

Thomas Sancton

What Happens Next – 04.24.2022

Thomas Sancton:

On the morning of January 23rd, 1978, Baron Édouard Empain was snatched off the street in front of his home in Paris. The kidnappers promptly cut off his little finger and sent it to the family along with a ransom note demanding 80 million Francs worth about \$70 million today. They threatened to send other body parts unless the money was paid immediately.

The French press went ballistic and called it The Kidnapping of the Century. There had been dozens of other kidnappings in Europe during the 1970's, the so-called, "Decade of Lead." What made this one special? The identity of the victim and the importance of his industrial empire.

The Empain-Schneider group was a sprawling multinational comprising 175 companies ranging from transport, banking, to steel making, armaments, and most important, nuclear energy. It was central to French economic and security interests. So who was Baron Empain?

Édouard Empain, Wado to his friends, was the 40-year-old grandson of the company's legendary founder. Empain was tall, athletic, and movie-star handsome. He was rich, drove fancy cars, lived in a chateau, and vacationed on the Riviera. But he had two flaws: a weakness for high-stakes gambling, and women. During his 63-day incarceration, scandalous details about his private life leaked out into the press, doing permanent damage to his reputation, and ultimately triggering his downfall. The arc of Empain's fall has an aspect of Greek tragedy. It's also a multifaceted saga spanning three generations, and featuring a cast of fascinating characters.

The first Baron Empain was a self-made man built on railroads, energy, finance, and civil engineering. His exploits included the building of the Paris Metro, railroad construction, gold mining in the Congo, and the creation of a city on the Egyptian Desert, Heliopolis, the City of the Sun. His achievements led the Belgian King, Leopold II, to ennoble him with the Baron's title, and a freshly minted coat of arms.

When the first Baron died in 1929, he was one of the world's wealthiest men. The founder's eldest son, Jean Empain nicknamed Johnny, inherited the Baron's title, and his command over the Empain industrial empire. Handsome and charming, Johnny was a hedonistic playboy who preferred cruising around the world on his yacht, and throwing wild parties in his chateau, to minding the office. Johnny was a boozier, a gambler, and a serial womanizer who counted Josephine Baker among his many conquests.

But the woman he finally fell for was an American exotic dancer from Columbus, Ohio, Rösel Roland. Her specialty was dancing nude, covered only by a thin coat of gold paint, hence her nickname, Goldie. Johnny married her in 1937 after she gave birth to a son, Édouard aka Wado, the one who would later be kidnapped. Johnny and Goldie lived the high life, throwing

extravagant Gatsby-like parties at their chateau, and hobnobbing with Europe's rich and famous. During the war, Johnny's guest list included high-ranking Nazi officers, with whom he maintained a cozy relationship throughout the occupation. At war's end, he was investigated for collaboration, but fled the country and died of cancer before he could be tried.

Finding herself cut out of the will, Goldie promptly married Johnny's impotent cousin in order to save her title and her fortune. But she lived apart from him in her own chateau. She paid little attention to her son, Wado, preferring the company of a famous jockey with whom she had a lovechild, Dianne.

Another fascinating character was the head kidnapper, Alain Caillol.

Caillol had been born into a wealthy family but turned to a life of crime as an act of revolt against his strict father. Caillol was educated at posh boarding schools and nurtured a passion for books and grand opera. After an early career as a burglar and bank robber, he organized a motley band of thugs and misfits with the aim of kidnapping a high-profile figure and holding them for ransom. Wado was then at the apogee of his career, a self-proclaimed master of the universe, whose image as a super-rich capitalist made him an obvious target for the left leaning Caillol and his band.

While researching this book, I had the good fortune to enlist Caillol as a key source. Now 80 years old, a free man after spending decades in prison, Caillol told me the inside story about how his gang carried out the kidnapping, along with the fly-on-the-wall details about Wado's long incarceration in a freezing stone quarry. He also provided a first-person account of the shootout with police that left him wounded and a fellow kidnapper dead when they came to collect the ransom.

Caillol's arrest led to Wado's release and set in motion the manhunt that finally netted his eight co-conspirators. But for Wado, it was anything but a happy ending. Because of the revelations about his private life, he emerged from his long captivity as damaged goods, lost his family and his control over the Empain group.

