

## The Sexual Underground Of Bankers

Strauss-Kahn and The Secret Culture of Aggressive Sexuality In The High Pressure World Of Bankers and Banksters

By [Danny Schechter](#)

Theme: [History](#)

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My colleague Mike Whitney asks: “So, what are the chances that Strauss-Kahn will get a fair trial now that he’s been blasted as a serial sex offender in about 3,000 articles and in all the televised news reports?”

Do you remember any Wall Street bankers being dragged off in handcuffs when they blew up the financial system and bilked people out of trillions of dollars?”

The answer to both questions is certainly Non in French or No in English, but there’s more to the connection between Sex and Wall Street. Without commenting on the evidence in this case—which has been asserted, not proven— there is a deeper context that is being ignored.

I call it the Testosterone Factor in *The Crime of Our Time*, my book about how Wall Street criminally engineered the financial crisis.

Interesting isn’t it that there have been so few references to the link between the pervasiveness of salacious sex and the highly-charged life of a class of “entitled” wealthy bankers who live off of others with few rules or restraints.

There is also often no news about that or the practices of the IMF which is often accused of raping poor and vulnerable countries with unfair structural adjustment programs. The IMF chief is now experiencing what many in France feel is an unfair “personal adjustment program” at the hands of the New York cops and courts.

Odd isn’t it that there have been so few references in the coverage also to Eliot Spitzer, the one time “Sheriff” of Wall Street who was denouncing criminal financial practices by the Bush Administration when he was brought down in a sex scandal.

Strauss-Kahn had also been in the news lately as a possible Socialist presidential candidate to topple our pal Sarkozy in France as well as a critic of US banking practices. He recently outraged official Washington by asserting that the Chinese economy was surpassing ours.

In both cases, powerful forces have motives to bring down such potential reformers, but, it is also true, that in each case, these men themselves were, on the surface anyway, sexually obsessed and prone to illegal behavior that put them—and others—at risk.

Both are Alpha Males known for pushing envelopes of personal responsibility. Both were known for personal arrogance and living in highly secretive sexualized personal cultures. Writer Tristan Banon claimed she had to fight DSK off in an earlier incident, calling him a

“strutting chimpanzee.”

Bear in mind also that part of what intelligence agencies do these days in targeting people is to prepare sophisticated psychological profiles before they intervene. They know that the knowledge of the secret lives—and kinks — of public figures can easily discredit them. They specialize in foraging for dirt and can leak information or use it opportunistically.

Remember Richard Nixon’s authorized break in at the office of Daniel Ellsberg’s psychiatrist pursuing highly personal information?

Nothing is off-limits as people like former weapons inspector Scott Ritter learned as well when he became embroiled in a mini-sex caper.

When people are highly stressed, they are prone to making mistakes. The agencies shadowing them know that, and from time to time encourage it or just wait for the opportunity to help them bring themselves down.

What needs to be examined is how the crimes of the rich and powerful are treated. Bush’s bombing or Geithner’s tax maneuvers were ignored.

But when sex is involved, all bets are off.

Sex scandals have become a staple of media exploitation with personal morality plays trumping political morality confrontations every time.

They are both great distractions and effective tools of character assassination which are often more effective than more violent ways to neutralize people considered dangerous..

That’s why the FBI was so hot to discredit Dr. Martin Luther King Jr. with leaks of so-called wiretapped sex tapes. In his case, this tactic failed but the other worked.

In some cases both tactics are deployed as in the physical assassination of Bin Laden and then the character-killing aimed at his supporters through the release of porn allegedly found in his “lair.”

Intense sexual appetites are an extension of the “culture” of an avaricious financial world. Illegal sex and Wall Street (or in La Defense, France’s financial district) has long been linked, writes Heidi Moore:

“This is all a reminder that the financial district hasn’t always been gleaming skyscrapers and Starbucks.

Consider this passage from *City of Eros: New York City, Prostitution, and the Commercialization of Sex, 1790-1920*: “Adjacent to the Wall Street business district, prostitutes worked in saloons along Greenwich Street, taking men upstairs. In addition, immediately south of Wall Street was the Battery Tender-loin, on Whitehall Street. The Water Street area, however, remained the most significant and poorest waterfront zone of prostitution. Amid the rookeries, rat pits and dance halls, prostitutes exposed in each window to the public view plied their trade.”

In the modern era, many of the street’s most macho traders are, according to David Russell

who worked in the industry for two decades, known as “swinging dicks.” It is well known that the big money in Wall Street has kept a vibrant, upscale sex industry alive and well.

