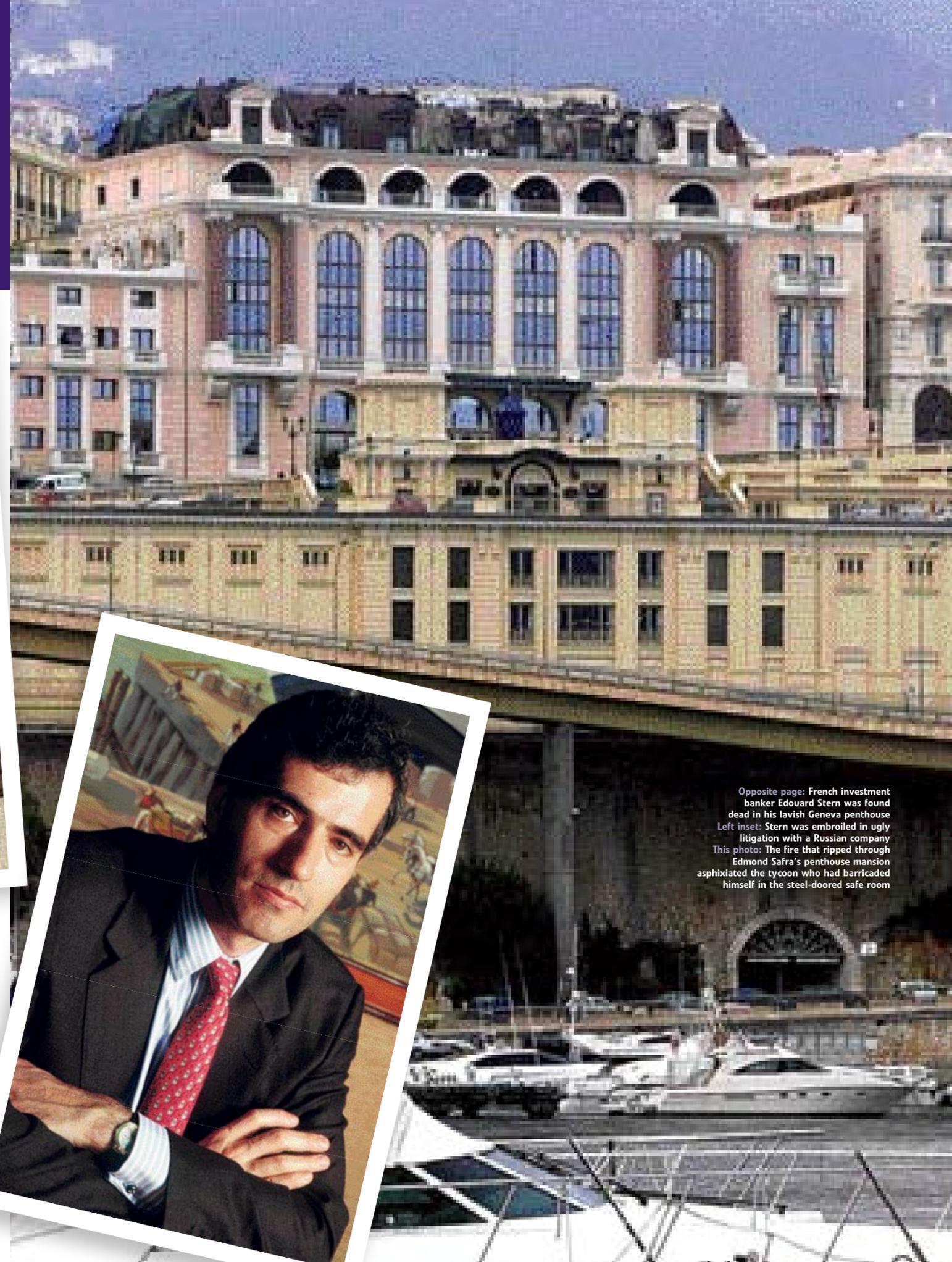


Murder, Secrets and Lies



Two famously wealthy European financiers died under highly mysterious circumstances. One in a bizarre shooting last March, the other six years ago, when an arson blaze engulfed his Monaco penthouse. But are the right people behind bars? Sue Russell investigates

On the afternoon of Tuesday, March 1, three business associates of multimillionaire French investment banker Edouard Stern gingerly opened the door to his lavish Geneva penthouse. While loathe to invade his privacy, they were also worried: Uncharacteristically, Stern had missed two morning appointments.