Within a few years, the industrial empire built by his grandfather was spun off in bits and pieces, and the Empain name disappeared. Sad to say, Wado never kicked the gambling habit, and it ruined him. When he died in 2018 at the age of 80, he was practically penniless. As I wrote in the preface, this is a cautionary tale about a man who threw caution to the wind. That's my six minutes.

Larry Bernstein:

We don't hear stories of kidnappings in the US and Europe today. Wado is kidnapped in 1978 and this was part of a pattern of kidnappings?

Thomas Sancton:

The 1970s were riddled with kidnappings, especially in Europe: Italy, Germany, France. In the US, the Petty Hearst kidnapping was a year or two before the Empain kidnapping. The Getty kidnapping. Hanns Martin Schleyer in Germany was the head of the employer's association in Germany, very powerful industrialist. He was kidnapped and assassinated by the Red Brigades.

You had two different kinds of kidnapping. There was the ideological kidnapping anti-capitalist, radical left kidnapping, and there was the kidnapping for money. Schleyer was the radical political kidnapping. So was Aldo Moro, former prime minister of Italy kidnapped by the Red Brigades and assassinated.

When Empain was kidnapped, the police assumed that it was political because he was a high-profile industrialist. It was only after the ransom note was received that it was for money.

Larry Bernstein:

The kidnappers get no ransom. One is killed in a police shootout and the others go to prison for decades. Is Wado the end of the run of kidnappings because it's perceived not to be worth the effort?

Thomas Sancton:

Wado's ransom was not paid, his kidnappers were foiled, one killed, one badly wounded, and the others tried and jailed. The French police considered that an end to the spate of kidnappings in France because it just showed it wouldn't pay. The police chief Ottavioli had this absolutely no ransom approach to kidnappings.

Larry Bernstein:

The police chief has this ingenious plan to arrest one of the kidnappers and then subsequently exchange the criminal for Wado. Tell us about this unconventional idea.

Thomas Sancton:

Pierre Ottavioli, a legendary figure in his own right, his plan was to lure the kidnappers to a rendezvous and to grab at least one of them and hold him as a hostage. Ottavioli assigned a Eurasian martial arts master to immobilize the kidnappers with his bare hands.

When the martial arts expert stopped his car along the highway where he was supposed to meet the kidnappers, a tow truck pulled up behind him onto the emergency lane. Thought he needed to have a tow. And he got out of the car to wave him off, and then all of a sudden, two of the kidnapper's leap over a wall, jump in the car, start the engine and take off with the fake ransom in the trunk.

And they were immediately set upon by police. Ottavioli had set this ambush to grab one of these guys and hold him hostage. There was a huge shoot out. One of them was killed. The other head kidnapper Alain Caillol was badly wounded. He became the hostage.

The police said if anything happened to Wado, he would've been held responsible, and France still had capital punishment by the guillotine. They put enough pressure on him to make a phone call and have Wado released.

Larry Bernstein:

Big-time kidnappings require a large team to plan, assault, guard and feed the victim. It isn't easy to find, motivate and manage a large group. People make mistakes. What happened?

Thomas Sancton:

It was a motley band of thugs: car thieves, pimps, drug pushers and bank robbers. They had a powerful esprit de corps. They were loyal to Caillol. Caillol held them hostage in a way because he could've led the police to them if they had abandoned him.

They took a vote on whether to execute the hostage. And he was spared. They released him.

Larry Bernstein:

How did they come to choose Wado as their kidnapping victim?

Thomas Sancton:

They considered other people, Marcel Dassault the aviation industrialist. Liliane Bettencourt, the L'Oreal heiress who was a heroine of my previous book: The Bettencourt Affair. Wado came to their attention because he was the subject of a number of investigative articles in the satirical weekly, the Le Canard Enchaîné, which pointed out that he fired a lot of workers.

He was an easy target because he had very regular habits. They knew where he lived. His fancy apartment building on Avenue Foch was parallel to a service road. And they figured a way to trap him in that narrow service road.

Larry Bernstein:

The police response to Wado's kidnapping was mind boggling. The police literally closed off the city using roadblocks searching for Wado. This caused an enormous traffic jam. The thought that the capital city of a G7 country would be shut down over a single kidnapping seems incredible. Why did the French do this?

Thomas Sancton:

The Empain-Schneider Group employed 150,000 people and was central to French economic and security interests.

