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History's Greatest Scandals

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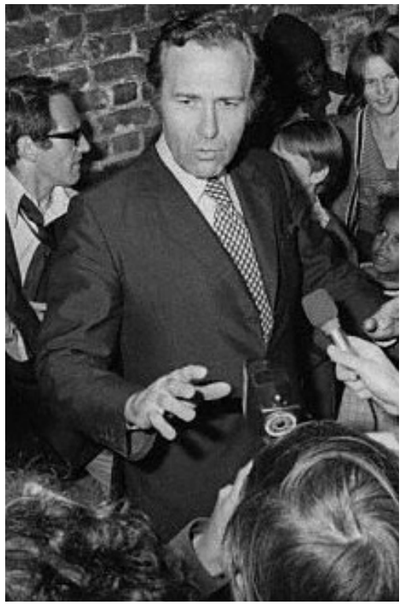
Extract

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MOTIVATION

anger
charity
envy
faith
gluttony
greed
hope
lust
pride
sloth



5th November 1975: John Stonehouse (1925 - 1988), British Labour MP who faked his own death, was charged with fraud, conspiracy and forgery, leaving Horseferry Road magistrates court, London.

THE CHANGING FACES AND FORTUNES OF JOHN STONEHOUSE

MAIN CULPRITS:
John Stonehouse (1925-88)

CHARACTER:
British politician, family man, third-world activist, womanizer, intricate schemer, and convicted swindler

DAMAGE DONE:
Attempted to fake his own suicide; huge embarrassment for the British Labor Government

WHY:
Money troubles from shady financial deals

Although I did not fully realise it at the time, I was operating on three levels. One the imaged man: cool, calm and apparently in command of all his senses carrying on the life normally expected of him. Two, the original man, who carried all the heavy layers of the imaged man as a burden and despised this role, suffering deep torment as the desperation of his position became more evident. Three, the Phoenix man: a make-believe person who was un-cluttered with problems and tensions, and through natural relaxation, gave comfort to the other two. The first two men had to die for the strain of living for them was too great. I wanted them to die. I wanted to die. There was no other way.
— John Stonehouse, Death of an Idealist (1975)

To the end of his life he blamed everyone and everything but himself for a catalogue of crime and deception that destroyed his political career.
— Stonehouse's Obituary in the Daily Telegraph

Many people commit suicide after being caught out in a scandal, but few have the imagination to fake it. In 1974, John Stonehouse, a tall, handsome, charming, and narcissistic British Labor politician, did just this.

Stonehouse, whose career peaked as a British minister in the Harold Wilson Government of the 1960s, was born in Southampton, England, the youngest of four children. His parents embodied the ideals of the Labor movement. His father, William, was a former post office engineer who became a trade union official, while his mother, Rosina, once a kitchen maid, conquered the English class system to become Mayor of Southampton in 1959.

His parents' lives exposed Stonehouse to politics from an early age. Otherwise, his childhood seemed fairly normal. At eighteen, he joined the airforce and trained in the United States to become a World War 2 pilot. When the war ended he entered university and graduated with a degree in economics from the London School of Economics, by which time he was married. In 1952, he left with his wife, Barbara, and young family for Uganda, where he worked to introduce co-operative societies to the Africans. While on a trip to Rhodesia he was deported, and he was also later arrested in South Africa for arguing the cause of black Africans - which earned him a reputation as a bright young iconoclast of the Left. (His book about the experi-ence, Prohibited Immigrant, was published in 1960.)



The Labour politician John Stonehouse arrives at the House of Commons, with his wife Barbara, to take up his seat after winning the 1957 Wednesbury by-election.

In 1957, several years after returning from Africa, Stonehouse was elec-ted Member of Parliament for Wednesbury, a coal-mining town near Birmingham, England. Since it was common for British parliamentarians to have jobs outside of parliament, Stonehouse worked for the London Co-op. With more than a million members it was the biggest retail co-op in the world. Yet, the bureaucracy and committee-style democracy of the Co-op frustrated him sore-ly - an early sign of his impatience with rules, regulations, and social restrictions.

Labor Days

Stonehouse was a rising star of the British Labor Party. It was even tipped that he might go all the way and one day become its leader. When Harold Wilson became Prime Minister in 1964, Stonehouse was appointed a junior minister. He began as Parliamentary Undersecretary for Aviation, then became Undersecretary of State for the Colonies (1966-67), where he presided over the decolonization of territo-

ries such as Botswana, Lesotho, and the Seychelles. He was particularly proud of his work in Mauritius where, according to his somewhat immodest memoir, Death of an Idealist (1975), he "snatched a complex agreement from the jaws of threatened chaos." He returned to Aviation in 1967, this time as Minister and was instrumental in getting the Anglo-French agreement for the production of the Concorde into place.

