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THE TWO FACES OF DSK

Dominique Strauss-Kahn is one of the most prominent intellectuals in a nation that embraces them. But for all his celebrity, the former IMF boss remains an enigma.

BY BRIAN LOVE
PARIS, MAY 19

THEY COULD BE DIFFERENT MEN.
To his colleagues in the world of global public finance, Dominique Strauss-Kahn is one of the most - perhaps the most - charismatic and impressive operators around. "When he walks into a room, people notice. When he speaks, people listen," one European official, who took part in various euro zone finance minister meetings, said of the former head of the

SLIDESHOW

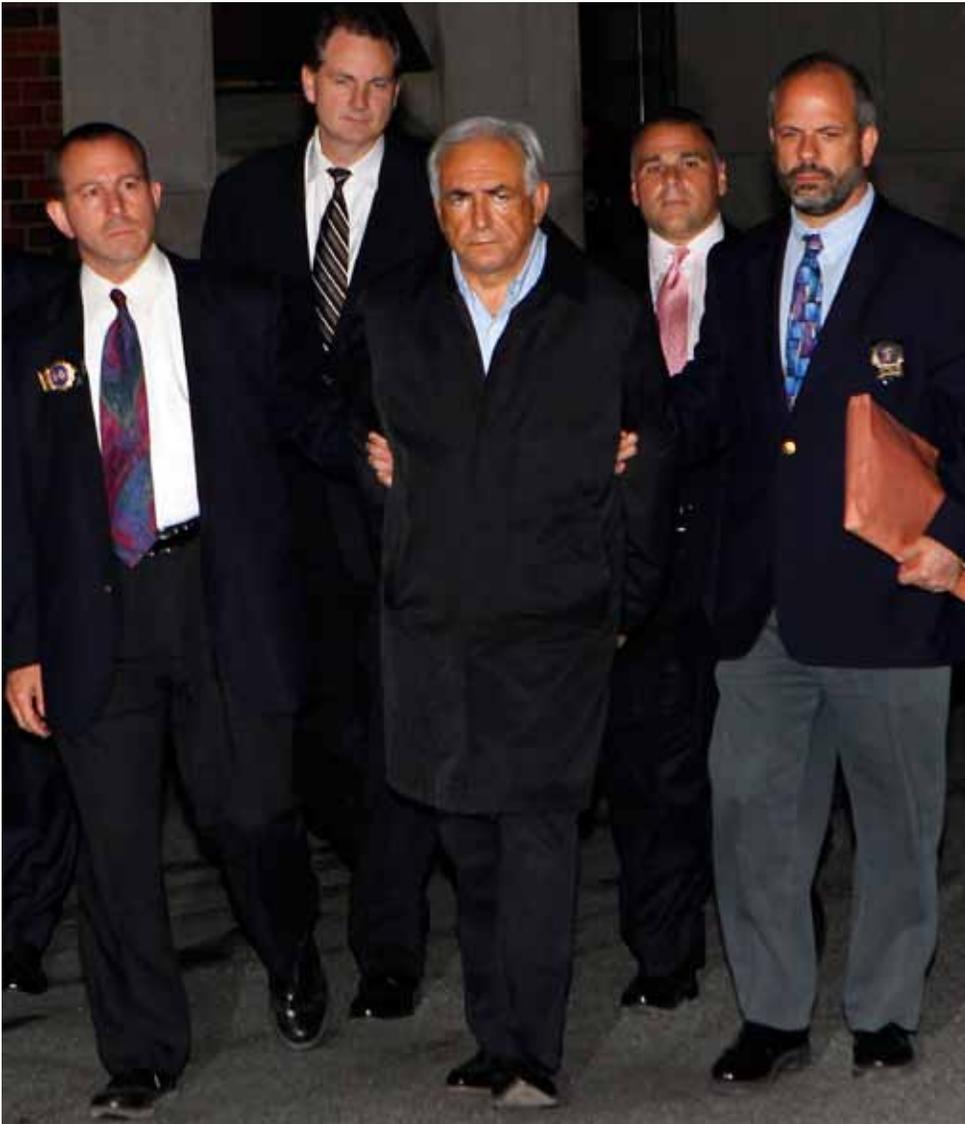
For a picture slideshow on Strauss-Kahn, click here:
<http://link.reuters.com/jap59r>

International Monetary Fund. "They listen to him more than to some others even among themselves."

