

SUPREME COURT OF NEVADA  
CLIFF YOUNG, JUSTICE  
CAPITOL COMPLEX  
CARSON CITY, NEVADA 89710



March 8, 1988

Ann Bersi, Ph.D.  
Executive Director  
State Bar of Nevada  
295 Holcomb Avenue  
Reno, Nevada 89502

Dear Ann:

Enclosed are two articles which appeared in the Las Vegas papers on February 6, wherein apparently Dominic Gentile held a news conference after indictment of one of his clients, stating he is innocent of all charges.

I would appreciate it if you would refer this to bar counsel for a determination whether there was a violation of our Rules of Professional Conduct.

I would appreciate being advised whether any action is being taken with respect to this occurrence.

Sincerely,

  
Cliff Young

CCY:jlt  
Enclosures

RECEIVED MAR - 9 1988

# Vault

**From 1A**  
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.

# Vault owner indicted in deposit box thefts

By Alan Tobin  
and Warren Bates  
Review-Journal

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-

**Please see VAULT/4A**

## Indictment comes down on \$2.5 million robbery

Continued from Page 1A  
in the 11-count felony indictment, and was later released on his own recognizance.

The judge set Sanders' bail at \$100,000 and gave him two weeks to secure it.

Sanders is scheduled to be arraigned in the courtroom of Judge Earle White Feb. 22 on two counts of racketeering, eight counts of grand larceny and one count of trafficking in a controlled substance.

Metro undercover officers rented a safety deposit box at the company at 2929 S. Maryland Parkway and used it to store American Express travelers checks and four kilos of cocaine used in undercover drug sting operations. The checks and drugs were discovered missing early last year.

Additionally, the indictment charges Sanders with stealing some \$1.2 million worth of jewelry, commemorative coins, silver, gold and cash from seven people who rented safety deposit boxes at the company in 1985, 1986 and 1987.

In a news conference after the indictment was returned, Gentile said Sanders is innocent of all charges against him.

The defense attorney said he has evidence that will prove that Metro Detective Steve Scholl, one of the undercover detectives who had access to the safety deposit box, "is most likely responsible for the theft."

He describes Scholl as being in "the most direct position" to

have access to the drugs and checks.

The indictment of Sanders is an effort by Metro officials to "get themselves out of trouble" and to cover up the wrongdoing of one of their own, he alleged.

As for the other alleged theft victims, Gentile said some four of them are known drug dealers and money launderers who would have had ulterior motives for claiming they had money and other property stolen from the boxes.

Gentile implied that some of the alleged stolen property may never have been in the boxes in the first place, and he mentioned insurance fraud as one possible motive for the other victims reporting property missing.

Chief Deputy District Attorney Bob Teuton, responding to Gentile's allegations that authorities are making Sanders a scapegoat, said the indictment is a legitimate one.

Prosecutors can't bring an indictment to court unless they can prove the charges in it beyond a reasonable doubt, he said.

Metro officials also adamantly denied Gentile's assertions.

"We in Metro are very satisfied our officers (Scholl and Sgt. Ed Schaub) had nothing to do with this theft or any other. They are both above reproach. Both are veteran police officers who are dedicated to honest law enforcement," said Metro Deputy Chief John L. Sullivan.

# Las Vegas Sun

Saturday / Feb. 6, 1988

METRO MISSING \$2.5 MILLION IN DRUGS, CHECKS



SUNphoto by LEE ZAICHICK

Attorney Dominic Gentile says client is "scapegoat."

## Jury indicts vault owner on \$2.5 mil. theft charge

By Pauline Bell  
and Harold Hyman  
SUN Staff Writers

The owner of the now defunct Western Vault Corp. was indicted by a Clark County grand jury Friday on charges he stole \$2.5 million in cash, coins, jewelry and other merchandise, including about \$1.3 million worth of drugs and travelers checks belonging to Metro Police, from safe deposit boxes at the business.

However, the attorney for businessman Grady Sanders said his client is being set up as "the scapegoat" for the Metro detective who really stole the checks and cocaine. Evidence presented at trial will prove Sanders innocent, said defense lawyer Dominic P. Gentile.

Sanders, accompanied by Gentile, was present in the courtroom of Chief District Judge Myron Leavitt when the indictment was returned. The 51-year-old Las Vegas surrendered to authorities, was formally booked on the charges

See INDICTMENT, Page 5A