

GORDON ZUCKERMAN

THE SENTINELS

CRUDE DECEPTION



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First Edition

List of Characters

Ainsworth, Henry (Treasury Secretary)
Armstrong, William (Senator, Indiana)
Arnof, Cecil (French banker)
Arnold, Bob (banker)
Cerreta, Don (alias Mr. Smith, lawyer, along with Mr. Jones)
Chang, Cecelia (a Sentinel)
Chang, Ivan (Tai-Pan, House of Chang)
Clarke, Sam (Samson)
Connors, Steve (ranch foreman for Bill Dean)
Cumberledge, Denise (friend of Claudine's)
Cumberledge, Lady Margarite (Denise's mother)
Cummins, Natalie (actress)
Dean, William (Bill) (Mike's boss, ranch owner)
Demaureux, Henri (banker, Claudine's father)
Demaureux-Roth, Claudine (a Sentinel)
Duits, Victor (Dutch advisor)
Dupree, Benjamin (Arnof protégé)
Ferrari, Pete (banker)
Garibaldi, Tony (a Sentinel)
Habib, Prince (House of Saud)
Hardy, Jack (Titus Oil)
Hess, John (Senator, Penn.)
Lee, Ted (Asian banker)
Lucas, Jordan (Senator, Calif.)
Mai Li (tea house owner)
Malone, Roger (chairman, Federal Reserve)
Marcus, Sir David

Matthews, Walter (journalist)
McLain, Jim (Big Oil bank pres.)
Meyer, Ian (a Sentinel)
Muirhead, Sir Desmond (chairman, London Bank of Commerce)
Oh, Lawrence (Indonesian businessman)
Perez, Juan Pablo (oil minister, Venezuela)
Roth, Jacques (a Sentinel)
Roth, Pierre (banker, Jacques' father)
Schmidt, Erhart (investor)
Stone, Mike (a Sentinel)
Stone, Morgan (Mike's father)
Tolles, Ray (banker)
Von Heusen, John (VP, Berlin bank)
Wan, K. Kai (Indonesian general)
Wang, C. K. Chairman
Warner, Phil (Times editor)

APRIL 1946

Less than four months since the six Sentinels had formed their new organization and capitalized it with their 25-million-dollar wine investment and 75-million-dollar cash balances that remained after the sale of their last remaining German gold bearer bonds.

Following three difficult years of challenge, personal danger, and tireless efforts to prevent German industrialists from using their two-billion-dollar “Fortunes of War” to start another Reich, each of the Sentinels was looking forward to resuming a career, returning to a more normal and peaceful life, and pursuing life’s more personal aspects.

Jacques and Claudine Demaureux-Roth were settling into their new lives in New York City following their honeymoon in Sun Valley, Jacques was concentrating on developing Stone City Bank’s International Banking Department, and Claudine was helping interface American financial and governmental interests with the emerging industrial community of postwar Europe.

In San Francisco, Mike Stone was determined to complete all the study and planning needed to help his new employer, Dean Securities, establish a worldwide market for the trading of petroleum futures contracts. Cecelia Chang was expanding America West Bank’s efforts to better service the vacuum left in the many different Asian markets at the end of Japan’s occupation.

With the defeat of the Japanese in the Pacific and the Germans in Europe, seven American and British oil companies were left in control of 92 percent of the world's oil production. For more than a year, respected economists had been predicting a dramatic post-war industrial revolution. They all agreed the combined effect of the pent-up consumer demand in the United States and the resurgence of reconstructed economies of Asia and Europe would create new economic prosperity. The demand for petroleum was expected to rise at an exponential rate for many years. Although the various prognostications differed in magnitude and duration, they all forecast exponential expansion in the demand for oil.

Rumors of the Oil Club's efforts to control future oil productions were beginning to circulate. The Sentinels were asking themselves, Was a new concentration of wealth and influence being organized to pursue a new agenda of self-interest that could conflict with the public's longer-term best interests? Did they need to become involved?

