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Sheila Stoeller

From: Jan Emming [janemming@citlink.net]
Sent: Friday, July 20, 2007 5:07 PM
To: Mayes-WebEmail; Mundell-Web
Cc: Gleason-WebEmail; Hatch-WebEmail; Pierce-Web
Subject: Rhodes employee Erin Kenny sentenced to prison/fined; reopening Rhodes docket

To: The Honorable Members of the Arizona Corporation Commission

Re: Rhodes Homes, Perkins Mountain Water Company, and Docket Number SW-20379A-05-0489.

In light of the recent news that Erin Kenny, a former Clark County Commissioner and currently an employee of Rhodes Homes, has been sentenced to 30 months in prison and fined nearly \$130,000 in connection with a major political corruption and bribery scandal in Las Vegas, Nevada, I decided to do a little more research into her. What follows below are a series of articles and columns, mainly from the Las Vegas Review-Journal, that address Kenny's recent sentencing, and her ongoing employment to the tune of \$200,000 a year as a "consultant" to developer Jim Rhodes. As the Commissioners will be aware, Jim Rhodes is the Nevada developer who wants to dwarf whatever he has been able to do thus far in the Las Vegas development theater by entering and starring in the Arizona development arena.

What exactly does Ms. Kenny do that is worth \$200K a year to Jim Rhodes? Why does Jim Rhodes/Rhodes Homes retain Ms. Kenny's services in spite of her overriding guilt and obvious involvement in the Las Vegas bribery affair? What possible reasons could there be for this involvement, and what does it mean for Rhodes' desires to expand operations within the State of Arizona?

The linked articles below are all recent (less than 3 weeks old) and although several are opinion pieces rather than strictly news-only articles, I decided to include them because they do provide important psychological insight into Ms. Kenny, and by extension Jim Rhodes for retaining her. It is necessary to examine why Jim Rhodes has seen fit to pay a person convicted of various crimes and who was awaiting sentencing likely to include large fines and imprisonment \$16,800 a month, an increase from the original \$15,000. What on earth could Jim Rhodes' motive be here?

Rhodes Homes has 140,000 homes planned for Mohave County, including the well-advanced 'Pravada' development in Golden Valley, which has been primed for sale and undergone intensive development in spite of NOT yet having been issued Arizona Corporation Commission approval. Rhodes Homes also seeks to enter the Phoenix metropolitan market, with perhaps nearly a quarter-million homes eventually planned for the 275-square-mile swath of Arizona State Trust Land generally referred to as Superstition Vistas.

The Arizona Corporation Commission has two members (Kris Mayes and William Mundell) who are interested in hearing more about this circumstance before they grant Jim Rhodes the right to develop literally hundreds of thousands of new homes in Arizona. Before Rhodes is granted ANYTHING, he must come under great scrutiny, since even before this event he has been tied to several high-profile scandals and political influence-peddling schemes in Nevada. He has paid hundreds of thousands of dollars in Federal fines, been convicted of willfully and knowingly violating campaign contribution limits for political candidates, been involved in many lawsuits from his buyers, and left city and county governments in Nevada to foot the bill for unfulfilled promises and uncorrected mistakes and shoddy workmanship associated with his developments.

The ACC has the ability, and indeed the duty to determine in certain cases whether a given entity is considered "fit and proper", among many other criteria, before issuing its certificates and granting permission for corporations to operate and set up public utilities within the State of Arizona. I find Jim Rhodes/Rhodes Homes' qualifications as a "fit and proper" entity highly suspect given his lengthy track record of corruption, convictions, and fines dating back as far as 1995.

I encourage the ACC Commissioners to reopen the hearings on Rhodes Homes and the Perkins Mountain Water Company (docket number SW-20379A-05-0489) and to carefully review ALL pertinent aspects of this highly important case. This particular case has the potential to alter the outcome of development across the entire state of Arizona. In light of ongoing and perhaps as-yet-undiscovered revelations as to Rhodes' modus operandi, I request that this case be reopened and additional testimony gathered and factored into the deliberations.

