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Trial elicits fear of widespread corruption

By J. Patrick Coolican

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Lance Malone was at Disneyland with his wife and children talking on his cell phone to his boss, strip club owner Michael Galardi. They were bemoaning the bottomless greed of Erin Kenny, the then-Clark County commissioner who says she took bribes from the two men.

As the two men talked, an FBI wiretap of the conversation also captured a song in the background, faint but familiar to those listening to a recording in federal court last week.

"It's a small world after all ... It's a small world after all ..."

Former County Commissioners Dario Herrera and Mary Kincaid-Chauncey are on trial for taking bribes from Galardi, who will be a star witness in the trial. Kenny has already pleaded guilty and has been testifying the last few days. She blames a sickness-induced faulty memory for forgetting all of the times she sold her vote to Galardi.

The trial has been rich with this kind of dark humor and irony, and with blue detail.

There is Malone, the former police officer and county commissioner who will go to trial later this year, giving Kenny a bribe outside a bar exam prep class she's taking. Or Kincaid-Chauncey talking to Malone about strip club legislation and finishing the conversation by telling Malone to call her at home: "I'm taking care of the grandkids today."

These lighter moments, however, only mask the relentless message from the trial - public policy was warped for the benefit of those willing to bribe elected officials. The cost to Las Vegas is enormous, in ways that can't be measured in envelopes of cash, according to civic activists.

If the new Las Vegas is to gain credibility as more than an adult Disneyland, as a real city with real culture and a diverse economy, it needs a reputation for clean government and clean business. If the price of admission for doing business here is a bag of cash for elected officials, Southern Nevada risks always being viewed with little more than a knowing grin and its signature pledge to keep secrets here.

"Those who represent us at the state and local level face major decisions on land use, water, roads," former Sen. Richard Bryan, D-Nev., said. "And now those decisions, which, in the best of times, are controversial and difficult, become more difficult as the public believes they are being made out of selfish reasons and not in the public interest."

That's why this corruption trial is more to Las Vegas than mere spectacle. The community needs stakeholders - businesses, neighborhoods, labor and capital investors - who believe they are getting a fair hearing. If they don't, they'll go somewhere else, or maybe fall to temptation and try to game the system, too.

For instance, neighborhood activists long believed that corruption was at the root of the County Commission's approval in 2000 of a casino in the Spring Valley area of southwest Las Vegas and the CVS store that landed in a residential neighborhood at Buffalo Drive and Desert Inn Road.

Now they know.

Kenny said in court last week she took \$300,000 in exchange for favorable treatment for developers tied to Don Davidson, who often gave her envelopes of cash at the International House of Pancakes.

The testimony was devastating to citizens, who rightfully ask what good it does to fight for better government?

"What are we supposed to do? How do we compete with that?" asked Craig Walton, a professor emeritus at UNLV and the president of the Nevada Center for Public Ethics.

"What do John and Jane Doe Nevada do? Create a fund for cruises and \$3,000 cash envelopes and golf games and Rolling Stones tickets? That doesn't sound like a democratic republic to me. It sounds like something else."

Unfortunately, the virus of corruption doesn't stop. It spreads and "tends to provide people an additional excuse to say, 'why vote?' " Bryan said.

"I've never seen a level of public cynicism like this," the former Nevada governor said.

Aside from that, corruption tends to warp economic growth, moving it away from the most productive and toward those who rig the game, said Emilio Viano, a professor at American University who studies the effects of corruption on societies.

"There is a cost to corruption. There, you had the violation of urban planning with consequences for housing, quality of life, neighborhoods. It undermines the quality of life by imposing a system to the advantage of a few people," he said.

Just as corruption tends to repel the economically diverse businesses the region wants to attract, like, say, biotechnology companies, it tends to attract sleaze, just as a downtrodden neighborhood's vacant houses bring drug dealers and prostitutes.

"Organized crime is very attentive to where corruption thrives. Like germs attracted to an infected wound," Viano said.

Walton warned that the presence of corruption can also infect average people who otherwise might never engage in it.

"This stuff can spread," Walton said. "If it's good enough for Erin Kenny, or some of these other people, then why not for me? That which is sleaziest in my heart comes to the forefront. How far do you want to go on that one?"