Stonehouse lobbied strongly on behalf of British manufacturers. But hanging out with business tycoons, Middle Eastern potentates, and arms dealers may well have whetted his appetite for fast bucks and financial chicanery. While in the position of Minister of State for Technology (1967-68), he was made Privy Councillor, ostensibly as a reward for sel-ling airplanes to Arabs. It was the pinnacle of his career.

CAREER HIGHLIGHTS

1957 Member for Wednesbury

1962 Chairman of London Co-operative Society

1964 Wilson Government as Parliamentary Undersecretary

1967 Minister for Aviation and made Privy Councillor

1968 Postmaster General

Harold Wilson neither liked nor trusted Stonehouse. It was rumored Wilson gave him the job of Postmaster General (1968) in the hope that he'd make a mess of it and could be fired. While Stonehouse was a minister, he never made it into the cabinet - another indication of Wilson's belief that he flew too close to the wind. When Wilson lost the 1970 election, a disillusioned Stonehouse wasn't even part of the shadow ministry. It's been speculated that Wilson lost his trust in Stonehouse when a Czech defector named him as a spy - yet Wilson later said, "I never thought he was a spy, but I always thought he was a crook."

With a difference of opinion between Stonehouse and his party on his abilities, he was left on the backbench with time on his hands. He turned one hand to business, starting a number of companies. Then, when the Pakistani army mounted a genocidal campaign in East Pakistan (Bangladesh), slaughtering up to a million people, Stonehouse became one of Britain's most prominent advocates of the Bangladeshi cause while the likes of Kissinger and the United States backed the Pakistanis for geopolitical reasons. He helped to create the first Bangladeshi stamps, and became a dual U.K.-Bangladeshi citizen when independence was achieved after the Indian army defeated the Pakistanis. At some point he also started sleeping with his secretary, the divorcee Sheila Buckley, who was almost twenty years younger than him. It was a combination of these three interests that led to his life-changing decision.

The Beginning of the End

It's difficult to know exactly when Stonehouse's money troubles began. But, by the time he was hit with the heat of a Scotland Yard investigation sparked by a Sunday Times article concerning his involvement in the establishment of a Bangladeshi bank, his financial affairs were a shambles. With his persuasive charm and ability to paint a picture with words, Stonehouse made a great salesman, but the flipside of this was the creative license he took with reality. Whether his problems aggregated as a consequence of his ego trying to cover up his incompetence, or because he'd had his fingers in the till from the very beginning is difficult to know. Either way he ended up breaking the law. Like many before him, Stonehouse dressed up his poor financial situation by continually shuffling money between his twenty companies in order to give the illusion of financial health. As the scrutiny from official investigations grew, it became clear, his stellar connections notwithstanding, that he wouldn't be getting away with it for much longer. Unless . . .

JUGGLING PERSONAS

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—John Stonehouse,
Death of an Idealist (1975)

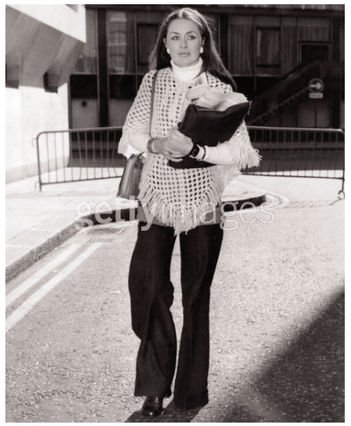
First Attempt to Fake Death

Stonehouse bought a life insurance policy worth $185,000, presumably for his family's benefit. For his own benefit, he had already siphoned off a large sum of his company's money. On November 4, 1974, he made a frank speech in the House of Commons that dumped on some of his Labor colleagues. According to his memoir, it was several days later when he flew to Miami, with no less than two false passports, ready to "kill" John Stonehouse and migrate to Australia as Joseph Arthur Markham - the name on one of the passports.

On arrival in Miami he checked through U.S. Immigration as Stonehouse, then again as Markham. He rented two hotel rooms, one under the name Stonehouse and one under the name Markham. Leaving all his Stonehouse things in the Fontainebleau Hotel, he gave his key to the hotel porter, undressed on the hotel veranda, then went for a long swim. When the beach was deserted, he returned to shore, picked up the Markham gear he'd stashed in the Eden Roc Hotel, and flew to Houston under the name George Lewis, having created the illusion that John Stonehouse had drowned.