Thank you very much for your consideration.

Most cordially,

Mr. Jan Emming
P.O. Box 306
Yucca, Arizona, 86438

Arizona Corporation Commission
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Jun. 29, 2007
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Kenny receiving \$201,600 Rhodes salary

Consulting job with developer revealed in testimony at Davidson trial

By ADRIENNE PACKER
REVIEW-JOURNAL



Erin Kenny, the former Clark County commissioner who has admitted to being corrupt while she was in office, listens to a prosecutor's question Thursday while testifying in the federal trial of 73-year-old real estate consultant Donald Davidson.
Illustration by David Stroud.

Former Clark County Commissioner Erin Kenny, who complained last year that she was serving a sentence in a "public jail," revealed Thursday that Rhodes Ranch developer Jim Rhodes has been paying her \$16,800 a month to work as a consultant.

Rhodes, one of Nevada's largest homebuilders, offered Kenny a job in January 2003, after she surrendered her seat on the commission to embark on an unsuccessful bid for lieutenant governor. Rhodes initially paid Kenny \$15,000 a month, according to her testimony.

After Kenny pleaded guilty to accepting bribes from strip club owner Michael Galardi and began cooperating with federal authorities in 2003, Rhodes upped her pay to \$201,600 a year.

Kenny, who is awaiting sentencing, said she works on projects for Rhodes and provides him with advice on government services.

Kenny, 46, disclosed her payments from the prominent developer during her testimony as a witness for the prosecution in the corruption trial of real estate consultant Donald Davidson. Davidson is charged with paying Kenny \$200,000 cash for pushing through a zone change and special use permit allowing for a CVS Pharmacy.

The federal government also charged him with delivering \$3,000 a month to Kenny for three years after she lobbied in favor of a casino in the Spring Valley neighborhood.

Earlier Thursday, Kenny's former accountant and campaign finance manager, Daniel Geiger, testified that Davidson wasn't the only person from whom Kenny received payments. Geiger told jurors that Kenny also received \$100,000 from Rhodes.

Geiger testified that Kenny withdrew money from her campaign coffers for her personal expenses. He explained that since Kenny began that illegal practice in 1998, he had reduced the amount of contributions to balance the books.

But at the end of 2001, Kenny's campaign contribution report was off by \$100,000.

"I told Erin, 'At some point we're going to have to deal with the fact that funds came out of the campaign,'" Geiger testified. "I told her I was short."

Geiger said Kenny called upon Rhodes, her most generous campaign contributor.

"She called Rhodes and said not all of his contributions were going to show up on the contributions report," Geiger said.

The matter wasn't delved into further in court because Davidson's lawyer Dominic Gentile objected to additional testimony as hearsay.

Kenny's relationship with Rhodes was controversial when she was a county commissioner, from 1995 through 2002.

In 1997, Kenny and her chiropractor husband purchased a home in Rhodes Ranch. Throughout her term, her votes consistently favored the developer, and she once appeared at a county staff meeting to lobby in favor of a Rhodes project. Staff members told the media they believed the unusual move was an intimidation tactic.

Prosecutors did not question Kenny about her relationship with Rhodes, but they contend Kenny and Davidson forged an illicit relationship in about 2001.

Davidson was the vice president of Triple Five Nevada Development Corp., a company seeking to build a casino in the Spring Valley neighborhood.

After Kenny successfully lobbied for the project in January 2000, she said Eskander Ghermezian, a Canadian billionaire, visited her and explained he owed her "a life debt." Kenny said in about April of that year, she began creating brochures for Triple Five.

Davidson delivered \$3,000 a month to her, even though she worked only about three hours a month, she said. She soon became ill and suffered from vertigo, which she later said has caused memory loss. She was bedridden for months.

"I became ill and didn't work, but he didn't stop paying me," Kenny said of Davidson.

