

ELI SEGAL: SUNUNU HE AIN'T

Entrepreneur, nice guy—and a prime candidate for Chief of Staff

Eli J. Segal sits down to breakfast in the café of Little Rock's Excelsior Hotel and expounds on his favorite subject. "It won't be hard to figure out how to make Bill Clinton's Presidency work," says Segal, the transition team's newly named chief financial officer. "Clinton believes in horizontal, rather than vertical, management. He likes a lot of access and a lot of consultation."

If Segal sounds like a management guru who wandered into a roost of gonzo politicians, he can be forgiven. A Boston entrepreneur and longtime Democratic fundraiser, Chief of Staff Segal brought discipline to the free-form Clinton campaign. Says Clinton aide Samuel Berger: "Eli was the glue that held Little Rock together." Segal did his job so well that Clinton rewarded him with a key transition post.

One of the few corporate types in Clinton's inner circle, Segal was instrumental in persuading the candidate to court business. Clinton won a slew of CEO endorsements, a huge help in his efforts to cast himself as a market-oriented centrist. John H. Bryan, CEO of Sara Lee Corp. and a big Clinton backer, especially liked what Segal had to say about the North American Free Trade Agreement. CEOs saw the issue as a litmus test for Clinton. "He was very positive on it," says Bryan.

SILKY INTRIGUE. Segal hardly fits the role of power broker. There's no cigar, no hyperdrive personality. His soft-shoe style won Segal, 49, enormous affection inside the campaign. His "style is very effective," says Richard G. Stearns, a Massachusetts Superior Court justice and Clinton's former Oxford roommate. "You like him so much, you don't want to disappoint him."

But don't underestimate this nice guy. Segal is capable of silky political intrigue. Just ask Los Angeles lawyer Mickey Kantor. When the hard-charging

Kantor made a bid for leadership of the transition, Clinton's political staff—many of them selected by Segal—rebelled. Kantor wound up with the job of organizing Clinton's December economic summit, while Segal and Warren Christopher got top transition posts.

Not surprisingly, Segal is now rumored for a plum Administration job, even Chief of Staff. Segal "would be excellent in any White House management position," says former Democratic

ton. He made his fortune in the toy and jigsaw-puzzle business, running American Publishing Co. in suburban Boston. Segal sold his venture in 1986, for a profit estimated at several million dollars. He now runs B&P Publishing Co, a privately held direct marketer with annual sales of some \$15 million. B&P sells games through its popular *Bits & Pieces* catalog. Segal also owns *Games* magazine, a marginally profitable publication for puzzle junkies.

IN TROUBLE. Segal's career got a key boost from Miles L. Rubin, a 65-year-old investor who took a shine to Segal during the 1972 campaign. After McGovern's loss, Rubin invited Segal to join Pioneer Systems Inc., a defense company that Rubin headed.

Pioneer's business record has its blemishes. In the 1980s, Pioneer was in legal trouble for allegedly billing a government agency falsely. Pioneer settled the suit for \$105,000 in 1988. Segal, who in 1981 resigned as president of Vogart Crafts Corp., another Pioneer subsidiary, continued to serve on Pioneer's board through the 1980s. But he disclaims intimate knowledge of the legal problems. The company's defense operations have since been sold to a French outfit. After the sale, Vogart was Pioneer's only operating unit until it filed for Chapter 11 in 1990.

The Rubin-Segal bond endures. Segal helped hire Rubin's mail-order company, National Direct Marketing Corp., to raise funds for Clinton. Rubin says he raised some \$13 million. Says Rubin of his protégé: "Eli helps people get

the most out of themselves. He's a leader of men."

Segal now must get the most out of big Democratic donors. He's trying to rustle up about \$3 million in private money to add to the \$3.5 million in federal funds appropriated for the transition. Next, Segal says he'll oversee the effort to create an "aggressive legislative package to submit to Governor Clinton for the day he is inaugurated."

So what is the transition like? "It's a lot like a chess game," says puzzle magnate Segal. And in this game, some nice guys manage to finish first.

By Douglas Harbrecht in Little Rock and Mark Maremont and Geoffrey Smith in Boston



RESUME: ELI J. SEGAL

BORN

1943, Brooklyn, N.Y.

EDUCATION

BA, Brandeis, 1964; JD, Michigan, 1967

EMPLOYMENT

1973-75: Executive, Pioneer Systems, a New York City defense and crafts company

1975-81: President, Vogart Crafts, a Pioneer subsidiary

1981-86: Owner, American Publishing, a jigsaw-puzzle maker and owner of *Bits & Pieces* mail-order game catalog; puzzle business sold in 1986

1986-present: Owner, B&P Publishing, publisher of *Bits & Pieces* and *Games* magazine. Annual sales: About \$15 million

OFF-HOURS PURSUIT

Skiing in Vail, Colo.

DATA: BW

Presidential candidate Gary Hart, a great friend. "Eli is very shrewd and even-tempered, which is extraordinary in this line of work."

Segal is no political novice. He toiled for George McGovern in 1972, Morris Udall in 1976, and Hart in 1984 and 1988. He first met Clinton in the summer of 1969, when a group of Democratic Young Turks gathered on Martha's Vineyard to discuss a new path for their troubled party. But only within the past couple of years did Segal figure the young Arkansan for a future President. Friends say Segal started telling them: "Watch Clinton, he's a comer."

Segal's passion for politics is fueled by lucrative business ventures back in Bos-