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Naked Capitalists

By Frank Rich

In late January 1998, during the same week that America first heard the ribald tale of the president and the intern, Variety tucked onto Page 5 a business story that caused no stir whatsoever. Under a Hollywood dateline, the show-biz trade paper reported that the adult-video business "saw record revenues last year" of some \$4.2 billion in rentals and sales.

It soon became clear to me that these bicoastal stories, one from the nation's political capital and the other from its entertainment capital, were in some essential way the same story.

In the weeks that followed, Washington commentators repeatedly predicted that the public would be scandalized by the nonmissionary-position sex acts performed illicitly in the White House. But just as repeatedly voters kept telling pollsters that they weren't blushing as brightly as, say, Cokie Roberts. The Variety story, I realized, may have in part explained why. An unseemly large percentage of Americans was routinely seeking out stories resembling that of the president and the intern -- and raunchier ones -- as daily entertainment fare.

The \$4 billion that Americans spend on video pornography is larger than the annual revenue accrued by either the N.F.L., the N.B.A. or Major League Baseball. But that's literally not the half of it: the porn business is estimated to total between \$10 billion and \$14 billion annually in the United States when you toss in porn networks and pay-per-view movies on cable and satellite, Internet Web sites, in-room hotel movies, phone sex, sex toys and that archaic medium of my own occasionally misspent youth, magazines. Take even the low-end \$10 billion estimate (from a 1998 study by Forrester Research in Cambridge, Mass.), and pornography is a bigger business than professional football, basketball and baseball put together. People pay more money for pornography in America in a year than they do on movie tickets, more than they do on all the performing arts combined. As one of the porn people I met in the industry's epicenter, the San Fernando Valley, put it, "We realized that when there are 700 million porn rentals a year, it can't just be a million perverts renting 700 videos each."

Yet in a culture where every movie gross and Nielsen rating is assessed ad infinitum in the media, the enormous branch of show business euphemistically called "adult" is covered as a backwater, not as the major industry it is. Often what coverage there is fixates disproportionately on Internet porn, which may well be the only Web business that keeps expanding after the dot-com collapse but still accounts for barely a fifth of American porn consumption. Occasionally a tony author -- David Foster Wallace, George Plimpton and Martin Amis, most recently -- will go slumming at a porn awards ceremony or visit a porn set to score easy laughs and even easier moral points. During sweeps weeks, local news broadcasts "investigate" adult businesses, mainly so they can display hard bodies in the guise of hard news. And of course, there is no shortage of academic literature and First Amendment debate about pornography, much of it snarled in the ideological divisions among feminists, from the antiporn absolutism of Catherine MacKinnon and Andrea Dworkin to the pro-porn revisionism of Sallie Tisdale and Susie Bright.

I'm a lifelong show-biz junkie, and what sparked my interest in the business was what I stumbled upon in *Variety* -- its sheer hugeness. Size matters in the cultural marketplace. If the machinations of the mainstream TV, movie and music industries offer snapshots of the American character, doesn't this closeted entertainment behemoth tell us something as well? At \$10 billion, porn is no longer a sideshow to the mainstream like, say, the \$600 million Broadway theater industry -- it is the mainstream.

And so I went to the San Fernando Valley, aka Silicone Valley, on the other side of the Hollywood Hills, to talk with the suits of the adult business. I did not see any porn scenes being shot. I did not talk to any antiporn crusaders or their civil-libertarian adversaries. I did not go to construct a moral brief. I wanted to find out how some of the top players conduct their business and how they viewed the Americans who gorge on their products.

Among other things, I learned that the adult industry is in many ways a mirror image of Hollywood. Porn movies come not only in all sexual flavors but also in all genres, from period costume dramas to sci-fi to comedy. (One series is modeled on the old Hope-Crosby "Road" pictures.) Adult has a fabled frontier past about which its veterans wax sentimental -- the "Boogie Nights" 70's, when porn was still shot only on film and seen in adult movie theaters. (The arrival of home video revolutionized porn much as sound did Hollywood.) Adult also has its own *Variety* (Adult Video News), its own star-making machinery (the "girls" at Vivid and Wicked are promoted like bygone MGM contract players), its own prima donnas and cinéastes. It has (often silent) business partners in high places: two of the country's more prominent porn purveyors, Marriott (through in-room X-rated movies) and General Motors (though its ownership of the satellite giant DirecTV, now probably to be sold to Rupert Murdoch), were also major sponsors of the Bush-Cheney Inaugural. Porn even has its own Matt Drudge -- a not-always-accurate Web industry gossip named Luke Ford, who shares his prototype's political conservatism and salacious obsessiveness yet is also, go figure, a rigorously devout convert to Judaism.

