

COVER STORY THE EXECUTIVE ADDICT He may work in any industry or any city. He abuses cocaine, prescription drugs, even heroin. He endangers himself, his family, his company. He isn't always a he. Doctors who treat executive drug abuse say it is increasing rapidly.

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(FORTUNE Magazine) – UNARMED and uncomfortable about it, Ed Loyd, chief of security for a West Coast company, parked in a deserted area near Stevens Creek Reservoir in Cupertino, California, and headed up a forest trail shrouded from the noon sunlight by a thick canopy of leaves. Loyd was there to confront a blackmailer, an employee of the company who had sold drugs, threatened co-workers, and lately sent death threats to senior executives. Both the security chief and his company's executives judged the man perfectly capable of making good on his threats: an ex-Marine, he was clearly on drugs himself, and seemed haunted by flashbacks to his experiences in Vietnam. Nothing in Loyd's 18 years as a narcotics detective and corporate security chief prepared him for what was waiting in the forest. He found the employee, an American Indian, sitting before a camp stove, decked out with Indian armbands and feathered headdress, his face smeared with war paint. The man carried an ax, and had bow and arrows within easy reach. The security chief was weaponless on orders from his company. Squinting at this vision through the shimmering heat of the fire, Loyd realized that the man could kill him, probably even without weapons. Instead, the two men struck a deal: in return for being kept on the payroll as a disability case, the employee would stay away from the company and leave its executives alone. The order to buy off the blackmailer had come from the top, Ed Loyd says. The employee had threatened to tell the press that executives at the company were using and dealing in cocaine and marijuana. The abuse of drugs by executives has become a serious problem nationwide. While there are no solid statistics on this illegal activity, those in the best position to gauge its extent -- doctors who treat executives, people who run rehabilitation centers for them, and executive addicts themselves -- are virtually unanimous in saying that executive drug abuse is widespread and increasing rapidly. The demand for facilities that can treat addicted executives has grown so dramatically of late, for example, that the Fair Oaks Hospital in Summit, New Jersey, which specializes in rehabilitating managers, has had to double the number of beds. Dr. Joseph A. Pursch, medical director of Comprehensive Care Corp., which operates 160 hospitals devoted to treating alcoholism and drug addiction, says, "We've seen a 100% increase in the number of high-level executives coming to us for treatment compared with five years ago. I'm sure that a year or two from now it'll be another 100% or more. Drugs have taken the business world by storm." One is most likely to encounter executive addiction in so-called glamour industries -- entertainment, advertising, high finance, and high technology -- but it isn't confined to those fields, or to the big cities on either coast. The executives with a drug problem whom FORTUNE identified in preparing this article include a Midwestern marketing executive for AT&T, a vice president of a major pharmaceutical company, a senior executive at a food-processing company, a vice president of a Minnesota bank, and an executive vice president of an insurance company. Chief executives are addicted, as are the heads of operating divisions and senior professionals who counsel corporations. These men and women abuse prescription drugs (painkillers, tranquilizers, and sedatives), cocaine, and even heroin. While alcohol remains probably the most abused substance among corporate executives, many experts think that the incidence of alcoholism has leveled off -- at 10% of the managerial population, by some estimates, the same as in other economic strata. Despite a trend toward lighter drinking (FORTUNE, March 18), however, the illegal use of drugs mounts. Vignettes from the annals of executive drug abuse illustrate the dangers for the individual and his company: Drug-induced behavior can threaten the lives of other employees. One executive, a partner in a law firm, smoked freebase cocaine -- a highly concentrated form that produces euphoria faster than any other -- in his office on weekends. He became paranoid, a symptom of advanced cocaine dependency, and began bringing with him a .45-caliber machine gun. One weekend when he heard the cleaning people come in he was seized with the notion that someone was there to get him and he opened fire, riddling his office door with bullets. Miraculously, no one was hurt. Drug addiction may induce an executive to steal from his employer or customers. Until she was caught and fired, a high-ranking executive at a major advertising agency for months billed clients for work never done and diverted the proceeds to support a \$2,000-a-week habit that included heroin and other drugs. Drugs can impair the judgment of an executive in critical situations, though he may be convinced that