Stern's cleaning lady let them in and they hesitantly padded down the hallway to his bedroom. What greeted them was a confoundingly eerie sight; a mix of murderous gore and a kinkily erotic scenario. An alien-like form lay on the floor, encased head to toe in a flesh-coloured, latex bodysuit and unrecognisable as Stern. Copious amounts of blood indicated that someone was very dead.

Opposite page: French investment banker Edouard Stern was found dead in his lavish Geneva penthouse
Left inset: Stern was embroiled in ugly litigation with a Russian company
This photo: The fire that ripped through Edmond Safra's penthouse mansion asphyxiated the tycoon who had barricaded himself in the steel-doored safe room

Swiss police are determinedly tight-lipped, yet lurid details, many unconfirmed, soon hit the Geneva press. Indeed, Stern had been found dead in a condom-like bodysuit absent any openings for the eyes, nose or mouth. He'd been shot four times; two bullets to the head.

His alarm system and security cameras were switched off. With no sign of a struggle or forced entry, he likely knew his killer. Tongues wagged, guessing it was either a pre-meditated assassination with a possible Russian Mafia connection, or he was murdered by a partner in sado-masochistic activities.

Supposedly, Stern had made investments in Russia, and he'd recently met with several Russian businessmen. Then again, he'd also lost a US\$89 million investment in Rhodia, a French chemical company. Alleging that they misrepresented corporate finances, he was embroiled in ugly litigation with the company.

Initially, police were wondering whether the latex bodysuit could be a red herring used to cover a professional hit. Yet it seemed a convoluted, atypical set-up. The Baroness, a famed New York dominatrix who designs customised latex bodywear, confirms it. She says that getting a skin-tight latex costume on someone uncooperative, let alone dead, would be very tough if not impossible.

Generally, people cover themselves in a water-based lube before donning such attire and, she says, "Depending on the degree of tightness and how many zips there are, you struggle or slide in." It's just too strange to imagine mobster types grappling with latex and lube.

The Baroness explains that bodysuits without facial openings heighten pleasure for some: "And when you're as rich as this man, you can pretty much have whatever you want. Breathing tubes, eye, nose, mouth and ear openings are all optional design details." By any measure, it was an inglorious death.

Edouard Stern's and Edmond Safra's murders are both mysteries wrapped in conundrums. Buried less than 100 yards apart in the same Jewish cemetery, they had more in common than their wealth, Geneva residences, and initials.

Both were highly secretive men. Both feared for their lives for reasons not entirely clear. Both had enemies aplenty. Safra was paranoid and had



Above: Ted Maher's lawyer Michael Griffith stands outside the Monaco courthouse. Below: Safra's nurse, Ted Maher on trial for his employer's murder. Opposite page: Lily Safra's lawyer Marc Bonnant, left, speaks with Nobel laureate and Holocaust historian Elie Wiesel as they walk to the Israeli cemetery for Edmond Safra's funeral in Veyrier, Switzerland.

a large security staff. Stern, a weapons collector, had taken to carrying a gun. The Rhodia litigation seemed to have him rattled.

Stern was born into a Jewish banking family ensconced in France for generations. He left a \$763 million fortune. A pampered youth with a personal valet, he was a below-par student. Yet, at age 22, he joined his family's floundering Banque Stern with a mandate to save it, and save it he did.

He was incredibly close to his three children and his former wife, Beatrice, a French art historian. They wed in 1984 and divorced in 1998. Beatrice's father was Michel David-Weill, head of the French merchant bank Lazard Freres & Co.