I didn't find any porn titans in gold chains, but I did meet Samantha Lewis, former real-estate saleswoman and current vice president of Digital Playground, whose best-selling "Virtual Sex" DVD's are, she says, "the Rolexes and Mercedeses of this business." I talked with Bill Asher, 38, the head of Vivid, who is an alumnus of Dartmouth and U.S.C. (for his M.B.A.) and Lawry's (the restaurant chain). I listened to the story of John Stagliano, who was once a U.C.L.A. economics major with plans "to teach at the college level" but who instead followed his particular erotic obsession and became Buttman, the creator of hugely popular improvisational cinema-vérité porn videos that have been nicknamed "gonzo" in honor of the freewheeling literary spirit of Hunter S. Thompson. A political libertarian, Stagliano was for a while a big-time contributor to the Cato Institute.

If the people who make and sell pornography are this "normal" -- and varied -- might not the audience be, too? It can't be merely the uneducated and unemployed who shell out the \$10 billion. And it isn't. Porn moguls describe a market as diverse as America. There's a college-age crowd that favors tattooed and pierced porn performers; there's an older, suburban audience that goes for "sweeter, nicer, cuter girls," as Bill Asher of Vivid Pictures puts it. There is geriatric porn (one fave is called "Century Sex"), and there's a popular video called "Fatter, Balder, Uglier." Oral sex sells particularly well in the Northeast, ethnic and interracial videos sell in cities (especially in the South), and the Sun Belt likes to see outdoor sex set by beaches and pools.

Yet such demographics are anecdotally, not scientifically, obtained. So few Americans fess up when asked if they are watching adult product, says Asher, "that you'd think there is no business." But in truth, there's no business like porn business. Porn is the one show that no one watches but that,

miraculously, never closes.

"Porn doesn't have a demographic -- it goes across all demographics," says Paul Fishbein, 42, the compact and intense man who founded Adult Video News. "There were 11,000 adult titles last year versus 400 releases in Hollywood. There are so many outlets that even if you spend just \$15,000 and two days -- and put in some plot and good-looking people and decent sex -- you can get satellite and cable sales. There are so many companies, and they rarely go out of business. You have to be really stupid or greedy to fail."

He points me toward the larger producers whose videos top AVN's charts and have the widest TV distribution. There are many successful companies, but some of them cater to niche markets (like gay men) that as of yet haven't cracked the national mass market of TV, where pay-per-view pornographic movies, though priced two or three times higher and not promoted, often outsell the Hollywood hits competing head to head. In a business with no barrier to entry -- anyone with a video camera can be a director or star -- there are also countless bottom feeders selling nasty loops on used tape. Whatever the quality or origin of a product, it can at the very least be exhibited on one of the 70,000 adult pay Web sites, about a quarter of which are owned by a few privately held companies that slice and dice the same content under different brands.

Fishbein has a staff of 62 to track it all. He seems smart, sensible and mercurial -- in other words, just like any other successful editor. And like almost everyone else I met in porn, he says he fell into it by accident. While a journalism student at Temple University in his hometown, Philadelphia, he managed a video store and found that customers kept asking him how to differentiate one adult tape from another. It was the early 80's, and the VCR was starting to conquer America, its popularity in large part driven (as the Internet's would be later) by the easier and more anonymous access it offered to porn. Prior to home video, pornography had a far smaller audience, limited mainly to men willing to venture into the muck of a Pussycat Cinema -- the "raincoaters," as the trade refers to that dying breed of paleo-consumer. The VCR took porn into America's bedrooms and living rooms -- and, by happenstance, did so at the same time that the spread of AIDS began to give sexual adventurers a reason to stay home. There is no safer sex than porn.

As adult titles on tape proliferated, Fishbein started a newsletter to rate them. Other video-store owners, uncertain about which porn films to stock, took a look. Now, some 18 years later, Fishbein runs an empire that includes 10 Web sites and spinoff journals like AVN Online. He also stages trade shows and presents the AVN Awards in Vegas in January. An issue of AVN can run in excess of 350 slick pages, much of it advertising, in which a daunting number of reviews (some 400 a month) jostle for space with sober reportage like "For Adult, Ashcroft Signals Circle the Wagons Time." Fishbein has a soft spot for porn veterans like Al Goldstein, the 65-year-old paterfamilias of Screw magazine who writes a column for Fishbein's main Web site, AVN.com, in which Goldstein sometimes rails against the new corporate generation of pornographers who have no memory of the daring and sacrifice of their elders. "Al Goldstein took 19 arrests for this business," Fishbein says reverently.

Though he embodies the corporatization of porn, Fishbein exudes a certain swagger. "I'm here by accident, and now that I'm here, I'm proud of what I do," he says. "My mother sits at my awards table each year when girls accept awards for oral sex. Sex sells and it drives the media, and it always has. Billboards, movies, ads, commercials. It's what we're thinking about at all times of the day. We're told it's bad, and it manifests itself as political debates."

Fishbein assures me that he has no "naked girls running through the office," and alas, he is right -- though a staff member does wander in with a photo to ask, "Was that the naked sushi party?" But

there's a pleasant buzz and bustle about the place -- one I associate with journalism. "This could be a magazine about pens and pencils," Fishbein says. Maybe.

