

## **FEC: Reid, Herrera Donors Broke Campaign Finance Laws**

Associated Press  
Las Vegas Sun  
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March 09, 2006

LAS VEGAS (AP) - A prominent Las Vegas-based developer has admitted to illegally funneling a total of \$37,000 in campaign contributions to Senate Minority Leader Harry Reid and indicted former congressional candidate Dario Herrera during the 2002 election cycle, the Federal Election Commission said Thursday.

Reid and Herrera, both Democrats, were not aware of the campaign contribution scheme at the time, the FEC said in an announcement of an agreement settling a complaint against Las Vegas real estate mogul James Rhodes and his Nevada-based companies, Rhodes Design and Development Corporation, Bravo Inc. and Rhodes Ranch General Partnership.

Two Rhodes employees also were named in the complaint brought by the National Republican Congressional Committee in September 2002. Rhodes Design and Development Corporation Controller Nadine Giudicessi and Chief Financial Officer James A. Bevan each agreed to pay a \$5,500 fine for soliciting and collecting the contribution checks, the FEC said.

Rhodes, a Republican and generous contributor to Nevada politicians, has agreed to pay \$148,000 for violating federal contribution limits by instructing 14 employees, including Bevan and Giudicessi, and two employee's spouses to give to the campaigns and promising to reimburse their donations, FEC officials said.

According to the agreement, the money was eventually reimbursed using corporate funds and accounted for as "cash for travel," "petty cash" or simply "reimburse."

Rhodes' attorney, Richard A. Wright, did not return a call for comment. An attorney for Giudicessi and Bevan declined to comment on the case.

According to the FEC agreement, Rhodes employees illegally contributed \$27,000 to Herrera's failed bid for Nevada's 3rd Congressional seat.

The former Clark County commissioner is facing federal political corruption charges for allegedly accepted bribes from a strip club owner. That case is scheduled for trial in Las Vegas next week.

"Dario is obviously pleased that the FEC dropped the matter, since it was clear that he had no idea what Rhodes was apparently doing," said Jerry D. Bernstein, Herrera's lawyer.

FEC officials said Reid accepted \$10,000 in the bundled contributions. Reid spokesman Jim Manley said the senator will transfer the money to the U.S. Treasury, as ordered by the FEC.

"The senator believes that campaign finance laws should be followed to the highest letter of the law," he said.

Under federal campaign finance law, corporations are barred from making campaign contributions and donors are prohibited from making a contribution on behalf of someone else. At the time, individuals were limited to donations of \$1,000 in the primary and another \$1,000 in the general election.

In its complaint, the National Republican Congressional Committee said the contributions to Reid and Herrera were suspicious because a range of employees - from the CFO to the payroll clerk - contributed the maximum amount. All the Rhodes employees and spouses contributed to only the Herrera and Reid campaigns, and no employee had contributed to a political campaign in the 1998 or 2000 election cycles, the complaint said.