Stern joined Lazard Freres in 1992 and was the heir apparent until a rift with his father-in-law. He used his handsome pay-off to start Investments Real Returns (IRR). He was an expert in off-shore tax avoidance strategies. When he died, he also was chairman of Delta, a British engineering company, and a director of Altadis, a Spanish tobacco company.

Lebanon-born Edmond Safra also hailed from one of the world's wealthiest Jewish banking families. He joined the family business at 16. When he died, he was president and managing director of the Republic National Bank of New York.

In the previous year or two, he'd collaborated with the FBI to monitor Russian international money-laundering. Inevitably, gossip swirled about a possible Russian connection. Had Safra perhaps put a target on his back?

In another curious twist, Stern and Safra's paths intersected. Stern's business partner, American banker Jeffrey Keil, was once president of Safra's Republic New York Corporation. Stern and Keil helped broker the acquisition of Safra's bank by the London-based HSBC for \$9.9 billion, a deal finalised in the weeks following Safra's death.

Yet Safra and Stern were wildly different. At 50, Stern was a karate black belt and passionate poker player with a kinky secret sex life. Safra,

in France in 2003 for running Europe's largest prostitution ring. Yet another possible Eastern European connection: MacDonald recruited girls from the Ukraine.

Yet there was more to Cecile than kink on call. Columnist Taki speaks warmly of her, revealing her artistic ambitions and love of sculpting and painting. She also really loved Stern. They went on big-game hunting trips together and weekendend in Venice and New York.

Some say Stern was dependent upon Cecile, depressed that she wouldn't leave her husband and threatened to end their affair. Conversely, her lawyers describe her as the "battered victim of an unimaginable, psychological manipulation." To Taki, she's a sexual adventures but also a vulnerable, tragic figure, and a victim of Stern's promises made but not delivered.

"She's obviously not right in the head," he says of her departure for Australia soon after the murder. "She's always been a lost soul, very artistic in one way, and very tortured in another." If she did kill Stern, he doubts it was premeditated. They might well have argued about Stern freezing her gift money during a tryst that night. If Stern's death was a *crime passionel*, Cecile faces a maximum sentence of 10 years.

Her flight to Australia could indicate panic, guilt, emotional imbalance, or a combination thereof. Reportedly, Cecile posted a parcel containing the clothes she wore that fateful night back to relatives in the States. But within days, she'd returned to Switzerland.

After she was interrogated and put under surveillance, it didn't take long for her to confess to killing Stern and throwing the gun into Lake Geneva. Yet not everyone was ready to accept her confession at face value. Many still suspect that others were also involved in Stern's death.

In March, the investigating judge, Michel-Alexander Graber, described her motive as "in the shadows." Regarding whether she could have been hired to kill, he said: "I cannot exclude the possibility of a contract

"I cannot exclude the possibility of a contract killing at this stage but this is not the line of inquiry that we are concentrating on," says investigating judge Graber

68, had advanced Parkinson's disease. Eight nurses provided around the clock care. While Safra was tough in business but generally well liked, Stern was roundly loathed. He was rude and abrasive with a quick temper, yet a charismatic and powerful figure to many.

International social diarist Taki Theodoracopulos does not disguise his disdain. "[Stern] was never powerful! A big bullshitter," he says crossly. "All he did was lose big money. The idea that he was some kind of wizard is crap. He was a very unpleasant character."

As Stern's murder rocked Geneva, more titillating (but unverified) details kept emerging. One had Stern wearing a dildo with the latex suit.

Suddenly, Cecile Brossard, 36, Stern's attractive, blonde dominatrix/mistress of four years, confessed to shooting him. Security camera footage showed Cecile was the last and only person to visit Stern's apartment the night he died.

If guilty, her likely motive was money. In January, Stern gave her \$1 million. Yet he froze the account a few days before he died, upset when he couldn't locate her. Cecile and her herbalist husband Xavier Gillet reportedly had financial troubles. A money squabble with Stern could have sent her over the edge emotionally.

