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**From:** Ed <[REDACTED]>  
**Sent:** Monday, April 23, 2012 3:38 PM  
**To:** Epstein, Jeff  
**Subject:** Eyes only

Hi Jeff

This is a draft of what I wrote for Guardian. Any suggestions

I met with DSK on Friday the 13th 2011 at the elegant Pavillon de la Seine hotel in Paris. Only 11 months had elapsed since the Friday the 3rd in May when he had arrived at the Sofitel in New York. At that time, he was then leading Nicolas Sarkozy by almost 20 points in the polls. As he told me, he had planned to announce his candidacy on June 5th and he had no doubts he would be nominated by the Socialist Party and was confident that he would be elected the next President of France. He had planned to make only a brief stop over in New York that weekend to see his daughter because he had a crucial meeting at 3 AM on Sunday in Berlin with German Chancellor Angela Merkel. As the managing director of the IMF, he had come up with plan, codenamed "93Comprehensive," to head off a Greek default on its sovereign debt. But to make it work, he needed German support. "If Germany backed it, the other European governments would follow," he said. Otherwise, "the crises would quickly spiral out of control and spread to Spain, Italy and other Eurozone countries." So, he planned to spend less than 24 hours in New York. But, as things turned out, he would not reach Berlin. Nor would he run for President. Instead, he would be locked up in the grisly prison cell under suicide watch at Rikers Island jail in New York City, charged by a Grand Jury with sexual assault, and forced to resign as head of the IMF. By the time, the prosecutors decided that the only witness against him had been untruthful and dropped all the charges against him, the scandal had so smirched his reputation that his political ambitions had been effectively ruined.

Yet, despite all that he went through in those 11 months, he seemed remarkably optimistic, even buoyant, when I met with him. He had recently provided his analysis of the consequences of globalization at an economic gathering at Kiev in the Ukraine, and, as far as I could determine, remained deeply engaged in the same issues as when he had presided over as head of the 178 nation IMF. He came into the hotel lounge precisely on time. He was dressed in a dark suit and an open-necked blue shirt that showed off a deep tan. I expected that he might have been depressed after all that has happened to him, including his being charged just 3 weeks early with complicity in a French prostitution ring, but he showed no visible signs of distress during the two hour interview. He was determined to clear his name and return to work as an economist. He spoke softly in perfect English, answering all my questions with the sort of lucidity one rarely finds in American politicians. He made it manifestly clear to me that he now believes that what happened at the Sofitel did not occur in isolation from his political challenge to Sarkozy and his UMP party. Even if the incident had not been planned in advance to entrap him, he suggested that there was considerable evidence that he had emerged indicating that he had been under surveillance and that what occurred was deliberately "shaped by those with a political agenda" to derail his Presidential ambitions. If so, his political opponents engaged in an after-the-fact conspiracy to turn what he termed "a consensual encounter" into an international rape scandal. When he was put in handcuffs at JFK airport, and made to undergo the infamous "93perp walk," he had no idea how this could have happened to him. But now 11 months later, he has seen the Sofitel's closed circuit videos, electronic key swipe records, cell phone records and other evidence that showed a great deal of behind-the scene activities during his arrival, stay, and departure at the French-owned hotel. He had long been suspicious that his communications were being intercepted by his political opposition in France. When I asked him about the basis of his suspicion, he told me that there were many blatant signs, such as a copy of one of his emails to his wife Anne Sinclair found tucked in a copying machine used by his political opponents. He said it had been found by an associate's spouse who was temporarily working at the headquarters of Sarkozy's UMP party. Had he taken precautions, he asked. He said that his security staff had devised a sophisticated encryption system for his seven phones, and which had been installed earlier that spring. He then explained that all these encrypted phones stopped working. "I couldn't make call on them so I had the encryption removed." This was prior to his May trip to America. He acknowledged with a shrug that he may have underestimated the dangers of parties intercepting his calls and emails, but to him the inconvenience of making calls outweighed the

concern that Sarkozy's people might be listening to them. "I didn't think they could find anything that could stop me," he said, and the "they" in the context of the conversation clearly referred to operatives working for Sarkozy. The way he abruptly ended the encryption, and threw caution to the wind, reflected his mind set of invulnerability. On April 28th 2011, just two weeks before coming to New York, he had lunch with the editors of Liberation in Paris. When they asked him if there was any way that his political opponents could derail his campaign, he quipped back that one way would be to pay a woman to falsely accuse him of raping her. Had that response been based on some adumbration he had that Sarkozy's forces might actually play the sex card to stop him? He answered me that it was a joke, his gallows humor, then, after a moment reflection, he added "Perhaps I was politically naive but I simply did not believe that they would go that far."