From mid-2000 through 2002, Kenny and Davidson met monthly for coffee or breakfast, she said. Each time, he quietly slid an envelope full of cash across the table.

In 2001, Davidson sought a zoning change on five acres at Buffalo Drive and Desert Inn Road on behalf of land broker Tommy Fehrman.

Commercial zoning was critical to Fehrman, who stood to make \$1.5 million in a sale of 1.5 acres to CVS Pharmacy.

Fehrman offered Davidson a total of \$500,000 in incentives to lobby for the zoning change and a special use permit allowing for larger signs and a driveway off a residential street.

A 2006 indictment charges Davidson with paying Kenny \$200,000 for her assistance in pushing through the zoning change. Kenny voted for the project without disclosing the payments she was receiving from Davidson.

During the Nov. 7, 2001, meeting where the zoning change was approved, Kenny chided opponents to the amendment. She spoke sarcastically about how some residents, who once objected to a new adjacent housing development, had joined forces with that very same group of homeowners.

Geiger told jurors Wednesday that he and Davidson's son, Lawrence Davidson, established a trust account in the Cook Islands to hide the illegal payoff Kenny collected from the CVS zone change.

On Thursday, Kenny said she knew few details about that account.

In describing the account, Kenny spoke softly, displaying a demeanor far different from the feisty and sometimes arrogant attitude heard on the audio recording played in court.

"I didn't want to know," she said of the off-shore account. "It was such a bad thing, I refused to look at it deeply. It wasn't how I was raised and it wasn't what I should have done."

Under Kenny's plea agreement, she faces no more than five years in prison and must forfeit \$70,000. Kenny, who pleaded guilty to wire fraud, bribery and conspiracy charges, testified last year that she has not paid taxes on the cash she pocketed. She never reported any of the illegal payments on her campaign finance disclosure forms, she said.

Last year, Kenny testified against her former colleagues Mary Kincaid-Chauncey and Dario Herrera, who were convicted of taking bribes from Galardi. Galardi and former commissioner Lance Malone, who served as Galardi's bagman, signed plea deals.

Kincaid-Chauncey is serving 30 months in jail, Herrera is serving a 51-month term and Malone recently began a six-year prison term. Galardi, who received 30 months, is scheduled to turn himself in July 6.

<http://www.kingmandailyminer.com/main.asp?SectionID=13&SubSectionID=18&ArticleID=12665>

7/19/2007 2:00:00 PM

Rhodes employee sentenced to 30 months in Nevada prison

Suzanne Adams
Miner Staff Writer

LAS VEGAS - The U.S. Attorney's Office in Las Vegas confirmed that former Clark County Commissioner and Rhodes Homes employee Erin Kenny was sentenced to 30 months in prison on Tuesday.

She was also fined \$129,741 and agreed to forfeit \$70,258.53. Kenny is currently out on a personal reconnaissance bond and is due to turn herself in to the federal prison service on Sept. 18. Kenny pleaded guilty in July 2003 to one count of conspiracy to commit wire fraud and two counts of wire fraud.

Last month, Kenny testified during the trial of Donald Davidson that she was on the payroll of developer Jim Rhodes. She testified that Rhodes was paying her \$16,800 a month or about \$200,000 a year for consulting services.

Davidson is accused of giving Kenny \$200,000 in cash in order to have a special zoning request for a CVS Pharmacy granted. He is also charged with giving Kenny \$3,000 a month after she lobbied for a casino for him. Kenny was a county commissioner from 1995 until 2002.

Since Kenny's testimony, two commissioners from the Arizona Corporation Commission, Kristin Mayes and William Mundell, have requested that the evidentiary hearings concerning Rhodes' Perkins Mountain Company in Golden Valley be reopened. The commission has been waiting for an order from the administrative law judge who is presiding over the case.

At least three out of the five commissioners must agree before the hearings can be reopened and more testimony collected.