Prologue

A GATHERING IN WYOMING

Wearing bulky waders, Jacques Roth felt exposed and defenseless standing in the knee-deep riffles of Wyoming's North Platte River. It wasn't fishing that had brought Jacques to the Platte. His assignment was to record the make, model, and N number of each of the chartered planes that would be landing at the remote airstrip next to Wyoming's Rocky Mountain Club, a private and very exclusive hunting and fishing club. He needed to prove that the chief executive from each of the United States' seven largest oil companies had met here, all at the same time.

Jacques's presence in Wyoming was the result of an offhand comment made by a senior oil executive at a bankers' meeting attended by Morgan Stone, chairman of New York City's prestigious Stone City Bank. Based on the comment, Morgan had become concerned that this oil executive—and the executives of the other major oil companies—were arranging a private meeting, probably out of interest in extending their control over the nation's oil supply, which was needed to meet increasing postwar demand. He immediately alerted his son, Mike Stone, who was a longtime friend and associate of Jacques.

It was 1946; both Mike and Jacques had worked for Stone

City Bank for more than seven years following their graduation from the University of California at Berkeley's doctoral program. They were also two of the six Sentinels, a group that had been instrumental in preventing the German industrialists from using their war fortunes to fund another Reich. Though that mission was over, the core members of the Sentinels were still very much concerned with the corruption that results from too much power becoming concentrated in too few hands. And that's exactly what Morgan Stone suspected was about to happen in the oil industry.

Morgan had called Mike and Jacques together to discuss his growing worry over the situation. "As a result of Japan's defeat in the East and Germany's defeat in the West," he said to them, "seven American and British oil companies have found themselves in control of a large portion of the world's oil production. If these seven members of a self-styled 'Oil Club' are planning to extend their control of the world's future oil production, the concentration of so much power and wealth could eventually lead to their control of the world's economic and political future."

Mike and Jacques sat silently in the boardroom of Stone City Bank, eager to find out what they could do to help.

"Believe me when I tell you, their interest is driven as much by a hunger for power as it is by their desire to develop new supplies of oil," Morgan continued. "Given the Sentinels' concern with this type of situation, I thought you might want to learn more about what I suspect is happening."

As Jacques and Mike listened intently and scribbled notes, Morgan went on to explain that, his interest piqued by the oil executive's mention of an upcoming meeting, he'd obtained information that two executives from two different American oil companies were scheduled to make trips to the Rocky Mountain Club in Wyoming. He suspected that representatives from the five other Oil Club companies would be there for the same meeting—a clear

violation of antitrust legislation. And he had a pretty good idea of what would be on their agenda.

Jacques had chosen his fishing garb carefully so he would blend in with the other anglers taking advantage of the early mayfly hatch that occurred every April. Since daylight he had been wading upstream toward the airstrip, pursuing the large rainbow and brown trout known to inhabit this stretch of the Platte.

Although his main objective was recording the planes' arrival, Jacques was determined to unlock the fishing secrets of the river as well. His best casts had failed to attract fish, so he decided to switch flies. He opened his small aluminum fly box and selected one of the two flies he had purchased from the local tackle shop on the recommendation of the clerk, a self-professed fishing expert. The "Stimulator" had an orange body and a large elk-hair hackle. A San Juan worm served as the drop fly. He cut about eighteen inches of light leader material off one of the small spools he kept in the side pocket of his fishing vest. Using an improved clinch knot, he attached one end of the leader to the hook portion of the Stimulator. Next, he tied the other end through the eye of the dropper.

Busy working on his tackle, Jacques didn't hear the approaching plane over the roar of the rushing water until it was almost upon him. The plane, flaps fully extended, was on its final approach. As quickly and discreetly as he could, he retrieved a stub of a pencil and a small notebook from one of his vest pockets and meticulously recorded the aircraft's make, model, N number, and time of landing. *One down, six to go*, he thought.

