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THE SENATORS' SONS

In Nevada, the Name to Know is Reid

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Members of one lawmaker's family represent nearly every major industry in their home state. And their clients rely on his goodwill.

By Chuck Neubauer and Richard T. Cooper
 Times Staff Writers

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WASHINGTON — It was the kind of legislation that slips under the radar here.

The name alone made the eyes glaze over: "The Clark County Conservation of Public Land and Natural Resources Act of 2002." In a welter of technical jargon, it dealt with boundary shifts, land trades and other arcane matters — all in Nevada.

As he introduced it, Nevada's senior U.S. senator, Democrat Harry Reid, assured colleagues that his bill was a bipartisan measure to protect the environment and help the economy in America's fastest-growing state.

What Reid did not explain was that the bill promised a cavalcade of benefits to real estate developers, corporations and local institutions that were paying hundreds of thousands of dollars in lobbying fees to his sons' and son-in-law's firms, federal lobbyist reports show.

The Howard Hughes Corp. alone paid \$300,000 to the tiny Washington consulting firm of son-in-law Steven Barringer to push a provision allowing the company to acquire 998 acres of federal land ripe for development in the exploding Las Vegas metropolitan area.

Barringer is listed in federal lobbyist reports as one of Hughes' representatives on the measure that his father-in-law introduced.

Other provisions were intended to benefit a real estate development headed by a senior partner in the Nevada law firm that employs all four of Reid's sons — by moving the right-of-way for a federal power-transmission line off his property and onto what had been protected federal wilderness.

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The governments of three of Nevada's biggest cities — Las Vegas, North Las Vegas and Henderson — also gained from the legislation, which freed up tens of thousands of acres of federal land for development and annexation. All three were represented by Reid's family members who contacted his staff on their clients' behalf.

The Clark County land bill, which was approved in a late-night session just before Congress recessed in October, reflects a new twist in an old game: These days, when corporations and other interests want to cement a vital relationship with someone in Congress, they're likely to reach out to hire a member of the family.

Reid said he supported the bill because it was good for Nevada — and not because it helped his family's clients. And when it comes to lobbying relatives, he said, he has plenty of company.

"Lots of people have children, wives and stuff that work back here," he said. "It is not as if a lot of cash is changing hands."

Seeking favors is as old as the Capitol, but the new tendency to come at it from the side — through family members — may be a consequence of campaign-finance reform: As restrictions have tightened on traditional political giving, interest groups have cast about for new ways to ingratiate themselves.

Nothing strikes quite such a personal note as channeling fees or lucrative jobs to relatives — whether the relatives lobby Congress or perform other services. There are no restrictions. Neither House nor Senate rules bar the practice.

At least 17 senators and 11 members of the House have children, spouses or other close relatives who lobby or work as consultants, most in Washington, according to lobbyist reports, financial-disclosure forms and other state and federal records. Many are paid by clients who count on the related lawmaker for support.

But Harry Reid is in a class by himself. One of his sons and his son-in-law lobby in Washington for companies, trade groups and municipalities seeking Reid's help in the Senate. A second son has lobbied in Nevada for some of those same interests, and a third has represented a couple of them as a litigator.

In the last four years alone, their firms have collected more than \$2 million in lobbying fees from special interests that were represented by the kids and helped by the senator in Washington.

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

Reid's chief of staff, Susan McCue, said he has had broad support in his state for the Clark County bill and other legislation that he has championed for those groups.

"In every instance, Sen. Reid acted in the best interest of the people of Nevada and Nevada's economy," she said.

In an internal memo, McCue said Reid's family members had lobbied his staff by "supplying research, technical support and strategic guidance." She described them as "effective advocates for their clients."

Reid said he thought he might have had casual conversations about legislation with his family members but could not remember specific cases or times.

"Have they said something? I am sure they have," he said. "I don't have meetings with my children to go over business things."

Reid's sons — Rory, 40, Leif, 35, Josh, 31, and Key, 28 — work for Nevada's largest law firm, Lionel Sawyer & Collins.

Rory Reid is a partner in the firm and was a Nevada lobbyist before his election to the Clark County Board of Commissioners in November. Leif Reid is a litigator who has represented mining and resort industry associations in Nevada.

Key Reid was hired to open the firm's Washington office in 2002 and help lead its federal lobbying effort with former Sen. Richard H. Bryan (D-Nev.), who splits his time between the capital and Nevada.