According to the Las Vegas Review-Journal, Kenny said she was offered the job in 2003 after she failed to win the lieutenant governor's seat for Nevada. Kenny told the court that she works on projects for Rhodes and gives him advice. Another witness at the trial alleged that Kenny also took a \$100,000 from Rhodes during her run for the lieutenant governor's seat.

"I think it is important for us to understand what is the connection between Mr. Rhodes and Ms. Kenny," Mundell said last week. "Well, the obvious question is, why is he paying a former public official convicted of taking bribes over \$200,000 a year? And what is her role? What is her job? What does she do for Mr. Rhodes and his company to earn that kind of money?"

Mundell said he would like to hear from Kenny, but the commission does not have the power to subpoena non-party, out-of-state, witnesses. "It would certainly be helpful if Ms. Kenny would come and testify as to her relationship with Mr. Rhodes, but whether or not she will come voluntarily, I don't know," he said.

Kenny admitted in June 2001 that she used her position as a commissioner to push the commission to approve zoning, licensing and other requests from business owner Michael Galardi. Kenny admitted to receiving payment from Galardi through former Clark County Commissioner Lance Malone.

<http://www.lvrj.com/opinion/8592647.html>

Jul. 19, 2007

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EDITORIAL: Kenny sentence

7/25/2007

Shed no tears for Erin Kenny.

Everyone knows what justice awaits a bank robber who walks off with \$400,000.

But all Kenny did for that amount is sell out the public trust to willing buyers. So who's hurt? The public who thought the zoning codes would protect them from retail development on residential streets? Public confidence that obeying the law doesn't merely make us "suckers" who haven't yet figured out who to pay off?

Shall we measure the cost the next time someone tries to hand a hundred dollar bill to a fire code inspector? The next time an out-of-state developer hits town and starts throwing around cash on the assumption you do business here the same way as in Nigeria or Zaire?

Yesterday morning, U.S. District Judge Kent Dawson sentenced former Clark County Commissioner Erin Kenny to 30 months in prison. Four years ago, Kenny pleaded guilty to wire fraud, bribery and conspiracy and agreed to cooperate with federal prosecutors in exchange for a reduced sentence.

She'll have to pay \$200,000 in fines and forfeitures -- about half of her known bribery take. She also could have received twice that sentence: five years. Prosecutors, rewarding her cooperation and ignoring her frequent memory lapses, recommended only 24 months.

Thirty months in a small room isn't much for someone who would gleefully sell out the quality of life in any southwest valley neighborhood if it meant she could buy a bigger house.

About the only good news for aggrieved taxpayers this week was that Kenny says the IRS has finally come after her -- she's expected to pay back taxes and penalties on all her known bribes, which the government tallies at just under \$400,000.

Wonder what bracket that puts her in?

For four years, the greediest commissioner has been allowed to enjoy the lifestyle that kind of bribe money can buy -- at the same time she's drawn a total of nearly \$1 million from homebuilder Jim Rhodes to serve as his local government "consultant." In between her bouts of remorse, she and her husband bought a million-dollar home in an exclusive Summerlin neighborhood.

In her appearances on the stand over the past year, Kenny has come across as surly, remorseless and disingenuous.

Thirty months isn't too much. When it comes to discouraging the next Erin Kenny, does anyone think it'll be enough?

<http://www.lvrj.com/news/8278202.html>

Jul. 02, 2007

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JANE ANN MORRISON: One wonders about the caliber of the advice Erin Kenny provides



JANE ANN MORRISON
MORE COLUMNS

With a straight face, Erin Kenny testified developer Jim Rhodes pays her more than \$200,000 a year for her "advice regarding government issues."

It was a challenge not to laugh out loud.

Does she tell him the best people to bribe? (It's pretty obvious the first place to start is with the Clark County Commission.)

Maybe she advises him on the best places for cash envelope exchanges? (International House of Pancakes, Jitters and Outback Steakhouse were among her personal favorites.)

The best accountant to use? (Daniel Geiger, a government witness himself, who now admits he prepared Kenny's false campaign donation reports and false tax returns.)