Armed with his new flies, he dropped his next cast near the bank, between two large overhanging willow trees. Mending his

line upstream with a quick flick of his wrist, Jacques watched with excited anticipation as he saw the top fly suddenly begin to disappear below the surface. On one end of the line, a powerful, wily fish fought to free itself, waiting for any slackening of the line to throw off the hook. On the other end, the fisherman was determined to land his prey.

Worried that the combination of the fast water and the strength of what was obviously a big fish might break his line, Jacques began to move downstream with the fish. Several times he slipped on the smooth, rocky stream bottom. Thrusting his heels into the streambed, he righted himself each time, always making sure to hold the tip of his rod well above his head. Slowly, he reeled the fish toward him, a few inches at a time. When he had managed to work it close enough, he saw that it was at least two feet long and probably weighed more than five pounds. Just when he thought it was tiring, he watched with admiration as his prey turned and made another run. After its third attempt at escape, the fish turned over on its side, allowing Jacques to reel it toward him and his waiting net. The sight of the net and Jacques's shadow spooked the fish. With new life, it darted in the opposite direction, catching an unprepared Jacques off guard. He sighed as he watched his trophy fish break the line and swim away.

Deeply disappointed, he turned toward the sound of the next low-flying plane. He carefully recorded all the data, and watched as one plane after another approached the airfield. The six planes were bunched so closely together he was having trouble recording the crucial details about each one. When the last plane had passed overhead, Jacques took one final look around before resuming his quest for a big fish.

He watched the two anglers who had been fishing upstream from him abruptly leave the river. Glancing downstream, he saw a third fisherman leave the stream and begin walking toward the

trees that lined the bank. *That's strange*, he thought. *Why would all three of them decide to stop fishing at the same time? Could it have anything to do with the arrival of the last plane?*

Within minutes, Jacques had spotted two other men standing at the edge of the tree line upriver. They weren't wearing waders or carrying fishing rods. Downstream, he saw two other similarly dressed men emerge from the trees.

Pretending not to notice the four men who were now slowly moving toward him, Jacques continued to concentrate on his fishing, all the while realizing that if they got too close, they would be able to rush him. A few more yards and any opportunity to make some kind of a surprise move would be lost.

Jacques felt a tug on his rod and reflexively jerked his hand, setting the hook in a second fish. Tightening the belt he wore on the outside of his chest waders, he began to follow the fish downstream. He held the rod over his head and continued to revolve and palm the reel, doing his best to maintain a firm line. Lowering himself into the water, he raised his feet off the streambed. Trusting the trapped air in his waders to act like a flotation device, he allowed the fish and the fast-flowing water to carry him downstream. He glided along, passing the two men downstream from him and continuing until he rounded a bend and passed out of sight. None of the men had tried to run after him.

Jacques worked his way to the side of the stream and righted himself. After releasing the fish, he wasted no time in retreating to the cover of the trees. *I must be at least two miles from where I parked my pickup*, he thought. *They probably have it staked out, anyway.*

He sat on a fallen tree and considered his situation. After a moment, he took out his knife and cut off the legs of the waders so he could use the bottom portion as hiking boots. Though the rubber soles weren't designed for walking long distances over rough

surfaces, they'd have to do. He then quickly buried his fishing vest, waders, hat, fishing gear, and coat and headed deeper into the forest in search of a road that would lead him out of the area.

Jacques had been walking for half an hour when he discovered a narrow dirt road. Judging by the large and relatively well-defined tire tracks on it, he decided that it must be an active logging road.

To distract himself from his weariness, Jacques thought about Claudine, his lovely wife of less than a month, as he trudged up the winding road. Soon, he heard the sound of a car approaching from behind. Moving quickly to the cover of the trees, he waited until he could see the approaching vehicle. It was an old red pickup badly in need of some long-overdue body and fender work. Reasonably certain that this was not the kind of truck his adversaries would be driving, Jacques moved to the shoulder of the road and motioned for the driver to stop.