Barringer, 47 and married to the senator's daughter, Lana, is a lawyer, federal lobbyist and partner in the small Washington-based lobbying firm of McClure, Gerard and Neuenschwander.

Barringer and Reid's sons declined to be interviewed by the Los Angeles Times.

Washington lobbying firms must file reports twice a year that disclose their clients and the names of the people representing them. Those reports show that, between them, Barringer and Key Reid have represented nearly every major industry in Nevada, from mining and real estate development to tourism and gambling to the city of Las Vegas. All of those clients rely on the senator's goodwill on Capitol Hill.

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Ethics Enforcer

Reid is the Senate's minority whip, the chamber's second-highest Democratic leader. He is also a senior member of the Appropriations Committee and the Environment and Public Works Committee.

During 16 years in the Senate, Reid has worked tirelessly to help his state.

The University of Nevada at Reno named a building after him as a thank-you for securing "tens of millions of dollars in federal funds for scientific research at the university," including \$8.25 million for earthquake studies, the school said.

The Nevada Mining Assn. gave Reid a lifetime achievement award. Throughout his career, the senator has fought tenaciously against hard-rock-mining reforms opposed by the industry. And the American Gaming Assn. honored Reid as one of "America's Gaming Greats." Again, Reid has consistently represented the industry's positions, including opposition to a nationwide ban on college-sports betting.

"I've been proud to help educate America about the contributions gaming entertainment makes to Nevada and across the country," Reid said upon receiving the award.

One of Reid's relatives has represented each of those interests as a lawyer or lobbyist, according to lobbyist reports and court records.

Frank Fahrenkopf Jr., the president of the American Gaming Assn., understood the possible sensitivity involved in hiring a member of Reid's family. He said he called the senator before retaining his son-in-law, Barringer.

"I told him I was thinking of hiring Steve and asked if that was a problem for him. Sen. Reid said, 'If you need him, hire him,' " Fahrenkopf said. "I wouldn't hire any senator's son or son-in-law without checking first."

Reid said he has never used his position to steer business to his family members.

The senator has special standing when it comes to questions of propriety. He is vice chairman — and former chairman — of the Ethics Committee, which has almost total discretion in setting the standards for senators' conduct.

Reid said in an interview that he sees no problem with lobbying by relatives, because lobbyists' activities are "very transparent." That is, the law requires them to publicly report their clients and fees.

In September 2001, Reid sent a letter to his staff telling them that he had sought guidance from the Senate Ethics Committee and had been advised that there was no restriction on lobbying by a relative of a senator. He told his staff to treat his family members who were lobbyists no better or worse than any other lobbyist.

Soon after The Times interviewed him about his children's activities last fall, the senator decided to ban relatives from lobbying his office entirely.

The ban applies to members of Reid's family but not to colleagues at the firms where they work, such as former Sen. Bryan.

"Sen. Reid has long held that elected leaders must take steps to prevent even the appearance of impropriety, and it has become clear this ban is necessary for that reason," his chief of staff, McCue, said in a memo.

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Public Lands Go Private

As a senator, Reid exerts a degree of power over local affairs that is unknown in most states.

That is because the federal government owns 87% of Nevada's land; to a large extent, Washington decides whether cities and businesses can expand and where economic growth may occur. Even local zoning may become a federal matter.

Over the years, Reid has used legislation to move federal land into private hands and private land into the public realm. He says he has done so to preserve scenic and environmentally sensitive areas while freeing up more land for urban growth.

Such was the case with the Clark County legislation. It was co-sponsored by Nevada's junior senator, Republican John Ensign, and the House version was introduced by Rep. James A. Gibbons (R-Nev.). President Bush signed it in November.

Reid praised it as balancing economic development with safeguarding natural resources. It placed an additional 440,000 acres of federal land under wilderness protection, he noted.

The bill also benefited at least five clients of Reid family lobbyists. And it contained a provision

potentially worth millions of dollars to a senior partner of the law firm that employs Reid's four sons, a provision that was dropped at the last minute after questions were raised in Washington.

The bill freed about 18,000 acres near the cities of Las Vegas and North Las Vegas for development and annexation, by releasing two parcels of land from "wilderness study" protection. Key Reid and former Sen. Bryan lobbied for those provisions, lobbyist reports show. City officials did not return phone calls from The Times.

Barringer's municipal clients also did well.