he is functioning well. From a cocaine-abusing denizen of Wall Street: "I worked on both Chrysler refinancings, and by the second one, I was wired most of the time." From a formerly drug-dependent securities trader at a leading firm: "Every day I and the other traders who were using were committing more than \$50 million of our firm's trading capital to buy large blocks of stock. We were making these decisions while our faculties were impaired. I know mine were." Even though they knew he was on drugs, the top executives of another Wall Street firm sent one of their best traders to head up a foreign branch. He promptly lost the firm \$2 million through a combination of bad decisions and embezzlement. Business associates can pressure a drug-impaired executive into taking actions that hurt his company. Says a recovering cocaine abuser, the owner of a textile company, "I'd meet a customer and he'd give me coke, then he'd get his price and his delivery. I gave special prices to people I didn't even know. I'd tell them secrets, like the prices their competitors were getting from us." The use of drugs exposes executives to dangers beyond the chemical assault on their bodies. An enormously successful 43-year-old commodities trader in New York City became so paranoid from cocaine that one night he convinced himself that his house was surrounded by police. If he were naked, he calculated, he would be invisible and could elude his pursuers. He stripped and crawled out a window in the early morning, then walked down the divider strip of a Long Island highway for five miles in the rush hour before police took him into custody. Any adequate explanation of why executives are turning to drugs proceeds like a narrowing gyre, beginning with wide-swirling movements of social change, tightening into a circle of dilemmas associated with the managerial life and with the blandishments of particular drugs, and ending at dead center -- the experience of a given executive with a given drug or set of drugs. Experts on the subject contend that executive drug use is increasing in substantial part because managers from the baby-boom generation who have used drugs recreationally for years are taking their relatively casual attitude toward drugs with them as they are promoted into the executive suite. Having enjoyed marijuana in college or even in high school, they're all the more willing to try new, more expensive drugs like cocaine, which newly won affluence makes available to them. In Silicon Valley, where many young executives work at senior levels, the attitude toward drugs is relaxed: police officials

and corporate security directors have been invited to parties where drugs are used openly by corporate officers.

ACCEPTANCE of drugs by an entire generation can subtly shade into peer pressure to use them. A woman who earns half a million dollars a year on Wall Street felt that she became more acceptable to colleagues when she took drugs. "It's the analogue of dressing the right way to get into the country club," says Robert Griffin, a counseling supervisor at Stuyvesant Square, a rehabilitation program at Beth Israel Medical Center in New York City. Middle-aged executives sometimes turn to drugs to capture what they see as the sweet fruits of the younger generation's experience. On the effectiveness of cocaine as barter for sexual favors, Dr. David Smith, director of a San Francisco clinic, says that users believe "if you want a younger woman, coke is the best way to do it." One-third of the executives who have come to Smith for treatment began using cocaine with such motives. Ironically, of those, 60% suffered from sexual dysfunction after they began abusing it. Given the temptation, executives may find it easier than other workers to take up drugs and use them on the job. High-ranking managers have more money and more privacy -- no one checks up on how they use their time. Nor do they need to go to street corners to buy their drugs. Says a former narcotics investigator, "These top executives share dealers with one another like they would refer each other to a good dentist or an investment adviser." Executives also buy from other executives. A high-rolling securities trader and former addict swears that he bought from the chief executive of a FORTUNE 500 consumer products company listed on the New York Stock Exchange. The C.E.O. would rent a suite at New York's Plaza Hotel to make sales. Business over, he'd invite favored customers to remain for revelry described as "limos, bimbos, and lines." Managerial types may also fall prey because they don't fear drugs as much as others do. "Top executives aren't used to thinking that way," says Dr. Mark Gold of Fair Oaks Hospital. "They are used to feeling masterful and are not likely to view the drugs as threatening." When the drug enhances feelings of mastery, making the executive feel all the more terrific in delivering the big presentation or entertaining clients, it only makes the drug more appealing. This is a major danger of cocaine. According to most experts, cocaine use is growing faster than other forms of executive drug abuse. Says Ronald K. Siegel, a psychopharmacologist