The best place to hide bribes in offshore accounts? (Cook Islands.)

Erin Kenny has a lot of valuable information.

According to Kenny's helpfully corrupt accountant, when Kenny was dipping into her campaign money for personal expenses, Geiger told her she was going to be short about \$100,000. So she said she told Rhodes some of his donations wouldn't show up on her campaign donation report for

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"Friends for Erin Kenny."

Rhodes isn't a stranger to moving campaign dollars around illegally. He broke federal law in the 2002 campaign by funneling a total of \$27,000 in corporate money through his employees to Dario Herrera's congressional campaign and Harry Reid's Senate campaign. Rhodes settled the complaint by paying a \$148,000 fine.

Kenny said Rhodes was one of the first people she called after her world came crashing down May 14, 2003, when FBI agents executed search warrants in Las Vegas and San Diego looking for further proof that strip club owner Michael Galardi was bribing politicians. That day, agents played her a snippet of a phone conversation she had with Lance Malone, a former commissioner and Galardi's bagman, now in prison.

After consulting with her attorney, Kenny testified, "My immediate reaction was to take responsibility for my bad acts."

She's been on Rhodes' payroll ever since she lost her bid for lieutenant governor and her term as county commissioner ended in January 2003. She must be a valuable employee. He started paying her \$15,000 a month and later increased it to \$16,800.

As a county commissioner, she was paid \$54,000 a year.

Of course, that didn't count the bribe money, at least \$330,000 by her admission.

Or the campaign contributions she was illegally diverting to personal use.

She didn't report any of this to the IRS.

(The most frequent question I get is why the Internal Revenue Service doesn't go after her since she admits cheating on her taxes. Quite possibly, they have. If they have filed a civil case against her for back taxes, it's not public information, and Kenny isn't talking. Her plea agreement says no additional criminal charges can be filed against her. But it also says she has no protection from a civil tax liability, so don't assume she won't be asked to pay back taxes owed, or perhaps already has.)

When Kenny walked into the courtroom Thursday to testify against former Triple Five Nevada Development Corp. Vice President Donald Davidson, she didn't look like she was suffering any cash shortages. Designer handbag. Brown and gold pantsuit that looked like a smart choice for a cocktail party. Look-at-me cleavage. Tasteful coiffure. Backless high heels.

She definitely didn't look cheap. She looked rather well-maintained.

Davidson is accused of paying her a \$200,000 bribe and of giving her a little folding money, \$3,000 a month payments for three years, allegedly on behalf of his boss, Eskandar Ghermezian, who denies he's the source of the cash.

Kenny's scheduled to be sentenced July 11 by U.S. District Judge Kent Dawson, a sign her testifying days are over. Here's my guess: She will be sentenced to two years in prison.

She won't serve longer than the three former county commissioners now in jail or Galardi, the source of the bribes. Mary Kincaid-Chauncey received the lightest sentence, 30 months, the same as Galardi, who pleaded guilty and cooperated. Herrera got 51 months, and Malone got the toughest sentence at six years.

When Erin Kenny gets out, most likely she can go back to work for Jim Rhodes. Beats that county commissioner's salary.

Jane Ann Morrison's column appears Monday, Thursday and Saturday. E-mail her at Jane@reviewjournal.com or call 383-0275.

<http://www.lvrj.com/news/8592722.html>

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JANE ANN MORRISON: Appropriate Erin Kenny sentence varies with the eye of the beholder



JANE ANN MORRISON
MORE COLUMNS

Thirty months in prison is a fair sentence for Erin Kenny.

I'd have given her 24 months, which is what the federal prosecutor said was righteous. And federal prosecutors are not known to be sentencing softies.

7/25/2007

The corrupt former county commissioner handed federal authorities unexpected gifts when she admitted she was a crook on May 15, 2003. FBI agents had damning tapes of conversations of her discussing bribes from topless club owner Michael Galardi. Then the final question of the day: Did you take bribes from anyone else?

