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\$250 million up in flames: The infamous crime that scarred California's Wine

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A 2005 arson was the biggest crime ever involving wine. Now the man responsible has died.

Frances Dinkelspiel

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Cases of wine that were stored at the Wine Cellars warehouse in Vallejo were destroyed in the 2005 arson fire. Mark C. Anderson had apparently been selling bottles of the stored wine for years before the arson.

U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives 2005

Ted Hall will never forget the moment he realized that his entire 2002 vintage was going up in flames.

It was October 2005, at the tail end of the grape harvest in Napa Valley. Hall was at his winery, Long Meadow Ranch in St. Helena, when his CFO called to tell him the huge Vallejo warehouse where they stored their wines might be burning. Hall

jumped into his Range Rover and tore down Highway 29 toward a huge plume of black smoke.

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When he pulled up to Wines Central on Mare Island, Hall's fears were confirmed: Flames in the warehouse that was once used to store Navy munitions were melting away years of hard work, millions of dollars' worth of bottled Cabernet Sauvignon, and Long Meadow Ranch's library of wines, a collection of bottles from each year of production.

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The conflagration's origin, uncovered within a week by the sleuthing of the U.S. Bureau of Alcohol, Tobacco, Firearms and Explosives, made the tragedy even worse: The fire had been deliberately set. The flames lit by an arsonist had superheated the 3-foot-thick walls of the warehouse, cooking or scorching 4.5 million bottles of fine wine worth about \$250 million.

It was the largest crime involving wine in history. And from the start, officials had only one suspect in their sights: Mark C. Anderson, a Sausalito businessman who ran a private wine storage business inside Wines Central. Not only had he been spotted in the warehouse right before flames erupted, but he had recently been criminally charged with stealing his clients' wine. Officials thought Anderson might have been trying to cover his tracks.

More than 45 collectors and 90 wineries had bottles stored at Wines Central, including Beaulieu Vineyards, Sterling Vineyards, Viader Vineyards, Saintsbury, Realm, Justin Winery, ZD Wines, Robert Sinskey Vineyards, Tres Sabores, Niebaum-Coppola and Thackrey & Co.

The fire dealt them a devastating blow. Many lost entire vintages, leaving them nothing to sell but payrolls to meet. Their wines disappeared from restaurant wine lists and the shelves of upscale wine stores. Some wineries went out of business. Others lost their entire wine libraries. Some losses were uninsured, like those of Sterling, a unit of the gigantic beverage firm Diageo. It lost \$37 million worth of wine. The psychic scars were even more severe.

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For me, the fire was personal. About 175 bottles of wine made by my ancestor in 1875 were lost in the fire, and I was always hoping Anderson would explain his crime. I first spoke with him in late 2009 while he was awaiting trial for the fire. I wrote a story for the New York Times he liked, prompting him to contact me. During the next four years, I attended all his hearings. We talked on the phone and exchanged letters (he wrote me close to 200 pages). He never did explain, always insisting he was innocent, but spun many other stories about his life and accomplishments, many of them likely not true. In 2015, I published a book, "Tangled Vines," about him, the fire and the history of wine in California.

Now, 18 years after the disaster, there is a new, final chapter to the crime that still reverberates in the wine industry. Anderson, eventually convicted and sentenced to 27 years for the arson, died on Jan. 13 at UC Davis Medical Center. A federal judge had ordered his early release from Terminal Island Federal Prison in October because of his poor health. At age 74, he lived his final five months in a board and care home in Sacramento, suffering from hypertension, acute respiratory disorder, congestive heart failure, chronic kidney disease, hypoxia, morbid obesity, and a history of cancer, according to court documents.

'Hell has a special place' for him

There was no obituary for Anderson, no public announcement. The news leaked out late this month after I saw a notice in the court file that said Anderson's longtime companion, Cynthia Witten, had notified the U.S. Probation Department of his demise. I had never stopped monitoring Anderson's case, even though the last time we communicated was in 2013.

None of his victims mourned Anderson's death.

"The only thing sad about Mark Anderson passing is that he didn't carry out his full sentence or pay restitution to the many victims in his crimes," Debbie Polverino, who managed the destroyed wine storage warehouse, wrote in an email. "His sentence should have included attempted murder, knowing we were still in the building when it exploded in flames. He was a coward and a criminal. Hell has a special place for people like him."

Mark C. Anderson seemed to be a gregarious and well-traveled law school graduate who served on Sausalito city commissions and wrote a newspaper column. Friends and business connections were stunned when he was named a suspect in an arson blaze that destroyed \$250 million worth of valuable wines.

Sausalito Police Department

Anderson's quiet exit was a stark contrast to the way he lived his life. Born into an upper-middle-class family in Berkeley in 1948, Anderson enjoyed an idyllic childhood, serving as a junior traffic guard to help his fellow students at John Muir Elementary cross the street and riding down the tubular fire escapes attached to the Claremont Hotel. In 1967, when he was 19, he moved to Sausalito to build houseboats and never left. He immersed himself in civic life, serving on two city commissions and helping to organize the Sausalito Art Festival, where he exhibited his photographs. He joined the Rotary and the Chamber of Commerce.

Over time, Anderson became a larger-than-life figure in Sausalito, easy to spot because he always clad his 300-pound body in black and wore his graying hair in a long ponytail. He wrote folksy columns for two newspapers, including one titled "Joe Sausalito."