at UCLA School of Medicine, "Cocaine is the drug causing the most psychosocial disruption and corporate problems among the FORTUNE 500 companies." At least three widespread myths have contributed to cocaine's increasing popularity. The first holds that cocaine is harmless if snorted. In fact, it can cause respiratory collapse or heart failure no matter how it's taken. Myth No. 2 revolves around the notion that primitive people use it without harm. After all, don't all those Bolivian Indians take cocaine to ward off cold and exhaustion? In reality, the coca leaves Indians chew are not comparable in potency to the substance sold to executives. When an impaired chief executive offered this rationale to Dr. Gold, the physician replied incredulously, "Why would you ever consider an Andean peasant as a role model?" The most damage has been done by myth No. 3 -- that cocaine is nonaddictive. True, the symptoms of withdrawal from cocaine aren't as dramatic as those exhibited during withdrawal from, say, heroin. But in the view of many experts, cocaine is the most addictive of any drug that executives abuse. "Cocaine changes people who had no intention of being changed," says Dr. Gold. "It rewires the person's personality structure so that the drug becomes an acquired primary drive." How then can some people use cocaine recreationally without becoming more compulsively attached to it? Dr. Gold's reply: "So some people can do drugs without becoming addicted -- it's still a form of Russian roulette with your brain and with your future." THE TROUBLE is, to users, cocaine seems ideally suited to the executive life. It is easy to acquire, conceal, and use without paraphernalia. It doesn't leave the user lethargic, fatigued, or oblivious to appointments. Indeed, the first few times it is used, cocaine seems to enhance performance. Later, when it is impairing effectiveness, it still appeals seductively to the achievement-oriented by making them feel capable of accomplishing anything. According to executive users, cocaine also allows them to ignore their emotional ties to others, or the lack of ties. It disposes of guilt feelings. Much of this appealed to William O'Donnell Jr., 36, a Bally Manufacturing executive when cocaine began to turn his life upside down. From his earliest days, O'Donnell had been an achiever. Co-captain of the Brown University football team in 1971, he felt that if you worked hard you were entitled to play hard. "I did everything a little harder and a little crazier than everybody else," he says. Pursuing that concept of success paid off at Bally. In 1975, when he was introduced to cocaine, O'Donnell was head of Bally's European marketing effort. He had a stable marriage, three children, a handsome house in Winnetka, Illinois, and two Mercedes in the garage. Increasingly, however, he was relying on alcohol and marijuana to deal with stress and having trouble handling the combination. Instead of realizing that he had a drug problem, O'Donnell switched to cocaine, partly because it seemed glamorous. "The cocaine was everything that went along with the position," he says, "the international travel, the glitz, the lights. The money and power and status were all reinforced by cocaine. Athletes and Hollywood people were the only ones, back in 1975, that you heard about with cocaine. That is who I wanted to be." The drug convinced O'Donnell that he was working harder than ever before and that he was even more popular. "Going into singles bars," he observes, "if you have cocaine, you have money and status -- you can just call your shots." But as his habit grew, O'Donnell's success started working against him. By this time O'Donnell was making \$150,000 a year as president of Aladdin's Castle, a Bally subsidiary that ran a chain of 450 game rooms in shopping malls. "My financial assets became a liability," he says, "because I had the money to keep using." When friends would try to get him to quit, his affluence helped him deny that anything was wrong. "The strongest symptom of this disease is denial," he says. "The drug tells you that you don't have any problem. I would point to all the signs of my success. 'I can't be an addict,' I'd say. 'I'm just a little crazier than most.' " As his drug use continued, the highs became much less elevated, while the ensuing crashes plunged him deeper into guilt, depression, and paranoia. "You lose your self-esteem," O'Donnell says. The only remedy was more cocaine. When his wife told him to get help or get out, he moved out of the house rather than give up his habit. "I couldn't stay clean and sober," he laments. "It was the first thing I couldn't achieve." After he left, his disappointment with himself grew worse. "It went from there to the point where I promised my 10-year-old son, Billy, that I would be at his baseball game, and I wouldn't show up." When he could get there to be with his family, he says, "I showed up with tears in my eyes, and went and got cocaine because I couldn't function without it. At the end I was using so much that I had open sores on my chest from the toxicity of the cocaine. I was sleeping three hours a night, hanging out with all