The browsers on the two computers behind his desk are kept on CNN.com and AVN.com, which is modeled on CNN's as a (porn) news portal. The décor of his large, meticulous office is mostly movie memorabilia. A film buff as well as a news junkie, Fishbein is a particular fan of the high-end comedies of Woody Allen, Albert Brooks and Preston Sturges, and he could be a highly articulate, slightly neurotic leading man out of one of them. He speaks glowingly of having just taken his 12-year-old stepdaughter to "Yi Yi." Does he watch the movies that AVN reviews? He flinches. "I haven't watched an adult movie without fast-forwarding since I saw one in a theater at 18. I watch them for business reasons. My wife and I don't watch them for entertainment. It is hard for me to look at it as more than product."

Many of the top porn producers are within blocks of Fishbein's office in the utterly anonymous town of Chatsworth -- an unhurried, nondescript sprawl of faded strip malls, housing developments and low-slung (and usually unmarked) business complexes that look more like suburban orthodontic offices than porn factories. Everyone in the business seems to know one another. "There's a certain camaraderie among those who are on the fringe of society, a similarity to outlaws," Fishbein says. Yet he seems like anything but an outlaw; he was about to fly off to the Super Bowl and then a skiing vacation. I ask if organized crime is a factor in today's porn world. "When I got here, I heard there were mob companies," he answers. "But I've never even been approached by a criminal element. I've never been threatened or bribed. So if it ever existed, it's part of the history of the business." He almost sounds disappointed.

Russell Hampshire, who owns one of the biggest companies, VCA Pictures, did do time in jail -- nine months in 1988 for shipping obscene videotapes across state lines to federal agents in Alabama. Somewhat more prosaically, he is also a graduate of McDonald's Hamburger U., which he attended while running McDonald's franchises in El Paso in the 70's. It's business training that came in handy in the porn biz. "I learned about inventory, buying the proper insurance, doing everything by the book, not taking shortcuts," he says.

Hampshire, who runs VCA with his wife of 10 years, Betty, has an Oscar Madison look -- Hawaiian shirts, gym shorts and a baseball cap. I wouldn't want to get on his bad side. He's big and leathery and sounds like Lee Marvin as written by Damon Runyon. Asked why the sign outside says "Trac Tech" instead of VCA, he says he wants to stay "as innocuous as possible."

He has been in the business since 1978 and waxes nostalgic for the early video days, when you could transfer a prevideo Marilyn Chambers classic to cassette and sell it wholesale for up to a hundred bucks. Now his top movies wholesale for \$18 or \$19, sometimes lower. "There used to be only 10 to 12 titles to choose from in a video store," he says. "Now there are thousands of titles." A typical release may sell only 2,000 units or less -- 7,500 would be a modest hit -- but thanks to TV and international sales, Hampshire says he makes money "on every title." Though the total income from a hit is pocket money by Hollywood standards, Hollywood should only have such profit margins. An adult film that brings in \$250,000 may cost only \$50,000 to make - five times the original investment. Production locations are often rented homes, shooting schedules run less than a week, and most projects are not shot on the costly medium of film. There are no unions or residuals. Marketing costs are tiny, since quote ads run in AVN and skin magazines, not in national publications or on TV. Most economically of all, porn movies don't carry the huge expense of theatrical distribution: video killed off adult movie theaters far more effectively than it did regular movie theaters.

Still, Hampshire resents the lower overhead of porn's newcomers: "I have 80 employees. I have a 100 percent medical plan for everyone's family -- dental and vision care too. Some of my guys have been working here 17 or 18 years. And I'm up against amateurs with \$800 Handicams." He also grouches about the new administration in Washington, as many in the industry do, fearing there could be a replay of the war on porn during the Reagan years, when Attorney General Edwin Meese called for restrictions on live sex shows and the dissemination of pornographic materials. "I like the rest of Bush's cabinet -- just not Ashcroft," Hampshire says.

With the company's in-house press rep, a former preschool teacher named Mischa Allen, in tow, Hampshire takes me on a tour of VCA's 40,000-square-foot operation, proudly showing off the state-of-the-art video-editing bays, the room containing 3,000 video-duplication decks (churning out 400,000 tapes a month) and the prop room in which I spot a neon sign for "Bada Boom" from the set of the recent "Sopornos 2." The mechanized assembly line on which the tapes are boxed and shrink-wrapped is as efficient as that for bottling Coke.

But more than anything, VCA resembles the corporate headquarters of a sports franchise. Only on close inspection do I realize that a towering glass case full of what look like trophies in the reception area in fact contains awards such as the 1996 Best Group Sex Scene, bestowed upon the "Staircase Orgy" from "New Wave Hookers 4." Hampshire, an avid golfer and bowler, has lined VCA's corridors with his collection of autographed sports jerseys, the latest from Tiger Woods. On one wall are plaques of appreciation from the Hampshires' philanthropic beneficiaries, including a local school to which they donate video equipment and free yearbook printing.