Those who know the Frenchman say he has a sense of humour but is also aware of his position and authority. "He is a charming

person, always ready to make a nice gesture, smiling, quite empathic. Not an arrogant bastard," said a second official.

But there is another Strauss-Kahn, one whose womanising was an open secret among colleagues and with journalists in France and covering the IMF. This man has sent young female reporters flowers and has made no secret of his weakness for women. This second Strauss-Kahn - dubbed "le grand séducteur" (the great seducer) by French weekly newspaper *Le Journal du Dimanche* - began his stint as the head of



PERP WALK: Dominique Strauss-Kahn (C), former head of the International Monetary Fund (IMF), departs a New York Police Department precinct in New York late May 15, 2011. **REUTERS/MIKE SEGAR**

the Fund with an affair with a subordinate staffer.

Now he faces far more serious allegations. Last Saturday, Strauss-Kahn was dragged off a plane at JFK airport and later charged with attempting to rape a chamber maid at his suite at the Times Square Sofitel Hotel. According to New York police the maid - a 32-year-old widow from the West African nation of Guinea, the type of developing country the IMF was set up to help - alleges that Strauss-Kahn emerged from his shower and tried to force himself on her. Strauss-Kahn denies the charges and as of Thursday has spent the past three days on suicide watch in New York's Rikers Island jail.

The economist, who was popular at the IMF and universally understood to be on the verge of launching his candidacy for French

president, quit his position on Wednesday and vowed to prove his innocence. History is littered with the ghosts of powerful people who abused their power. No matter what the outcome of the case, his career and ambitions seem ruined.

Friends and colleagues are in a state of shock: polls released in France on Wednesday showed 57 percent of respondents thought the Socialist politician was definitely or probably the victim of a plot. One IMF employee, who spoke anonymously because all Fund employees have been instructed not to speak to the media, said that while Strauss-Kahn was known to be a womaniser, nobody at the Fund ever dreamed he would try to coerce sex.

"A number of close friends of Strauss-Kahn in France have said this is out of character,

KEY DATES IN LIFE OF DOMINIQUE STRAUSS-KAHN

1949: Born in Neuilly, west of Paris, on April 25

1955: Moves with family to Agadir, Morocco

1960: Family quits Agadir for Monaco after quake kills 30,000

1967: Marries Helene Dumas, first of three wives

1971: Obtains diploma from HEC, elite third-level school

1973: Fails at ENA elite civil service academy; enters CNRS state research institute as economics researcher

1975: Receives economics doctorate

1977: Joins Socialist Party, continues as economics professor

1986: Elected to National Assembly as representative for Haute Savoie; Marries communications entrepreneur Brigitte Guillemette

1991: First government post as industry minister; marries star TV journalist Anne Sinclair, current spouse

1993: Loses parliament seat, sets up industry lobby

1995: Elected mayor of "melting pot" Sarcelles, north of Paris

1997: Wins back parliamentary seat, as representative for Val-d'Oise; named finance minister

1999: Resigns as finance minister, engulfed by suspicion surrounding his dealings with Socialist-linked student health insurer MNEF; later acquitted

2007: Becomes managing director of IMF for five-year term, on a salary of \$420,930 per year, and additional "allowance" of \$75,350

(Compiled by Brian Love;
Editing by Todd Eastham)

and I think it is in many ways. He is usually a charming, seductive guy, who of course likes women," said Stefan Collignon, a former top official in Germany's finance ministry and now a professor of political economy at Sant'Anna School of Advanced Studies in Pisa and international chief economist of the Centro Europa Ricerche in Rome.

Such surprise, though, stands at odds with the feelings of Piroska Nagy, the then IMF staffer Strauss-Kahn had an affair with in late 2007 and early 2008. Nagy clearly felt some level of coercion. "I believe that Mr. Strauss-Kahn abused his position in the manner in which he got to me," the Hungarian wrote in a letter to a law firm hired by the IMF to investigate the possible abuse of power by Strauss-Kahn. "I provided you the details of how he summoned me on several occasions and came to make inappropriate suggestions to me. Despite my long professional life, I was unprepared by advances by the Managing Director of the IMF. I did not know how to handle this; as I told you I felt that I was 'damned if I did and damned if I didn't.' After a period I made the serious mistake of letting myself sucked into a very short affair. But it is, in my view, incontestable that Mr. Strauss-Kahn made use of his position to obtain access to me."

