

NEWS

How Clinton's 'Energizer' angled her divorce to score big payday

By Julia Marsh

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Bill McMahon and his ex-wife, Julie Tauber McMahon, also known as the "Energizer."

Photo: Douglas Healey;

Socialite Julie Tauber McMahon is best known for being dubbed the "Energizer" by Secret Service agents during her cozy rendezvous with Bill Clinton.

"You don't stop her, you don't approach her, you just let her go in," a supervising agent allegedly said of the perky blond powerhouse, according to the 2014 explosive book ["The First Family Detail: Secret Service Agents Reveal the Hidden Lives of Presidents."](#)

But now a state judge has made McMahon famous in legal circles for another reason — closing a lucrative loophole she craftily used against her now-ex-husband to gain a boatload of cash.

About a year after the buxom blonde from Westchester County, NY, filed for divorce from Goldman Sachs Director Bill McMahon in 1998, her husband stood to reap a \$30 million windfall because his company was going public. But Julie couldn't claim a cent of it. Only the assets that a couple accumulates during their marriage are fair game in divorce negotiations.

So she maneuvered to grab a portion of her estranged hubby's IPO benefits in a move that was clever and — to her husband's unending frustration — completely legal.

She quickly withdrew her divorce suit so that the couple would still be married and she could make a grab for some of his new cash, which would now be part of their marital assets.

"It did provide a tactical basis for [her] to get out of the lawsuit," her husband's lawyer, Ira Garr, acknowledged to The Post.

Keeping true to her "Energizer" nickname, Julie then kept the divorce battle going and going until she got what she wanted — a favorable settlement in a second divorce proceeding, Garr said. The terms of the pact are confidential.

Her maneuver became known simply as "the McMahon."

And because of her case and others like it, a court recently brought the gavel down on the move.

Under new rules released by a state administrative law judge last month, divorce litigants now can't withdraw their case without the consent of both parties.

Brooklyn Judge Jeffrey Sunshine, who runs a matrimonial advisory committee, drew up the rules in the form of a new preliminary-conference form.

"The forms had been in use for a generation or longer and were updated to more closely reflect today's realities," said court spokesman Lucian Chalfen.

Leading divorce lawyer Michael Stutman said the revised regulation "stops the chicanery" used by litigants such as Julie McMahon.

Julie McMahon had met ex-President Clinton at her Democratic fundraiser father's Aspen, Colo., estate in 1998 — around the same time her marriage was unraveling, sources say.

In author Ronald Kessler's book, he revealed that a mystery woman — believed to be McMahon — would visit former President Clinton so often at his Chappaqua home when Hillary was gone that his Service Service detail gave her a code name. They called her "Energizer," after the battery-operated bunny that keeps going, because she was so relentless in her pursuit of the ex-president, Kessler wrote.

Julie McMahon has denied the allegations.

Bill McMahon's lawyer, Garr, noted that her and her husband's divorce started as a "pretty friendly" parting, with the two sides settling custody of their three children and alimony early on.



Julie Tauber McMahon in 2014.
Photo: PatrickMcMullan.com

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"They were both nice people, and everything was pretty cool," Garr explained.

Both sides had taken depositions, and a trial date was set for March 2000.

Then the daggers came out with the Goldman IPO announcement.

Julie's lawyer, Susan Bender, demanded information about the IPO from her husband and his employer.

"We wrote back and said, 'Tough it's post-commencement,'" Garr recalled, meaning the divorce had already started.

In divorces in New York state, there's a concept of an economic partnership between spouses. Assets that couples acquire together during the marriage are later split up in a divorce. Anything earned before or after the marriage is considered separate property.

For example, Garr said, you could walk into a store and buy a Powerball ticket a month after you file for divorce.

"You win \$100 million, and it's separate property because you bought the ticket after the commencement of the divorce," Garr said.

"Or let's say you bought Facebook stock after [filing for divorce], and the stock quadrupled. It's yours," Garr said.

But, "if you discontinue the action, and there's no action, then that all falls within the [category] of marital property," Garr said.

That's exactly what Julie McMahon's lawyer, Bender, did.

"Susan, being a good technician, looked at it and said 'I can discontinue,'" Garr said.

Julie McMahon was able to get a second chance — and make a play for a piece of the Goldman Sachs payout — basically because of a technicality: Julie had sent her husband a summons or notice that she intended to divorce him but never signed a complaint outlining the reasons for the split.

That complaint is what makes the divorce official under the eyes of the law. Even though the McMahon case had been pending for over a year and was set for trial, it hadn't officially begun.

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while."

His client's assets then began taking a nosedive, yet the garment magnate was still going have to pay his wife a share of what his business was worth when they filed for divorce.

"I'm sitting there one day, and a lightbulb went off. I said, 'Gee, McMahon. This would shake things up,'" Garr said. "The other side got crazy."

He settled the case on terms favorable to his client.

"People feel the rug is being pulled out from under them," Garr said.

Garr ran to an appeals court crying foul but ultimately lost.

"The wife had an absolute statutory right to discontinue the action," the appeals court ruled in January 2001.

To override that right, McMahon would have had to show that his wife used "deviousness, trickery or fundamentally unfair conduct," the appeals court said.

"The present proofs offered to show ulterior motive and even trickery simply do not reach such a level," the court found.

Although Garr lost the appeal, he later used the McMahon maneuver for a subsequent client whose garment-industry business started tanking after he filed for divorce. This time, it was the reverse of McMahon's case: The wife had scored a great deal off the husband's assets, which were now tanking.

"I had a case, a big \$60 million case," Garr recalled. "The other side was asking for some additional things that we weren't excited about turning over. I wanted to put a halt on things and stall things for a



Julie Tauber McMahon is seen leaving her Chappaqua estate.

Photo: Douglas Healey



Julie Tauber McMahon earlier this year.

Photo: PatrickMcMullan.com

“It was a nice loophole if you were on the right side,” Garr said.

Still he thinks the new rules “really cure a problem that did exist.”

Julie McMahon’s lawyer, Bender, claims that she didn’t use the loophole to get more money for her client, who comes from a wealthy family.

Bender said she withdrew the case because the husband was making “excessive demands” on the wife to hand over paperwork and other information related to their divorce.

But Bender, who participated in Judge Sunshine’s committee to craft the new rules, acknowledged that the guidelines are meant to “keep things honest and consistent.”

She said people representing themselves in divorces were constantly using the McMahon loophole to stop and start cases, driving up the costs for their spouses who had to pay lawyers.

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