

From Porn King to Prison : Ex-Sherman Oaks Millionaire Faces 29 Years for Tax Evasion, Extortion

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LOMPOC — Looking back on his life from the barred perspective of a cell at the federal penitentiary in Lompoc, the dethroned King of Porn regrets only one thing.

“I should have paid my taxes,” says Reuben Sturman, a bright-eyed, gray-bearded man of 70 who once ran the world’s most far-flung and successful pornography empire.

But the former Sherman Oaks resident who boasts that he “changed the morals and mores of this country” could not stand the idea that the government would use his tax money to continue prosecuting him for obscenity. Never mind that he regularly beat them in court.

So instead of sending wads of peep-show and sex-magazine cash to Washington, he took the \$50,000 and \$100,000 bundles of money that were thrown under his desk each week and sent them to Switzerland.

“I paid a million every year,” he says, looking out the window in the prison lunch room toward fences wrapped in thick coils of razor wire. “But there was a couple of million I didn’t tell them about.”

In the longest-running IRS criminal investigation in history, it took the government more than a decade to untangle Sturman’s financial web and bring down the nattily dressed pornographer whose net worth was once estimated at \$100 million. But get

him they did. First they handed him a 10-year sentence for tax evasion. Last June they hit him with another 19 years for conspiring to extort money from adult-bookstore operators in Chicago and trying to bribe a juror--using his ex-wife as bait.

Now there is a real possibility that the man who was a regular at Cannes, esteemed by art dealers in Hong Kong and so well known as a world traveler that he was invited on the inaugural flight of the Concorde, will die in a prison cell.

"I have some hopes," says Sturman, optimistic that his attorneys can reverse the more serious charges. A little later, however, he grows morose.

"The government is not going to let me go. I beat them too many times in court."

The officials who pursued him so tirelessly have little sympathy for a man they say mocked the government for years.

"Reuben Sturman justly deserves the punishment that he's been given," says Assistant U. S. Atty. Steve Jigger, the man who prosecuted him in Cleveland on tax charges. "He used every device known to man to avoid paying his taxes."

Richard Rossfelder, the IRS investigator who relentlessly dogged Sturman's financial trail, says the importance of punishing the pornographer goes far beyond the \$28-million tax assessment they levied on him. So far, they have seized \$10 million.

"This was the biggest case the IRS criminal division had ever seen a long time ago," he says. Its effect on the rest of the porn industry was monumental.

"There were a lot of people in this industry reporting nickels and dimes who now report hundreds of thousands of dollars," Rossfelder says.

Facing a problematic future, the once-secretive businessman is beginning to open up his life to inspection. In his first extensive interview, Sturman talked about how he turned a small business selling used comic books into a vast, international network of sex-oriented bookstores and video shops. And described how the empire ultimately collapsed when he got greedy.

He also is writing his autobiography, unapologetically titled “The Porno King.”

Given a lavish lifestyle and tastes that elevated him above the stereotypical sleazy pornographer with medallions tinkling in his chest hair, comparisons with Playboy founder Hugh Hefner are inevitable.

But though he shopped at Bijan and hung impressionist paintings in his Sherman Oaks home, Sturman never shared Hefner’s flair for round beds and silk pajamas, nor did he display the same intellectual pretensions.

“I was a businessman,” he says. “I didn’t see [pornography] as good. I didn’t see it as bad. It was a product to be sold.”

He was a kind of below-the-waist Henry Ford who took the trendy new culture of sex springing up in the last half of the 20th Century and mass-marketed it. While Hefner popularized the Playboy ideal of the erudite man who appreciated good wine, good jazz and good sex, Sturman’s relentless merchandising brought sex down from the penthouse to the street.

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You didn’t need wine, or music, or even sheets on the bed.

“He was not catering to the chic,” says Stanley Fleishman, a respected First Amendment attorney in Los Angeles who has fought many anti-censorship battles.

Sturman's brand of entertainment was aimed straight at "the hard hat."

And Sturman was so successful at it that he came to dominate the multibillion-dollar, worldwide industry of hard-core sex that exploded in the '70s and '80s as a result of a series of liberal Supreme Court rulings. His hard-nosed business sense in an industry legendary for unpaid bills and broken promises won him the ultimate stamp of mainstream acceptance a few years ago--an article in the Wall Street Journal that dwelt on his skillful management of an empire of more than 200 bookstores and assorted other sex-based companies.

Sturman doesn't spend a lot of time delving into the meaning of the revolution he helped lead over the past 30 years. He doesn't rhapsodize over the sex act, which he analyzes as only "here to keep the people living, to keep children being born."

And those who think the world's most successful pornographer must have the world's largest libido would be disappointed.

"I never saw one being made," he says of the sex videos his companies were grinding out at the rate of one a day. He was too intent, he says, on expanding his empire.

Still, he has no trouble grasping his importance as a historical figure.

"No one was anywhere near me" in the business of explicit sex, he boasts. Others in the industry agree.

"When I started Adult Video News," says publisher Paul Fishbein, "he was this icon, this giant."

