Mind Without Fear

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juggernaut

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This book is dedicated to three generations of amazing women in my life:

Anita, who has been a true friend and partner for more than fifty years.

Sonu, Megha, Aditi, and Kushy, who add meaning to my life,
keep me humble, and make me proud.

Meera and Nisa, who are a constant source of joy and
who visited me in prison every week.

Lekha and Riya, whose births have been the happiest events
since my release.

Where the mind is without fear and the head is held high;
Where knowledge is free;
Where the world has not been broken up into fragments
by narrow domestic walls;
Where words come out from the depth of truth;
Where tireless striving stretches its arms towards perfection;
Where the clear stream of reason has not lost its way
into the dreary desert sand of dead habit;
Where the mind is led forward by thee
into ever-widening thought and action—
Into that heaven of freedom, my Father, let my country awake.

—Rabindranath Tagore, *Gitanjali*

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Preface

Westport, Connecticut, January 2019

I am an orphan. Immigrant. Businessman. Leader. Philanthropist. Role model. Convicted felon. If you read the business press you might have followed my story, which captured the public's attention during 2011 and 2012. Here is the version most people heard, summed up in three headlines:

"A Stunning Fall from Grace for a Star Executive."
—*The New York Times*, October 26, 2011

"Rajat Gupta Guilty of Insider Trading."
—*The Washington Post*, June 15, 2012

"McKinsey, Goldman, jail."
—*The Economist*, October 25, 2012

Hundreds of articles have been written about my case, as well as two books, detailing how I was charged and found guilty of insider trading in June of 2012. But my side of the story has never been told. I never spoke to the press or gave interviews to those writing books. Most critically, to my great regret, I chose not to testify at my own trial. Consequently, the jury, the press, and the public saw only, as my

lawyer put it, a "cropped picture." The judge went out of his way to block any reference to my character and to the aspects of my work that mattered most to me. The prosecutors were skillful in manipulating the press. And I missed that opportunity to tell my own story, and to let the jury, and the public, see who I am directly. For that, I take full responsibility.

This book is that story. It's a much bigger story than the courtroom drama that unfolded in the summer of 2012 and the tumultuous years leading up to it. I am in the eighth decade of my life, and my primary intent is to share the lessons I have learned from the interesting and in many ways extraordinary journey I have taken. From Kolkata to Delhi to Harvard to New York to Scandinavia and to every corner of the world. From humble beginnings to global influence. From consultant to leader to business statesman and humanitarian. From respect and authority to suspicion and disgrace. From freedom to incarceration to freedom again. Like any life, mine has had its ups and downs, its struggles and triumphs, its dark nights and its bright mornings. And some of the most precious lessons of my life were found in the unlikeliest of places—like the jail cell where I began writing this book.

My intent, in these pages, is not to protest my innocence or seek redemption. The justice system found me guilty of a crime and I have served my time and paid my dues. I can never reclaim the greatest costs of this episode: the years of my life it took away, the friendships lost, the reputation destroyed, and the important work put aside. I know that I did not commit the crime, but I also know that I would not be the man I am today had I not gone through this painful series of events. It perhaps would have been easy to say "why me?" and indulge in self-pity and victimization, but I prefer to accept what has happened and strive to become a better person as a result of those experiences. All of it has brought into sharper focus the trajectory of my entire life, illuminating the philosophy and values that have guided it.

Like anyone who has lived a full life, I have some regrets. The one that haunts me most is my choice not to take the stand. Could I have

persuaded the jury that the charges against me were false? I honestly don't know. It's hard to prove a negative. And in those years following the financial crisis, when so many hard-working people were suffering its devastating consequences, it was all too easy to ascribe guilt to anyone connected to the financial industry. Had I testified, perhaps I could at least have filled in many of the blanks and added all-important explanations for events which, taken out of context, seemed much more damning than they were. Perhaps I could have demonstrated that the crimes with which I was charged made no sense in the context of my life, my motives, and my values. Perhaps I could have convinced the men and women of the jury that I was a human being guilty of nothing more than an all-too-human misjudgment of character, and not the caricature of Wall Street greed that was being drawn by the prosecution. But I will never know. In the end, the prosecutor told a good story—not a true story, but a believable one, given the climate of the time. And in my silence, I did not offer a better story.