Hampshire's own office is spacious, outfitted with leather furniture, but -- characteristically for the business -- looks like a bunker. Above his desk is a console of TV screens tuned into the feeds from security cameras. Incongruously, this inner sanctum's walls are festooned with another variety of pompously framed "collectibles" -- autographed letters and photographs from Anwar Sadat, Menachem Begin, Jimmy Carter and Richard Nixon. Hampshire says they're all copies, but he points to a melted-looking clock and says, "I've got Salvador Dalis all over the place -- authentic Salvador Dalis." He also shows off a vintage group photo of Murder Inc.

But Hampshire describes his existence as considerably more mundane than Bugsy Siegel's. He almost never goes to a set, where the hurry-up-and-wait pace makes it as "boring as Hollywood." He ticks off his duties: "Dealing with distributors and OSHA rules and regulations. I have to write reviews of all my department heads and decide raises."

As I leave his office I notice still another framed artifact: a Bronze Star for "exceptionally valorous action on 12/8/67" while serving as a Company C rifleman in combat in Vietnam. The citation says that Hampshire "continually exposed himself to hostile fire" while saving the lives of his fellow soldiers.

It's the only thing that seems to embarrass him. "I buried it for so long," he says. "When I first came out here, I was ashamed to say anything because people might say I'm a bad person."

Almost every adult company is pursuing innovative media, preparing for Internet broadband and interactive hotel-room TV. At Wicked Pictures' newly revamped Web site, for instance, a visitor can cross-index a particular porn star with a sexual activity, then watch (and pay for) just those scenes that match. Digital Playground's "Virtual Sex" DVD's resemble video games in how they allow the user to control and inject himself into the "action."

As in nonadult video, DVD is cutting into videocassette sales -- even more so in adult, perhaps, because DVD's have the added virtue of being more easily camouflaged on a shelf than cassettes. Hampshire is particularly proud of VCA's DVD technology. With his vast catalog, he is following the model of Hollywood studios by rereleasing classics -- "The Devil in Miss Jones 2," "The Opening of Misty Beethoven" -- in "Collectors Editions," replete with aural commentaries from original stars like Jamie Gillis. As with Hollywood's DVD rereleases, they are pitched at nostalgic consumers in the "boomer-retro" market. "These aren't 'adult' -- they're pop culture now," says Mischa Allen.

But VCA aims far higher than merely recycling golden oldies. In a windowless VCA office, I meet Wit Maverick, the head of its DVD production unit. He is 37, and with his blue Oxford shirt, goatee and glasses, he could be a professor somewhere -- perhaps at Cal Arts, where he got a masters in film directing. He ended up at VCA, he says, because it was "the best opportunity to push the envelope of technology."

Maverick knocks mainstream studios for providing only a linear cinematic experience on their DVD's. "There's a great hubris in Hollywood," he says. "They think the way the director made the film is the only way the story can be told. We have a lot more humility. If a viewer wants something different, we give it to him." As an example he cites "Being With Juli Ashton," VCA's take on "Being John Malkovich." The viewer, Maverick says, "can go inside the head of the person having sex with Juli Ashton, male or female. He can choose which character to follow. He can re-edit the movie. Would James Cameron let anyone do that with 'Titanic'?"

"I feel like filmmakers 100 years ago," Maverick continues. "It's a great technology, but we still don't know what to do with it. A hundred years from now I want grad students to read what I've done on DVD the way I read about D.W. Griffith."

Wit maverick collaborates on his DVD's at VCA with Veronica Hart, 44, one of the business's most prominent female executives and, before that, a leading porn star of the late 70's and early 80's.

Universally known as Janie -- her real name is Jane Hamilton -- she is typical of the mostly likable people I met in the porn world. She combines hardheaded show-biz savvy and humor with an utter lack of pretension and even some actual candor -- a combination unheard of on the other side of the hills.

"The difference between us and Hollywood," she elaborates, "is money and ego. We deal with thousands of dollars, not millions. In mainstream, people are more cutthroat and pumped up about themselves. We're just like regular people -- it has to do with exposing yourself. If you show something this intimate, there isn't a lot you can hide behind. You're a little more down to earth. We're not curing cancer. We're providing entertainment."

Hart studied theater at the University of Nevada in her hometown, Las Vegas. After acting leads in plays by Pinter and Lorca -- as far east as Kennedy Center's annual college theater festival -- she passed through the music business in England and worked as a secretary at Psychology Today magazine in New York before ending up in movies like "Wanda Whips Wall Street." While we are talking in her office she looks up Veronica Hart's 100-plus performing credits on the Internet, including some non-hard-core B movies with faded mainstream actors like Farley Granger and Linda Blair. "In this one I played a stripper," she says while scrolling down the list. "That was a real stretch."