A former waitress, Cecile had also worked as a call girl and was thought to have earned \$1,300 an hour on notorious English madam Margaret MacDonald's roster. MacDonald was imprisoned



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As for Beatrice, she and her children, Henri, Louis and Mathilde, now live in New York where she works at Sotheby's. But no miles can distance them from the embarrassingly tawdry details surrounding Edouard's death.

Taki says that Beatrice is a very nice woman: “She's very shy, very sort of nondescript. If she walks into a room she's rather self-effacing. Quite intelligent and very polite.”

“Beatrice was still in love with Stern,” notes author and *Vanity Fair* diarist Dominick Dunne, who feels enormous sympathy for the family: “It can be awfully hard. They've still got a trial coming – and that's going to be a racy trial.”

Meanwhile, mystery and unanswered questions still surround the six-year old murder of Edmond Safra and Vivian Torrente, 52, the popular nurse who died with him on December 3, 1999.

Stupendously wealthy Safra and his wife Lily had palatial homes in New York, London and Geneva, plus La Leopolda, their fabulous villa in Villefranche-sur-Mer, visited by luminaries like Frank Sinatra, Christina Onassis and more recently, Mrs Safra's friend Elton John.

Edmond died in the couple's 20 room, \$5.9 million split-level penthouse atop Monaco's glamorous Belle Epoque building overlooking the private yacht-filled harbour.

The principality is a tax haven and somewhat tatty jetsetters' paradise with more police per capita than anywhere in the world and omnipresent security cameras. Smaller than Manhattan's Central Park and with just 6,000 citizens, it supposedly has \$75 billion in its banks and 400,000 bank accounts.

“Now where does all this money come from, and what sort of money is it?” journalist Patrick Middleton of France's *Riviera-Reporter* asks. “Every so often a scandal sort of boils over and you hear that some

Russian guy or Italian guy has been deported.”

Safra and Torrente died of asphyxiation, trapped in the steel-doored safe room where they barricaded themselves at the urging of male nurse Ted Maher who told them that two hooded intruders had broken in. Maher, now 47, was a pediatric nurse and former Green Beret commando from Stormville, New York.

The only living witness, he staggered down into the building's lobby, his thigh bleeding and a knife sticking out of his stomach, and collapsed, nearly passing out. He told the concierge that during a scuffle with two knife-wielding intruders, one had slashed and stabbed him. He'd given Safra his cell phone, and after Safra told him to sound the alarm, he lit toilet tissue in a wastebasket to trigger the smoke alarm.

Desperate SOS phone calls went out from the misnamed saferoom. Safra rang his wife in her wing of the vast apartment, instructing her to seal her bedroom doors to keep out the smoke. Other calls were made at 5:20, 5:30 and 6:15 am. The final call from the death room ended at 6:30 am.

Fearing armed intruders inside, police moved very cautiously. Many headed back to the police station for riot gear and automated weapons. It seemed chaotic.

It's hard to fathom, but while the fire raged, neither police nor firemen got inside for over two hours; too late for Safra and Torrente. Police and firemen had begged Safra to come out but he refused, sure he would be killed and too terrified to move. Lily Safra, long nicknamed the Gilded Lily for her extravagance, escaped unharmed.

Despite Safra's safety obsession, not one of his 11 armed bodyguards was present. It's not clear if their absence had Mr Safra's blessing. Reportedly, Lily Safra sent them to La Leopolda weeks earlier believing security wasn't needed at the apartment, given Monaco's safety record. The apartment's alarm system didn't work that night and relevant footage from closed circuit security cameras was somehow missing.



Above: Chief prosecutor in the Safra case Daniel Serdet dismisses all the conspiracy theories Below right: Cecile Brossard, centre, Stern's mistress of four years, enjoys a night out in Paris two weeks before his murder. She was the last person to visit Stern's apartment the night he died Opposite page: US Vogue editor Anna Wintour and international social diarist Taki Theodoracopoulos



Both were highly secretive men. Both feared for their lives for reasons not entirely clear. Both had enemies aplenty



Chief bodyguard, Samuel “Schmulik” Cohen, a \$1,000-a-day former Mossad agent, rushed to the building once he got word of the fire. He had the key to the saferoom – given to him by Lily Safra – but was mistakenly identified as an attacker by Monaco's police commissioner, barred from going in and handcuffed. More time wasted.

