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Secrets of NXIVM

Some experts say Keith Raniere, the guru behind an unusual training business, is really a cult leader

By James M. Odat and Jennifer Gish Updated 2:39 pm, Friday, February 24, 2012



IMAGE 1 OF 22

Keith Raniere, founder of NXIVM, entering the Dalai Lama event and moments before being served with court papers at the Palace Theater in downtown Albany on Wed., May 6, 2009. (Patrick Dodson / Courtesy of Albany Student Press)

In a Saratoga County townhouse complex, a man who wears a Jesus beard and seeks to patent his philosophies keeps a cluster of adoring women at his side. He has drawn **more than 10,000 people** to his mission of ethical living. But some disciples say he has delivered a much darker reality.

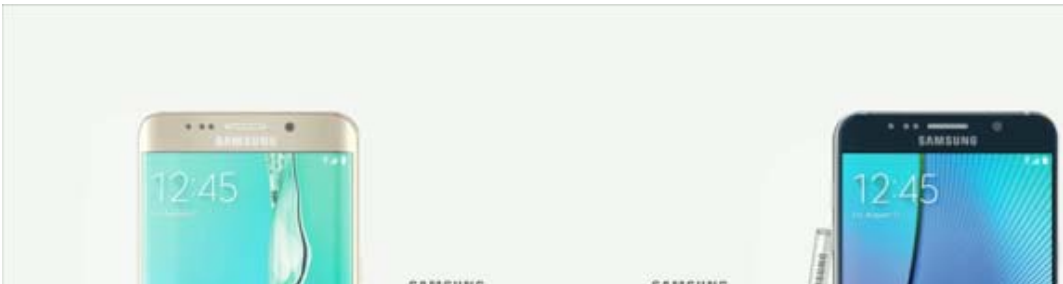
Keith Raniere, a multilevel-marketing businessman turned self-improvement guru, has peddled himself as a spiritual being to followers, most of them women. A close-knit group of these women has tended to him, paid his bills and shuttled him around. Several have satisfied his sexual needs. And a few have left their families behind to wrap him in their affections.



Claiming **one of the world's highest IQs** and holding **three degrees** from Rensselaer Polytechnic Institute, Raniere has evolved over the past two decades from the fresh-faced founder of Consumers' Buyline Inc., a buying club business investigated for being a pyramid scheme, into the 51-year-old intellectual commander of NXIVM, a Colonie-based company promising followers from Canada to Mexico it can "**help**

transform and, ultimately, be an expression of the noble civilization of humans."

ADVERTISING



Ranieri has convinced some followers he doesn't drive because his intellectual energy sets off radar detectors. He says his energy is drained if those around him disappoint or defect, former girlfriends have said. **"He's the Vanguard,"** one of his key supporters testified in court, with the insistence and reverence of a child describing Santa Claus. Dozens of followers assemble annually near Lake George for Vanguard Week, a celebration of Ranieri's birthday also considered a corporate retreat.

But Ranieri's time here also has unfolded in a way that suggests more than a harmless God complex.

At least one cult expert said Ranieri directs one of the most extreme cults he has ever studied and has likened Ranieri to David Koresh, who most Americans link with images of a burning cult compound packed with women and children. Ranieri has **denied that NXIVM is a cult.**



Other experts believe there is sufficient evidence for the New York Attorney General to investigate whether NXIVM — thought to have multimillion-dollar revenues — is an illegal multilevel-marketing business.

And some former followers have said it's expected you buy into Ranieri's mission with money, mind and body.

Ranieri **"is a compulsive gambler, a sex addict with bizarre desires and needs, and a con man that specializes in Ponzi schemes,"** one of his former girlfriends, Toni Natalie, recently declared in federal court.

Since the 1990s, Ranieri has attracted the attention of attorneys general in several states and the Securities and Exchange Commission. In 1996, he **admitted no guilt** but signed an **agreement with the New York State Attorney General's Office** promising he would not operate an illegal "chain distributor scheme" and pay a \$40,000 settlement. Since then, he has never been prosecuted by any state or federal agency, and he had only been sued once as of last month — a countersuit by a noted cult expert who claims NXIVM invaded his privacy.