She pulls back from the computer screen and sums up her career: "I was lucky enough to be a performer in the golden age of porn cinema. I'm no raving beauty, and I don't have the best body in

the world, but I look approachable. And I've always really enjoyed sex." More recently, she played a cameo as a judge in "Boogie Nights," but she disputes that movie's historical accuracy about porn's prevideo age. "We never shot in L.A. back then, only in New York and San Francisco," she says. Indeed, adult exactly mimicked movie-industry history -- beginning in New York, then moving west.

In 1982, at the top of her career, Hart fell in love and left the business. "AIDS had just started up, and I lost every gay person I knew," she says, listing close friends who worked on the production side of the straight-porn business. She had two sons and helped support her family in part by stripping. Though not intending to re-enter porn, eventually she did, as a producer and director.

Hart has been in adult longer than anyone I met and has done "everything" in it, she jokes, "including windows." She warns me that "any blanket statement about the business is meaningless" because it's so big that "every conceivable type of person" can be found in it. "You'll find someone who's into it to provide spiritual uplift and educational self-help" she says. "And if you want to find rotten, vicious, misogynistic bastards -- you'll find them. You'll find everyone who fits the stereotype and everyone who goes against the stereotype. In the loop and disposable-porno section of our business, you'll find the carnival freak-show mentality. There has to be a geek show somewhere in our society. What ticks me off is that all of adult is classified according to the lowest that's out there. We've always been legal. Child molestation has never been in mainstream adult. We've always policed ourselves. There's no coerced sex. But there are little pipsqueaks who get their disgusting little videos out there. There's a trend in misogynistic porn, and it's upsetting. I've been in the business for more than 20 years, and I helped make it possible for these guys to make these kinds of movies. I don't believe that's what America wants to see."

As for her own movies, Hart, like many of her peers, is preoccupied with the industry's biggest growth market -- women and couples. The female audience was thought to be nearly nil when consuming pornography required a visit to a theater, an adult book store or the curtained adult section of a video store. But now hard core is available at chains like Tower (though not Blockbuster), through elaborate Web sites like Adultdvdempire that parallel Amazon and by clicking a pay-per-view movie on a TV menu (where the bill won't specify that an adult title was chosen).

The Valley's conventional wisdom has it that women prefer more romance, foreplay and story, as well as strong female characters who, says Bill Asher of Vivid, "are not only in charge of the sex but the rest of the plot." Hart isn't sure. "Just because women like romance doesn't mean we want soft sex," she says. "We want hot and dirty sex just like anybody else. For instance, many women love the fantasy of being taken -- but how do you portray it without sending a message to some guys to abduct?"

Hart, who thought of herself as a sexual pioneer when she was a porn performer, finds that there is no shortage of women who want to appear in adult now. She never has to search for new talent; willing performers call her "from all over the country." The men? "They're props."

Today's porn stars can be as temperamental as their Hollywood counterparts, or more so. "I assume Sarah Jessica Parker and Kim Cattrall show up on the set on time," said Paul Fishbein rather tartly when I asked about Jenna Jameson, the industry's reigning It girl of recent years. Though he was trying to give her a free vacation as thanks for her work as host of the recent AVN awards, Jameson wasn't returning his calls. "In adult, they don't show up and don't care," Fishbein says. "Lots of girls in this business -- and guys, too -- are dysfunctional. The girls get here at 18 and aren't mature. They do it because they're rebels or exhibitionists or need money. They think they're making real movies and get really upset when they don't win awards or get good reviews."

Some porn directors have similar pretensions. They can receive grandiose billing -- "A Brad Armstrong Motion Picture" -- and are sometimes grudgingly indulged with a "big budget" project (\$250,000 tops) made on film, even though sex scenes are far harder to shoot on film (with its trickier lighting and shot setups) than on video -- and even though adult films are almost never projected on screens. "We have our own Brad Pitts wanting to make 'Seven Days in Tibet,'" said one executive. Performers are paid at fairly standardized rates -- by the day or sex scene, as much as \$1,000 per day for women, as little as \$200 for men. The contract girls at Vivid and Wicked sign for \$100,000 and up a year, in exchange for which they might make nine movies, with two sex scenes each, over that time, along with any number of brand-boosting promotional appearances at consumer conventions and video stores. The top stars double or triple that figure by running their own subscription Web sites, marketing autographs (along with less innocent mementos) and most lucratively, dancing in the nation's large circuit of strip clubs at fees that can top \$10,000 a week.

But porn stars have an even shorter shelf life than Hollywood's female stars and fare worse in love. Though H.I.V. and drug testing, as well as condom use, are rigorous at the top adult companies, one producer asks rhetorically, "Who wants to date a woman who's had sex with 60 people in two months?"

Since I've rarely found actors to be the most insightful observers of the movie business, I wasn't eager to sample the wisdom of porn stars. But I did seek out Sydnee Steele, a newly signed Wicked contract girl who is by many accounts a rarity in the business -- she's happily married. Her husband is Michael Raven, 36, a top adult director. They met in Dallas in the early 90's, when she was a jewelry saleswoman in a shopping mall and he was a car salesman who sold her a mariner blue Miata. Eventually they drifted into the local swingers' scene. (One porn worker would later tell me, "Texas, Florida and Arizona are where all the swingers and strippers come from, though no one knows why.")