The commissioner, reports Roger-Louis Bianchini in his book, *13 Mysteres de la Cote (13 Mysteries of the Riviera)*, was later transferred out of the Monaco police force due to alleged ties to the Russian Mafia.

“Schmulik was a wonderful man,” says Dominick Dunne. “He cried on the stand for love of Safra, that he couldn't have saved this man.”

The absence of any burglary in Safra's apartment lent weight to speculation that it might have been a contract killing. Patrick Middleton says the Russian Mafia's presence in Monaco is no great secret. “There's no doubt about it, they are very active here – and very discreet.” He likens Monaco to a police state given that phone calls are routinely and openly bugged, yet feels nothing sinister was at play that night.

“It's easy to see it as a conspiracy,” he says, “but if you know Monaco as a place with an extraordinary amount of incompetence and infighting, no one really wanted to take the initiative here. I think they were also terrified.”

“They [police] acted like a bunch of Keystone Cops,” says Michael Griffith, the international lawyer in charge of nurse Maher's case. Griffith is famous for representing Americans overseas. Most notably,

Billy Hayes, who was thrown in a Turkish prison for drug smuggling and became the subject of the film *Midnight Express*.

Heidi and Ted Maher met while nursing students, married in 1993 and had three children. Ted's \$600-a-day dream job with Safra separated them, but it was temporary and meant to benefit the family. Immediately after they heard of the fire and learned Ted was wounded, Heidi and her brother flew out to be at his side. By the time they arrived, three days after Safra died, Ted was in custody.

Heidi's account of that day is that a Safra chauffeur took them to the police station, where she was interrogated like a criminal. Then, when they were finally allowed outside for a breath of air, a small black car sped up and three armed men in black leapt out and grabbed her and her brother. They took them to the hotel where Maher lived and while the men ransacked his room, made them surrender their passports. Sure that Maher was being framed, Heidi feared for her life. Only later did she learn that the men were police officers.

Maher claimed that he was shown Heidi's passport and told she wouldn't be allowed to return to their children unless he changed his story. Fearful for her safety, he complied. That's the reason he gives for confessing to police that he lied when he told his boss of five months they were under attack, that he stabbed himself for effect and that he started what was intended to be a tiny fire. This cockeyed plot was supposedly meant to get Safra to see him as a hero.

Incredibly, he signed a confession written in French, which he neither speaks nor writes, but now fully retracts.

With confession in hand, however, chief prosecutor Daniel Serdet quickly dismissed all the conspiracy theories, saying: "There is no mystery here. Maher was exclusively responsible for the deaths. The only mystery which remains is what was going on in his head and what were his true motives."

Maher's original lawyer, plucked from the American Consulate list, had no prior murder trial experience. "You have to do it like pin the tail on the donkey and hope you get a good one," says Griffith who thought Maher's confession should have been thrown out.

Griffith offered Maher his help just prior to his trial by which time he'd spent three years behind bars. He still argues the case for Maher's complete innocence, asking, "What would be Maher's motive? Safra's already paying him \$175,000. Nobody here in Monaco that I've spoken to believes he stabbed himself."

Although Heidi and Ted are now divorcing, she was his staunchest supporter for years. Another early ally was Dominick Dunne who also thought Ted was being railroaded. However, Dunne's faith crumbled fast once he saw Maher in court and just felt in his gut that something was not right.

"The second day of the trial," Dunne recalls, "he came in complaining, 'They didn't let me sleep,' and there was something icky about it." Dunne recognised Ted as a troubled man. Nevertheless, he still leans towards the belief that he might not have acted alone and could have been some kind of a fall guy.

He remembers broaching the possibility that Ted could have been paid by someone to do what he did. "The wife and sister both were so horrified when I said, 'Do you think there's any chance there is \$5 million waiting for Ted?'" he recalls. "I've got nothing to go on, though."