From Houston he flew to Mexico City where he missed the connecting flight to Sydney. Instead, he flew to Los Angeles where he booked into the Marriott Airport Hotel, which he described as a "plastic place for plastic people." It was a mistake. He'd stayed there several weeks before and it evoked memories of his life as John Stonehouse, mover and shaker, a paragon of plasticity. He started to get cold feet

about leaving his old life behind. As part of his cover, he had organized a meeting with Harry Wetzel, the president of the aerospace company Garrett Corporation. He kept the appointment and by the end of this meeting, in an office where there was a copy of a book of Escher prints his daughter had distributed in Britain, he decided not to go through with faking his death. He rang his wife to say he was coming home late, then raced back to Miami to pick up his luggage and passport. Although the pile of clothes was gone, no one at the Fontainebleau Hotel had noticed he was missing.



Sheila Buckley became Stonehouse's mistress during his heydays in British Labour politics. Almost 20 years his junior, she stuck by him through the whole ordeal of the trial, and they eventually married in 1978, shortly after his release from jail.

Second Attempt

According to his memoir, the next morning when Stonehouse woke, he was horrified by his lack of resolve. It was definitely a struggle, but this time he was determined to break free. He put his Markham things back in the Eden Roc hotel and repeated the same process all over again. This time, he caught a plane to Chicago with the intention of flying to San Francisco and from there to a new life in Australia. Yet after a flight full of mental trauma - including yelling "Why do you do this to me!?" at the mirror in the airplane bathroom - he decided to turn around in San Francisco, fly back to Miami, and retrieve his Stonehouse identity. In Miami no one had noticed he was missing once again. Stonehouse flew back to London, where he voted in parliament on issues he didn't believe in and played chess in between. He also went for a twenty-sixth anniversary dinner with his wife at their favorite Italian restaurant. In his memoir he claimed: "I felt as close to her as I always had - very close." But he said nothing to her about his predicament.

Third Time Lucky

If Stonehouse's memoir is to be believed, he returned to Miami soon after, on a business trip, with the intention of remaining John Stonehouse and exorcizing his previous two "pseudocide" attempts. Yet when his business dealings didn't come off as planned, he fell into a depression which then led to him once again leaving his clothes in a pile at the Fontainebleau

Hotel and going for a long swim in the hope of giving the impression that Stonehouse had drowned. He left Miami and flew to San Francisco, where he stayed in the best room at the Fairmont Hotel for a single room price - a good

omen perhaps for someone who was risking a good deal of social status by abandoning his identity.

From San Francisco he flew to Honolulu where he hung out at Waikiki Beach for five days before flying to Australia and registering on arrival in Melbourne as Joe Markham. Success. He opened a bank account in Markham's name at the Bank of New South Wales and started to build his Australian life.

Almost inevitably, Stonehouse was to bring himself undone with his own cleverness. He had the forethought to realize that Joe Markham might be connected to John Stonehouse, since the two had been at the same place at the same time in Miami, so it seemed he planned to make him vanish too and become Clive Mildoon - the name on his other false passport. This, together with the fact that he would have had to have got hold of his two false passports in England (the names of which were taken from deceased men in his former constituency), shows the premeditation of the events.

His scheme would have succeeded if it hadn't been for the smallest piece of bad luck. When he opened a new bank account in Mildoon's name at the Bank of New Zealand, he didn't know that a clerk from the previous bank was by coincidence in the bank at the same time. He noticed Stonehouse using different names to open the accounts and reported this to the police. The police, who had recently let Great Train Robber Ronnie Biggs through their grasp, initially thought Stonehouse might be Lord Lucan, a British noble who had disappeared after allegedly murdering his children's nanny.

In order to confirm his second change of identity, Stonehouse had to leave Australia again. Under the name of Markham, he flew to Copenhagen via Singapore, Bangkok, and Tashkent. In Copenhagen he read the British newspapers. This time his disappearance had not only been noticed (Stonehouse had told his mistress to raise the alarm), it had caused a sensation. Instead of the dignity afforded to the tragic death of a public figure, the papers were full of tales of his dubious character and questionable acti-vities. Stonehouse was appalled by this treatment of his former self in the press. His memoir says: "How is it that the merest hint of scandal, based on the flimsiest of evidence and propagated by obviously maladjusted or twisted men can erase a lifetime of constructive endeavour motivated by the highest ideals. Some British newspapers were full of smears and innuendo and unsubstantiated allegations. And each report cut deep into the psyche of Joe Markham, sitting lonely, isolated, and without friends