Actually, yes. She confessed she also welcomed bribes from real estate developer Donald Davidson. She said the vice president at Triple Five Development gave her \$200,000 for a zone change vote for a CVS Pharmacy. She said that for about two years, he handed her \$3,000 a month on behalf of his boss Eskander Ghermezian as a thank you for a zoning vote in behalf of a never-built casino. And, oh yes, she remembered Davidson gave her a separate bribe from developer John Hui for somewhere between \$5,000 and \$20,000.

Until that moment, the feds' case was limited to Galardi's sleazy world. Now they had an insider's peek at the murky world of land development in Clark County.

So Assistant U.S. Attorney Daniel Schiess looked more favorably upon Kenny than did U.S. District Judge Kent Dawson, who didn't have a lot of leeway in his sentencing Wednesday. After the judge agreed she deserved a break because she had provided evidence of previously unknown bribes, the sentence range was established at between 24 and 30 months.

Dawson opted for 30 months.

It is the same prison time U.S. District Judge Larry Hicks gave Galardi, who also flipped, and ex-County Commissioner Mary Kincaid-Chauncey, who took the stand and perjured herself.

Ex-Commissioner Dario Herrera's 50-month sentence reflected his perjury and the larger sums of money and sexual favors he demanded.

Commissioner-turned-bagman Lance Malone's 72-month sentence reflected his refusal to cooperate and the fact he took bribes while on the commission, then passed them out while working for Galardi, making him the bribee, the briber and the guy too dumb to take a deal.

Personally, I'd have given Kenny a six-month break for confessing and not lying on the stand as Kincaid-Chauncey and Herrera did. But I loathe liars.

Dawson focused on the harm Kenny caused.

"The loss of trust in the institution of local government is a tragedy," he said. "Many good, honest public servants were affected by this."

Kenny's sentence was longer because she admitted to taking about \$330,000 from Davidson on top of the \$50,000 to \$70,000 from Galardi.

However, because of one holdout, a jury on Tuesday didn't convict Davidson of the charges based on Kenny's testimony. Instead, the jury, in part because of the convincing power of wiretaps, convicted him of offering a \$50,000 bribe to Las Vegas City Councilman Michael McDonald for another zone change.

Kenny attorney Frank Cremen launched a tirade against the media, particularly the Review-Journal, for making Kenny "the most vilified woman in Clark County."

He argued that the media perpetuated an old style of ethics that it's wrong to become a cooperating witness, citing an editorial and political cartoon in which Kenny was depicted as a rat. Cremen took an obvious swipe at Las Vegas Mayor Oscar Goodman, a former defense attorney for the mob who proclaimed he didn't represent "rats." Cremen said that old style of "tired and mistaken ethics" protected criminals in the 1970s and 1980s.

"Erin Kenny subscribed to a new ethics," Cremen said. That's true. She was caught and she confessed.

Over the past weeks, I asked a lot of people what sentence they thought she should get. The harshest answer from someone who felt she had betrayed his neighborhood on a zoning matter: "Forever."

The most lenient came from a former prosecutor who appreciated the value of a government witness: 18 months.

On top of her 30 months, Kenny was ordered to pay \$200,000 in fines and forfeiture. Rhodes Homes is no longer paying her more than \$200,000 a year. The IRS is going after her civilly, which can't be fun.

No word on where she'll serve, but probably not in the same big house as Kincaid-Chauncey. Wouldn't that be B-movie material?

<http://www.lvrj.com/opinion/8406737.html>

Jul. 10, 2007

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ERIN NEFF: The local face of public corruption



7/25/2007

ERIN NEFF
MORE COLUMNS

For years, the county's public corruption case has slogged through the federal courts, with sexy tales of bribery being replaced with the costs of business drudgery.

At the heart of it all, and yet somehow on the periphery, has been former Clark County Commissioner Erin Kenny.

And if her sentencing goes on as scheduled Wednesday, Kenny will continue to be the public face of corruption here in Clark County for years, if not decades, to come.

