

Vault owner indicted in deposit box thefts

By Alan Tobin
and Warren Bates
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The owner of the defunct Western Vault Corp. was indicted Friday on charges of stealing cocaine, travelers checks, cash and jewelry valued at more than \$3 million from safe deposit boxes rented by Las Vegas police and several private customers.

Grady Sanders was the only defendant named in an 11-count indictment returned by the Clark County grand jury. He is charged with two counts of racketeering, one count of trafficking a controlled substance and eight counts of grand larceny.

He was released on his own recognizance and is scheduled to appear Feb. 22 before District Judge Earle White where he is expected to post \$100,000 bail.

Sanders was the only owner of Western Vault, 2929 S. Maryland Parkway, when police discovered almost 9 pounds of cocaine valued at \$700,000 and \$300,000 in blank American Express Travelers checks missing on Jan. 31, 1987, from a police safe deposit box being used in an undercover investigation.

The drugs and the checks were part of a "flash roll" used by Detective Steve Scholl and Sgt. Ed Schaub to gain the confidence of narcotics suspects and other criminals.

After the theft from the police safe deposit box was discovered, seven other Western Vault customers reported that \$2.2 million in cash and jewelry had been stolen from their boxes.

The indictment was the result of a yearlong investigation headed by Chief Deputy District Attorney Robert Teuton.

Sanders, accompanied to court Friday by attorney Dominic Gentile, declined to talk to reporters.

However, Gentile later held a press conference and said he will present evidence at trial proving that Scholl stole the drugs and travelers checks from the police safe deposit box.

"There is far more evidence that



GRADY SANDERS

...11-count indictment

will establish that Detective Scholl took these drugs and took these American Express travelers checks than any other living human being," Gentile said.

"And I have to say that I feel Grady Sanders is being used as a scapegoat to try to cover up for what has to be obvious to people at the Las Vegas Metropolitan Police Department and at the district attorney's office."

Shortly after the theft, police investigated and cleared the two detectives, both of whom had immediate access to the safe deposit box. Both reportedly passed lie detector tests.

"I don't know on what basis (Gentile) is making those allegations," Deputy Chief John Sullivan said at a Friday afternoon press conference. "Was he able to explain away the other thefts from the vault or did he say Steve Scholl was responsible for those?"

Lt. Loren Stevens of the Police Department's intelligence services bureau, who supervised both Schaub and Scholl, defended the two detectives but declined to dis-

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cuss specifics of the case.

"The appropriate arena for this case is in the courtroom," he said. "Those of us who are assigned to this investigation will certainly show up for the trial and that's where any and all evidence germane to the case should be presented."

Western Vault closed operations in June after Sanders said the sting operation and resulting publicity ruined his business.

Police think there are other former vault customers who had valuables stolen but have not contacted police.

To date, neither the drugs nor the stolen property has been recovered, Sullivan said.

"The drugs certainly were dispersed with the community or the country a very short time afterward," he said.

Sullivan said he doubts Sanders

had any idea he was stealing from police.

Gentile said that in past sting operations conducted by the FBI, Drug Enforcement Agency and U.S. Customs authorities, Sanders had always been notified of the probes.

He suggested that Las Vegas police were "playing fast and loose" and had not told Sanders they were undercover.

Gentile also questioned the credibility of four of the victims named in the grand jury's indictment. He said they were known drug dealers and money launderers.

Sullivan said a background check on Sanders before the safe deposit box was rented gave them no reason to believe the contraband was at risk.

"Contrary to our initial information from Western Vault we found early on that there were several duplicate keys," he said. "It would

be very easy for somebody to gain access.

"We felt confident that that amount of cocaine would be secure in that environment. We found out we were wrong."

After the theft, some federal law enforcement officials privately suggested that police were outsmarted in an exchange with drug dealers and used the theft as an alibi. Others said they suspected the officers stole the drugs and the checks.

As a result, relations between some police and federal authorities have been strained. Police hope the indictment will quell the suspicions.

The drug trafficking charge carries a sentence of 15 years to life imprisonment and a \$250,000 fine. Each grand larceny charge carries a one- to 10- year sentence. Each racketeering count has a 5- to 20- year penalty.

If convicted Sanders also faces forfeiture of his business and personal holdings.