So many questions, so many loose ends. A very big one: why hadn't Lily Safra successfully coaxed her petrified husband out of the safe room? She has declined to explain. In February 2003, on the US television news show *48 Hours*, her lawyer, Marc Bonnant, called scandalous any suggestion that Safra's widow did anything other than call the police and "try desperately to go and save her husband."

Monaco's chief prosecutor Serdet also rejected the idea that Monaco's emergency services were negligent and partly responsible for the deaths. He and Bonnant lay the blame for the fatal delay solely on Maher and his tale of armed intruders. Maher has never denied setting a small fire but has always insisted that he never meant to hurt anyone. Another puzzle: how did a little wastebasket fire become such a huge blaze?

Patches of Safra's blood were found on nurse Torrente's bra and panties, and DNA from an unknown man was found under Safra's fingernails. Prosecutors had no explanations but the male DNA could have got there in any number of ways. Dominick Dunne thinks the blood is understandable, given the life and death drama taking place in the saferoom.

"Look," he says, "if I were Vivian in that room and [Safra] is going to sit there, I would get up and unlock that door! Give me a break. It's not like you're dying for Christ. But I can see him grabbing her."

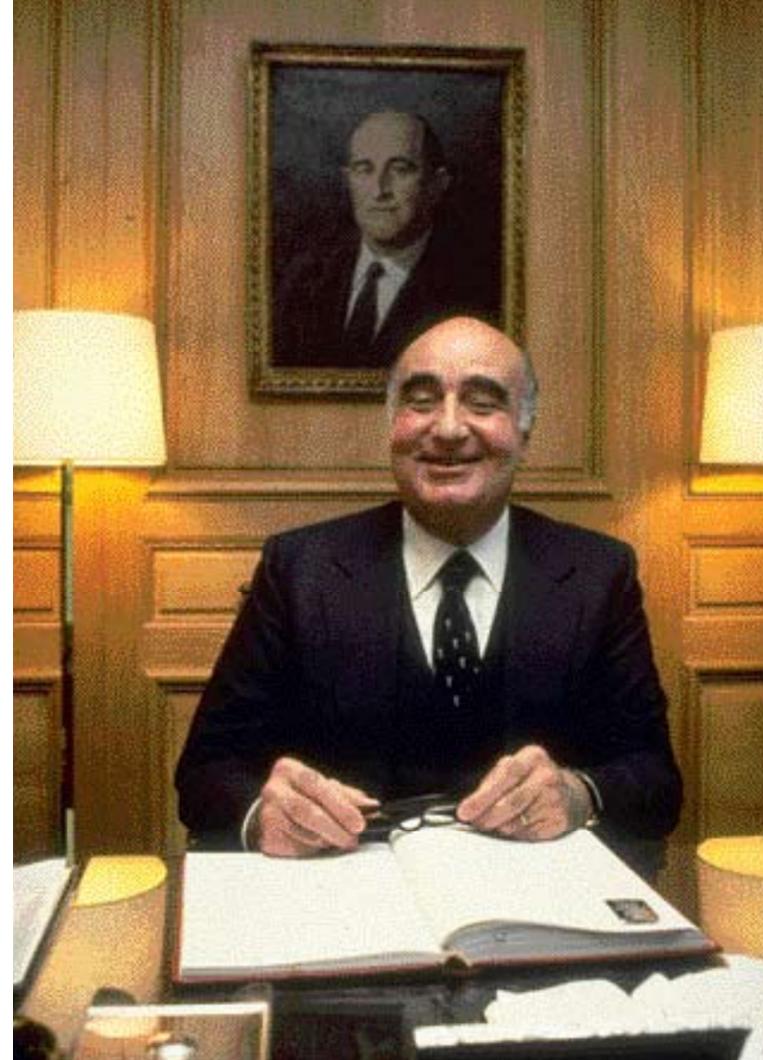
While the prosecution said it was impossible, Griffith insists intruders could have broken into the Safra apartment. They could have climbed a couple of metres up some lattice work to the top of a utility shed, he says, "And from the utility shed there's a ledge. You just put your knee on the ledge and you're in the Safra apartment."