The driver, a local cowboy in need of conversation, stopped and rolled down the passenger-side window. "Hey, stranger, what are you doing walking around clear out here?"

"I'm trying to get back to Casper."

"Going that way myself, climb aboard."

Thinking of his pursuers, Jacques feared that he might find someone waiting for him at his hotel. *Did I leave anything in my room they could use to identify me?*

He made a split-second decision to abandon the personal belongings he had left in the room and asked his new friend to drop him off at the train station in Casper. The local depot was small enough that he could easily spot any of the four men who had been at the river. Jacques paid for his ticket and then anxiously awaited his eastbound train in the virtually deserted station.

At the train's first stop, Jacques disembarked and, after asking directions, walked several blocks to a men's clothing store, where he bought new attire. He then spent the next few days transferring

from train to train in a cross-country journey that would eventually deliver him to New York. For most of the time, he remained sequestered in the private compartment he had reserved. Sitting quietly for long periods of time gave Jacques a lot of uninterrupted time to think.

Those seven executives have to be aware of all the laws they were breaking and the risks they're taking if their presence at the Rocky Mountain Club were to be discovered. Just the fact that seven competitors were secretly meeting would violate more than a handful of antitrust laws.

It's difficult to imagine how formidable the Oil Club would become if these men combine their financial reserves, their management expertise, their production, technology, and distribution capabilities, and their experience to deliver the oil needed to supply the postwar industrial boom everyone's expecting. Who would be left to compete with them? If we thought the world might be threatened by the German industrialists using their war profits to start another Reich, what's at stake if the Oil Club succeeds in controlling 90 percent of the world's oil supply?

What can the Sentinels possibly do to oppose the concentration of so much power? Each of the companies is a big and influential corporation in its own right.

If they were to cooperate on a collective basis, their power could be overwhelming.

Chapter 1

WELCOME HOME, JACQUES ROTH

Claudine Demaureux-Roth was sitting on the couch in front of the fireplace of her New York apartment. With the aid of a warm fire, her second glass of wine, and a good book, she was trying not to think about Jacques. She had not heard from him in four days. His last call had been the night before his trip to Wyoming. *Why hasn't he called me?* she thought. *Has something gone wrong?*

The sudden sound of the ringing phone jarred her out of her thoughts. *Who would be calling at this hour other than Jacques?* Claudine was relieved to hear his voice, but she barely had time to speak; he delivered a short message: "My train arrives late tomorrow night. Please don't meet me at the station. I'll grab a cab and come to the apartment. Once I get there, I'll explain everything. Right now, I've got to go." And with that the line went dead.

Claudine knew something must be very wrong. It wasn't like Jacques not to call for four days and then be so brief.



It was 9:30 the next night when Jacques's train finally pulled into Grand Central Station. The platform leading to the station was virtually deserted. Jacques watched the last passengers disembark,

waiting until they had proceeded well along the platform before he stepped from the train. *So far so good. Nobody seems to be following me. But could someone be waiting in the station?*

Taking his time to make his way through the lightly populated depot, he slowly walked toward the exit to Forty-Seventh Street, hailed a cab, and watched to see whether anyone appeared to be tailing him. He instructed the cabdriver to make several turns, only giving him the address of his final destination once he was convinced none of the cars behind them were following his path.

Standing near the opening of an alley across the street from the entrance to his apartment building, Jacques spent another half hour making certain that no one was watching him or the apartment. The weather had turned cold and it had begun to rain. By the time he proceeded across the street, he was soaked through and half frozen. For the first time in several days he allowed himself the luxury of thinking about his warm, beautiful, sensuous new wife.

Not having a key and not absolutely clear on the number of their new apartment, Jacques selected a number that seemed familiar, pushed the button, and hoped it was the right one. Almost immediately, the door buzzed.