Through the years, Ranieri has remained a somewhat mysterious figure, but based on a yearlong investigation, including scores of interviews and a review of business records, police reports and court documents, the Times Union has uncovered troubling details about a man once considered a boy genius.

More Information

This series

"Secrets of NXIVM: The untold story of Keith Ranieri," is the result of a more-than-year-long examination of the self-improvement guru and conceptual founder of NXIVM, which has attracted students from Vancouver to Mexico but remains rooted in the Capital Region.

The reporting includes scores of interviews and a review of business records, police reports and thousands of pages of court documents, which provide a window into Ranieri's world, but it comes without an interview with the elusive Ranieri, who did not respond to repeated attempts to get comment. It also lacks any response from the women who surround him and serve as NXIVM's lifeblood. They, and the lawyers who represent the organization, have refused repeated requests to speak with them.

The four-part series — which details the grasp of mind, money and body Ranieri has held over some followers — unfolds in print, online and with a special report for the iPad.

His several decades spent in the Capital Region have included what the Times Union has been told was the sexual manipulation of women and underage girls, murky financial dealings and relentless intimidation of people who have tried to break away or question the practices of NXIVM. But this assessment comes without a response from Ranieri, who did not respond to repeated attempts to contact him, including certified and overnight letters sent to him and his last known attorney. He and the women who remain in Ranieri's inner circle also did not respond to repeated requests for interviews, and NXIVM's lawyers, including those at the prominent Albany firm of O'Connell and Aronowitz, which represents Ranieri's financial backers, declined to speak to reporters.

Some former followers have become frightened by Ranieri's growing power, fueled in large part by resources at the disposal of Clare and Sara Bronfman, NXIVM followers and heirs to the Seagram's fortune.

Many have emerged broken, and a few are speaking out and spilling all into the court record, claiming the man who sells enlightenment is really pitching something else. They're mostly women who have broken away from Ranieri and NXIVM years ago, but their stories are believed to be telling of the way things still operate today.

Ranieri was the only child of a Rockland County ballroom dance instructor, who raised him mostly on her own even as she struggled for years with heart disease. She died while he was in college.

He was her young genius, mastering calculus by age 12 and transferring to Rockland Country Day School after he had exhausted his public school's curriculum. A teacher recalled him as a strikingly bright student, known for challenging his instructors, particularly in math. He left the school at age

• Part 1: *An overview of Raniere and his unusual life.*

• Part 2: *Relentless litigation wrought against NXIVM defectors.*

• Part 3: *Raniere's multi-level marketing mind.*

• Part 4: *A history of Raniere's sexual conquests.*

16 because he felt the curriculum was holding him back, and enrolled at Rensselaer Polytechnic Institute in Troy, where he picked up **bachelor's degrees in biology, physics and math, with minors in philosophy and psychology.**

He is **listed in the 1989 "Guinness Book of World Records"** for being one of three people in an IQ group called Mega, a Mensa-like collection of geniuses requiring a minimum one-in-a-million IQ level and formed by philosopher and librarian Ronald K. Hoeflin. Raniere once worked as an Amway salesman, where he learned techniques he later used at Consumers' Buyline, a members-only buying club he boasted had grown to a \$100 million company by 1992.

He has claimed to have been an East Coast judo champion by age 12. In adulthood, he was once a dedicated weight lifter. He loves choral singing and leads regular volleyball matches with NXIVM followers.

Those who have known Raniere describe him as charismatic, a good listener and an engaging speaker.

The evolving portrait of him through the years reveals an unexpected charmer who has drawn countless people into investing in his projects, buying into his ideology and at times sliding into his bed.

Throughout most of the 1990s, Raniere ran Consumers' Buyline, a nationwide buying club, fueled by young employees willing to keep late hours with the idea they were part of something innovative and bound for success. He was spirited in video promotions for the company, but bore an awkward delivery, baby-faced and swallowed up by his suit jacket.