Awaiting the verdict at trial, Maher tearfully described Safra as his best employer saying, "What's happened is and always will be a terrible accident." Yet three judges and three jury members found him guilty of "causing deaths by arson in an inhabited place." On December 3, 2002, Maher, then 44, received a 10 year sentence. Lily Safra issued a statement saying, "Justice has been done."

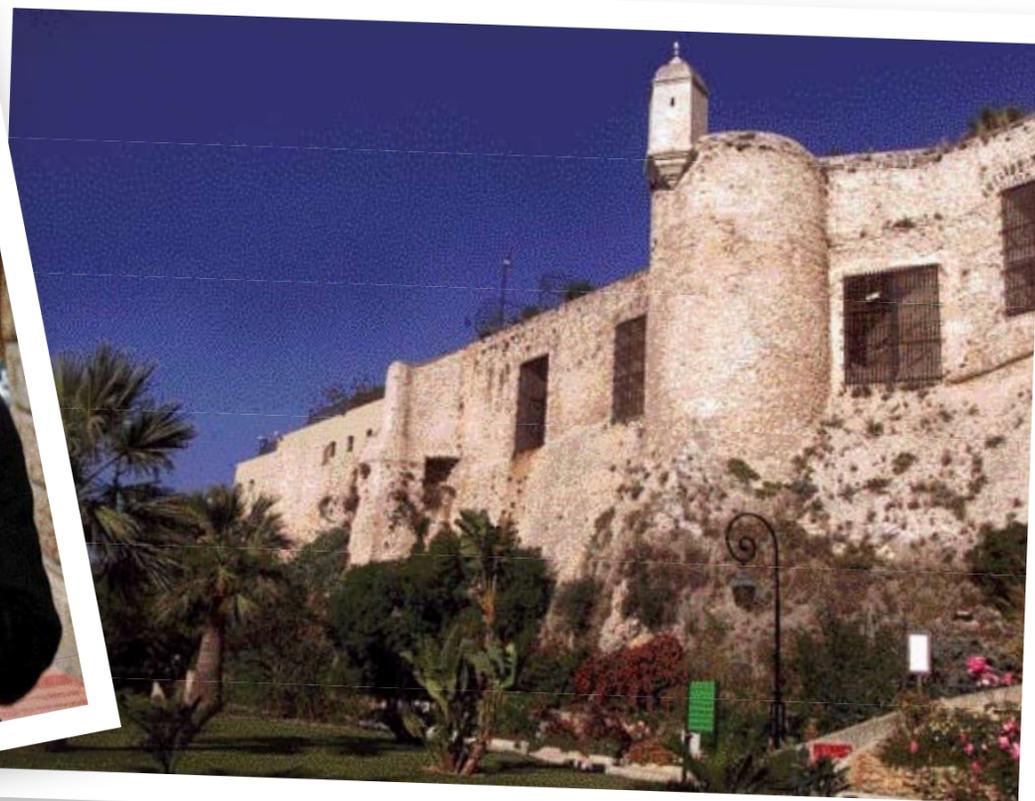
And yet, pieces of the puzzle still don't quite fit. It's all the niggling questions that keep gossip and speculation alive six years later.

But Lily Safra's life has moved on. One of the world's wealthiest widows, she inherited most of Edmond's \$5.5 billion fortune. Heading the Edmond J Safra Philanthropic Foundation, she's become known as

Far left: Lily Safra is one of the world's wealthiest widows
Below: Maher and his cellmate escaped from Monaco's prison by sawing through their titanium cell bars
Opposite page: Safra, pictured, was collaborating with the FBI to monitor Russian international money-laundering



"Where does all this money come from, and what sort of money is it?" questions Middleton



the "new grand dame of London's super-rich funding set." Sealing her social position in London, she sat next to Prince Charles at a private dinner he and Camilla hosted at Buckingham Palace. She's underwritten a good deal of his Prince's Trust charity work.

