

SEPTEMBER 25, 2000

SEPTEMBER 25,
2000 ISSUE
**Get Four
Free Issues**
[Subscribe to BW](#)
[Customer Service](#)
[TODAY'S NEWS](#)
[NEWS ARCHIVE](#)
[NEWS SEARCH](#)
[SPECIAL REPORTS](#)
[LIFESTYLE](#)
[NEWSMAKER VIDEOS](#)
[MARKETS](#)
[STOCKS](#)
[FUNDS](#)
[SECTORS](#)
[ECONOMY & BONDS](#)
[INVESTING GLOSSARY](#)
[NEWSLETTER SIGN-UP](#)

PREMIUM CONTENT

[MBA Insider](#)

BW MAGAZINE

Get Four Free Issues
[Subscribe](#)
[Customer Service](#)

ONLINE FEATURES

[Book Reviews](#)
[BW Video](#)
[Columnists](#)
[Interactive Gallery](#)
[Newsletters](#)
[Past Covers](#)
[Philanthropy](#)
[Podcasts](#)
[Special Reports](#)

BLOGS

[The Auto Beat](#)

BOOKS

 By: MIKE
FRANCE


Pulp Nonfiction at Archer Daniels

THE INFORMANT

A True Story
By Kurt Eichenwald
Broadway Books -- 606pp -- \$26

When the history of American antitrust law is written, Mark Whitacre probably deserves his own chapter. One night in November, 1992, the high-ranking Archer Daniels Midland Co. executive did something extraordinary: He confessed to a Federal Bureau of Investigation agent that he had routinely met with competitors to fix the price of lysine, a food additive given to livestock.

RELATED ITEMS

[Pulp Nonfiction at Archer Daniels](#)

PHOTO: Cover, "The Informant"

TODAY'S MOST POPULAR STORIES

1. [Steve Jobs: The Beginning, 1955-1985](#)
2. [Eric Schmidt on Steve Jobs](#)
3. [Steve Jobs: The Wilderness, 1985-1997](#)
4. [Steve Jobs: The Return, 1997-2011](#)
5. [Wall Street, Heal Thyself](#)

[Get Free RSS Feed >>](#)

MARKET INFO

DJIA	0	0.00
S&P 500	0	0.00
Nasdaq	0	0.00

[Portfolio Service Update](#)

Stock Lookup

 Enter name or ticker

That meeting marked the first time that a participant in a price-fixing cartel had ever voluntarily tipped off law-enforcement officials about a scheme. And its reverberations are still shaking up boardrooms across the globe. The lysine conspirators, including ADM, ultimately settled federal charges for more than \$100 million. That investigation, in turn, convinced trustbusters that price-fixing was a far more pervasive problem than they had suspected and led to prosecutions of cartels in vitamins, citric acid, fax paper, and graphite electrodes. More than 20 other industries are now under

[Byte of the Apple](#)
[Europe Insight](#)
[Eye on Asia](#)
[Getting In](#)
[Investing Insights](#)
[The New Entrepreneur](#)
[NEXT: Innovation Tools & Trends](#)
[On Media](#)
[Technology at Work](#)
[The Tech Beat](#)
[Traveler's Check](#)

TECHNOLOGY

[Product Reviews](#)
[Tech Stats](#)
[Hands On](#)

AUTOS

[Home Page](#)
[Auto Reviews](#)
[Car Care & Safety](#)

INNOVATION & DESIGN

[Home Page](#)
[Architecture](#)
[Brand Equity](#)
[Auto Design](#)
[Game Room](#)

SMALLBIZ

[Smart Answers](#)
[Success Stories](#)
[Today's Tip](#)

FINANCE

[Investing: Europe](#)
[Annual Reports](#)
[Bloomberg BW50](#)


SCOREBOARDS

[Hot Growth Companies: 2008](#)
[Mutual Funds](#)
[Info Tech 100](#)

B-SCHOOLS

[Undergrad Programs](#)
[Rankings & Profiles](#)

BW EXTRAS

[BW Digital](#)
[BW Mobile](#)
[Podcasts](#) 
[RSS Feeds](#) 
[Reprints/ Permissions](#)
[Conferences](#)

investigation. European regulators are starting to crack down on the problem, too. Once a crime that rarely attracted the notice of federal authorities, price-fixing is now under attack by governments around the world.

