



Written by [Bob Adelman](#) on April 28, 2014

New Probe Confirms Harry Reid's Long History of Corruption

The seemingly Teflon senior senator from Nevada, Senate Majority Leader Harry Reid, has been forced to respond to charges made in a [two-part investigation](#) into his dealings published last week at RealClearPolitics. The initial investigation looked into multiple claims of corruption, and responses from Reid's PR people failed to deflect them.

Adam O'Neal led off with a relatively innocuous charge that in 2012 and 2013 Reid's campaign staff spent some \$30,000 buying appreciation gifts for his donors from a store owned by his granddaughter. It was a small thing: The amount spent by his staff was seven times more than the staff spent elsewhere, combined. In the past such charges would have met apathy from Reid, who simply ignored them and passed them off. Reid was willing to let time go by and memories fade. Not this time, apparently — Reid's staff said that to avoid the appearance of impropriety, Reid would pay those bills out of his own pocket. He tried to ingratiate himself at the time, saying that he was glad he could afford to write the check.

He certainly could.

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Arriving in Washington in 1983 as Nevada's only representative, Reid declared a net worth of about \$1 million. At the latest count, he estimates his net worth at 10 times that, if not more. Since much of his portfolio is in real estate, estimates may vary with circumstances and timing and political maneuvering.

O'Neal pointed out that over the years — especially since Reid became Senate majority leader in 2007 — he has built "a dizzying network of mutually beneficial political, personal and business alliances. These associations benefit Reid, his family, his close friends and, very often, the state."

Reid has a veritable coterie of investigative journalists making a good living following him around and writing about that network. One of them is David Damore, a professor at the University of Nevada-Las Vegas, who put it more succinctly: "I'm going to put this politely. Their personal interests, they seem to see, represent the common good. They don't differentiate those two."

Translation: What's good for Reid is (or may be) good for Nevada. What's good for Reid is always good for his donors and his family.





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In part one of his report, O'Neal asked rhetorically:

How did Reid manage to grow his net worth so significantly while raising a large family, on a public official's salary and incurring the expenses associated with maintaining two residences on opposite sides of the country?

O'Neal's answers illustrate just how much influence Nevada's senior senator has among his donors, who are only too happy to invite him to participate in their ventures. For example, in 1998, Reid joined partner Jay Brown in investing \$400,000 in some dirt located on the outskirts of Las Vegas. By 2004, the property just happened to be rezoned for a shopping center and Reid cashed in for \$1.1 million.

In 2002, Reid put \$10,000 into an investment fund of another good friend, Clair Haycock. The fund bought some land in Bullhead City, Arizona, for which, according to the *Los Angeles Times*, it paid just 10 percent of its estimated value. Reid sponsored an \$18-million earmark for a bridge that would — again, conveniently — connect Bullhead City with Laughlin, Nevada, greatly increasing the value of his land. Reid now carries that investment on his financial statement as worth between \$250,000 and \$500,000.

He's also used his insider knowledge to great personal benefit. In 2005, he invested between \$50,000 and \$100,000 in the Dow Jones U.S. Energy Sector Fund, paying \$29 a share. Three years later he sold out at \$42 a share. Two months later, according to O'Neal, Reid supported legislation that would cost energy companies millions in new taxes and regulatory fees. The fund dropped to half its value, but by then Reid was long gone.

O'Neal's report is only the latest in a series of juicy exposures of Reid's corruption. The *Los Angeles Times* ran a series of articles between 2003 and 2006 outlining in great detail how Reid managed to spread the wealth around among his family and friends. Wrote the *Times*:

So pervasive are the ties that Reid, members of his family [his four sons are attorneys] and Nevada's leading industries and institutions that it's difficult to find a significant field in which such a relationship does not exist.

The corruption isn't limited to Reid himself, either. While running for governor in 2010, Son Rory "obscured" the source of some \$900,000 in campaign donations through the use of shell companies, costing him \$25,000 in fines. Senior Reid was reportedly surprised to learn about his son's corruption in the papers, while Rory himself "pulled a Reid" by claiming that his illegal behavior was not intentional but instead was meant to point out that the system "was unclear" in many ways, and that he just got confused about what he could get away with and what he couldn't.

Reid's ability to remain clean while swimming in the swamp of Nevada politics is uncanny. For example, in 2007, he met with one of his closest friends and supporters, one Harvey Whittemore, who promised Reid he would raise \$150,000 for his upcoming reelection campaign. But he failed to do so by the deadline and so, illegally it turns out, he returned the contributions he had raised to the donors. Reid wrote him a letter of thanks for trying anyway, in which he said, "I appreciate the Whittemore family. Over the years they have helped me and I appreciate it very much."

When Whittemore was charged with making campaign contributions in the name of another person, making excessive personal contributions, and lying to the FBI and the Federal Election Commission, he was convicted and sent to jail for two years and fined \$100,000. Reid's response: His office told O'Neal that Reid was "no longer in contact" with Whittemore.



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Reid's efforts to clear the way for a Chinese company to build and operate a solar panel power plant, impacting directly one Clive Bundy, have been reviewed carefully elsewhere by writers at *The New American*. Warren Mass wrote, "Motivations are not always easy to prove, but in this case, Senator Reid's hand has shown up more than once." He added,

The BLM's [Bureau of Land Management's] principal deputy director, Neil Kornze, previously served as Senator Reid's senior policy advisor. And we have noted Rory Reid's role as the chief representative for China's ENN Energy Group which sought to develop solar energy in Nevada.

There is the current probe of Reid's campaign financing shenanigans that is being stalled, not surprisingly, by the Department of Justice, headed by disgraced U.S. Attorney General Eric Holder. The investigation, being conducted by the FBI and Utah officials, includes more than 100,000 bank records, e-mails, and other documents, plus more than 200 personal interviews, in what now appears to be an elaborate scam to skirt campaign finance rules by using, once again, shell companies.

Jeremy Johnson, a bank official in St. George, Utah, has revealed that he arranged for tens of thousands of dollars in campaign contributions to flow to Reid using "straw donors" who were then reimbursed from special "poker" accounts at the bank. At the moment, Johnson is awaiting trial on 86 counts of Internet fraud in which he allegedly scammed consumers out of millions of dollars.

There's a reason why Judicial Watch has had Reid on its "Ten Most Wanted Corrupt Politicians" list for years. Providing more background on son Rory's connection with ENN, Judicial Watch quoted Reuters, which noted in August, 2012:

Reid has been one of [ENN's] most prominent advocates, helping recruit the company during a 2011 trip to China and applying his political muscle on behalf of the project in Nevada. His son, a lawyer with a prominent Las Vegas firm that is representing ENN, helped it locate a 9,000-acre desert site that it is buying well below appraised value from Clark County, where Rory Reid formerly chaired the county commission.

"Well below appraised value" is a considerable understatement. The deal Rory Reid put together for the firm his dad brought to town saw ENN purchase the site for just \$4.5 million — a mere fraction of separate appraisals that valued the property at \$29.6 million and \$38.6 million. Even with all of that, however, the project has failed to move forward as rapidly as Harry and Rory Reid would like — for the simple reason that there is currently no market in Nevada for the green energy ENN claims it could produce....

Needless to say, the well-entrenched Sen. Reid has been a repeat Top Ten offender.

Reid, who will turn 75 in December, plans to run for reelection in 2016. His reelection is assured, thanks for his extensive and powerfully entrenched political machine. After that, whether he is removed from the Senate on a gurney or in handcuffs remains to be seen.

A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics. He can be reached at badelman@thenewamerican.com.

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