Lobbying reports show Barringer's firm received \$220,000 to lobby on the bill for the city of Henderson. While the city did not get everything it wanted, the bill freed up 4,000 federal acres on its outskirts for development and annexation. Sen. Reid also supported another transfer of federal land to a local irrigation project that paid Barringer's firm to lobby on the provision. In each case, Barringer is listed by name as working for the government entities. Officials did not return phone calls from The Times.

Another Barringer client may have been the single biggest beneficiary of the legislation: the Howard Hughes Corp., a division of the giant Rouse real estate company and the biggest private landowner in Clark County.

Hughes wanted to expand its Summerlin planned community onto nearby federal land. In exchange for the federal land, Hughes proposed to swap 1,082 acres of rugged terrain scattered along the fringes of Red Rock Canyon National Conservation Area.

Initially, Congress balked at the exchange. Several years earlier, it had explicitly banned land swaps in southern Nevada because of evidence the government had lost millions of dollars through unequal trades. Now, federal land in the area must be sold at auction in most cases.

The Clark County bill set aside the auction requirement. Reid pointed out that Hughes had begun pushing for the swap before the auction rule was imposed.

And, Reid argued, the exchange preserved the scenic value of the rugged land adjoining the Red Rock conservation area. The state's leading environmental groups had lined up behind the swap.

For its part, Hughes said that if Congress rejected the deal, it might build on the parcels. In 2000, the company had told local tax authorities the land was too steep to develop. But Hughes vice president Thomas Warden said the company's position changed with the upswing in the Las Vegas real estate market.

An appraiser selected by Hughes valued the federal land at \$24,448 an acre. After the bill passed, federal land nearby was auctioned for six times that amount.

Warden said that in such a volatile market, any number of factors could account for the difference in prices. Chief of staff McCue said the legislation stopped almost certain development of a "spectacular piece of land."

"We worked with the environmental community to do what was necessary to stop the development," she said. "And we were successful."

The transfer was consummated in May. Warden said Sen. Reid had been "especially helpful." He also credited the expertise of Barringer and his firm, which was paid \$300,000, according to lobbyist reports.

"Why were we successful?" Warden said. "It was because of the firm They brought a lot to the deal."

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Power Line Politics

The Hughes swap was at least done in plain sight. The company name appeared in the Clark County bill, along with descriptions of what each party would get.

Not so with Section 709 of the original bill, "Relocation of Right-of-Way Corridor Located in Clark and Lincoln Counties in the State of Nevada."

Only a close comparison of the provision with local property records for the Coyote Springs valley, which lies northeast of Las Vegas, revealed that the provision was intended to remove an obstacle to a proposed real estate development project headed by Harvey Whittemore, a longtime friend of Sen. Reid and a senior partner in the law firm that employs his four sons.

As U.S. Route 93 slices through the high desert, it divides two visions of the future.

On one side of the road lay 49,817 acres of federal land for which special wilderness protection had been proposed.

On the other side lay 42,800 acres of privately owned land on which Whittemore's development group, Coyote Springs Investment, hoped to build the largest planned community in Nevada history — with 50,000 homes, plus stores and 10 championship-golf courses.

A cloud hung over the plan, however: A federally mandated right-of-way for electric power lines cuts a mile-wide swath the length of the land that Coyote Springs wants to develop.

So far, no skeletal steel towers march across the landscape, but proposals to erect them keep cropping up. And it's difficult to envision buyers flocking to luxury homes whose neighborhood features hulking transmission structures. The right-of-way made the 11,000 acres in the corridor essentially worthless, the development company told county tax officials in recent years.

Section 709 of Reid's bill had offered a solution: Simply move the transmission corridor across U.S. 93 and plunk it down in the "wilderness study" area. Power lines are not permitted on such land without congressional approval. In a flurry of technical language, Reid's land bill changed the classification.

The provision's narrow purpose was "hidden by obfuscatory language in a large land bill," said Janine Blaeloch, director of the Western Land Exchange Project, an independent group that monitors federal-land policy.

Reid, however, considers moving the corridor a win-win proposition. "That property sat out there with nothing on it for many, many years," he said. "Who gets hurt in the movement?"

Whittemore did not return phone calls from The Times.

As originally drafted, Reid's bill would have removed the power-line corridor from the land owned by Whittemore and his partners, at no cost to them. After Interior Department officials objected, Reid agreed that the developers should pay the government something. Reid then withdrew the right-of-way

provision altogether, after questions were raised by The Times and the staff at the Senate Energy and Natural Resources Committee.