Not too long ago, I took my twin granddaughters to the US Open tennis tournament. We were strolling between the courts when two strangers approached me—both Indians in their twenties. "It's so good to see you here," one of them said. "You've been a role model for us. I hope you are doing well." We chatted for a couple of minutes, and they took some pictures with me, before we went our separate ways. If I think about who I would most like to read this book, it's people like them. People who encountered my story or my work, who were inspired by my values or my success and confused or disheartened by my downfall. People who have been wondering: Why did this happen? And how is he doing? Perhaps they will see parts of their own life story reflected in mine. Perhaps they will learn a lesson or two about what to do and what not to do.

This book is also for my granddaughters, who asked me, "Nana, who were those people? Why did they want to take pictures with you?" They were too young to understand the drama that erupted in the heart of their family during the first few years of their lives, or

to realize where they were when they visited me, week after week, in prison. But as they get older, I would like them to have the full story, even when I am no longer here to tell it.

I've been out of jail now for three years, reorienting myself to a new phase of my life, coming to terms with my losses and appreciating my many blessings more deeply than ever before. With my sentence behind me and my legal appeals done, it feels like the time has finally come to speak out. Many doors are now closed to me, but many others have opened. I feel the possibility of doing something completely new—something I might never have experienced had I continued on the path I was on. I have made peace with my past and look to my future with a "mind without fear and a head held high," to quote one of my favorite poets, Rabindranath Tagore. I consider this book my testimony, and this time I have no hesitation about taking the stand.

Part I

Crisis

O Krishna, drive my chariot between the two armies.
I want to see those who desire to fight with me.
With whom will this battle be fought?

—Bhagavad Gita, 1:21–22

1

Solitary

Let me not beg for the stilling of my pain,
but for the heart to conquer it. . . .
Let me not crave in anxious fear to be saved,
but hope for the patience to win my freedom.

—Rabindranath Tagore, *Fruit-Gathering*, 79

FMC Devens correctional facility, Massachusetts, October 2014

Four concrete walls and a cold concrete floor. One small window but not enough light to read. A steel door with a grimy plastic window and a small slot in the center, locked shut. A narrow metal bunk with sharp edges, fixed to the wall, and a metal toilet with no seat or curtain for privacy. This was to be my home for the foreseeable future, which wasn't really foreseeable at all. I had no idea how long they would keep me in the "special housing unit" or SHU—a prison euphemism for solitary confinement.

It was a shoelace, of all things, that landed me here. I bent down to tie it, right as the Corrections Officer (CO) came by for the "stand-up count." A few seconds earlier or later and I'd have been fine, standing to attention outside my bunk in the prison camp, as I did every morning

at precisely ten, every afternoon at four, and every night at ten. The rotating blue light on the ceiling flashed to alert us that the guard was about to begin his walk through the dormitory, counting each inmate. The rules specify you must be standing straight, and not move or speak during the count. While technically I wasn't upright, there was no way that my improper stance had impeded his ability to count me.

But it didn't really matter. If it hadn't been this it would have been something else. As I've learned the hard way, if someone in a position of unchecked power wants to lock you up, they can come up with an excuse to do so. It doesn't take much at all. A moment of carelessness. A misjudgment. Bad timing.

I was jailed on June 17, 2014, for the crime of securities fraud, generally known as insider trading. In my case, specifically, I had been charged with being part of a conspiracy to pass privileged "nonpublic" information about Goldman Sachs and Procter & Gamble (P&G), two organizations on whose boards I sat, to Galleon hedge fund manager Raj Rajaratnam, who then bought or sold stock in those companies and made a profit, based on his "inside" knowledge.

There was no such conspiracy. Although I did not know it at the time, Rajaratnam had indeed cultivated an extensive network of insiders, each of whom he compensated well for providing him with tips. But I was never one of them. I did no trading in either of those stocks, I received no payments, and made no money. Raj was a business colleague (a poor choice, on my part, but not a criminal one) and my calls to him during 2008 and 2009 were all made in that context.