It's perhaps no surprise that he doesn't spend much time worrying about those who accuse him of coarsening society with graphic depictions of sex. He says he doesn't understand why some people want to force their ideas on others.

For critics, however, it's not a question of a bunch of bluenoses wanting society to hate sex because they do. Sturman and the other smut-meisters who followed sparked a debate that continues to rage over the alleged harmful effects of pornography on women.

A 1986 report by the U. S. Attorney General's Commission on Pornography collected testimony from a number of people in the industry who were abused or involved in violent relationships. Some were destroyed by the system. Megan Leigh, a high-profile actress, shot herself in the mouth after buying her mother a \$500,000 dream home in Northern California. Last year, Shannon Wilsey, known as Savannah, killed herself after her face was damaged in a car accident.

"Pornography has thrust on women an insulting view of what our roles are," said Patricia Ireland of the National Organization for Women. "It shows women our natural role is to be subordinate and available and attractive and compliant.

"In child pornography, we've seen an acknowledgment of the harm done to children. We don't see, at least in our courts, that acknowledgment that pornography does harm women."

However, there is no agreement on what the harm is.

Neil Malamuth, a professor of psychology at UCLA, found that "men exposed to images of sexual violence were more accepting of violence against women than men who did not view the sexually violent material."

But Alan Dershowitz, the attorney and Harvard law professor, said there is not "a single reputable study" that establishes a link between the depiction of explicit sex and violence toward women.

“The worst thing [Sturman] did was to turn feminists into censors,” he said. “Women like Patricia Ireland do a tremendous harm to the women’s movement by infantilizing women through constant analogies between women and babies.”

The King of Porn is the son of Russian Jews who settled in Cleveland. His father was involved in several small businesses, none successful.

“If there were two ways to go, he always picked the wrong way,” Sturman says. It was a mistake his son would not repeat. After Reuben Sturman graduated from college, he and a childhood friend bought a candy and tobacco distributorship for \$10,000.

One day a man came in and offered him some paperback books and magazines with titles such as “Black Silk Stockings.” Though the magazine showed only bare breasts, this was the early ‘50s and the Supreme Court had not yet issued a series of decisions that would open the floodgates to blatantly sexual material.

But Sturman saw the future. “We were now in the sex business almost overnight,” he says.

From the beginning, Sturman applied conventional business methods to an unconventional industry.

He tailored his products to the markets, sending soft-core films to the more conservative Midwest and harder-core versions of the same movies to the two coasts. To expand his hold on the industry, he produced films with one company, sex paraphernalia with another and then sold everything through his own stores.

It was the peep shows that gave Sturman his big boost. In the early days, sex films consisted of grainy 8-millimeter productions of women with tattoos and men who didn’t look like they washed very often. The crude machines that showed them were

often found in bus stations. Sturman figured out that people might prefer to watch in privacy, so he began building booths.

“That’s when my thing took off,” he says. “Money was coming in so fast I didn’t know what to do with it. Guys come in with bags of \$50,000, \$100,000. They would throw it under my desk. I say, ‘Thanks, Bill.’ Away they go.”

The FBI’s 1977 report on pornography said Sturman accomplished “almost a total takeover” of the peep-show industry.

For awhile, he could do no wrong. He started the Doc Johnson line of sexual aids because he thought he could do a better job than the bootstrap companies selling cheap sex toys in dusty cellophane.

Naming the company after former President Lyndon Johnson, he found a warehouse in North Hollywood the size of two football fields. “A year later we filled the place up,” he says.

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Sturman consolidated his grip on the burgeoning pornography industry, opening distribution centers in major cities. His first was Cuyahoga News, named for the river. But as he grew, he began to think more grandly. He founded Sovereign News. Then came Royal News, Castle, Noble, Crown and all the rest.

He now regards his choice of names as a mistake. Their similarity enabled the government to eventually put the network together and trace everything back to Sturman.

His run-ins with the law began three decades ago with a visit by two Cleveland cops who arrested him for selling a paperback book called “Sex Life of a Cop.”

“There was not one dirty word in the book,” Sturman says. “From that point forward, I was indicted 10 times. I won every case.”

In some, he paid fines, but his reputation for fighting and winning became legendary in his business.

Rossfelder, Sturman’s IRS nemesis, said Sturman’s defiance helped alter the sexual landscape of America. “He pushed the line by taking large amounts of profits and paying it to lawyers to keep pushing the line as to what they could do.”

Sturman asked himself at the time of the first indictment, “Am I doing something wrong?” The answer was no. “I just felt I was right.”

The problem for the government was the difficulty of convincing jurors that the material Sturman was selling was obscene. It might have been tasteless, but the definition of obscenity was very specific, as outlined in the 1973 U. S. Supreme Court case *Miller vs. California*. The court held that to be obscene, material had to appeal to prurient interests, depict sexuality in a “clearly offensive way” and lack any literary, artistic, scientific and political value.

As he piled up victories, Sturman enjoyed tweaking government interlocutors. He told them with a smile that his legal battles were just the cost of doing business. The secretive pornographer also toyed with the press, once wearing a Groucho Marx disguise to court.