Nothing has compared to her kneeling to strip club bosses for more payola or, after leaving office, conniving her way onto the official payroll of businesses she was once charged with overseeing.

And nothing, shamefully, will compare to the sentence she is likely to receive for "assisting the government" despite her claims of memory loss and her continued \$200,000-a-year, do-nothing job for homebuilder Jim Rhodes.

The others -- even bagman and former Commissioner Lance Malone, who is serving a six-year term for acting as go-between from here to San Diego -- are all pikers by comparison.

Grandma Mary Kincaid-Chauncey, a former commissioner, is serving 30 months for accepting cash bribes and favors from strip club owner Michael Galardi. Former Commissioner Dario Herrera, who used all the services Galardi provided, will likely be able to return to his family and job after his 51 months in prison.

Kenny could get 60 months. But, in fact, she's more likely to do less time than Galardi, who reported Friday to a prison in Colorado for 30 months.

Kenny has been the star witness of this debacle, testifying against Kincaid-Chauncey and Herrera in ways only she could.

"I do not recall," she said this past week, again claiming memory loss caused by vertigo.

This time it was about her shameless lobbying back in 2002 to push a zoning change that would allow homes to be built in McCarran International Airport's flight path. At the time, fellow commissioners and county staff were outwardly amazed at her lame-duck actions and ultimately exposed her proposal for all its stupidity. Funny she doesn't remember that tempest.

She doesn't recall much and seems to purposely forget some of her biggest crimes, from off-book campaign finance donations to an offshore account set up to accept the bribe money.

"I didn't want to know," she said in court last week during the public corruption trial of developer Don Davidson. "It was such a bad thing, I refused to look at it deeply."

If there's no memory, there can be no remorse. And it's not as if shelving that memory is really possible, considering she hasn't exactly stopped the flow of cash.

She's still getting more than \$16,000 a month from Sugar Daddy ... er, developer ... Rhodes. (Ironically, Rhodes upped the ante after Kenny's bribe money from Galardi and Davidson dried up.)

But it's not clear what she could possibly do at this point for this legal bribery. How insightful she can be as a consultant, given her inability to recall anything related to zoning or development?

Poor pitiful Kenny. It must be torture to be living with her family in a "public jail," unable to harass residents with threats of zone changes or bully staff to do Rhodes' bidding.

Kenny will remain the face of public corruption not simply because of the hundreds of thousands (the exact amount is really unknown) she has taken, but because of her amazing makeover from menace to meek.

Her sentence will only fuel more blanket disgust about elected officials, because even if she got the unimaginable 60 months, it would be years too few for the public's satisfaction.

In addition, she hasn't been fined for her behavior and is required to forfeit just \$70,000 of the cash she took. We can only hope for a tax case to be brought by the IRS.

Galardi has been fined in San Diego and Nevada to the tune of half a million. He also turned over \$3.85 million to the feds.

It's doubtful Kenny could get more time than Galardi, who also accepted a plea deal. And there's no way she'd do more time than the two former commissioners who fought the charges.

Kenny's gotten the best deal possible so far. Don't expect anything more than 24 months. After all, who would make a deal with the feds in the future if Kenny had to do hard time?

It's fair to say that without Kenny's testimony, the case against Kincaid-Chauncey and Herrera would have been more difficult to make. And if jurors find Davidson guilty in his ongoing trial, it will be because they believed Kenny more than Davidson.

Kenny had already been adjudicated guilty by the public before she struck any deal with the feds to plead guilty. She will survive prison. And who knows, given the hardship, Rhodes may raise her salary again.

Erin Neff's column runs Sunday, Tuesday and Thursday. She can be reached at (702) 387-2906 or by e-mail at eneff@reviewjournal.com.

<http://www.lvrj.com/news/8378172.html>

Jul. 08, 2007

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JOHN L. SMITH: Sorry Kenny seems to be sorry that she has to testify that she's sorry



JOHN L. SMITH
MORE COLUMNS

Erin Kenny has a message for you, Southern Nevada.