She added that she considered Strauss-Kahn "a brilliant leader with a vision for addressing the ongoing global financial crisis," as well as "an aggressive if charming man."

The letter concludes: "I fear that he is a man with a problem that may make him ill-equipped to lead an institution where women work under his command."

"AT HIS BEST"

SO WHO IS DSK?

The tag, a conscious nod to JFK, was first used by the media and his own handlers during Strauss-Kahn's rise to prominence in the early 1990s.

He is a socialist who makes no secret of his vast wealth and lavish lifestyle. His path to the top of French society started in Monaco, where his family moved when he was 11. A dream childhood in Agadir, Morocco had ended abruptly a year earlier, in 1960: a massive earthquake flattened much of the ancient Arab city, killing many of his classmates. Liberal, secular Jews, Strauss-Kahn's family had a well-deserved reputation for tolerance and intellectual debate. Strauss-Kahn's father Gilbert, prone for much of his life to bouts of depression,



THEN AND NOW: U.S. Treasury Secretary Timothy Geithner (R) and then IMF Managing Director Dominique Strauss-Kahn have a chat during the IMF and World Bank's 2011 Spring Meetings, in Washington, DC, April 14, 2011. **REUTERS/MIKE THEILER**

REUTERS INSIDER

• French political scene fragmented

Credibility Crisis Seen Hitting French Left With DSK Arrest:
<http://link.reuters.com/jaq59r>



died in his barber's chair in 1992, according to biographers. One of them, Michel Taubmann, says Gilbert was also a ladies' man and that this deeply disturbed his son in his adolescent years.

Gilbert's legal practice thrived and the family lived the high life in Monaco. At age 14, Dominique was allowed to head off on a moped tour of the island of Corsica with a friend, though his mother Jacqueline had to fly over to pick him up when he rang home

broke and hungry. He progressed effortlessly through school at the Lycee Albert 1er, where Helene Dumas caught his eye.

He married Dumas at 18. The union, the first of three, lasted for 20 years or so, during which time Strauss-Kahn turned himself into an economist guru through a number of academic positions before moving into politics with the Socialist party. First rung on the ladder was the HEC, one of the country's top business schools. Strauss-Kahn skipped

the student protests of May 1968 to prepare his entrance exam.

Throughout the 1970s, Strauss-Kahn mixed left-wing politics and economics research, picking up law and advanced economics degrees along the way. A research work on savings and inequality won him international attention but also the attention of Socialist Party grandees, and he rapidly rose through the ranks as the economic brains of the party.

Strauss-Kahn took up his first government post as industry minister in 1991, the same year he married his third and current wife Anne Sinclair, a star TV journalist whose political interviews and mohair sweaters fascinated millions of television viewers every weekend for much of the 80s and 90s. Back then, he was the husband and she the star. Much of Strauss-Kahn's wealth comes from Sinclair, granddaughter and heiress of one of France's and Europe's biggest art dealers, Paul Rosenberg. She was born in New York, where her father fled the war-time Nazi persecution of Jews.

The true breakthrough to the frontline of French political leadership came with Strauss-Kahn's appointment as finance minister in 1997. The man who wrote much of the Socialist Party's programme for snap elections that year lasted 881 days in the job, exploiting an economic boom and a one-off corporate tax to help knock France's public finances into shape for the launch of the euro, without having to impose austerity on voters. His resignation in 1999 removed him from the limelight, but only temporarily.

Strauss-Kahn has been at or near the centre of politics and policy in Europe ever since. He helped convince the Germans to accept Italy in a "big euro". He also was instrumental in creating the political framework for the euro, including the formation of a separate euro group to oversee policy coordination in the monetary area.

At the IMF, DSK was seen as effective and flexible, an improvement on the previous two heads who were widely perceived to have been less knowledgeable about policy and less skillful

politically. He succeeded former Spanish economy minister Rodrigo Rato, who had cut his tenure short by two years in the middle of the institution's biggest shake-up in a generation.

"It wasn't hard to improve morale at the fund after Rato," says someone who worked with Strauss-Kahn in Washington, but who would not be named because they were not authorised to speak to the media. "DSK



IN THE DOCK: Dominique Strauss-Kahn stands with his lawyer Benjamin Brafman as Assistant District Attorney Artie McConnell speaks in Manhattan Criminal Court during his arraignment in New York May 16, 2011. REUTERS/SHANNON STAPLETON



REPUTATION HIT: Stories about the arrest of Dominique Strauss-Kahn are seen on the front pages of the New York Daily News and the New York Post in New York May 15, 2011. REUTERS/LUCAS JACKSON

seized the opportunities offered by the crisis, seeking recapitalisation of the Fund swiftly."

