

PROPONENT TESTIMONY
S.B. 251

Ohio Senate Judiciary Committee on Civil Justice

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Sexually Oriented Businesses
An Insider's View

by

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INTRODUCTION

Chairman Jacobson and Members of the Committee, my name is David Sherman. As a former Midwest manager of Déjà Vu strip bars, I believe I can knowledgeably talk about the necessity of this legislation.

Having been involved in the adult entertainment industry for 14 years, I'm very aware of the consequences that this business can have on all involved. I held every position from doorman to corporate regional director and ran those businesses throughout the mid-west, southwest, west coast, and Florida. Much of the activity of the adult entertainment industry is illegal and criminal. In addition, there are tremendous negative effects on entertainers, communities, local businesses as well as families.

CRIME IS COMMONPLACE

The following are some of my personal experiences with the adult entertainment industry. What I will share with you today are the most frequent, as well as extreme, cases of criminal activity I have witnessed in sex clubs over the years.

- 1) The most frequent crime is **tax evasion and/or fraud**. I would say 80% of people involved in adult entertainment at almost every level are guilty of this. This is a cash flow business, and most people are not employees but independent contractors. Most customers, for obvious reasons, do not want receipts. Often managers and owners will tell entertainers how to obtain welfare for their children while dancing, so welfare fraud is also rampant.
- 2) **Drug use and drug dealing** are another very common crime. I would say 90% of entertainers use one drug or another or several. This is based on 14 years and thousands of entertainers I've known, met, or worked with. About 40% of those 90% are selling drugs to other entertainers, but even worse, I have witnessed owners giving drugs to managers to sell to the entertainers.
- 3) **Prostitution regularly takes place**. About 35% of girls I've met are engaged in prostitution of one form or another, whether it's meeting customers outside of the club or using the V.I.P. rooms as a place to fondle the client or give better dances. In my experience, the V.I.P. room in every club is used every day for this. In fact, in one instance the cleaning company found 15 used condoms in one. Doormen and managers almost never monitor V.I.P. rooms so as not to intimidate the customers so they will spend more money.
- 4) **Underage entertainers are often employed**. If an I.D. is needed, managers will often help the girl obtain a fake I.D. or show her how to get one rather than not hire an underage girl. The I.D. is often not an issue since if a girl looks of age her I.D. is rarely even checked. Also, she only uses a stage name so unless a club is raided or a family member or friend sees her, she is never caught.
- 5) **Entertainers conspire with clients to commit other crimes**. Often entertainers using stage names are involved in other criminal activity outside of the club: drug dealing, prostitution, credit card fraud, computer theft, are only a few I've seen. Managers and owners often teach the girls how to skirt the law in very subtle ways in order to do things other clubs are not doing and increase customer count and, in turn, profits. Many times the entertainers are not asked, but required, to break the law by lap dancing or touching themselves or customers. This may also include girl-on-girl shows on stage simulating sex acts. Laws against these activities are continually broken, lowering community standards to the point where law enforcement officers and the judicial system no longer look at it like a crime but merely the way the business is run.
- 6) **Preferred treatment for city employees** such as police, fire department, building and zoning inspectors. They are often given free admission, free drinks and lap dances. In this case, the club pays the girl in order to have allies within each department. A perfect example is the Chief Building Inspector in one city allowed hidden V.I.P. rooms as well as illegal remodeling without permits. In turn, the owners wined, dined, and set him up on dates using their limo. Another example was a fire chief using a club to sell hundreds of pounds of marijuana,

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packaging it after the club was closed. In turn he would help keep the police away from the club. Corruption of city officials in small municipalities is very easily accomplished and frequently done. Contributions and donations are often given under a different corporate name and cash gifts are used. This person's job is to now roadblock any new legislation by having well known legal groups say the pending legislation is unconstitutional, scaring other officials away from it saying the city will be sued, or adding language making it unconstitutional and letting it pass knowing it cannot be enforced.

7) **After-hour parties**, including a few select customers, managers, employees, owners, and entertainers, are also frequent in many clubs. Alcohol and drugs are widespread at these parties. Sometimes they get out of hand to the point the club may not even open on time the next day. I recall one incident where the owner made a trip to Florida, coming back with 10,000 pills of Ecstasy or MDA and kept the party going for two days. He then sold the rest slowly to the entertainers and club employees.

8) On several occasions, I've witnessed **counterfeit money** being laundered through clubs. Being almost an all cash business, this was easy to do using the bills as change or pay since many employees are paid under the table.

9) **Money laundering** is also done frequently in clubs. It is a cash flow business and ringing up extra drinks or door charges is very easily done. In fact, one gentleman was laundering his drug sales money through his club when he got caught selling cocaine.