There has been one scandal after another. Here are a few cases cited by Moore before Spitzer’s demise:

- BP Chief Executive John Browne left both his post at the oil company and his directorship at Goldman Sachs Group last year after it was revealed that Lord Browne had lied to a court about his young male lover, whom he had met through an escort-service Web site.
- A group of six women sued Dresdner Kleinwort in 2006 for \$1.4 billion on allegations that male executives entertained clients at strip clubs and even brought prostitutes back to the office. The case was settled out of court in 2007.
- Canadian hedge fund manager Paul Eustace in 2007, by his own admission in a deposition filed in court lied to investors and cheated on his wife with a stripper.
- In 1987, Peter Detwiler, vice chairman of E.F. Hutton & Co., was, according to court testimony, instructed by his client, Tesoro Petroleum Corp. Chairman Robert V. West, to hire a blonde prostitute for the finance minister of Trinidad & Tobago, which had been supporting a tax issue that would have hurt Tesoro’s profits.
- A woman claiming to have been Bernard Madoff’s mistress published a book about their secret liaisons. Earlier, His secretary said he had a fondness for massages in an article in Vanity Fair. Wall Street’s fall is said to have brought down the sex industry almost as if it had been a fully owned subsidiary, if not an extension, of the financial services business.

To find out more, I spoke to Jonathan Albert, a psychologist practicing in mid-Manhattan.

He told me, “I see a lot of clients in NYC who are impacted by the economic crisis. People deal with stress in many different ways. Some people exercise, some people over-eat, some use drugs and alcohol, some even sexualize those feelings.”

“Sexualize?” I asked him, how do they sexualize these feelings?

His response, “I’ve seen a lot of Wall Streeters who sexualize feelings of anxiety and stress and depression. So for example they might rely on adult sexual services to deal with those feelings.”

Loretta Napoleoni, an Italian author, who worked on Wall Street for years, offers a provocative thesis for how the need for paid sex “on the wild side” became part of the culture of irresponsibility.

“I can tell you that this is absolutely true because being a woman, having worked in finance 20 years ago I could tell you that even at that time - when the market was not going up so much - these guys, all they talk is sex.”

She complemented her personal experience by citing a study by researchers from Oxford University.

“The study discovered, that an excessive production of testosterone, in a period of fantastic financial exuberance, creates a sort of confusion. It is what people in sports call ‘being in the

zone,' which means you get in a certain situation where you feel that you will always win. That you are infallible."

I asked Dr. Albert if that finding may have indeed had relevance to Spitzer or be endemic in the industry? His reply, "I do see this a lot in the finance industry, yes, people in positions of power often feel as if they can perhaps get away with it. There is sometimes a sense of entitlement."

"They feel entitled to take part in risky behavior?" I pressed.

"High-risk behavior. It's similar to what they do on a daily basis. They invest millions and millions of dollars and there is a great risk involved with that. The same is true with using the services of a prostitute. Obviously there are great health risks; their relationship is in great danger if they are using the services of a prostitute.

"A lot of people skate on the excitement, on that euphoric rush." The culture of risk on Wall Street was intoxicating to many in the same way that gamblers become addicted or report a rush when they are winning.

The euphoria of life in the fast lane often implodes when one's luck runs out leading to depression and family breakups. One remedy is going to self-help groups like "The 'Wall Street Wives Club' formed to empower and serve the needs of wives and girlfriends whose husbands or significant others work in the stressful and volatile brokerage community.

Men are often uncomfortable expressing their feelings."

Some of Dr. Albert's clients coped with the pressures on them to perform in kinkier ways.

".... they just want to let loose, relax and take a very passive role in their sexual practice. So they may seek out the services of a dominatrix, where they are at the mercy of this sex worker. I've had clients who seek out services where they get whipped, cuffed, put on a leash like a dog."

Beating others can also be part of this culture. There is violence lurking to the surface that can easily erupt when desires are denied.

I am not being moralistic here, but a climate of narcissism and living secret lives often desensitizes its practitioners leaving them little time to think of how their actions may affect others. (Or how the policies they promote impact on their customers or the poor!)

None of this context excuses anything that Strauss-Kahn may or may not have done, but what it does do is shine some light on a culture of aggressive power-driven hyper-sexuality that our media is often too hypocritical to investigate.

*News Dissector Danny Schechter elaborates on this issue in his book The Crime of Our Time and in a DVD extra to his film Plunder The Crime of Our Time. (PlunderTheCrimeOfOurTime.com) Comments to [dissector@mediachannel.org](mailto:dissector@mediachannel.org)*

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