"He is extremely intelligent, articulate and convincing," a third European official told Reuters. "He had the ear of German Chancellor Angela Merkel and kept IMF staff and the IMF board in line."

Another, more senior euro zone source said that Strauss-Kahn would sometimes "kiss off a subject, without dwelling on it too long." At first glance, "that could be seen as arrogance, but in fact, it is because he has already gone over it in his mind and does not want to waste more time on it while others were still thinking".

Former German official Stefan Collignon believed Strauss-Kahn "was at his best" at the IMF. "He clearly is a genius in getting economics and policy together. He could have made a huge contribution to the world if he had become president, which seems

unlikely unless he is cleared by Friday."

Strauss-Kahn sometimes seemed to revel in pushing boundaries. "There is a difference between seizing opportunities and taking risks," said the former Washington colleague, who is clearly a fan. "What I have always noticed about him is that he opens a lot of doors ... himself, he creates opportunities and then he decides."

At Davos in 2008, Strauss-Kahn laid out the case for a Keynesian fiscal stimulus to avoid a meltdown. Former White House economic adviser Larry Summers said at the time it was the first time the IMF had ever said anything like that. "DSK had seen the reports from (chief economist) Olivier Blanchard and he understood the links between the financial sector and the macroeconomy," says the former colleague.

When Strauss-Kahn pushed the case for stimulus at the G7 that same year, "he was attacked by everyone", said the former colleague. "The Europeans told him 'you don't understand our economies as well as we do.' He replied 'I don't understand your individual economies but I understand the world economy and the externalities, that's what I can give you.'"

"If taking a risk is telling people what they don't want to hear, then yes he was a risk-taker. Once his economic analysis is in place, he speaks his mind."

LIAISONS DANGEREUSES

MANY HAD ASSUMED Strauss-Kahn was aiming to rival Nicolas Sarkozy and run for

French president. In poll after poll in recent months, the man who once dreamed of winning a Nobel Prize for economics was the front-runner to become the most powerful man in France at next year's election.

That's very unlikely to happen now. The attempted rape charges change everything - although jarringly, the scenario is not a million miles from an imaginary one Strauss-Kahn shared with a journalist from the left-leaning Liberation newspaper on April 28. As journalist Antoine Guiral subsequently related it, the IMF chief depicted a "destabilisation plot" against him, where a woman who had been promised 500,000 to a million euros would emerge from a car park saying she had been raped.

Whatever the outcome of the U.S. judicial proceedings, "there's little doubt that this sad affair in every sense of the term will end his political career," says Gerard Grunberg, a politics research director at the French Sciences Po university where Strauss-Kahn gave lectures.

It hasn't helped that the rape case has also revived talk of past indiscretions.

There's the 2008 affair with Hungarian economist and IMF staffer Piroska Nagy, of course.

Strauss-Kahn and Nagy got together on the snowy slopes of Davos in the Swiss Alps early in 2008. It was a brief affair - a one-night stand according to Strauss-Kahn's forgiving TV star wife Anne Sinclair - that ended well before the IMF's executive board met in emergency session in mid-October that year to discuss whether the IMF managing director had abused the power of his position.

Despite the fact that Nagy - who was married but separated from former Argentine central banker Mario Blejer - was Strauss-Kahn's subordinate, an IMF investigation cleared him of abuse of power in the affair.

"This one-night stand is now behind us. We've turned the page. And might I add in conclusion that we love each other as much as on the first day," his wife Sinclair declared after the affair was over. Strauss-Kahn apologised publicly to IMF employees and his wife for his "error in judgment". The IMF board privately warned him that a repeat incident would not be tolerated.