10) In my experience, **approximately 80% of all club owners are convicted felons**. They may have other people or corporations owning the business, but you can bet the real owner, 80% of the time, is a felon. Licensing will help curb so much of this by making all these people have a history rather than just a fake name and contract. It will keep the ones that are convicted from just going down the street to commit the same crime a block away.

LOBBYING TO AVOID RESTRICTIONS

Adult entertainment businesses use lobbying as a key to keeping new ordinances or legislation from being passed. This plays a very important role in allowing them to run these businesses the way THEY want to.

Large turnouts by entertainers, owners, owners reps, as well as attorneys, law students and even the A.C.L.U. at times are used to intimidate those in local government and to keep the new legislation from passing by making the government body think that masses have formed on their own when in actuality they have been pulled together by a team of people paid to do just that.

Another thing not touched on is that in every club in the state where the new legislation is being considered there are signature cards for the patrons to sign as well as information giving times and locations of hearings.

In fact, one company I worked for had this down to a fine art. Every manager was required to attend all city council meetings in order to stay on top of any new legislation being proposed. They then were to buy the minutes from the meeting and fax or send them to the corporate office. If any new legislation was proposed, that information went to the person who was in charge of lobbying and to the corporate attorney.

Even if the proposed legislation involved a city, town or state in which the adult business had no entities, the club attorneys would still come out in full force to defeat it because it may have an adverse effect on them at a later time.

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Another tactic used so frequently is to bring in big gun attorneys from elsewhere to intimidate and sue as well as tie up in court the passed ordinance for as long as possible or until it ran the city or township out of funding. These businesses have plenty to spend on staying open and running the way THEY want to. From time to time the company would use a local attorney, coaching him and making him file the things they needed in order to make it look as though they were a local business.

In regard to the lobbying, the attorney, the funding as well as lawsuits, the adult businesses seem to somehow utilize the press to their advantage. The press simply didn't deal with the real issues in most cases.

THE MANAGER'S ROLE

As far as female employees in adult entertainment nightclubs, everyone you hire you treat as a potential dancer. It really doesn't matter if she's hired as a waitress, hostess, or even a bartender.

First, you must make the girl feel at home in an environment that is so abnormal that most people have to be made comfortable. In fact, you could almost say they have to be "hardened" to the club life. This is easily accomplished by working there as many hours as possible and by having all of the staff treat them as if they were long lost friends. It's important for the management to do this also.

Second, after a few weeks, because the girl is now your friend, as a manager you bring up how short you are on girls that night or how short the amateur contestants are. You ask them to please help, that they don't need to take their clothes off, but the club just needs an extra body. Usually, they happily agree to do this. You then have them change into dancing attire, usually a skimpy dress, a teddy, g-string or a t-bar (which is a very small pair of panties). Often, the girls, having become used to the environment and having seen nudity daily are intoxicated with the sense of being on stage and are lured out of their clothing by the other girls, customers, and promises of large tips.

Now, at this point, the manager's job just starts. But, if the girl has not taken her clothes off, the manager again has to start in on her about needing more help on the floor. Again, most of the girls will agree to help the manager out. At this time, you tell them that things are not that busy, and you take them out for dinner, "my treat." Of course, the club always writes this off! So, you go out, have some drinks and small talk with the girl. Returning to the club she now believes that you're good friends, plus she is under the influence of alcohol. At this point, she easily disrobes at the customer's request, with the other girls welcoming a new dancer into their ranks. The experienced dancers will then go on about how beautiful she is and how much money she'll make.

Of course, even now, she still might have not disrobed. But, by this point, you are her friend and can make her feel guilty about not helping out more and ask her to please disrobe, as without her, you'll not make much money that night. She is needed. People who need her and customers who tell her how beautiful she is surround her.

She now experiences a variety of emotions and, being human, needs to be needed. With this emotion fulfilled, she finds herself wanting to be complemented, which she is, and she wants to make money, which she can. You then play on the "what more can a girl want?" and the subject of self-worth never really comes up.

At this point, if she still has not disrobed, you let her know you no longer need her for her position, but dancing is open if she wishes to still work at the club. This does not work unless she has incurred debts and needs the money, or she actually enjoyed the experience and doesn't want to lose her new friends. If she stays, the manager

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must start training her to be a professional. This means changing almost everything about her including her personality; she must now be a passive/aggressive if she is to survive. This means that she needs to learn to say whatever it takes to make money. She can never talk about her personal life to anyone as clients can hear this. What you try to do is get the girls programmed to have regular customers. A regular customer is a customer who believes that this girl actually cares for him, and now his fantasy world is complete. He comes in on a regular basis and she invites him back on certain days and times as not to interfere with other regular customers. This is usually set for the club's slow times because when it's busy she can make money without her regular clientele. Of course, with all of these girls having regular clients, the club is guaranteed a steady income and solid revenues. The club regulars are usually family men looking for an escape from the real world, and the girls are taught to prey upon them.