Sturman’s secretiveness fueled rumors about his connections to organized crime. The porn industry has long been dogged by allegations of mob involvement, and while Sturman has never been accused of being a member of any group himself, he has often been linked with underworld figures.

A 1982 Report to the Governor of Ohio named Sturman as an associate of Ettore (Terry) Zappi, “a made member of the Gambino family.” The report also states that Sturman maintained “close contact with members of the DeCavalcante family of New Jersey.”

Sturman vigorously denies any ties to the mob. “I had threats a few times,” he says. One time, two men followed him in a pink Lincoln from the YMCA in Cleveland, where Sturman, a lifelong fitness buff, worked out daily. They offered to help him out “because we’re friends”--at the rate of \$20,000 a month.

He refused. “Do you realize who I am?” he asked. “The FBI is following me all the time. You got to be the dumbest guys. What’s the matter with you? Following me in a pink Lincoln.”

Rossfelder scoffs at Sturman’s denials. “Did you ask who he’s having lunch with these days? It’s not Mother Goose. My understanding is he lunches quite often with Carmine Persico.”

Carmine (The Snake) Persico, identified as the head of the Colombo crime family in New York, is serving a 100-year sentence on his conviction for helping to run the commission that has directed murders, loan-sharking and racketeering since the days of Al Capone.

As his wealth grew, Sturman began dividing his time between a house in Shaker Heights, Ohio, and a condo in the San Fernando Valley, where he could keep an eye on Doc Johnson and his other West Coast ventures. Then he met and married Naomi Delgado, a young woman with an ambition to be a singer. Sturman took over her career, helping her land recording deals that led to two Spanish-language records under the performing name Naomi.

He purchased a 5,160-square-foot Tudor house in Sherman Oaks. The house had a dance floor upstairs where his wife practiced her act. They put in a pool and a tennis court.

The Northridge earthquake destroyed it.

Although he was living a life of such luxury that he could buy virtually any piece of art he desired on his frequent travels to Europe and Asia, he began hiding money from the IRS.

But as stubborn and strong-willed as Sturman was, the government agents who had dogged his trail since 1977 turned out to be just as persistent.

They finally indicted him in 1985 for tax evasion. The key break in the case came when the Swiss took the unusual step of releasing Sturman's bank records after American investigators furnished information about his alleged ties to organized crime.

The tax conviction marked the end of Sturman's victories over the government. When fortune turned, it did so with a vengeance.

After exhausting his legal avenues, he finally went to prison in 1992, but didn't stay. On Pearl Harbor Day, timing which some authorities suspect was another one of Sturman's jokes, he walked away from the minimum-security federal prison in the Mojave Desert community of Boron after serving less than six months of what was expected to be a four-year stay. He was captured two months later when federal marshals entered a one-bedroom apartment in Anaheim and found Sturman, who was living under the name Abe Levine, asleep in bed.

One possible reason for Sturman's flight was a series of bombings of Chicago-area bookstores. One claimed the life of the bomber, who was killed when the device exploded in his lap while he was stopped at a Chicago traffic light.

Authorities speculated Sturman had discovered he was a prime suspect in the investigation and decided not to stick around for trial. Within a month of his capture, in fact, he was indicted and accused of hiring men to damage and destroy peep-show booths at bookstores in Cleveland, Chicago and Phoenix because their owners had stopped paying him off.

“The whole thing is a crock,” Sturman says of the bombing charges.

The jury acquitted him of the bombings, but convicted him of conspiring to commit extortion and of using threats to extort money from a man who bought several Chicago bookstores from Sturman when Sturman began liquidating his holdings several years ago.

Sturman was handed a 19-year prison sentence.

Sturman’s personal life began to unravel. He divorced Delgado to keep her out of harm’s way with the government. Now she’s facing 21 months in prison after being convicted of jury tampering. The government said she planned to offer a juror deliberating Sturman’s fate in his tax case either sex or money to obtain a hung jury.

Sturman admits he talked Delgado into meeting with the juror.

“If I have a chance to get out of this, we’ve got to do it,” he said at the time. “I begged and pleaded with her.”

Sturman says the two met, but Delgado never made an offer.

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As with so much else about Sturman’s rags-to-riches-to-rags story, its conclusion is filled with bitter irony. Most people in the industry he helped create have abandoned

him.

“These people used to lick his boots to spend time with him,” says Nancy Pera, who once worked for Sturman. “Now they won’t even write him.”

Still, he is unrepentant. “I had a wonderful life. If I die tomorrow I’m going to die with a smile on my lips.”

Assistant U. S. Atty. Steve Jigger doesn’t think Sturman has anything to be proud of. “Any legacy is certainly not a positive one. I don’t see him as a crusader. Reuben Sturman was in it for the money and he made a lot of it. And he didn’t pay his fair share of taxes.”

After 18 years, Rossfelder is still following Sturman’s money trail. Just in the past few weeks, he has helped convict one of Sturman’s attorneys of helping to hide money.

In prison, Sturman exercises regularly and has no complaints about the food, even though the menu tends more toward hot dogs and hamburgers than coquilles St. Jacques.

“I ate in the finest restaurants in the world. So what?” he shrugs. “Now I’m here.”

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