Some IMF stalwarts believed Strauss-Kahn should have resigned. Several senior IMF sources have told Reuters that there have also been lingering concerns within the Fund over whether he had taken the lesson

STRAUSS-KAHN ARREST TIMELINE



IMF chief Dominique Strauss-Kahn



Friday

1 Sofitel Hotel
*Afternoon**
Strauss-Kahn checks in

Saturday

About noon
He allegedly forces himself on maid who entered his room

12.28 pm
Checks out of hotel but leaves mobile phone behind

3.30 pm
Calls hotel staff to bring phone to him at John F. Kennedy (JFK) Airport

2 JFK Airport
4.00 pm
Strauss-Kahn boards Paris-bound plane, sits in first class section

4.40 pm
Police board plane and detain him



Strauss-Kahn departs a NYPD precinct on Saturday

3 NYPD Special Victims Unit
Strauss-Kahn is brought here for questioning. He does not make any statement

Sunday

2.15 am
Strauss-Kahn is arrested and charged, spends night in the building located in the Harlem neighbourhood

3.50 pm
The victim arrives and picks out the IMF chief in a six-man line-up

4 Kings County Hospital
11.00 pm
Strauss-Kahn escorted here for forensic examination

Monday

5 Manhattan Criminal Court
Sunday night/Monday morning
Strauss-Kahn is moved to building's detention centre

Noon
He is denied all bail at hearing and will reappear in court on May 20

6 Rikers Island jail
Strauss-Kahn is placed in protective custody

Pictures: Reuters * All times local (GMT-5 hours) Graphic: Fabian Chan REUTERS

"THIS ONE-NIGHT STAND IS NOW BEHIND US. WE'VE TURNED THE PAGE. AND MIGHT I ADD IN CONCLUSION THAT WE LOVE EACH OTHER AS MUCH AS ON THE FIRST DAY."



J'ACCUSE: French writer Tristane Banon leaves the office of her lawyer David Koubbi in Paris May 17, 2011. Banon is considering filing a complaint against Strauss-Kahn over an alleged assault in 2002. **REUTERS/CHARLES PLATIAU**

to heart. Questions were asked around the same time about the hiring of a young female intern, Emilie Byhet who came with a recommendation from Strauss-Kahn's office. An inquiry found standard procedures were followed in her hiring, the IMF said at the time.

For many journalists in France, used to the tales of bouquets of flowers and messages DSK would bestow on those who caught his eye, none of this was that surprising. Strauss-Kahn's reputation is well-known in Paris.

Satirist Stephane Guillon infuriated the economist when he made fun of his reputation in a prelude to a live interview Strauss-Kahn gave at Radio France headquarters in Paris in February 2009, not long after the IMF scandal.

Reading an imaginary trade union note on security measures for Strauss-Kahn's visit, Guillon said: "Female staff are asked to wear long, sober, anti-sex clothing ... All dark corners of the building have been closed off, car parks, toilets and some cupboards."

In 2005, Carmen Llera, a Spanish writer and socialite and widow of the famous



POWER COUPLE: Then Socialist Party presidential candidate hopeful Dominique Strauss-Kahn (L) and his wife Anne Sinclair (R) arrive to participate in the last of the three regional debates with local political party members in Toulouse November 9, 2006. **REUTERS/JEAN-PHILIPPE ARLES**



Reuters Insider DSK microsite:
<http://link.reuters.com/hak69r>

Italian author Alberto Moravia, published a book of poetry which, according to Italian newspapers, was about her lover of the previous two years, Strauss-Kahn. Several of the poems recount how her lover liked to be sadistic in bed.

At Paris' prestigious Sciences Po university, where Strauss-Kahn gave economics classes for two years before he was tapped to head the IMF, his former students told Reuters they were excited to have a famous professor. "He was pretty popular, it was neat to have a well-known professor," said one, Margaux, who did not want her last name published. "It was known he was a ladies' man, but I never heard anything concrete."

Still, she recalled being made to feel ill at ease by a "diabolic and severe" look Strauss Kahn gave female students sitting in the front row. "It wasn't at all pleasant, and not like a professor," said Margaux, adding her girlfriends had also noticed his gaze.

Of course it was not all one-way traffic. "Women would hit on him as much as he hit on women," says Pauline Blanchet, a former Sciences Po student and volunteer political campaign helper for Strauss-Kahn.

FRENCH DISCRETION

SINCE LAST WEEKEND'S ARREST, other troubling accounts have emerged.

Writer Tristane Banon says, through her lawyer, that she is considering filing a complaint against Strauss-Kahn over an alleged assault that occurred when she went to an apartment to interview him in 2002. Banon's mother, Socialist councilor

Anne Mansouret, says she regrets not having told her daughter to file a complaint at the time.

