

## Nailing Hammer — Epstein's 'Dossier'

**"Dossier: The Secret History of Armand Hammer,"** by Edward Jay Epstein. Random House. 432 pages. \$30.

By SCOTT SHANE  
SUN STAFF



Few have understood the transforming power of public relations as well as Armand Hammer.

When Hammer published an autobiography in 1987 — his third — there wasn't room on the back cover for all the endorsements: Jimmy Carter, Gerald Ford, George Bush, Menachem Begin, Linus Pauling, Walter Cronkite.

They had bought the image Hammer's press releases had shaped over six decades: open-hearted humanitarian, savvy art collector, brilliant capitalist.

They did not know the facts unearthed by Edward Jay Epstein in this impeccably researched expose. They blurred the book of a man who laundered money for Soviet spies, swindled art customers with fake Faberges, feigned illness to escape prison during Watergate and treated Occidental Petroleum as his piggy bank.

In a lucid, understated style, Epstein describes a con-man operating on an epic scale. Parts of the story are not new. But drawing on Soviet archives, FBI files and even secret tapes Hammer made of himself arranging bribes, Epstein nails Hammer.

In business: "Dossier" details how Hammer siphoned millions from Occidental to a secret Swiss bank account, from which he withdrew cash for illegal payoffs, art purchases and even charitable donations. The Soviet megaprojects he pressured Occidental's board into approving were revealed after his death in 1990 to have amassed losses of \$2.5 billion.

In art: When Yekaterina Furtseva, Soviet culture minister under Khrushchev, expressed regret that there was not a single Goya in Soviet galleries, Hammer came to the rescue with a canvas he'd bought for \$60,000, calling it

"a million-dollar gift from my private collection." Grateful, Furtseva gave Hammer a painting by Kasimir Malevich — which he promptly sold for \$750,000.

In his personal life: In the late 1980s, when his third wife, Frances, became jealous of a comely young woman Hammer had hired as his "art advisor," he had the woman, Martha Kaufman, change her name legally to Hilary Gibson and wear glasses and a wig. Then he told his wife he'd fired Kaufman, who remained on the payroll as his mistress.

Epstein found proof in Soviet archives that Armand Hammer, along with his Communist father Julius, used their business at the direction of Soviet intelligence to funnel money to operatives abroad. The Russian art Hammer peddled in the West in the 1930s was not, as he claimed, his own. It had been looted from estates and churches by the Bolshevik regime, which sold it through Hammer to generate hard currency.

An eager investigator named John Edgar Hoover — who'd prove to be as deft a manipulator of his own press as Hammer — suspected Hammer of espionage from the beginning. Epstein describes the fascinating showdown in 1952 when Hammer called Hoover's bluff by requesting an FBI interview and brazenly lying, forcing Hoover to back down.

Epstein does not assess Hammer's achievements or persuasively explain what drove the man. Nor does he fully capture the intrigue of settings in Russia, Libya and elsewhere.

Ironically, Hammer's 1987 autobiography, while omitting most of the events Epstein reports, does well with the characters and color of his life. Perhaps they should be considered companion volumes: read "Hammer" for its author's selective recollections; then read "Dossier" for everything Hammer lied about and left out.

*Scott Shane, a reporter for The Sun since 1983, was the newspaper's Moscow correspondent from 1983 to 1991 and is the author of "Dismantling Utopia: How Information Ended the Soviet Union."*