"The industry looks up to our relationship," Raven says when I meet the couple, now married nine years, at Sin City, another production company in Chatsworth. Avid porn fans in Texas, they migrated to the Valley to turn their avocation into a livelihood. Like many of the directors and male performers in the business, Raven is a somewhat lumpy everyman, heading toward baldness and sporting a meticulous goatee. A Kandinsky poster decorates the Sin City office. "I've gotten jealous on occasion," Raven allows. "I'm not jealous of her because of sex in movies; I'm jealous when her work takes her away from me. I get lonely if she's gone two weeks on the road."

"Sometimes I'm too tired for my husband," Steele says. "We love what we do, but it's hard work -- lots of 12-hour days." By now, I've watched some of what she does and find it hard to square the rapacious star of "Hell on Heels" with the woman before me, who is softer-spoken, prettier and considerably less animated than her screen persona. Maybe she can act.

The daughter of a college professor, Steele comes from what she calls a "Leave It to Beaver" nuclear family, Raven from a religious one. "I've leaned toward the right in my politics," he says, "but I'm bothered by the Republicans' association with the religious right. I know from my experience of religious people that those who protest and scream the loudest usually have the biggest collection of adult under their bed." He wishes they'd protest violent entertainment instead: "In video games, you're supposed to destroy, maim and dismember an opponent. But if one person is giving pleasure to another in adult, that's evil. Sex on TV is more destructive than hard core. You can depict a rape on TV -- we don't touch that subject."

Like his wife, Raven is increasingly recognized by strangers -- largely because "Behind the Scenes" documentaries about his movies appear on DVD's and on cable erotic networks, much like Backstory

features on American Movie Classics. But Raven no longer stays in contact with his own family. And Steele's parents, she says, "don't totally know what I'm doing and don't ask. We don't lie, but they've never really been told."

The secrecy among porn people is so prevalent that it's a running, if bittersweet, gag in a made-for-the-Internet TV series called "The Money Shot" that Paul Fishbein of AVN is producing as a lark. If you care to sample only one product of the adult industry, this is it -- and the episodes can be seen free in streaming video on a nonporn site, moneyshot-theseries.com. But be warned, its rating clocks in at about PG-13. "The Money Shot" is a roman à clef comedy, much in the spirit of HBO's classic "Larry Sanders Show," about daily life in the adult biz, as it filters into the offices of an AVN-like publication called "Blue Movie Guide." In a rather poignant episode titled "The Parents Show," one character dolefully concludes, "Nobody in this business tells their folks nothing."

Bryn Pryor, 33, is the director and a writer of "The Money Shot." He's an AVN staff member who arrived in the Valley after nine years in the theater, much of it children's theater, in Arizona. "The Money Shot" hits his friends where they live. "Porn is legal now, but it has the mentality of other businesses, like prostitution and gambling, that started with organized-crime connections," he says. "People approach it as if they've done something wrong. If our customers project shame, than you must be doing something wrong. Everyone at AVN writes under a pseudonym. We have people here who don't want anyone to know their real name." Variations on this theme were visible everywhere I went in the Valley. Receptionists at porn companies tend to answer the phone generically: "Production Company" or "Corporate Office."

Typifying this ambivalence is Steve Orenstein, 38, the owner of Wicked Pictures. He made his accidental entrance into the porn business through his mother -- who got him a part-time job when she worked as a bookkeeper at an adult-book distributor and he was 18. But he does not seem eager to reveal his calling to his 9-year-old stepdaughter.

"Being in the business you walk that line all the time -- do you say what you do or not?" he says. Orenstein has revealed his true profession to only a handful of people whom he and his wife have met on the PTA circuit. "I'm comfortable with what I do," he says, "but I don't want parents of our child's friends saying their kids can't play with her because of it." His stepdaughter has noticed the Wicked logo on his shirt. "She knows I make something only adults can see."

The Orensteins have spoken to a therapist about the inevitable day of reckoning with their child. "The counselors say don't tell her yet," he says, "don't overexplain." But surely she'll guess by adolescence? Orenstein, a slight, nervous man with a reputation as a worrier, merely shrugs. For the moment, he's more concerned about protecting the child from prime-time television, citing a recent episode of the sitcom "The King of Queens" on CBS. He recalls: "The guy's rolling off his wife, and my 9-year-old asks, 'What do they mean by that?' Should I be letting her watch it?"

Russell Hampshire's gambit is to tell strangers he's in "the video-duplication business." Allen Gold, a VCA executive with daughters ages 1 and 3, says he's "in the DVD business." Paul Fishbein doesn't bring either AVN or adult product into his house. Michael Raven and Sydnee Steele have decided for now not to have children.