There was a panic. Leftist kidnapping and terrorist strikes were taking place. The then president, Giscard d'Estaing, who was a personal friend of Empain was concerned because he was facing parliamentary elections in a couple months. And the leftist coalition led by François Mitterrand was threatening to gain a majority in that election. They had to make every effort to find Empain, put a stop to this, and make a show of force.

This motivated Giscard to order one of the biggest manhunts in French history.

Larry Bernstein:

There is a conflict of interest between the family and the state. The family wants Wado back. The state wants to end kidnappings for the future and is willing to risk Wado's death. Describe the conflict of interest on whether to pay the ransom.

Thomas Sancton:

The days immediately following the kidnapping there was tension between the police position, which was no ransom, and the family's position. The family wanted to pay.

The family members didn't know the state of Wado's finances. His daughters, who were then 19 and 17, and had a 13-year-old son. The kids said, he has 175 companies. Just sell a couple of companies and pay the guys. End of story. But they didn't realize that having a preponderant share of stock in the Empain group didn't give him the ownership of all these different companies.

And they didn't realize that his actual financial holdings were nowhere near the amount that was being demanded. Most of his fortune was in stock. They couldn't pay the equivalent to \$70 million today.

They came up with a plan to borrow some funds from the company and banks. They were able to put together a little more than 1/3 of what was being asked for. And they were ready to meet the kidnappers, hand over that money, and hopefully end of story.

What happened was the kidnappers, during phone exchanges, they said, "You have the money?" And he said, "I have \$30 million. And they said, "No, it's \$80 million." And they said, "I'm sorry all we have is \$30 million. That's a lotta money. You can have it." And the guy on the phone said, "Tomorrow morning, you'll have a cadaver," and he hung up the phone. And that was the end of the attempt to pay the ransom, or part of the ransom. And from that point the police position of no ransom payment prevailed.

Larry Bernstein:

Wado's financial situation is normal for a rich guy. The spouse and kids have no idea the level of wealth and how to monetize it within hours to fund a kidnapper's demands.

Thomas Sancton:

For Wado the kidnappers went barking up the wrong tree because they just assumed because the Empain-Schneider group had annual sales of \$20 billion, just take a little bit and throw it to these kidnappers. They had no idea the difference between his personal wealth and the annual sales of this sprawling industrial group. To their mind, \$20 billion in sales. he's good for it.

Larry Bernstein:

Another fascinating angle to this story is that Wado was CEO of the Empain-Schneider group, but the company took the position that the kidnapping was a personal matter and not a corporate one. If the CEO of Exxon had been kidnapped, I can't imagine that they would turn to the spouse and say sell your stock or we can give you a secured loan. I mean Wado's last name is the same as the company. Why did management tell the spouse to work it out on her own?

Thomas Sancton:

His number two, Rene Engen a very good manager, saw his chance to take over the leadership of the group.

Apart from Engen's personal ambition, the revelations about Wado's private life, his obscene gambling losses, his mistresses, and his private trysting apartments was doing great damage to the image of the group. And it's going to be difficult to have shareholders accept this very tarnished, CEO continue as before.

Although the normal reaction would be, as you said, he's kidnapped because he's the head of our group, let's bail him out. But it didn't work out that way.

Larry Bernstein:

Wado is held naked, chained by the neck to a wall in a damp and freezing cave with a bucket to piss in. The Press have Wado on the front page every day with new revelations leaked by the Police about his multi-million-dollar gambling debts and his mistresses. You can't make this stuff up.

How could the police have violated their duty to leak this personal information to the press in his most vulnerable moments. This is gross.

Thomas Sancton:

That's an excellent question. I was able to get to five of the police detectives involved in this case, and one who had had his fingers in every aspect of it. He claims that they didn't intentionally leak.

There were 80 detectives involved in the investigation. The press had a press office in the police headquarters at the time, so there was this fraternization between journalists and police officers. They go out have a meal together and talk. And so probably in this unofficial, unintended, unfortunate way, some of these details just kind of leaked.

Larry Bernstein:

The press got salacious photos of his mistresses from his secret tryst apartment. That doesn't sound like an unintended comment over a beer. Come on.

Thomas Sancton:

Yeah.

Larry Bernstein:

Wado was shamed, but this is France. The guy had gambling debts and a mistress. President Mitterrand had two families. Why the shock and horror?