When Strauss-Kahn arrived at the IMF, everyone knew his reputation as a womaniser, so "women were deliberately very careful not to be alone around him," said a former IMF official who asked not to be named. There was an understanding in the IMF press department never to leave a female reporter alone with DSK, just in case something inappropriate happened.

Why is all this only emerging now? Part of the answer is the French elite's code of



IN THE PALACE: Dominique Strauss-Kahn paid a visit to French President Nicolas Sarkozy (R) at the Elysee Palace in Paris on Oct. 1, 2007, shortly after he was named head of the IMF. His hopes of a return to the Elysee as president appear to be dashed. **REUTERS/MICHEL EULER/POOL**

honour. To this day, French journalists prefer to share tales of politicians' sexual conquests at dinner parties rather than with the public at large. It is not just about Gallic tolerance, or fear of reprisal, but a self-imposed code of conduct that people's private lives are just that - private - even in the case of politicians, says Christophe Barbier, chief editor of the weekly news magazine L'Express.

"If a politician is alcoholic, that's his private life. If he walks the streets screaming out loud in the middle of the night and gets arrested by the police, we talk about it," Barbier says.

That same rule applies when it comes to sex as far as the French media is concerned. Unless charges are being filed, a legal complaint lodged or disciplinary inquiries opened, the matter can, and most often does, go unreported. In Strauss-Kahn's case, that line was clearly crossed in New York, as it was after his fling with Nagy.

The many other tales and rumours of his exploits over the years remain mostly the stuff of dinner-party and newsroom gossip.

"Dominique Strauss-Kahn chose the

libertine way of life, he and his wife. But it's his private life and there's nothing wrong with that," says Gilles Savary, a Socialist councilor. "DSK often turned up at Socialist gatherings with a woman on his arm who was not his wife, for example at the La Rochelle summer meeting of the Socialist Party. I saw him myself."

But Savary says there was never any suggestion of crime or violence with Strauss-Kahn's relationships. "I think that it's impossible that Strauss-Kahn could have gone that way, precisely because he had little problem (finding takers). It was well known in Paris circles he was a skirt-chaser when it comes to women, but not of minors or anything illicit."

People across the Channel or across the Atlantic might raise an eyebrow to liberal French attitudes, but Savary says there's a fair amount of hypocrisy in such views.

"It was okay for (Winston) Churchill to drink whisky all day long, and even cognac in the morning, but had Churchill had ever been caught messing around, the world would

have been deprived of the greatest statesman of the 20th century," Savary says of Britain's war-time leader.

TO BE THE PRESIDENT

IN 2006, STRAUSS-KAHN failed in his bid to be the Socialist candidate for president, losing to Segolene Royal in a disappointing performance that prompted the U.S. ambassador at the time to say he lacked the "fire in the belly" it takes to wage a presidential campaign.

The IMF post, in 2007, was his next lucky break. Securing it was like an election campaign in itself as he toured the world to win backing. That campaign started with a phone call he made while killing a quiet moment ahead of his daughter's wedding ceremony near Place de la Bastille in Paris. Jean-Claude Juncker, Luxembourg's prime minister and a veteran dealmaker in EU affairs, suggested Strauss-Kahn go for the job that Rato had abandoned. He took the helm of a semi-redundant organisation just as the world economy sank into its worst economic crisis since World War Two. The rescue lender was back in business, and instead of firing staff, Strauss-Kahn was hatching plans with world leaders to stop the rot - partly by arguing persuasively that governments would need to spend trillions of dollars to do so, and should worry about the debt later.

It seemed a return to French politics was inevitable. Now that scenario is in pieces. "I want to devote all my strength, all my time, and all my energy to proving my innocence," he said in his letter of resignation to the IMF.

(Additional reporting by Jan Strupczewski in Brussels, Lesley Wroughton and Mark Felsenthal in Washington, Kristina Cooke in New York, Emily Kaiser in Singapore, Gernot Heller in Berlin, Alexandria Sage, Daniel Flynn and Marie Maitre in Paris, Gavin Jones in Rome, Fiona Ortiz in Madrid, Michel Rose in London; Writing by Simon Robinson and Brian Love; Editing by Sara Ledwith, Jim Impoco and Claudia Parsons)

COVER PHOTO: Dominique Strauss-Kahn listens as he stands before judge Melissa Jackson during his arraignment in Manhattan Criminal Court in New York, May 16, 2011. **REUTERS/EMMANUEL DUNAND/POOL**

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