After the New York attorney general's investigation and after closing Consumers' Buyline, he began developing National Health Network in the mid- to late-1990s. Soon, his hair was growing longer and his frame was filling out with bulging muscles. He explained the money-making potential of his new enterprise like a confident, polished salesman. One associate at the time recalls female recruits hanging on his words during training, erupting into adolescent giggles at his jokes.

In the years since, Raniere has traded hair trimmed at the neck for a shoulder-length look, and favored a beard, John Lennon-style glasses, sweatpants and untucked shirts. At times, he delivers New Agey lingo in soft, almost effeminate tones.

Across all these incarnations, he has been able to draw women in, making them feel special and easing their insecurities.

A home-schooling mother recalled Raniere saying her daughter was strikingly bright, and that the woman was a "wonderful mother and nurturer" who had a special place in his heart and profound role to play on this planet.

He once convinced a high school dropout, who would become a romantic obsession, to take an IQ test, and then, after scoring it himself, told her she was three points shy of genius.

Raniere's townhouse is in a tidy middle-class suburban development in Halfmoon, just a few miles from Clifton Park's cluster of chain stores and restaurants. Several female followers have moved nearby. Raniere has never married, but he has spent most of the last 24 years in this little area living in neighboring townhouses with Pamela Cafritz, Kristin Keeffe and Karen Unterreiner, three women who are former Consumers' Buyline employees and current NXIVM devotees.

Raniere landed on the cover of Forbes magazine in 2003 as part of a story called "**Cult of Personality**." Since then, former followers have said, he has **dropped into the background of NXIVM** in an effort to avoid attracting the attention of the government, according to sworn testimony. Although he is NXIVM's philosophical guide and figurehead, he has served officially only as a member of the executive board and has been eligible to receive royalties for leasing his Rational Inquiry methods. He makes rare appearances at NXIVM events, creating a certain mystique among those who adore him. His teachings and speeches are all recorded on video in case he might utter something so innovative it would be worth patenting.

Thousands follow his theories, a mix of science and self-improvement. The ideas are branded with labels such as "The Science of Joy," "Rational Inquiry" and "Metatheory."

His interest in philosophy traces to author Ayn Rand, particularly from her novel "Atlas Shrugged."

In the book, the creative people in society — innovators and artists — withdraw from it to show a nation can't survive when people aren't free to create. It emphasizes hands-off capitalism and puts forward Rand's philosophy of objectivism, which among other things holds that "the pursuit of [man's] own rational self-interest and of his own happiness is the highest moral purpose of his life."

Rand's ideas of celebrating sex and honoring effort are common themes in Raniere's dogma. In the NXIVM program, which Raniere has claimed is copyrighted and tried to patent, Raniere describes some people as "parasites," a term borrowed from Rand.

"All parasitic strategies lower self-esteem and therefore destroy value," Raniere wrote in his patent application. "It is our intent to rid the world of those things that destroy value. We can do this by modeling effort strategies with our own behavior and helping others learn to use them. This is spreading the mission."

NXIVM devotees admiringly refer to Raniere's concept of "mission."

And his group shares obvious similarities with other organizations propagating missions of self-improvement.

Many of the terms within NXIVM are similar to those in the Church of Scientology, a religious movement that has been called a cult — a label the Church of Scientology denies. As with Scientology founder L. Ron Hubbard, Raniere's ideas are labeled "technology." Those who are seen as disloyal to the group are dubbed "**suppressives**" and students move up a ladder of coursework meant to make them more successful in life and work. Long, involved sessions of guidance are called "**intensives**."

Rick Ross has been a cult tracker for more than 25 years. He has examined and spoken about NXIVM so extensively it spawned an ongoing federal lawsuit from Raniere for publicizing portions of NXIVM's training program. That legal battle with NXIVM, where he is countersuing, is entering its ninth year.

Ross has been qualified and accepted as an expert witness regarding cults and cultlike groups in the courts of 10 states and has been used by the federal government as a consultant. He has spent 50 to 100 hours talking with NXIVM members, he said, and additional time talking with ex-members, which is why he said he's confident in his view that Raniere is a cult leader. Ross has been retained by three former NXIVM members to help in deprogramming, and he has counseled several others, including one he said was sent into a psychotic episode from her NXIVM experience.