A Brazilian by birth, she had three children with her first husband, clothing manufacturer Mario Cohen. Tragically, their son Claudio died in a 1989 road accident with Lily's young grandchild. Her second husband, electrical business owner, Alfredo "Freddy" Monteverde, shot himself. His suicide left her an estimated \$230 million. After a fleeting third marriage to businessman Samuel Bendahan, Lily and Edmond wed in 1976. It was a happy match.

At 67, Lily is a formidable woman. Ask Lady Colin Campbell. Lily Safra believed Lady Colin's novel *Empress Bianca* was based on her and threatened legal action. The publisher promptly yanked the book from bookshelves and pulped it. People seem very wary of crossing her.

This wouldn't surprise Dominick Dunne. Something he wrote in his *Vanity Fair* journal in 2002 on an entirely unrelated matter got him into hot water with former congressman Gary Condit. But when their lawyers talked, Dunne's representative heard something stunning from Condit's concerning two men they had interviewed.

"They said they'd been trained in intelligence in Israel," Dunne says, "and one of the two said they had conducted Lily Safra's investigation of Dominick Dunne! I almost fainted! I always knew I've been followed,

I just had that feeling. It was stunning that this minor congressman should all of a sudden have people saying that they conducted Lily Safra's investigation of me."

Dunne says he has in his possession 16 important handwritten letters. While he has no intention of revealing their content, he says, "If anything ever happens to me, my son, my lawyer, my agent, know they're going to let go of these letters."

The Safra saga certainly isn't over yet. Shortly after his conviction, Ted Maher and his cellmate escaped from Monaco's deluxe prison. They sawed through their titanium cell bars and scaled down a wall with a rope fashioned from trash bags. Where were the jail guards? How did they get the tools and trash bags? The episode was a gigantic embarrassment.

Ted was snagged just seven hours after his escape, alone in a hotel room in Nice, 24 km away. He's now eligible for parole on his murder conviction, yet must now stand trial again for the escape. He could get an extra year behind bars for his day of folly.

Griffith says his client will drop a bombshell in court and reveal the truth about events that led up to the fire. It's a Hollywood-like jaw-dropper of a yarn but Griffith says Maher has stuck to this story ever since they met: Two days before the fire, Ted was abducted at gunpoint during a stroll and dragged into a van. His unknown captors drove him around for an hour and showed him photographs of his wife leaving work and his children leaving their school. The implicit threat was that something would happen to his family if he did not cooperate.

"He was told that something was going to happen on Friday at the Safra residence," says Griffith. "He said he wasn't working on Friday and was told, 'You will be, something's going to happen, do not interfere.' Then they dumped him out. Lo and behold, he was not supposed to work that Friday." But, of course, he did.

Sensing skepticism, Griffith says, "Now look, I'm just telling you my client's story. Do I believe him 100 percent? I don't know if I believe him 100 percent. He has been insistent and consistent."

Griffith does believe that there's been some kind of cover-up. "You can't justify an escape but his motive in escaping is that the story that he told initially never came out. They got the fall guy and that's it."

Author Bianchini wrote in his new book: "At this point in my investigation, the elements undermining the official theory according to which Ted Maher acted alone are already impressive. And sufficient to raise the possibility that he was an accomplice in a veritable organisation."

Yet many will doubtless find it hard to swallow the idea of Maher as a puppet for an organisation's hit on Safra, or a pawn used by a mysterious Russian party.

"I'm quite sure the Russians could find other ways of doing things," says Patrick Middleton. "I would have thought Maher would have seemed to them such an unreliable kind of person anyway."

Nevertheless, at his still unscheduled escape trial, Griffith believes that Maher will float precisely that idea.

Meanwhile, Maher sits behind bars in Monaco, and Cecile Brossard sits behind bars in Geneva. Cecile's trial could clear up many questions surrounding Edouard Stern's death. But it seems that much about Edmond Safra's grizzly demise will forever remain a puzzle. □

Photography: AFP; AP; A-Link/Sipa Press; Getty Images; Reuters; Rex/Features