He loved to bring bottles of wine to charity events — stolen, it turned out — where he would regale friends with fantastical stories of bacchanalian fests in Paris, drinking wine in front of the Great Sphinx in Egypt and managing the band Iron Butterfly. (After his arrest, a member of the band said he'd never heard of Anderson.) He became best known for eating so often at the waterfront town's famed Japanese restaurant Sushi Ran that he was inducted into the sushi lovers' club and got his picture on its wall.

The Anderson of the 1990s was "really witty, really enchanting," recalled Martin Brown, who hired Anderson to write for his alternative weekly, the Signal.

From storing wine to stealing it

Police said Anderson's transformation from upstanding citizen to criminal started after he opened Sausalito Cellars, a temperature-controlled wine storage facility, in 1999. Anderson had long been a wine lover. He'd been introduced to wine in the late 1960s, when he would travel to Napa Valley with a picnic and an empty jug to fill with wine. He later tasted Bordeaux and Chianti in the vineyards in France and Italy and drank rare bottles with wealthy Japanese businessmen.

He was able to parlay his reputation as a wine connoisseur into his storage business, and soon counted restaurants, wine societies and collectors among his clients.

But within two years, and after financial backing from his father dried up, Anderson began to regard his clients' wine differently. Instead of just storing it, he began to sell it — without their knowledge.

From 2001 to 2004, Anderson illegally sold 6,600 bottles worth more than \$870,000 to wine stores and auction houses around the country. One of his biggest clients for the illicit wines was Premier Cru in Emeryville, which bought bottles worth \$509,000. Years later, its owner, John Fox, was convicted in 2016 of wire fraud in connection with a \$45 million wine Ponzi scheme. Fox had been collecting money from clients for bottles he did not own.

Anderson's deceptions unraveled in 2003 when restaurateur Samuel Maslak asked to retrieve the 756 cases of wine he had stored at Sausalito Cellars to resell. But when Christie's Auction House came for the wine, Anderson turned over just 144 cases. He offered a litany of excuses about the missing bottles, even telling Maslak he had never brought him the missing cases to be stored.

Maslak went to Sausalito police. Soon, other clients came forward. Jack Rubyn, the president of the Marin County chapter of the International Food and Wine Society, went to pick up some bottles of wine for a dinner. He discovered that a 1959 jeroboam of Château Lafite Rothschild, valued at \$29,000, was missing. Ron Lussier, a Sausalito collector, opened a wooden box that had held bottles from Stag's Leap winery worth about \$650. Inside lay six bottles of Trader Joe's "Two-Buck Chuck."

By September 2005, the Marin County district attorney had charged Anderson with 10 counts of embezzlement, and pressure on Anderson intensified. Articles about his alleged crimes appeared in newspapers. Clients truncated their contracts. His younger brother, Steven, grew so disenchanted that he set up a website titled "Corpulent Raider," where he called his brother a narcissist and a phony and said he had been extorting money from their father.

Federal agents and police from Vallejo and Oakland search a garage at the home of Mark C. Anderson, owner of Sausalito Cellars, on Oct. 19, 2005. Anderson, the main suspect in a \$250 million arson case, eventually pleaded guilty to 19 felony counts and was sentenced to 27 years in prison.

Eric Risberg/Associated Press 2005

Anderson had also been evicted from his Sausalito facility in the summer of 2004. He moved his remaining clients' wine to a 2,400-square-foot space on the mezzanine at the Wines Central warehouse in Vallejo. But he fell behind on the rent and soon was asked to leave. Anderson was furious and sought revenge. He told an employee: "Wines Central is old; the wood is brittle, and it would go up in flames easily." A fire would also cover Anderson's tracks by burning up evidence in the embezzlement case.

On Oct. 12, 2005, at around 11 a.m., Anderson went to his storage bay at the warehouse. He pulled out the plumber's torch he had hidden in a duffel bag and held the flame to some gasoline-soaked rags and a small pile of cardboard, then quickly fled the premises.

Denying guilt to the end

Anderson pleaded guilty in 2009 to 19 felony counts in exchange for a 15-year prison term. He then immediately tried to withdraw his plea, claiming he'd received inadequate counsel. The maneuver did not work, but delayed his sentencing until 2012. It displeased the federal judge presiding over the case, however, who increased Anderson's sentence to 27 years and ordered him to pay \$70.3 million in restitution.

Anderson continued to deny he was involved in setting the Wines Central fire. "Notwithstanding the event, I had nothing to do with it; I was not a party or directed the theft of any wines and certainly did not have any part in anything of which I was accused," Anderson wrote to me in 2013. "I was essentially tricked into 'the so-called plea agreement.'"

He also never apologized to the clients who lost everything.

"The part that sticks in my craw is he never acknowledged the crime," Hall said. "He never seemed contrite; he never gave a gesture to the victims. There are bad people in the world, and I put him in that category."

Long Meadow Ranch was forced to pivot after the fire to stay solvent. In a perverse way, Hall credits the fire for prompting his winery to diversify. Prior to 2005, the winery made only red wine, which takes years of aging before it can be sold. With no inventory to sell, Hall purchased some Sauvignon Blanc grapes and got Long Meadow Ranch's first white wine to market in 2006. Whites now make up a large part of the winery's inventory.

The havoc that Anderson created in Sausalito and in wine regions around the state still lingers. Yoshi Tome, owner of Sushi Ran, once a friend of Anderson's, regrets making Anderson locally famous by naming him to the restaurant's sushi lovers' club. He believes it helped him attract clients.

"The scar is so big and so deep," Tome said, "it's very difficult to heal."

Frances Dinkelspiel is a freelance writer and the author of "Tangled Vines: Greed, Murder, Obsession and an Arsonist in the Vineyards of California."

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