Thomas Sancton:

This is France. I don't think that in itself would've been so devastating, but it certainly was to the family. That led to the destruction of his marriage and the breakup of his family. The gambling and the heedlessness would expose him potentially to blackmail or indebtedness to the mafia. Some people said his finger was cut off by criminal elements, because of unpaid debts, which was not true, but this idea left him vulnerable to manipulation by criminal elements.

The gambling was really the main thing. But the total lack of judgment that that shows. Do you want a guy running your huge industrial group that has a monopoly of nuclear construction in France? Do you want a guy who bets \$1 million francs at these all-night betting competitions with Saudi princes in these casinos in the south of France? It's potentially a security breach and a glaring lack of good judgment on the kinda person you want at the head of a big company.

Larry Bernstein:

New Topic, the Pinky. Wado's kidnappers sent the police the top joint of his pinky in a formaldehyde solution within hours of the kidnapping. In the Getty kidnapping, they sent his ear. Why the body mutilation when you can send a photo with him holding that day's newspaper?

Thomas Sancton:

Well, when I asked the kidnapper Caillol that question, he said that they had made a game plan right from the beginning, how they'd grab him, where they'd take him, how they'd watch over him in this tunnel, the ransom and to cut off the tip of his little finger.

I asked him why they did that, and it was not to prove that they had him, identification. He said, the stun effect. They wanted to stun the police, the family, the group, and show they meant business. It was to get their attention and show that they were ruthless. And with the threat of other body parts to follow meant time was of the essence and that if the money wasn't forthcoming, things could get a lot worse than the tip of his pinky. It was a conscious decision. This is serious. You guys better do what we say.

Larry Bernstein:

Another Getty snatch comparison is the kidnapper's remote hideout. It was impossible to keep the prisoner there for a long period. It was cold and damp. Everyone was miserable. Kidnappings puts stress on everybody.

Thomas Sancton:

Absolutely. They expected this to be over in two or three days. And they thought for a couple of days the guys can hang out and eat canned food. And then it went on for weeks and then after a month people were grumbling, threatening to defect.

And finally, they chose to move him to an apartment in Paris and then they moved him to a house in the suburbs. Three or four of them just kind of just went AWOL. They said, "We've had it." It was kind of like herding cats. They all had their own motivations, their own temperaments, their own degrees of intelligence. Caillol was very intelligent, others were like borderline retarded. It was difficult to keep the group together over that long period. Caillol told me they never planned for anything beyond four days. After that, everything was improvisation.

Larry Bernstein:

Family dynamics are challenging in the best of times for wealthy families. You saw Succession. Now with a kidnapping of the leader under stress, bad things happen. It is as if a bomb has been thrown into the living room.

Thomas Sancton:

Yeah. The family was very divided over how to deal with this. First the money wasn't there. Wado's mother was a real piece of work, Goldie a former exotic dancer, stripper. She immediately remarried after her husband's death Wado's father's impotent cousin to retain her fortune and title and she was just ruthless in pursuing her own interests. In the first discussions about trying to gather the money for the ransom, she said, "I'm not going to pay a penny." Silvana, the wife offered to sell her jewelry. The kids said sell a few companies. A son-in-law, the husband of the eldest daughter, who was an American, wanted to jump in and seize control of the company by having Wado declared dead and then somehow come in and take over it.

One of the effects of the kidnapping was to reveal tensions in this family. The eldest daughter and the son-in-law were estranged from Wado after his release. Wado is estranged from his mother when he found out what her attitude had been. And the wife, Silvana, decision to divorce.

Larry Bernstein:

Next topic, Stockholm Syndrome in kidnappings. Patty Hearst was a teenager when she was abducted and ended up sleeping with her kidnapper and joining their terrorist activities. What happened with Wado?

Thomas Sancton:

It's a common situation during long kidnapping where a hostage realizes that his life depends on their relationship with the jailers. If they try to get along, then they can be treated better, not killed, not tortured.

Wado decided very early on to accept this with dignity and stoicism. He never complained. They were amazed by his calm, dignity as they put it. And there's a way of manipulating kidnap victims by saying that we're your friends that the ransom was not forthcoming. "They don't care about you. They've written you off." And they really hammered this home with Wado. The guys on the outside they're the enemies.

Larry Bernstein:
Sort of like Bette Midler in Ruthless People.