"In my opinion, NXIVM is one of the most extreme groups I have ever dealt with in the sense of how tightly wound it is around the leader, Keith Raniere," Ross said in an interview.

Ross was asked to provide insight on David Koresh to the federal government during the height of the Waco situation and says Raniere shows characteristics similar to Koresh.

Like the infamous leader of the Branch Davidians, Ross said, Raniere thinks he knows a way to reorder human existence, believes he is on the cutting edge of the new wave of the future, has followers who see him as a savior and uses his position of power to gain sexual favors from women.

For more than a decade, Raniere has been surrounded by a group of adoring women. In the 1980s and 1990s, it's believed Raniere had sexual relationships with three underage women, according to Times Union interviews with those women and their close family members. One of the characteristics of cults commonly cited by experts is the predisposition of group leaders to use sex as a means of power and control. Ross, who had two mental health professionals review the NXIVM curriculum, said he believes followers of NXIVM undergo a "thought reform" or "brainwashing" and "the ability of people to independently think is largely compromised."

One woman who learned Raniere's ways was his former girlfriend Natalie, who has survived years of legal battles with him. She described her relationship with Raniere in a series of Times Union interviews. The first time she met Raniere, she said, he had noticed she'd gone outside for a cigarette and asked if she wanted to quit smoking. When she told him she did, Raniere took her into his office for what she thought was only 15 minutes. Her husband at the time told her afterward that she had been in the room with Raniere for 2 1/2 hours. She doesn't remember anything that happened during the session, but she didn't smoke again.

In attempts to get Natalie to change other behaviors, Raniere later told her that in a previous life she was Heinrich Himmler, chief of Hitler's secret police in Nazi Germany, and NXIVM leaders were formerly Jewish victims.

When Raniere's investments in the commodities market were failing to pan out despite his mathematical formula to conquer it, he told Barbara Bouchey, one of his investors, that **her emotional reaction to losing money was influencing the universal forces** and affecting him negatively on a spiritual level, Bouchey recalled in an October 2009 deposition and June 2010 sworn statement filed in federal court.

Through the years, Raniere has shown an interest in hypnotism and neurolinguistic programming, a technique that identifies how people have been "programmed" to think and act and analyzes their words and body language in order to help them shed those beliefs.

Some who have been suspicious of Raniere initially have become strong supporters. Nancy Salzman, a registered nurse, first met Raniere in the 1990s and told Natalie she thought Raniere might be warped. Natalie said Salzman spent four days holed up with Raniere in his offices and emerged as his business partner.

Today, with Raniere's guidance and with Salzman as his No. 2 — devotees call her "Prefect" — NXIVM is a tightly controlled system. Members are **ranked and assigned colored sashes**, adopting something like a **martial arts system** Raniere learned as a boy. Students, also called "clients," are taught rules and rituals such as how to shake hands with one another and bow to NXIVM leaders. Students are told it's essential that much of the world's money be controlled by ethical people for human existence to survive. Students must sign confidentiality agreements.

Dozens of former students have publicly praised the NXIVM program for making them a better person. Several testimonials from high-ranking public officials and business leaders once were handed out by NXIVM in recruitment packages. Some of those who gave the testimonials, reached by a reporter, say they did not authorize the remarks or did not want to discuss the matter.

"I still think it's awesome," said area chiropractor Edward A. Kinum, a longtime NXIVM trainer who left the group because he disliked the litigation it had become involved in. "If I could find something as good, without the controversy, I'd love it."

Trainees are sometimes drawn into "**intensives**" — those marathon sessions of powerful introspection — and at least three NXIVM students later sought psychiatric help. **State records** say one other student committed suicide for unknown reasons, but she left behind a **note** about having taken NXIVM courses. In one court claim, NXIVM described the note as a fake.