sorts of street people . . . just that bizarre and continued energy." Little of this energy was employed on Bally's behalf. O'Donnell's organization continued to function, but increasingly without him or despite him. "My secretary would lie when I had to miss meetings," O'Donnell says. "Those that reported to me saw me change from an open-door kind of managing to keeping the door closed, not taking phone calls. They had to know something was up, but it was difficult for them to touch me because of my place in the organization." EVENTUALLY no amount of covering up by O'Donnell's staff could keep the deterioration in his performance from being noticeable. His boss, Chief Executive Robert Mullane, told him that he would either have to get treatment or negotiate an end to his employment contract. Mullane's ultimatum forced O'Donnell into treatment in 1983 at a center in Arizona called the Meadows, where his recovery began. Today he runs an executive rehabilitation facility of his own in Arizona called Sierra Tucson. While almost no one has noticed, heroin has also made its way into the executive suite. "Heroin use among establishment types is the most underreported social phenomenon in America today," asserts John McVernon, director of Community Education for the Mediplex Group of Newton, Massachusetts, which runs three rehabilitation centers in the Northeast. McVernon's colleague William J. Hartigan, vice president of Mediplex's alcohol and substance abuse division, adds, "It's the most difficult to detect

because it's the last thing anyone looks for." That was certainly the experience of a high-ranking woman at a major advertising agency outside New York. Now 41, under treatment, and abstinent for several months, she used the drug for over 12 years. "Heroin was my life," she says simply. "Everything else was secondary." Despite this, she functioned well enough in the office to win raises and promotions. She would shoot up with the drug in the morning. "It didn't interfere much with my work," she maintains, "because I'd keep the dose low enough to feel okay during the day." Although her arms were disfigured from injections, no one seemed to notice, even when she wore short sleeves. "Something that was in plain sight was invisible," she says. Still, there were problems. If she couldn't get the drug and became sick from withdrawal, she had to make plausible excuses and then keep the excuses straight. If she traveled on business, she had to ensure that she would have heroin at her destination. She also believes that heroin weakened her ambition and drive. "Because you're an addict, you don't think much of yourself," she says, "so why should anyone else? You hold back." She is in treatment today mostly because her daughter reached adolescence and began asking questions. "She knows I have a good job," the long-divorced executive says, "and she is asking why we don't have a nice car, nice furniture, jewelry -- why I have to go out for an hour at night." Executives also misuse prescription pharmaceuticals. They begin using a painkiller in connection with some medical problem or a tranquilizer to cope with stress. Finding that they like and then need the effect, they persist even if the medical condition that brought them to the drug disappears. TO USERS, prescription drugs have distinct advantages -- no sleazy pushers, no needles, and no apparent danger. The drugs don't even have to be concealed. High-level executives can typically obtain the drugs -- or prescriptions for them -- without much wheedling, from doctors who want to keep these affluent, influential people as patients. If an executive addict does run into difficulty with his doctor, he simply begins "doctor shopping." Glenn Jorgenson, 55, is now chief executive of River Park Inc., which runs alcohol and drug treatment centers in South Dakota. He started out as a businessman, entered government and became the state's chief administrator, and then went back into business. During much of this time he was consuming drugs from as many as 17 different prescriptions. "I was taking over 100 Equinil a week," he says. Standard weekly dosage of the tranquilizer is 21 capsules. Finally, after 22 hospitalizations and several suicide attempts, Jorgenson obtained the professional help that led to his recovery. What is to be done with the executive addict? For now, as with alcoholism, the best solution seems to be forcing him into treatment -- compelling him to realize that he has a problem, getting him off the drug in a medically supervised setting, and setting him to rebuilding his life. Now that many specialists are treating addiction as a disease like, say, diabetes, rather than as the symptom of a psychological problem, the success rate of rehabilitation attempts has soared. Says Ronald Siegel, the UCLA psychopharmacologist, "Most of the problems disappear with the disappearance of the chemical." Once they commit themselves to treatment, executives have about the best prognoses of all addicts. Even after prolonged addiction, they usually have the anchors -- loving families, jobs, financial stability, compassionate colleagues -- that increase the probability