To prove insider trading, as it is legally defined, the government needed to prove three things: one, that I passed nonpublic information to Rajaratnam; two, that I did so as part of an explicit quid pro quo agreement in which I knew he would trade on it; and, three, that I received some benefit in return. They had evidence of none of these—no wiretap recordings of information being passed, no emails, no money trail, and no direct witnesses. Rajaratnam himself was never formally charged with illegally trading either Goldman

or P&G, although in 2011 he was charged with and found guilty of insider trading in numerous other stocks, including Google, Polycom, Hilton, and Intel. The logic of charging me with these violations when they did not have evidence enough to charge the man who allegedly profited from them baffles me to this day. Moreover, no one could come up with a reasonable explanation for why I, a trusted advisor to countless corporations who had held sensitive insider information for decades, would suddenly decide to betray my fiduciary duties, and for no personal benefit. And yet I was found guilty, fined heavily, and sentenced by the judge to twenty-four-months' imprisonment. The basis of my conviction was a handful of circumstantial interactions and hearsay statements that an overly zealous prosecutor spun into a conspiratorial narrative—one that was all too easy for a jury to believe in the wake of the financial crisis.

How did I end up labeled "the recognizable public face of the financial industry's greed," as one television anchor put it on the day of my arrest?[1] I am an immigrant, born in Kolkata, one of the first wave of Indians to make their way to the US after the Civil Rights Act paved the way for landmark immigration law reform in the mid-1960s. When I arrived, in 1971, to attend Harvard Business School, I was one of only four Indians in my class. With few role models, I rose to the top of my field, becoming a consultant at the storied firm McKinsey & Company and working there for decades, eventually being elected the first non-American-born head of the firm. At the time of the charges, I'd already served my maximum term of nine years as McKinsey's leader, and was still consulting part-time, while pursuing new opportunities in private equity and spending more than half of my time on global philanthropic causes. I also served on several prominent corporate boards, including Goldman Sachs and P&G.

In the eyes of the prosecutor, the Justice Department, and the general public, I was a big fish—a high-profile businessman with connections to the titans of industry and government. The Occupy Wall Street protesters who cheered my arrest didn't care that I'd

had nothing to do with the sub-prime mortgage meltdown that had triggered the financial crisis. Almost no one directly responsible for the crisis had been charged, and, meanwhile, ordinary Americans were losing their homes and their jobs. Now, finally, there was someone in the dock who was associated with major brands and household names. I was an easy target at a time when the public was desperate for someone—anyone—to be held accountable.

Bad Guy

"You don't really like it here, do you?"

The Corrections Officer, a dour, heavyset man with a florid complexion, sat behind his desk, typing something on his computer. Following the shoelace incident, I had immediately made my way to speak to him, hoping to apologize and explain myself. Through the glass wall behind him, I could see into the TV room, which doubles as a visitors' room on weekends. Just that afternoon, I had passed several hours there with Aditi, the third of my four daughters, catching up with her life. I'd listened empathetically to her stories, advised her on her career, and done my best to play a father's role despite my circumstances. I treasured this kind of one-on-one time with my girls, even if it took place in a glass-walled room under fluorescent lights, amid a hubbub of conversations and vending machines. Now, with the visitors gone, the TV was turned back on, though the inmates seemed much more interested in peering through the window at my visit with the CO than in watching whatever inane show was playing on the screen.

The CO's question struck me as odd. *Like it here?* I wasn't aware we were supposed to like being in jail. And no, I didn't exactly like it. But I suspected that the CO's frustration with me actually stemmed from the fact that I was more content than most. Yes, I had many dark days, revisiting every detail of the events that landed me here, second-guessing my choices, agonizing over my mistakes. Yet in a curious way,

I was quite happy, day-to-day, at the prison camp. I'd found a kind of equanimity in my daily routine. I walked for miles each morning on the track, enjoying the mild fall weather and the beauty of the surrounding foliage. I had friends. I played card games and Scrabble. I'd started a book club and a bridge club. There was a group of over-sixty guys with whom I'd eat breakfast and try to solve the world's problems. Every weekend I had visitors—there were a hundred names on my list, which I knew irked my counselor. I followed the rules, as best I could, but I didn't walk around like a repentant criminal. I felt more like a political prisoner.

So I knew full well that this reprimand wasn't about my ill-timed shoe tying—it was an attempt to break my spirit. The guards took my intact dignity as a personal affront. They weren't bad people, but they were keenly attuned to the dynamics of power and they expected inmates to be subservient. This particular guard was actually one of the more benign characters—he'd been there forever and rarely left his desk. There was only one thing he cared about: the count. "If you mess with the count, you disrespect him," my fellow inmates had told me. "Don't mess with the count and you'll be okay."