Exiting the elevator on the fourth floor, he turned right and proceeded down the hallway, inspecting the numbers next to the doors he passed. Glancing ahead, he saw that the door of their apartment was ajar. When he pushed it open, he found Claudine standing in the entrance, dressed in three-inch spike heels, a fur coat, a long strand of pearls, and her most mischievous grin. Her silvery blonde hair was done up in a French twist, accentuating her height. Her turquoise eyes shone like bright spotlights out of her perfectly chiseled Nordic face.

With her left hand, she slowly opened the coat, revealing her nakedness. "Like the pearls?" she asked. With her right hand she handed him a glass of champagne. "How about giving your girl

a big hug and a long kiss, getting out of those wet clothes, and taking a long hot shower with an old friend? Welcome home, cowboy.”

Twenty minutes later, Jacques was totally immersed in the charms of his beautiful, affectionate wife, made all the more enjoyable by copious amounts of hot water and foamy soap. The cooling water signaled the rapidly approaching conclusion to what had been an amazing greeting. Not wanting to lose the moment, he brushed a strand of wet hair from her forehead and said, “The warmth of the hearth beckons.”

After they’d dried off and returned to the living room, Jacques poured them a second glass of champagne and gently laid Claudine down in front of the fire.

Staring down at this magnificent woman, her skin glowing with the light of the fire, he asked, “Does this remind you of a certain night in a small cabin in the Swiss Alps?”

“How could it not?” Claudine answered, beckoning him toward her with an index finger.

As he carefully lowered himself onto her, he looked down into her blue-green eyes. *I’ve always heard that a woman’s eyes were the window to her soul*, he thought. *Does she really feel what I am seeing?*

Half an hour later, he whispered into her ear, “Claudine, we have to make a choice. We can lie here and freeze to death, or I could put another log on the fire while you find us a blanket and pour us another glass of champagne.”

“I know what kind of a log you want to put on the fire!” she said. “Let’s sit on the couch and you can talk to me. While you’ve been traipsing around the Rocky Mountains catching fish, I’ve been here all by myself with nobody to talk to. I’ll get us that blanket while you put a real log on the fire and open a bottle of the Bordeaux you left in your apartment.”

Settled on the couch under the warm blanket and enjoying the

fine wine, Jacques finally began to explain what had happened during his trip.

“It wasn’t until mid-afternoon that it became evident the men in the river were interested in doing more than fishing. I was lucky to get away. The question is, were they able to identify me or follow me when I left Casper? I still don’t know, but it took three days and five trains before I finally arrived at Grand Central.”

Sensing her alarm, he continued, “Don’t worry too much—even after I arrived at the station, I took every precaution to make certain that no one was waiting for me or followed me here. For a half an hour before I pushed the buzzer, I was standing across the street observing. But now that we know Big Oil has had their meeting, we have to assume their plans are under way. The Sentinels need to learn a lot more about what they’re planning—and a whole lot more about the oil industry. We have a lot of ground to cover before we can formulate a plan of our own.”

Chapter 2

SIR DAVID MARCUS

When he woke up the next morning in a strange apartment, Jacques was at first unsure of where he was. Gaining his bearings, he realized two things: Claudine was lying next to him.

Moving slowly to avoid waking her, he eased his way out of the bed. On his way back from the bathroom, he thought, *Now if I can just get back into bed without disturbing her, maybe we can continue where we left off last night.*

Jacques watched his wife and listened to her quiet breathing while he carefully climbed back in bed. Cuddled up behind her with his arms carefully wrapped around her, he was trying to decide what to do next when quite unexpectedly she said, “If you will give a girl a minute, I’m thinking about a hell of a way we can start the day!”

With a quick wink, she slid out of bed and disappeared into the bathroom. Jacques listened intently to the little noises she made, the same ones all women seemed to make. When she reappeared, her hair was combed, her face washed, and she was wearing nothing but a mischievous grin. As she slid back into bed her only words were, “Do you think breakfast can wait?”

