Esterhazy was born in Paris, as the illegitimate descendant of a proud Hungarian family of diplomats, soldiers and princes with significant land holdings from the time of the Holy Roman Empire. He was brought up in Austria and educated in an Austrian military school. By 1866 when Esterhazy was then participating in the campaign in Italy as an Austrian cavalry officer, he had only the family name and none of its wealth. Quitting the Austrian army, he was admitted to the Papal Zouaves, and eventually, through the influence of an uncle he entered the regular French army and received a series of promotions to the rank of Major in 1892. Esterhazy served as an infantry officer in the French Foreign Legion, the Army of the Loire in the 1870 Franco-Prussian War, the Second Bureau – French military intelligence service in 1876 (where he served with then Lieutenant Henry) the Tunisian campaign of 1881-1882, and then in the Army Information Service in Paris.

Although his professional life was somewhat remarkable his personal life was still more so. Despite the fact that he did marry a wealthy countess from Lorraine for her money, Esterhazy was a connoisseur of the courtesans, a pathological gambler and swindler, perpetually on the brink of bankruptcy. Due to his dubious and unsavory habits he was willing to sell favors of any kind to any buyer. In the early 1890’s he even went so far as to sell himself as a defender of the Jews, writing controversial articles for the anti-Semitic La Libre Parole. His machinations eventually became too extreme and by 1894 he had been referred to as a ‘cheat’ suffering from tuberculosis, insomnia and ‘was gasping for breath amid the thousand intrigues he had woven around himself.’

Always in financial difficulties, Esterhazy sold French military secrets to the German military attaché in Paris. After several attempts in July and August of 1894, he finally met with and gave the treasonous document, which became known as the Bordereau, to Maximillien von Schwarzkoppen. In 1894, treason was apparent when the Bordereau was discovered via the ‘ordinary track.’

It was not until after Dreyfus was sent to Devil’s Island that Esterhazy’s name was officially brought to the attention of French military. Following the conviction, the War Ministry was pressing Lieutenant Colonel Picquart
to produce some additional evidence against the Jewish traitor. In the course of his investigations, Picquart discovered the petit bleu, an incriminating letter recovered from the German embassy addressed to the Monsieur le Commandant Esterhazy. From that letter, Picquart would begin to investigate Esterhazy as a possible new traitor, but would ultimately come to identify him as the true traitor and author of the Bordereau.

Two years after Dreyfus was sent to Devil’s Island, Picquart brought his evidence to the general staff, who quickly dismissed it and promptly sent him to North Africa. Major Hubert Henry immediately took Picquart’ place, and proceeded to discredit the evidence against Esterhazy by forging several documents that further implicated Dreyfus. It is not certain whether Henry acted to aid Esterhazy as a favor to a friend or whether he was acting out of a sense of patriotism. Whatever his motivation, Henry’s actions only added fuel to the fire for the Dreyfus family with his somewhat clumsy and excessive attempts to conceal the truth.

Not long after Picquart’s removal, Mathieu Dreyfus learned of the Esterhazy investigation. This was soon brought to the attention of the press and interest in the affair was raised anew. This uproar prompted Esterhazy to take the dramatic step of demanding a court-martial to clear his name, believing that the general staff would never convict him. Esterhazy was actually tried in 1898, but his fellow officers quickly acquitted him unanimously. The Dreyfusards, for the most part, suspected nothing else and before the end of the trial planned a new attack in the press. Emile Zola in particular decided to present the case in whole, leveling accusations against the French military and everyone involved in the affair. J’Accuse, an open letter to the president was published in a special edition of L’Aurore on January 13, 1898.

Shortly after its publication, Emile Zola went on trial in the French criminal court for his article, J’Accuse. Throughout the trial, Esterhazy had spoken in the press of the devastation that the affair was causing in the streets of France and the further damage to the Jews that the return of Dreyfus would cause. It was only at the end of the Zola trial that Esterhazy was actually called to testify. His actions during the more than thirty minutes of questioning earned him an ovation from the officers in the courtroom. Despite the direct and even aggressive interrogations by Labori and Clemenceau, Esterhazy stood, with his arms crossed and refused to
answer a single question. At the end of the questioning, Esterhazy, looking exhausted nearly fainted as he took his seat amid the applause of the French officers.

His acclaim was short lived however. Unfortunately for him, Major Henry's forged documents were exposed and after his interrogation he eventually broke down and admitted forging the documents used in part to convict Dreyfus. This virtually eliminated the evidence against Dreyfus and left little question that Esterhazy was the true traitor.

On August 31, 1898, Esterhazy was relieved of duty, officially ‘cashiered for habitual misconduct’ by the President of the Republic after Henry's confession of forgeries. The next day Esterhazy fled to England, where, under the name Count Jean de Voilement he continued receiving sums of money at a post office from an unknown source. His ways continued there, where, in order to earn money he published a confession to writing the Bordereau, but reserving ultimate guilt for a superior officer who by then was dead.

Although there is no direct evidence supporting Esterhazy’s assertions, it is worth noting that he ultimately claimed that Colonel Sandherr instructed him to write the incriminating document. According to Esterhazy, Sandherr and his accomplice, Major Henry, who discovered the Bordereau and recognized Esterhazy’s handwriting intended to frame Dreyfus from the beginning. It is probable that this claim was just another in the long line of Esterhazy’s devious attempts to place the blame on anyone but himself.

In 1923 Esterhazy, still cursing, “that Jew Dreyfus” died in obscurity and shame in the village of Harpenden north of London, where is buried.