Thomas Sancton:
Stockholm Syndrome in this case had a strong effect. After he was released, he was immediately interrogated by the police, he gave them very little specific information about the kidnappers. He felt some strange lingering sense of loyalty to his former jailers. To the point where he tried not to cooperate too much with the investigators.

Larry Bernstein:
This was more complicated. The jailers had threatened Wado that they would create violence after he was released unless he did what they said.

Thomas Sancton:
He feared that the kidnappers were going to come after him after he was released. They made him sign IOUs saying that he would personally pay them ransom. They even had him put his thumbprint on the documents. They would call him with a certain code word that meant that he had to pay off within 24 hours. If he didn't do it, they would shoot somebody at random in the street.

Larry Bernstein:
Was Wado angry with the police for ruining his reputation?

Thomas Sancton:
He was very bitter towards the police and particularly the revelations about his private life. And they had not been particularly competent liberating him.

Two branches of the police that were involved. One was the investigative police, and the other was the intervention squad, the commandos who showed up on the highway who took part in the shootout with the kidnappers. He respected them; they were the guys who risking their necks. They were the heroes who led to his liberation. The ones who were back in the office, pushing paper, making phone calls, he had much less respect for.

Larry Bernstein:
In the TV show Law and Order, the first half is the investigation, and the second half is the trial. What was interesting about the trial?

Thomas Sancton:

None of them were charged with kidnapping. They were all charged with sequestration or illegal imprisonment.

Caillol attempted to present himself as an unloved child, the victim of a family that was not sufficiently supportive. He'd taken the wrong path and he knew he shouldn't have done it, but it wasn't really his fault.

The judge cut him off after a couple of minutes of that. And that was pretty much the end of his defense strategy.

Caillol had been caught and wounded on the highway. He couldn't claim that he didn't know anything about it.

Larry Bernstein:

Next topic was the Judge's ruling about the evidence.

In France when there is an interrogation, a magistrate must be present. And anything said without the magistrate will not be in evidence in court. And it turns out that during a discussion with the police, Caillol is asked the question, "Why'd you kidnap Wado?" And he goes through his analysis of why Wado was the perfect choice.

Thomas Sancton:

Yeah, that was fascinating. Caillol was in the hospital, he was exfiltrated to police headquarters and they put pressure on him that he might be facing the guillotine if anything happened to Wado. He should make a phone call and get him released, which he did. And after the police received word that Wado had been released, Caillol was still in the police chief's office along with eight senior detectives.

In this moment of victory, we solved this thing. We've liberated the baron. The chief puts his legs up on the desk and he says, "Caillol, why did you choose Wado?" And of course, he'd never admitted that he kidnapped Wado. And he said, "we figured out he'd be easy to capture and then he shut up, because he realized he'd said too much. And none of that was theoretically admissible in court. The notes that they were taking since there was no magistrate present. It's not a formal deposition. It couldn't be admitted into the court hearing.

Andre Bizeul, when the trial finally happened several years later, was assigned the role of explaining the investigation from the stand. No documents, nothing.

The judges would say, "Now, how did the interrogation proceed and what did you find?" Andre Bizeul pulled out the bomb and said, "We asked him why he had done this, and he said this and this." So, pandemonium. Caillol's lawyer jumps to his feet. Inadmissible.

The judges withdraw to the chambers. An hour later, they came out and they said, it is admissible."

It was the death knell for the kidnappers, because it was a strong indication that Caillol had been involved from the beginning and admitted as much. It was an important moment during the trial.

Larry Bernstein:

Wado comes out of this experience a broken man.

He leaves France, he's disillusioned. He leaves with one of his mistresses. After six months, he's finding his footing and returns to Europe to reclaim his position in the Company.

How does the kidnapping affect his life?

Thomas Sancton:

He wrote his autobiography on this experience and lessons learned. It had been an enlightening. His values had been all wrong. He didn't appreciate things like family and the simple things in life.

He felt that he'd come out of it a better person. Unfortunately, he never got rid of the gambling addiction and ultimately ruined him.

That's what gives it this Shakespearean tragedy aspect, which is that you're seeing the fall of a powerful man, not simply due to this unexpected event. But also due to his own flaws and it's a cautionary tale about a man who threw caution to the wind. He was a victim of his own weaknesses and his own flaws.