I apologized to the CO for my mistake and assured him it would not happen again, but he shook his head. "I warned you," he said. "I warned you." This was true—I had been a few seconds late for the count once before, lost in thought over a tricky move on a Scrabble board, and I had gotten off with a warning. Clearly, there would be no leniency this time around. He was writing up an incident report, he informed me, and I would be called in due course. Dismissed, I made my way to dinner. I knew I should eat, because if I was to be taken to the SHU there was no knowing when my next half-decent meal would be, but I felt sick to my stomach and could barely manage a few bites.

My mind was occupied with my upcoming visits—my wife, Anita, was due to come the next day with my other three daughters, Geetanjali (known as Sonu), Megha, and Deepali (known as Kushy). Two friends were flying in from Germany and India the following week. Would I

be allowed to see them? And would my family worry about me even more when they heard? I knew I could cope; I was not sure I could convince them that I could cope. When the announcement blared out telling me to report to the CO's office, I left my largely untouched dinner and set out to learn my fate.

The CO handed me the incident report he had written up, and asked me if it was accurate. It stated, correctly, that I had been tying my shoelace, but also that I had been listening to music, which I had not. Trying to adopt a deferential tone, but determined not to play his game, I told him that essentially it was accurate, but some details were wrong.

"So you're disagreeing with me?"

"No," I said carefully, "some of the details are incorrect, but I guess it does not matter. It is true that I was not standing for the count." His expression made it clear that I had failed his test—I was not supposed to challenge his version of events.

"The disciplinary unit will decide on your punishment," he told me, "but if I were you, I would get ready to go to the SHU." Turning back to his computer, he left no doubt that our conversation was over.

Back at my bunk, I was inundated with advice from long-time inmates, many of them veterans of the SHU.

"Take a shower, while you can."

"Put away your valuables."

"Call your wife."

"Give your wife's number to a friend so he can call her."

"Eat."

I sat, frozen, the information coming at me too fast to process. The small cubicle, with its two bunks, two closets, two footlockers, and two chairs, suddenly felt like a home of sorts, compared to what awaited me at the SHU. I felt a strange pang at the thought of leaving it. Quickly, I gathered my few important possessions—my spare eyeglasses and my music player—and gave them to a friend for safekeeping. Before I had time to call Anita, I was summoned to the guards' office.

Here, I was handcuffed. When I asked to use a restroom, the guards said no. After some time, one of the guards appeared with three plastic bags containing all my belongings, which he threw down carelessly on one side of the office. I wondered if I would see them again, and was grateful my friend had the things that mattered to me.

Eventually, four guards marched me to my new accommodations. I was put in a holding cell, strip-searched, and given an orange SHU uniform to wear. The entire process seemed unnecessarily rough and dehumanizing. I was not referred to by name; rather, they called me "the bad guy." Still handcuffed, I was taken to my cell, where they locked me in and then instructed me to stick my hands through a small slot in the door so they could remove the cuffs. I asked if I could make a phone call to Anita and let her know not to come, but I was told "maybe next week." Next week? My family were coming tomorrow, driving several hours to see me. The guard just shrugged. "So?" he asked as he walked away. I was left alone, sitting on the small steel stool, to adjust to my new surroundings and wrestle with the sense of injustice that once again threatened to overwhelm me.

Involuntary Simplicity

The cell was in fact not unfamiliar, since this was not the first time I'd been in the SHU. Four months earlier, on my arrival at FMC Devens, I'd spent my first few nights in an identical cell, before being transferred to the "camp" as the minimum security facility was known. I had hoped I would never be back here. Every inmate knows, however, that you can end up in the SHU at any time, for any reason. Friends would suddenly disappear for days, sometimes weeks, returning with a gaunt, haunted look and a heightened subservience to the guards. Now, it was my turn. Frustrated, I lay back on the lumpy, plastic-covered mattress, squashed to less than an inch thick by the weight of previous occupants, and closed my eyes.

As they often had during my imprisonment, my thoughts turned to

my father. He too had spent many months confined to a cell. Although the context was completely different, I drew strength from his memory. More than seventy years earlier, Ashwini Gupta had been a freedom fighter on the front lines of India's struggle for independence. He was jailed repeatedly by the British and suffered greatly at their hands. As a child, I remember staring at the knotted scar running the length of his back. When I was old enough to understand, he told me he had been beaten in jail until the flesh split open. The poor medical care he received left him with one leg shorter than the other, by almost two inches, and a permanent limp. Another scar commemorated the surgery that removed one of his lungs after a severe case of tuberculosis almost killed him. His British overlords had deliberately locked him up with a TB patient so that he too would become infected with the disease, fully intending that, like so many others, he would die in prison, suffering and alone.