However, the provision removing wilderness-study protection from the federal land was approved and signed into law, meaning relocation can be revived easily.

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Nevada Gold Mines

While the Clark County bill focused on real estate, Reid has not neglected the state's other economic engines, also among his children's broad base of clients.

The mining industry is second only to gaming in Nevada. The state is the third-largest gold producer in the world.

Reid, a native son, grew up in the down-at-the-heel mining camp of Searchlight, in a family so poor they lived in a tin-roofed shack with no plumbing. The town's water supply was almost undrinkable, but there was a swimming pool — built for the brothels that helped keep the community alive — which opened to local children one day a week, he wrote in a book about his hometown titled "Searchlight: The Camp That Didn't Fail."

His father worked in the mines. After Reid put himself through law school and got into politics, he became one of the industry's foremost defenders.

Hard-rock mining needed such a champion. In recent years, it has been under almost constant siege because of its environmental destructiveness, as well as what critics see as its almost-free exploitation of federal land.

The Environmental Protection Agency recently concluded that "mining in the Western United States has contaminated stream reaches in the headwaters of more than 40% of the watersheds in the West."

Even with modern improvements, the industry still relies on chemicals and mining techniques that have contaminated thousands of acres of public land with cyanide, heavy metals and other toxic substances.

For five years beginning in 1997, Reid helped beat back or stall a series of reforms that he considered excessive, using his position on the Appropriations Committee to attach delaying riders to must-pass bills — including an emergency-aid bill for Kosovo.

Though some reforms eventually passed, several of those the industry considered unacceptable have been weakened or eliminated under the Bush administration.

During much of that time, his son-in-law and sons represented mining interests in Washington and Nevada.

Mining companies paid \$200,000 in lobbying fees to the law firm where Barringer worked from 1999 to 2000, and he worked on their accounts during that period, records show.

Barringer joined his current firm, whose specialties include mining, in 2001. The National Mining Assn. and mining companies active in Nevada have paid that firm \$780,000 in fees since his arrival, lobbyist reports show. Barringer has been one of the partners assigned to the mining accounts, the reports show.

Doug Hock, a spokesman for Newmont Mining Corp., said the company used Barringer "based on his expertise in mining and environmental law" and not because of his family ties.

The mining firm Placer Dome Inc. began paying the Lionel Sawyer law firm \$5,000 a month in 2001 to be its "eyes and ears" in Nevada and sought out Rory Reid's services, said Placer Dome Vice President Joe Danni. Placer also works with Barringer on federal issues, he said.

He said neither Reid nor Barringer would improperly take advantage of their family ties to the senator.

"My view of Rory and Steve is they are both very principled individuals," he said. "I have never lost sleep over it."

Sen. Reid and industry spokespeople say family members have been paid for their professional services, not their relationship to an important senator.

"Steve Barringer has been a lawyer for more than 20 years," Reid said. "They are not hiring some doofus."

Gambling, Nevada's No. 1 industry, is another frequent target of reform that has sought the help of Reid and the services of his family members.

In 2001, for example, serious efforts were underway to impose a nationwide ban on college-sports betting. The National Collegiate Athletic Assn. backed federal legislation that would outlaw it everywhere, including Nevada, where it is a legal, multimillion-dollar business.

Reid and his fellow members of the Nevada delegation began promoting a competing bill that also promised a crackdown on collegiate sports betting — outside of Nevada.

The American Gaming Assn. enlisted Barringer and other lobbyists to promote Reid's bill and defeat the other one. The result was a stalemate and no action, though another bill to ban all college betting has since been introduced in the House.

The American Gaming Assn. is one of Barringer's most faithful clients, following him from one firm to another and paying his present firm \$180,000 over the last two years.

Beyond Nevada's largest industries, Sen. Reid has helped a helicopter-tour company fighting new federal flight restrictions around the Grand Canyon. The company used his son-in-law Barringer to lobby on the issue. A chemical company seeking federal money to clean up radioactive waste and a hydrogen-fuel maker looking for a federal contract also got help from Reid. Both hired son Rory to lobby on unrelated issues in Nevada.

If there is an appearance of a conflict, Reid said, it is unavoidable in a large, talented and politically active family such as his.

"My kids are well-educated. They are nice young men. My daughter is a lovely young woman," Reid said, adding that his son-in-law is a "brilliant lawyer."

"I have done, I think, everything I can to protect myself and to protect my boys," he said.

"The only thing I could do to help myself is to have less kids."

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