FAKING IT

What John Stonehouse called psychiatric suicide is known in America as "pseudocide." The British slang for this is "doing a Reggie Perrin," from the popular character on a British TV show who, despairing of his routine life as a salesman, fakes his death in order to begin a new one. Uncannily, the David Nobbs novel the show was based on was written the same year as Stonehouse faked his death. There is no way either could have known about the other. It has long been rumoured that Lord Lucan, who Stonehouse was originally mistaken for by the Australian police, also pseudocided, although the consensus of his family and friends is that he probably did it for real.

in a busy Copenhagen, preparing for Christmas." Only Stonehouse wasn't alone. Although it's also not mentioned in the memoir, Sheila Buckley was waiting for him in Copenhagen. Such omissions put the veracity of Stonehouse's account into doubt. At the end of their intimate rendezvous, Buckley asked him to take her with him back to Australia, but he told her to be patient. He returned to Australia on Aeroflot via Moscow, New Delhi, and Singapore. This time, he checked into Australia under the name Clive Mildoon.

Australian Life

In Melbourne, Stonehouse rented an executive apartment and began to build a new life for himself. He joined the Victorian Jazz Club and enjoyed going to their parties. He also joined a chess club. Still, he never quite freed his new self from his prior self. When he saw his picture in the Australian papers alongside the accusation that he was a Czech spy, he was at first horrified, then later relieved when Wilson cleared him of the allegation in the House of Commons. There wouldn't be much time left for Clive Mildoon, however. Unknown to Stonehouse, plain-clothes police had moved into his apartment complex and were following his every move. On Christmas Eve 1974, while he was taking a "walking tour of St Kilda," the red light district of Melbourne, the police pulled him over. They took him to the cells where they told him they knew he was John Stonehouse and the game was up. The brief life of his alter ego was over.

BORROWED LIVES

Markham and Mildoon, the names on Stonehouse's false passports, were identities that he had pilfered from the husbands of widows in his former British constituency.

Loopholes and Home Truths

As a British politician, Stonehouse enjoyed a form of diplomatic immunity and, because he hadn't actually committed a crime in Australia, the Australian authorities, against British wishes, initially allowed him to stay. His wife, overjoyed her husband was still alive, flew out laden with Christmas presents for him. She still didn't know about Buckley. However, the press did. The police had been checking the phone calls Buckley made in the hotel she'd been staying at and matched Stonehouse's Melbourne number. After twenty-six years of marriage, Mrs. Stonehouse learned of her husband's deceit from journalists.

Despite the presence of Barbara Stonehouse, Sheila Buckley also raced to Australia to be with her lover. This fraught triangle moved up the eastern seaboard trying to stay one step ahead of the British media hordes until a furious argument on a Queensland beach saw Barbara Stonehouse return to London to start divorce proceedings, while Buckley stayed on with her man.

After six months and a massive world-wide fraud investigation, Stonehouse and Buckley were deported to the UK in June 1975. He arrived home, still an MP and

was granted bail awaiting trial. Despite his disgrace, the thick-skinned Stonehouse took Buckley to tea in the House of Commons tea room. When he went to the Labor Party Blackpool Conference, he was booed and delegates shouted, "Go back to Australia, scab!" He responded by becoming a member of the English National Party.

After 68 days of hearings, at that time the longest fraud trial in UK legal history, John Stonehouse was found guilty on eighteen charges of theft, fraud, and deception on August 6, 1976 and sentenced to seven years in jail. When Sheila Buckley received a two-year sentence for her part in the affair, her mother cried out from the public gallery "Is it a crime to love a man?" In suspending Buckley's two-year sentence, the court accepted she'd fallen under the spell of Stonehouse's charisma, but argued she was aware of and a participant in his frauds. Following his conviction, Stonehouse resigned from the House of Commons on August 27, 1976, over 18 months after he was first arrested.

Jail and Beyond

Stonehouse served only three years of his sentence and had open heart surgery while still in jail. When he was released in 1978, Sheila Buckley was waiting for him. Within a few weeks they were married. They had a son and Stonehouse spent the remainder of his life with Sheila writing novels, an apt career change for someone with his imagination, until he died of a heart attack on live television in 1988. Given the fantastic adventures of his life his literary career was solid rather than spectacular. John Stonehouse was a man of great ambition and imagination who failed to live up to his promise, then failed to deal with the fact that he hadn't. His scandal and downfall is the story of an astronomical and charismatic ego that was allowed to get out of control.

A PLEA FOR PROTECTION

While the deportation battle continued between the UK and Australian authorities, Stonehouse wrote to a number of countries asking for residency including Sweden, Botswana, Mauritius, Kenya, and Zambia. All refused him.