I ask Veronica Hart, whose two teenage sons are at magnet schools for the highly gifted, what they have made of her career. "It's horrible for them," she says. "I'm their loving mommy, and nobody likes to think of their parents having sex and being famous for it. I'm not ashamed of what I do. I take responsibility for who I am. I chose. From the time they were kids, my stripping gear was washed and

hanging in the bathtub. At the same time I apologize to my kids for how the choices in my life have affected them. They're well adjusted and can joke with me about it: 'I know I'm going to spend the rest of my life on the couch.'"

No wonder the porn industry has its finger on the pulse of American tastes. Not only do its players have a lifestyle more middle class than that of their Beverly Hills counterparts, but in their desire to keep their porn careers camouflaged in a plain brown wrapper, they connect directly with their audience's shame and guilt. Still, the next generation of porn consumers and producers alike may break with that puritan mind-set. The teenagers who grew up with cable and the VCR "come to the table already saturated with sex," says Bryn Pryor. "They've never known a time without Calvin Klein ads and MTV. By the time they see porn, they've already seen so many naked people they're pre-jaded."

This may explain why Americans are clamoring for ever more explicit fare. In mainstream TV, sex is no longer sequestered on late-night public access shows like "Robin Byrd." At HBO, Sheila Nevins, the highly regarded executive in charge of its nonfiction programming, has been stunned by the success of sexual documentaries like "Real Sex," now in its 11th year, and "Taxicab Confessions." Focus groups complain to HBO that another hit series, "G-String Divas," doesn't go far enough. "They know what really happens in a strip club," Nevins says, and find HBO's version "too R-rated." Though HBO, known for its heavy promotions of "The Sopranos" and "Sex and the City," spends nothing to advertise its sex series, they always are among the network's most watched. "I can do all the shows I want about poverty in the Mississippi Delta," Nevins says, "but this is what hard-working Americans want to see. At first we were embarrassed by the sex shows, and producers didn't want their names on them. Now we have Academy Award producers, and their names can't be big enough."

At Playboy, Jim English, the head of its TV division, and his boss, Christie Hefner, have felt the heat. Its Playboy and Spice channels have been squeezed from both sides in the cable-satellite marketplace. The softer, if X-rated, cuts of hard-core movies that it runs are no longer much more explicit than regular cable programming at HBO, Showtime ("Queer as Folk") and MTV ("Spring Break"). Even the Learning Channel (with "Bra Wars" and "Wild Weddings") and the History Channel (with its four-part "Sex in the 20th Century") are testing the waters. Meanwhile, erotic networks like Hot and Ecstasy, which run XX films, are cannibalizing Playboy's audience from the other end of the erotic spectrum. The result: This summer Playboy plans to start "Spice Platinum Live," which edges toward XXX. (I'll leave the codified yet minute clinical distinctions separating X, XX and XXX to your imagination.)

Even in an economic downturn, everything's coming up porn. Newly unemployed dot-com techies who can't find jobs in Silicon Valley are heading to Silicone Valley, where the work force is expanding, not contracting. "Vivid overall has doubled, tripled revenues and profits in the past couple of years," says Bill Asher. While he says there's no such thing as a Hollywood-style "home run" in porn -- unless another celebrity like Pamela Anderson turns up in a sex video, intentionally or not -- he sees potentially "a tenfold jump" in profits as distribution increases through broadband and video-on-demand. (Porn executives are no less fuzzy than Hollywood's as to when this might be.) "There are opportunities here that Paramount will never have in terms of growth," Asher says. "Our product travels well internationally and is evergreen. Five-year-old product is still interesting to someone; it's not yesterday's news like a five-year-old Hollywood blockbuster. Our costs are relatively fixed. As there's more distribution, 90 cents of a dollar hits the bottom line." The absence of adult retail stores in conservative pockets of the country is no longer a barrier. "You can get a dish relatively anywhere," Asher says, "and get whatever you want."

When Vivid took over and expanded the Hot Network in 1999, Asher says, "there was no outcry. We

got thank-you letters and sales boomed. We put up two more channels in months. Cable companies were begging for them. It doesn't take a genius to do this. Literally the customers say, I like what you've got -- give me some more of it." Entertainment-industry executives not directly involved in the adult business confirm its sunny future. Satellite and cable companies have found that the more explicit the offerings, the more the market grows. AVN reports that TV porn may actually be increasing video-store sales and rentals rather than cannibalizing them -- by introducing new customers to the product. Though some cable companies say they don't want adult, only one of the country's eight major cable providers, Adelphia, forbids it. The others are too addicted to the cash flow to say no. The organized uproar that recently persuaded a teetering Yahoo to drop its adult Web store -- but not its gateways into other adult sites -- is the exception, not the rule.

And despite a rumor that one porn mogul keeps a Cessna waiting at Van Nuys airport to escape to Brazil if there's a government crackdown, the odds of that look slim. Too many Fortune 500 corporations with Washington clout, from AT&T to AOL Time Warner, make too much money on porn -- whether through phone sex, chat rooms or adult video. At the local level, the Supreme Court's 1973 "community standard" for obscenity may be a non sequitur now that there's a XX national standard disseminated everywhere by satellite and the Web. A busted local video retailer in a conservative community can plead that his product is consistent with what the neighbors are watching on pay-per-view -- as one such owner successfully did in Utah last fall.