Joseph Szimhart, a cult information specialist from Birdsboro, Pa., who broke away from his own damaging, two-year participation in a large New Age sect, has been recognized by courts as an expert on cults. He has also helped with interventions in families affected by cult membership.

"Based on evidence from NXIVM-related websites alone, Raniere fits the profile of a self-centered cult leader promoting warped ideas of individual transformation," Szimhart said. He said NXIVM poses a "level of harm" he has seen in modern cults that promote training programs for developing human potential. Szimhart based his comments on his review of NXIVM's website, two videos of Raniere on YouTube and by reading published material about NXIVM and Raniere.

Cathleen A. Mann, a cult expert from Colorado who has testified in nine states in the past 15 years, said Raniere is, in her opinion, "dangerous." She said she has been gathering information on NXIVM for a few years and has been consulting with former members to form her analysis. Particularly troubling, said Mann, who has a doctorate in psychology, is what she views as Raniere's increasing isolation and withdrawal into his own reality.

"He doesn't have anybody around him for checks and balances," she said. "His isolation makes him more unstable."

Not all experts agree on what constitutes a cult. Michael D. Langone, executive director of the International Cultist Studies Association, said cult is a subjective term and no clear diagnostic test is available. He did not express an opinion on NXIVM.

Robert Crockett, a lawyer for NXIVM, told a federal judge in October: "**It's not a cult, it's not anything like Scientology**," — not that there is anything bad about Scientology, he added.

Raniere has told his inner circle he wants to create **his own country with its own currency**, according to sworn testimony.

At one time, according to Bouchey's October 2009 deposition, NXIVM was gathering names of local Native Americans to see if they could be brought into the group to create a sovereign land like an **Indian reservation**. Another plan involved exploring Australia to see if NXIVM could develop **its own country within its borders**.

In the meantime, the organization is working on reaching the next generation. A boy, with a mysterious past, now about kindergarten age, has become a part of the NXIVM "family" and a test case for some of Raniere's ideas.

The child is a seedling in Raniere's "**Rainbow Cultural Garden**," described by Raniere as "a revolutionary child development program promoting children's cultural, linguistic, emotional, physical and problem-solving potential."

Former NXIVM associates have said that in 2007, Barbara Jeske, one of Raniere's top aides, said she traveled to Michigan with Keeffe, and came back with the newborn boy. That account could not be confirmed, but in October, former NXIVM training center operator Susan Dones testified in federal court that **the origin of the boy offered was "a story."** "Why could they not tell us that Kristin (Keeffe) had a baby or adopted a baby?" Dones asked.

The child has lived at Keeffe's address, two doors away from Raniere's home and next to the condo purchased by other NXIVM followers in the middle of the three attached units. The boy has had a series of nannies who speak to him in Russian, Chinese, Hindi, English and Spanish. Keeffe did not respond to requests for comment.

Saratoga County child welfare authorities won't say whether they have looked into questions raised about the child being raised under Raniere's guidance. In federal court, NXIVM has alleged that opponents have **conspired to contact the authorities** about the boy with unfounded reports. Meanwhile, the Rainbow Cultural Garden is marketing its programs.

Raniere's ideas about humanity and human potential have led him to start other companies and foundations in the last 20 years. He has organized an a cappella singing group aimed at attracting younger people to NXIVM and helped found a NXIVM women's group called Jness, with a 20-hour curriculum on the differences between the sexes. Two women have recalled that Jness included two hours on men not being predisposed to monogamy, and Dones has testified in court that some NXIVM leaders challenge the practice of monogamy, pushing one to **question such relationships as "ownership."**

A NXIVM center in Vancouver is thriving. Satellites in Mexico, where some aggressive recruiters focus on affluent families, have drawn Mexicans to the Capital Region, where they have not only taken NXIVM courses but also, in some cases, relocated their families. Raniere directly markets in Mexico, frequently contributing to the magazine Conocimiento (Knowledge) with plugs for NXIVM, or Executive Success Programs.

Thousands have fallen in step with Raniere's march to build an ethical society. But some who have strayed from his path to enlightenment are emerging, hoping to make Raniere accountable for the damage they've said he has done.

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