He never said much about that episode—indeed, it was only much later in life that I learned the full story from other family members, including the fact that his infection had not been accidental. He only survived because, by a stroke of fate, one of the jailers in the prison where he lay racked by fever turned out to be an old friend and classmate, now working for the British. Seeing my father close to death, he arranged for an ambulance to take him to hospital, and also contacted his sister, my aunt, who came to care for him. If it had not been for that man, my father would have died in that cell.

Born in Kolkata in 1908, my father was a proud Bengali who exemplified the intellectual prowess and fiery, independent spirit of his people. His own health, safety, and happiness were never a primary concern in the fight for independence. Although he met my mother, Pran Kumari, in his early thirties, they were only wed in early 1947, when independence was visible on the horizon. My sister Rajashree (who I call Didi, meaning older sister) was born before the year was out, and I followed on December 2, 1948, with my second sister, Jayashree (known as Kumkum), arriving two years later. My younger

brother, Kanchan (known as Anjan), completed the family six years later, after we moved to New Delhi. My father became a celebrated journalist and confidant to the country's leaders, and we lived in an apartment provided by the newspaper where he worked.

One of my most vivid memories of my father is that he always wore a *dhoti* (a traditional garment made from homespun cotton cloth, which is wrapped around the waist and looped between the legs) and a traditional shirt on top. He explained to me that this simple choice of clothing was a symbol of his values—it represented a rejection of imported foreign goods and an embrace of Indian tradition, and it also reflected his Gandhian commitment to simplicity. He owned only three such outfits, and each day he would wash one by hand while he took his morning shower and then wear the second, saving the third for travel.

My father's character haunted my thoughts as I lay in my own prison cell. The ideals that shaped his life were freedom, learning, high thinking, and simple living. Generosity to those in need, forgiveness to those who did him wrong. Never once did I hear him express a hint of bitterness or resentment toward the British, who had inflicted such suffering upon him.

In many ways our situations could not have been more different—he was jailed for a noble cause and a high-minded ideal; I was jailed for alleged personal gain, for a fabricated white-collar crime, and, at most, a careless mistake. Yet one of the lessons he taught me was that while we cannot always control what happens to us, we can control our own attitude in response. In this sense, I was determined to strive to be like him: to be free of bitterness and anger, to not think ill of my captors, and to bear my situation with grace and dignity. Thinking of him also reminded me that many people suffer much more harshly in incarceration than I did. While not pleasant, especially in the SHU, the conditions of my own confinement were certainly better than those he had endured and those many endure in the US prison system today.

My father moved through the world with detachment, never holding on too tightly to his accomplishments, his possessions, or his

feelings. When it came to our family, often it was up to my mother to temper his generosity toward others in order to ensure our well-being. She would secretly save money so he could not give it away. From a certain perspective, I had lived an opposite life to his, blessed with wealth and comforts, enjoying my influence and access, always busy and on the move. But in deeper ways my life had been shaped by his values—helping others, improving society, serving my country. I'd always striven to be a "servant leader"—in my family, my school, my college, and the many institutions in which I've worked.

Now that my worldly goods had been stripped away, some part of me felt that the enforced austerity of prison existence might offer an opportunity to return to my core values. Was this a message from God telling me I needed to change my way of life? Had I been too driven, too busy, too focused on making a bigger impact? If this had not happened, would I have just continued the same way for another decade or more? Was it time to simplify—to focus on the inner life, to spend more time with my family, to slow down?

From the moment I'd surrendered to the prison camp, I had decided to approach my incarceration as if I were entering a monastery. I would live in the present moment, make it a learning experience, and try to help others who were less fortunate. With my father's example to guide me, I was determined to emerge a better and stronger person—physically, mentally, and spiritually. My prison uniform would become my *dhoti*, and I would wear it with pride.

Counting Days

When I awoke in the SHU, after an uncomfortable night, I had no idea what time it was. It was light outside, but the tiny window did not allow me to see the height of the sun. Had I missed breakfast? The guard could have come by while I was sleeping. I was hungry, and the thought of waiting till lunch was unpleasant. Thankfully, breakfast came, thrust abruptly through the slot in the door. A bread roll, some