of recovery. Deeply ingrained character traits and social skills that have been suppressed by the drugs can be drawn on for rehabilitation. "They have been derailed," Dr. Irl Extein, medical director of the Fair Oaks Hospital in Delray Beach, Florida, says of addicted executives, "but they are capable of being put back on track." The initial challenge is getting them to undertake treatment. "The more a person has to lose, the more he'll hide and deny," says clinic director Dr. David Smith. The same goes for executives' families, who are often unwilling to confront the drug abuser. A wife may fear that if she informs the company about her husband's problem, he will lose his job and the family its livelihood. / Often the only person who can push an executive into treatment is his boss or business partner. Frequently, though, the boss and the rest of the organization aren't ready to face the issue. While he was sympathetic and ultimately successful in getting William O'Donnell into treatment, Bally Chief Executive Robert Mullane admits that he was unprepared. "People in my job and generation can't relate to drugs," he says. "I have never taken them and I don't understand them." In dealing with drugs, other organizations are handicapped by mixed motives. Some are reluctant to intervene because they don't want to lose the services of the executive, even if he is drug-impaired. "Most Wall Street firms tell us they want their executives to get treatment that is 'cognizant of the work environment on Wall Street,'" says Hartigan of the Mediplex Group. That is, they want the executive to be drug-free but still a workaholic. "They are very reluctant to cut into that workaholicism," Hartigan observes. The result is often organizational confusion, even in the face of indications that a valued employee is floundering. Consider, for example, the case of the late Jessica Savitch, who even while wrestling with a troubled personal life pursued a career as a top broadcast journalist and anchorwoman for NBC News. For a year or more before her death in an automobile accident in 1983, Savitch became progressively more dependent on prescription drugs and cocaine. On different occasions, at least three NBC executives -- Robert Mulholland, then president of the company; Tom Pettit, executive vice president of NBC News; and Thomas Wolzien, producer of the news show Savitch appeared on -- heard allegations that Savitch was abusing drugs or at least having trouble on the job. Pettit and Wolzien say they discussed rumors of cocaine use with her, Wolzien questioning her three times. All three accepted her denials. Wolzien says that lacking hard evidence that Savitch's job performance was impaired, he couldn't push it any further. ESSENTIAL to an executive's rehabilitation is getting him to admit that he is powerless to control the drug, and that his life is falling apart. Such an admission can devastate an individual who feels that he can manage just about anything. As a result, an executive will almost never look to the company for help, and certainly not to an employee-assistance program designed to aid workers from all ranks who have problems with drink or drugs. "None of the) top executives I have seen have been referred by their employee-assistance programs, or would have used those programs," says Dr. Herbert Kleber, director of the substance-abuse treatment unit at the Connecticut Mental Health Center in New Haven. When they finally do embrace treatment, executives still must wrestle with certain handicaps. Used to pursuing goals and skillful at dealing with others, they work to gain the approval of doctors and counselors. Whatever the value of such talents in the business world, they can delay rehabilitation. To acknowledge the depths of his abasement, and to begin taking the first halting steps toward abstinence, the executive must truly cast aside coolly detached intellectual attitudes and lie down in what Yeats called the foul rag-and-bone shop of the heart. Most who go that far make it all the way back. The question then often becomes, "Will my company have me again?" Too few do. Says Dr. Pursch, "Often they tell me, 'We'll pay for his treatment, but we don't want him back.' " This seems shortsighted, to say the least. In the past few years, new methods of continuing treatment for the recovered drug addict have been developed that make the prospects for avoiding a relapse considerably brighter. Once rehabilitated and back at work, executives who have been through this particular hell not only can become productive again, but can provide a special service to others in the corporation -- they can help other employees who abuse drugs to get treatment. They also stand out as authentic symbols of the corporation's concern for its people. If, on the other hand, the company cashiers even secretly the executive it finds abusing drugs, the news usually spreads quickly to other employees who take them. They become still more silent, more covert in their drug use, and less willing to seek treatment. The corporate drug problem doesn't really diminish, it just burrows in. The company remains impaired, and under a chemical curse.