Joke or not, there is little doubt that the incident at the Sofitel that fateful day was real. While it was not a subject he wanted to describe in detail, he did not deny that he had a sexual encounter with the maid, Nafissatou Diallo. According to key swipe records, he had entered his suite twice-- not once-- between 12:06 and 12:07 am. He said that he was just getting out of the shower and rushing to get ready to meet his daughter for lunch at 12:30 PM. The bathroom was at the end of an interior corridor from his bedroom, quite a distance into the suite. He said that when he stepped out of the bathroom, still naked, he was surprised to see a statuesque woman in a maid's uniform looking directly at him. He said it did not appear she had come to clean the suite since he was "certain" that she had no cleaning equipment with her. ( She had, she later told prosecutors, locked her cleaning cart in Room 2820, which is on the other side of the elevator bank from the presidential suite. ) He said they had a brief exchange of words and gestures. He did not recall the precise words but from her gestures, he assumed she was offering a sexual service and that what followed, according to his account, was entirely consensual. The maid gave a very different version of the encounter to the police: Diallo reported that he brutally sexually attacked her, dragged her around the room, and forced her to perform fellatio twice. So we have his story and her story. In any case, the encounter ended about 7 minutes later when DSK went to his phone at 12:13 pm to call his daughter to tell her would be late.

While DSK's version of encounter may seem bizarre, it was not the only time that a sexual liaison had occurred in the presidential suite. When the police lab had examined the carpet in the section of corridor near the bathroom, and found a stain containing his DNA mixed with her saliva, it also found another other semen stains, including one containing a mixture of semen and amylase, an enzyme in saliva, in the same area that the maid said she spat out the evidence. In that stain, it identified DNA mixed with the saliva from three different people. In all, it identified semen or saliva mixed with semen from seven unknown individuals. So there had been considerable previous sexual activity in this small area, some of which may have occurred shortly before DSK was assigned the VIP suite since the saliva enzyme would not likely survive multiple room cleanings. Moreover, this night VIP suite was not always rented. I raised the issue of this DNA evidence with DSK, asking him if he had any idea the VIP suite may have been the venue of other sexual liaisons. He replied that he knew nothing about his activity, and it was only on his arrival that he learned that the hotel on its own initiative had upgraded him to this \$3000 a night suite (It charged him the rate of \$525, the rate for an ordinary room.) He assumed that the hotel favored him in this way because he headed the IMF (which booked the room). He further said that he had not seen anything out of the ordinary it, other than possibly some fruit the hotel provided, until finding the maid in the bathroom corridor.

I asked when he saw the maid for the last time. He said that it was after he left the room to check out, which, according to the CCTV cameras, was 12:28 PM. He was just getting into the elevator, towing his suitcase behind him, when he saw her calmly looking at him from the other side of the elevator bank, looking towards him. He then got in the elevator. (He arrived in the lobby at 12:27 PM). What he learned afterwards, when the Sofitel's key car records were turned over to his lawyers, was that just after he got into the elevator, she re-entered the suite that he had just left. I asked him why she would revisit the room. Could she be checking to if the departing guest the suite had left her a gratuity. He replied "I left no money."

He was arrested approximately 4 hours later at JFK airport. He had no idea that any complaint had been filed against him at the hotel, she explained. He had himself provided his location when he called the Sofitel to find out if his missing Blackberry had been found. The next day he had another surprise. He had understood that his lawyers had worked out a bail arrangement with the prosecutor, Cyrus Vance, to release him on bond, which is not unusual. But, some four hours later, the deal was abruptly terminated. What had reportedly happened in the interim was that Vance had received information bearing on the case from one or more French officials. At the bail hearing, the assistant DA said that unverified "additional information" [was] being provided on a daily basis regarding his [DSK's] behavior and background." This gave a sinister cast to the case, and the judge followed the prosecution recommendation and denied

bail. If this information came from French officials, the purpose of this intervention may have been to assure that DSK was imprisoned. DSK was hauled off to prison on charges that were later thrown out.

DSK winced in discussing the horrors he had experienced in New York. He was far more at ease talking about economics and politics than semen stains at the Sofitel and his ordeal he suffered in the American justice system. When I asked him why his political rival Sarkozy had backed his appointment as managing director of the IMF, he answered "Sarkozy knew that his own weakness was economics. He needed me to give his administration credibility." As a former economics professor and Finance minister, he believed he had unique qualification to deal with the Euro crisis. Since that January he had been working to head off a Greek default. He believed it was illusionary to believe the it could be solved by market forces, Greek austerity measures, or some form of a technical solution. He had attempted to convince Chancellor Merkel that what was at stake was the credibility of the Eurozone. If Greece defaulted, financial markets would lose confidence that the Euro Zone could act to avert other sovereign debt defaults. Interest rates would then soar on this debt, making it impossible for weaker members to refinance their debt. The only way this calamity could be avoided was if the stronger states in the Eurozone provided a bail out, which DSK reckoned could be done for under \$100 billion that Spring. "The Greek debt is a cancer that if allowed to metastasize, would destroy credibility of Spain and Italy," he had argued. Even though the surgery, which involved using taxpayer funds for the bail out would be political anathema to Germans, he hoped that Merkel would see there was no other choice. By May, he still was not fully convinced that she would go along, but he hoped that at their scheduled meeting on May 15th. he could persuade her to act. If he did, he was confident that with German help, the Greek crisis could be nipped in the bud. He added wistfully, "Now we will never know."

When he concluded the discussion, I was deeply impressed by his penetrating analysis of the "trilemma," as he called it, faced by the Eurozone. Here was a man well versed in both economics and politics who would have been likely elected President of France next Sunday [May 6] if not for a bizarre incident in the president suite of the Sofitel in New York City.

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Cheers

Ed Epstein

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