You can make a good argument that none of this would have happened but for Mark Whitacre. So he's a hero, right? Actually, he's in prison. As you learn in *The Informant*, by *New York Times* reporter Kurt Eichenwald, Whitacre was embezzling millions from his company at the same time that he was secretly taping his co-workers. One favorite technique involved setting up a bogus offshore company, having it send ADM a fictitious invoice, and then paying off the bill under his own signature. No sooner did an army of cops stage a dramatic raid on ADM headquarters in Decatur, Ill., than the company hit back with damning evidence that the government's star witness was a criminal.

While *The Informant* ultimately proves a bit superficial, it is certainly a gripping read. Using loads of new evidence and in-depth interviews with players on every side of the Archer Daniels drama, Eichenwald constructs one of the most compelling business narratives since *Barbarians at the Gate*. *The Informant* offers an inside picture of a part of the corporate world that outsiders almost never see--one full of covert meetings, secret codes, and industrial espionage. Usually the pulp of airport fiction, here such shadowy doings become the stuff of sound investigative nonfiction.

In order to squeeze as much suspense as possible out of this tale, Eichenwald's story puts the reader in the position of the FBI agents assigned to the ADM case. So Whitacre at first appears on stage as a brave whistle-blower. Allowing federal agents to shave his chest and attach sophisticated listening devices, he tries to spring a trap on the lysine cartel. This is great cops-and-robbers drama--leavened by occasional touches of screwball comedy. At one point, FBI agents worry that the whole investigation may be jeopardized if the conspirators notice that the same hidden-camera-equipped lamp is following them around to different hotel conference rooms. At another juncture, Whitacre gets involved in an odd game of charades as he tries to induce the conspirators to say that they have reached an "agreement"--a magic word that Justice Dept. lawyers believed must be recorded if they were to have a solid case. One lesson from the book's initial chapters: It's much harder to build a criminal case against price-fixing conspirators than you would ever imagine.

The drama only increases in the second part of the book, which focuses on Whitacre's meltdown. Ignoring the advice of his FBI handlers, who want to keep his involvement a secret for as long as possible, Whitacre talks to company lawyers. Almost immediately, they surmise that he has been wearing a wire. From there, things go downhill for the hero fast. Hiring a bevy of private investigators and bulldog litigators, ADM uncovers evidence that Whitacre has secretly stolen millions from the company--which kills his credibility. The story of how the FBI and the Justice Dept. salvage the case is fascinating.


This is box-office material, and Eichenwald has written a book that reads a lot like a screenplay. Focusing narrowly on the fast-paced plot, he reconstructs most of the key episodes in the Whitacre saga. But in so doing, he skimps on personal characterization, historical context, or any analysis of the meaning of the story. The result is that the book leaves a surprisingly light, almost Grisham-like, impression.

In the end, the most interesting question posed by *The Informant* is: Why did Whitacre do it? Why did such a smart, successful man trigger an investigation that would so obviously lead to his destruction? This is a question for which Eichenwald doesn't have much of an answer.

Lacking an understanding of why Whitacre did what he did, it's hard to know what to make of this tale. Is it just a story about a peculiar guy, or does it stand for something larger? In Eichenwald's telling, it's simply a tale of one executive's undoing--and not a very probing one at that. *Barbarians at the Gate* truly encapsulated an era. This book, despite its many virtues, doesn't have the same heft. But that's hardly a damning critique: Not quite as good as *Barbarians* is still very good.

SPONSORED LINKS

[Buy a link now!](#)

Get BusinessWeek directly on your desktop with our [RSS feeds](#). 

Add BusinessWeek news to your Web site with our [headline feed](#).

Click to buy an [e-print or reprint](#) of a *BusinessWeek* or BusinessWeek Online story or video.

To subscribe online to *BusinessWeek* magazine, please [click here](#).

Learn more, go to the [BusinessWeekOnline home page](#)

 [BACK TO TOP](#)

Copyright 2005, by The McGraw-Hill Companies Inc. All rights reserved.
[Terms of Use](#) | [Privacy Notice](#)

[Media Kit](#) | [Special Sections](#) | [MarketPlace](#) | [Knowledge Centers](#)

Bloomberg