It was almost noon by the time they finished breakfast. They had consumed two cups of coffee each and finished scanning both newspapers that had been delivered to the door of the apartment. He hated to destroy the moment, but Jacques knew he had no choice but to begin the discussion of Sentinel business with Claudine.

“All we know for certain,” he said, “is that the chief executives of the seven major oil companies have conducted a secret meeting. It’s obvious that we need to understand a lot more about what they discussed and what they are planning. Mike and I had planned, once I completed this trip to Wyoming, to begin preparing for the Allied Bankers Association meeting. As part of our preparation, we scheduled a trip to Washington to pay a call on the Fed chairman and some of our other government contacts. They need to know what’s happening, and we need to hear what they have to say.”

A weary look came across Claudine’s face. He knew she didn’t want to be away from him again this soon.

“This process could take a few days,” said Jacques. “Why don’t you schedule a trip to Europe while I’m in Washington? You could visit your father in Geneva and discuss our concerns with some of his banker friends. On your way through London, you might also consider paying a call on my old friend Sir David Marcus.

“David Marcus?” said Claudine. “Have you told me about him?”

“You’ve heard me speak about David on several occasions. We attended the London School of Economics at the same time and became quite good friends. If there is anyone who can help us develop a better understanding of the Middle Eastern oil world,

it's David. Outside the Sentinels, he's one of the few people I have learned to respect and trust—as long as it involves business. When it comes to women, it's an entirely different matter. If it was anybody else but you, I would be worried.”

Claudine laughed. “Oh, Jacques, you know you have nothing to worry about; I learned a long time ago how to handle men like him.”

“Well, when you meet him, be prepared for a shock. In addition to having the title of Duke of Trafalgar bestowed on him, he's one of the most unusual men you will ever meet. He's short, maybe only five feet four, and he's powerfully built, with shocking red hair and penetrating blue eyes. But it's not his physical presence that you will remember. David is one of the hardest-working, brightest, and most completely trustworthy men I've ever had the chance to know. At least until the next attractive woman enters the room.”

“Perhaps you would like to explain how it is that you know so much about his interest in women? And while you're at it, you might want tell me why you think I'm so trustworthy.”

Claudine enjoyed watching Jacques squirm for a few moments. Finally she said, “Why don't you pour us another cup of coffee and relax? If I hadn't learned to deal with your former ways, I wouldn't be sitting here. Now tell me about Sir David Marcus—is he really a duke?”

Relieved at the change of subject, Jacques said, “Yes, and he's the grandson of one of the founders of English Oil, Limited. From the day he joined English Oil, it was always assumed that he would be the third member of the Marcus family to become English Oil's president.

“But then, three years ago, without warning, David resigned. He sold his shares and used the money to organize his own oil investment advisory firm. When I had the opportunity to ask him

why he did it, he gave me a very illuminating answer. He told me that the center of the petroleum universe is going to be domiciled in the Middle East. Without gaining the trust and respect of a small number of sovereign leaders, he said, it will become almost impossible to do business in that region. As a high-profile executive representative of English Oil, it was only natural that David was expected to implement the policies of his family's company. Accordingly, he was finding there wasn't very much he could do to break down Middle Eastern leaders' suspicions.

"He told me he felt, over time, that he could be a more effective deal-maker if he renounced his allegiance to English Oil, created his own independent research and investment company, and began to practice the kinds of things that would clearly suggest he was anxious to win these leaders' trust and respect."

With the assistance of the Federal Aviation Administration, Jacques used his list of the planes' makes, models, and N numbers to learn where each of the chartered aircraft had originated. A few FAA calls to the local fixed-base operators were all that was required to have the planes' logs released. The logs identified each of the executives, placed them at the Rocky Mountain Club, and established that they were all there at the same time.

As soon as the affidavits were drawn and signed, Jacques had the information he would need to prove that the seven executives had indeed met together in private. And it was a good thing: Morgan Stone had asked him if he would make himself available at the Allied Bankers Association meeting the next day, before he and Mike left for Washington.