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As Kenny and Herrera neared the end of their unsuccessful 2002 campaigns - Kenny for lieutenant governor, Herrera for Congress - they were both badly in need of campaign cash. They can be heard on the FBI wiretaps beseeching their strip club benefactors.

"I'm begging now. I'm on my knees," Kenny said with unfortunate relish. She deserved the money, she said in another call. "I've come through for him on Jaguars and every other goddamned thing," she said, referring to Galardi's 20,000-square-foot strip club.

One of the several uncomfortable truths about the trial is that the government alleges that the commissioners accepted not cash and gifts, but campaign money as well. In other words, they were doing what politicians here and elsewhere do all of the time - raising money from wealthy contributors with business before the government.

"Ethics laws in this state are weak," said James Perry, a former FBI agent who ran an investigation that netted a number of corrupt Nevada politicians in the 1980s.

Indeed, Nevada law allows donors to give contributions in cash. In one incident, an envelope of cash was left beneath a trash bag for Kenny at her campaign office. In another, Kincaid-Chauncey was given cash for her son Mark's election campaign for North Las Vegas City Council.

Campaign finance experts say allowing cash contributions exposes Nevada to the abuses revealed in open court.

But Nevada campaign laws also allow wealthy contributors to make huge bundled contributions that are perfectly legal.

Venetian owner Sheldon Adelson has given nearly six figures to Republican Rep. Jim Gibbons' campaign for governor. Tony Marnell of the M Resort, approved last year in Henderson, gave Mayor Jim Gibson \$150,000 in his run for governor. University system chancellor and KVBC Channel 3 owner Jim Rogers bundled \$40,000 to give to Gibson opponent Sen. Dina Titus, D-Las Vegas.

None of the above has been accused of any wrongdoing. But the opportunity is certainly there.

Bryan doubts campaign finance law would give Las Vegas or Nevada a cleaner government.

"If somebody is inherently corrupt, no amount of campaign finance will address it," he said.

Perry, who now runs his own security consulting firm, said selling a vote is selling a vote, whether for a campaign contribution or a bag of cash or a lap dance. "If you accept cash, and you call it a campaign contribution, but that money is to buy your vote, I don't see the difference."

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The trial also has revealed how easily the ambitious can rise to political prominence in Nevada. Herrera was just 25 when he was elected to the County Commission in 1998. In 2001 he was elected chairman, even as red flags of recklessness were apparent.

In one of their phone conversations, Malone and Kenny marveled at Herrera's frequent trips to Cheetahs, a Galardi club.

"Isn't he afraid of being noticed or recognized?" Kenny asked Malone.

Malone replied: "He likes women so much, he doesn't care."

Kenny, who moved to Las Vegas with her family after declaring bankruptcy in Chicago, enjoyed the same kind of swift success. And, yet, even in her first commission election, she illustrated she would do just about anything to advance herself - another red flag.

Kenny won a seat on the commission in 1994 by beating the incumbent, Don Schlesinger, with an anonymous direct-mail piece that portrayed Schlesinger as gay. Is there another major city in which one Democrat would engage in such tactics on another Democrat and not be run out of politics?

Herrera and Kincaid-Chauncey say that Malone kept the bribe money Galardi gave to him to deliver. No honor among former county commissioners, they charge.

These details, and others that have emerged during the trial, raise another troubling question: Was there no vetting process? No party elder who could separate potential candidates of good and bad character?

Bruce Woodbury, a long-serving county commissioner who often clashed with the allegedly dirty commissioners, said "I don't think there's more corruption here than other places. You have imperfect people like everywhere else. It's true power can corrupt, and you have to fight against that every day in office to make sure you're aboveboard."

It's certainly true that there is corruption everywhere. What's frightening, however, is that this trial has just started, and every day there are new revelations. New developers named, new details. Galardi has told the FBI, according to transcripts of his interviews, that judges, prosecutors, cops and legislators were all getting favors.

"Corruption can engulf a community," said Vieno, who's studied it in places such as Russia and South America.

Woodbury said the post-Galardi County Commission has adopted tougher ethics standards and progressive policies that have the public's interest at heart.

Walton praised Woodbury and other honest public officials and public employees, but he lamented what they're up against. "The public voice is lost. It's this developer or that construction company or this casino company.

"Our duty is to get the picture out there. Somehow we've got to give a voice to the honest men and women in the valley, including in political life."

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