She's still, like, sorry for betraying her office as a Clark County commissioner.

Can you forgive her?

Don't answer yet. First, let's hear from Kenny during recent testimony in the criminal case against real estate consultant Don Davidson as she attempted to convey her sincere regret over acting like a Hoover cash vacuum while in office.

Given months to prepare her testimony, gaining valuable experience in the public corruption trial of her former colleagues-turned-jailbirds Dario Herrera and Mary Kincaid-Chauncey, Kenny had plenty of time to work on her delivery. Like other actresses, her character had plenty of motivation: in her case, Kenny was trying to trim months, even years, from her federal prison sentence, which barring another delay is scheduled to be revealed to her Wednesday.

Her demands to be showered with cash from developers for her personal and political uses were initially revealed in the case involving the former commissioners and strip club mogul Michael Galardi. Although she claimed to suffer from memory loss due to self-diagnosed vertigo, Kenny admitted she had gobbled up thousands from Galardi before running to the government following an FBI public corruption investigation.

Now it's Davidson's turn before the bar of justice. He's accused of conspiracy, wire fraud and money laundering. The government alleges he helped bribe Kenny and set up, with help from his son Larry Davidson, an offshore bank account to hold the former commissioners' ill-gotten loot.

Given an opportunity to show some real emotion and contrition on the witness stand in the Davidson case, Kenny didn't exactly wax Shakespearean.

"It was improper and illegal," Kenny told the court under oath.

Five words. No tears. Not an ounce of genuine regret in her voice. I've seen longer sentences in Scrabble.

Improper and illegal?

Kenny managed to blow through those moral stop signs like Paris Hilton on a three-day bender.

The more I think about Kenny's testimony, the more I think she's mostly sorry the greenback orgy is over.

Take the structuring of her supposedly secret offshore bank account, the one that was meant to hold a small fortune in bribe bucks. She testified that the Davidsons and her accountant, Dan Geiger, hammered out the details while she was busy betraying the public trust with both fists. She even included her elderly father in the scheme.

Why didn't she pay closer attention to the details of the deal that was bringing her \$200,000 with the expectancy of another \$200,000 in a year?

Not because she was supremely cocky and busy campaigning.

"Because it was such a bad thing that I refused to look at it," she told the court under oath.

No, she had Geiger do the looking and the planning and the obfuscating.

"Because it wasn't how I was raised, and it's not what I should have been doing," she told the court under oath.

It's not what she should have done. But it never bothered her while she was doing it.

County officials who were around Kenny during the time of the CVS Pharmacy and McCarran Airport flight path zoning battles recall a person desperate to ram through deals for her allies. She barely made a secret of her allegiances. It might not have been how she was raised, but it's how she operated.

Not only did Geiger tell the court he helped mask the first \$200,000, but he also testified in court recently that Kenny expected to receive another \$200,000.

Geiger was a skilled accountant, but even he couldn't keep up with Kenny's boundless rapacity. The \$200,000 never materialized. A year after the CVS Pharmacy caper, Kenny was out of office and reassessing her friendships but still counting her untaxed wealth. The audacious zoning change in the flight path was reversed after Kenny left office.

But, hey, that's all in the past. Even though she admitted she still receives \$16,800 a month as a consultant to controversial developer Jim Rhodes, Kenny has expressed an absolutely emotionless level of contrition and soon will be looking for leniency from the court.

In an investigation which has seen former Commissioner/Galardi bagman Lance Malone receive six years, Herrera get 51 months, and Galardi and Kincaid-Chauncey receive 30 months apiece, what do you suppose justice will look like to Erin Kenny?

She stole the most. She got caught. She's sung like a sickly canary.

But, like, she's still sorry for whoring out her office.

Can you forgive her?

John L. Smith's column appears Sunday, Tuesday, Wednesday and Friday. E-mail him at Smith@reviewjournal.com or call 383-0295.