Mandatory meetings are set for all the girls. This time is really used for mostly programming of the girls and getting into their heads. You again let them know what you want and motivate them by whatever it takes. Soon the new dancer starts running around with the more hardened and seasoned girls, and they realize how much easier this job is being drunk, high or, more often than not, both. By now she's working until 2 am in the morning, staying out all night partying after work, and then grabbing a breakfast with the girls. They wake up, go to work, and the cycle starts all over.

They have no time to go to the post office, the dentist, or any other "normal" things. They are deep into the club scene and on the road to hard times and even self-destruction. At this point, school, family, and friends have faded into a world that no longer exists for them.

As a manager, at this point, anything you say, ask or demand of the girl will gladly be done because the club is now their home. The girls don't realize this is their only world, and the club manager now has total control over what's going on in their lives. The girls will even put up with degradation, verbal and emotional abuse and everything else the manager wants to do.

At this time the girl may feel fed up and leave, going to a new club thinking to herself that she finally made a decision on her own and things will be better. But she is really just fooling herself. The manager at the new club does the same things except now she has no friends to talk to and the manager knows that most of the time she cannot return to the old club so he abuses her even worse than the first manager. Of course, she then drinks more and gets high more than ever hoping it will go away. It will only get worse for her now.

THE DANCER'S EXPERIENCE

Right from the start, drug and alcohol use is rampant. The dancers call it "partying" but what they don't realize is that they are actually medicating themselves in order to do the work they do. The abortion rate is extremely high due to the fact that they could never take the chance on flawing the body from carrying a child. On top of this, the dancers also feel that they have no way to support the baby without dancing, and can't quit to have it. Basically, they are caught in a very real, painful catch-22.

The girls, if they have never danced, are extremely against it and most of the times are hired as waitresses, even though waitresses are not needed. This makes the atmosphere become part of their life. At this point, they see it as a job, not as stripping and easily are converted to dancing. Once dancing, they get used to being objectified. It becomes as important to them to hear how beautiful they are 200 times a day as it is the money they make from the dancing itself.

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Between the use of drugs to medicate themselves to do what they do, and after hearing how beautiful they are all the time, they soon develop what I call “BDA” - Basic Dancer Attitude.“ This is when the dancer thinks that no matter what friends, children, husband and families think about them, they can all be replaced because all of the patrons around them find them attractive, beautiful and idolized. All that was close, in terms of family and friends can be replaced. Now they are truly caught in the adult scene. With friends and family gone from their lives, they solely exist in this dark subculture of sex, drugs, alcohol and prostitution. All of this perverse living, to the dancer, is now just part of their normal lifestyle.

After a couple of years at this level, they then realize they are getting older and attempt to fit back into society. They try boyfriends, school or really anything to cling to that is “normal.” Realizing that they cannot live in both worlds, they return to the subculture of the adult business, actually despising the real world. This leads to more dependency on drugs and alcohol, which now makes them 100% lost to this life. The dancers will continue living like this until they realize they can no longer stay at their “current level,” and keep making money and getting the compliments. Once they realize this, they begin to master more perverse things to make cash to make up from fading looks and dancer burnout.

The cycle then becomes even more vicious, with depression, drugs, alcohol and body mutilation to stay thin. Finally, they realize they can no longer keep up with the new and younger girls and leave, going to one of five places.

1. They go to a very filthy, dirty nasty club that’s full of girls in their position. Here they perform and do some of the most vile and filthy acts you can imagine to make money.
2. Prostitution - meeting customers outside of the club, their job now becomes a place for them to meet new “clients.”
3. Marriage – they’ll do this just to be able to still survive. But, the addiction to drugs and alcohol normally shatters and destroys these relationships.
4. Some actually do break away and go to school to become productive citizens. But, this frequency is around 1 of 50.
5. They become societies throwaway people - used up, degraded, abused and even sold by the people who own these establishments.

Sadly, these young ladies over time, little by little, become manipulated, controlled and finally destroyed by a world that our communities have closed their eyes to. It has been just as much our fault as theirs for letting these places do this to our children, daughters, nieces, granddaughters, and yes, even mothers. For they were every bit as innocent as we.

I could easily fill an entire book with what I’ve observed in the adult pornography industry. I’ve seen countless lives shattered and unbelievable heartache. You would be surprised at the amount of “it can’t happen to me” or “I won’t be like that” that I have heard. These experiences have caused me to now work to educate the public as to what goes on in these clubs and to find ways to stop the exploitation of the women in this industry.

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