Should John Ashcroft's Justice Department go after porn, smart betting has him pursuing shadowy purveyors of extreme porn on the Internet (though it's not clear that the actionable stuff originates in the United States) and child pornography, all of which is condemned by the professional adult industry. "No one in this business will complain if Ashcroft goes for the kid angle," Fishbein says.

Jim English of Playboy suggests that one way to meet the typical American porn audience en masse is to accompany him to a live broadcast of a hit Playboy show called "Night Calls 411." Fittingly, "Night Calls" is televised from a studio in Hollywood, right by the old Gower Gulch, where low-budget studios long ago churned out early features in bulk much as the adult business does now.

Two underclad hostesses, Crystal Knight and Flower, intersperse wisecracks and sex tips with viewers' phone calls. Though only a few callers get on the air, as many as 100,000 try to get through, with still more deluging the show with "Miss Lonelyhearts" e-mail.

It's not "Larry King Live," but in some ways it could be an adult version of the "Today" show, whose fans cross the country with the hope of being in view as the camera pans Rockefeller Center. The "Night Calls" devotees go further: many of them are engaging in sex when they call. "Having sex is not enough of a turn-on in America -- you have to be on TV too," jokes English. The callers often ask that the hosts talk them through to what The Starr Report called completion, and the women oblige -- hoping for slam-bam speed so they can move on to the next caller. I'm struck by how much the male and female callers alike mimic porn performers, with their clichéd sex talk and over-the-top orgasmic shrieks. The adult audience apes its entertainers as slavishly as teenagers do rock idols.

By now, I've become intimately familiar with the conventions of adult entertainment, having asked those I met in the business to steer me to their best products. I've watched Wicked's "Double Feature," a multiple winner of AVN awards, among them Best Comedy, and found it full of erudite cinematic references, including a campy spoof of Ed Wood films. I've seen Vivid's new "Artemesia," a costume drama set in 16th-century Italy and given AVN's highest rating; it is laced with high-flown ruminations on the meaning of art, somewhat compromised by the tattoos on the performers. From Video Team, a company specializing in interracial porn, there is a thriller called "Westside" with a social conscience

reminiscent of "West Side Story," a soundtrack that features music by Aaron Copland and a take on the drug wars that wouldn't be out of place in "Traffic."

It's no wonder, though, that Stagliano's gonzo, in which the performers just get it on, has such a following. All the plot and costuming and set decoration and arty cinematography -- why bother? The acting -- who needs it? (In "Flashpoint," Jenna Jameson, cast as a female firefighter, sounds the same when sobbing over a colleague's death as she does in coital ecstasy.) The films are tedious, and I'm as tempted to fast-forward through the sex scenes as the nonsex scenes. No matter what the period or setting, no matter what the genre, every video comes to the same dead halt as the performers drop whatever characters they're supposed to be assuming and repeat the same sex acts, in almost exactly the same way, at the same intervals, in every film. At a certain point, the Kabuki-like ritualization of these sequences becomes unintentionally farcical, like the musical numbers in a 30's Hollywood musical or the stylized acrobatics in a martial-arts film. Farcical, but not exactly funny. All the artful *mise en scène* in the world cannot, for me anyway, make merchandised sex entertaining or erotic.

I tell Bryn Pryor of AVN and "The Money Shot" my reaction. He's a professional porn critic. Is this the best that adult has to offer?

"The top of the heap in porn is the bottom in mainstream," he says. "The sad fact is that while consumers are more aware than they've ever been, nobody cares if it's a good movie, and we all know that. They care if it's hot in whatever subjective way it's hot to them. Most porn directors don't even watch the sex; they just direct the dialogue. They tell the camera people they want three positions and then go off and eat."

He continues: "Porn is not a creative medium.

Everyone in the porn industry says he's on the way to something else, like waiters and bartenders, but it may be that most of us belong here. If we were really good, we'd be doing something else."

Pryor envisions a day when adult and Hollywood will converge, but in a sense that's already the case. If much of porn ranges from silly to degrading, what's the alternative offered on the other side of the hills? The viewer who isn't watching a mediocre porn product is watching -- what? "Temptation Island"? W.W.F.?

Moralists like to see in pornography a decline in our standards, but in truth it's an all-too-ringing affirmation of them. Porn is no more or less imaginative than much of the junk in the entertainment mainstream -- though unlike much of that junk, it does have an undeniable practical use. In that regard, anyway, there may be no other product in the entire cultural marketplace that is more explicitly American.

Photos: Russell and Betty Hampshire of VCA Pictures, one of the biggest pornography producers.; "Do you say what you do or not?": Steve Orenstein, owner of Wicked Pictures.; "No coerced sex": Veronica Hart, adult-movie director and former porn star. (Dan Winters for The New York Times)