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Ex-Mirage official pleads guilty in privacy case

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Former Mirage Resorts Inc. corporate security manager Eugene Harding has pleaded guilty to a federal charge that he conspired with a government official to illegally access an individual's personal tax records while Harding was employed at the Mirage.

The incident is connected to activity detailed in a federal lawsuit filed in Las Vegas in 2001 by a gambler who claimed that Harding and another employee accessed private tax information to determine whether to extend the gambler casino credit, according to Keith Copher, chief of the state Gaming Control Board's enforcement division. State gaming regulators at that time assisted the Internal Revenue Service in investigating whether Harding illegally accessed gamblers' records, Copher said.

The state Gaming Control Board wasn't aware of the July 2 guilty plea until last week but is investigating the incident, Copher said. The activity stems from the late 1990s, before Mirage Resorts merged with MGM Grand Inc. to become MGM MIRAGE.

It's unclear whether Harding accessed taxpayer information on behalf of Mirage Resorts as alleged in the 2001 lawsuit. But the Gaming Control Board's interest in the case points to the seriousness of the allegation that a casino company was involved in violating a customer's privacy by accessing the customer's tax returns.

While one incident isn't terribly significant, a pattern of abusing government access could have far-reaching consequences, said Steve Johnson, a Boyd School of Law professor and tax law expert at the University of Nevada, Las Vegas.

"It strikes at the trust citizens have which is predicated on people providing information to the government," he said.

That the U.S. attorney hasn't been more forthcoming with details about the case may be related to the belief that full disclosure could somehow undermine the government's ability to collect tax return information, he said.

Laws prohibiting government workers from disclosing tax information have existed for decades, while the government in 1998 made it a crime for IRS employees to even "browse" individuals' tax files out of curiosity, he said.

"There's the fear that people would not be filing their (tax) returns or curtailing information on their returns if they thought the world could access the information," Johnson said.

While few people have been prosecuted under the tax codes, the conspiracy code used to charge Harding is broader and more commonly used to prosecute both tax and non-tax related crimes, he said.

Johnson said he wasn't immediately aware of any similar cases involving IRS information or casino workers.

Harding pleaded guilty to a misdemeanor charge that he accessed information from the Social Security Administration and the Internal Revenue Service with the help of Social Security employee Marc Remillard, according to Kathleen Mehlretter, assistant U.S. attorney for the Western District of New York in Buffalo. Remillard pleaded guilty to the same conspiracy charge June 29, she said.

Harding is scheduled to be sentenced by a federal judge Oct. 4, and Remillard's sentencing is set for Sept. 13. Both were released without bail.

Federal prosecutors in the U.S. attorney's Rochester office charged Harding -- a former FBI agent in Rochester -- with conspiring to access computer records from July 1998 to December 1999. Remillard accessed the information from Rochester, where he was based, Mehlretter said.

Harding called Remillard on or around Sept. 1, 1999, and Remillard that day "ran a series of queries in the computer of the Social Security Administration regarding an individual R.L. and provided information concerning wages to Eugene Harding," according to the complaint.

The victim, R.L., wasn't further identified.

Harding and Remillard accessed information on several people during that period of time, though only one individual act is needed to craft a charge, Mehlretter said.

Harding left Mirage Resorts around the time of the May 2000 merger between Mirage and MGM Grand Inc., according to the company.

The U.S. attorney has not named the individual whose records were accessed so as not to further victimize the person, Mehlretter said. Prosecutors also aren't revealing names of any other individuals whose records were tapped. They also declined to discuss any information about Harding's employment history, including where he worked at the time of the incident. Also unknown is what Harding did with the information. Such details aren't relevant to the charge, Mehlretter said.

The U.S. attorney isn't investigating any other individuals or companies related to the complaint, she said.

"We believe in charging these two individuals; we've taken care of the culpability for the conduct we found," Mehlretter said. Federal investigators aren't aware that Remillard was giving information to anyone else or that Harding was using anyone but Remillard to access the data.

The charge carries a penalty of up to one year in jail and a \$100,000 fine.

Mehlretter declined to comment on how government officials became aware of the activity or when the investigation began. The investigation was conducted by both the Social Security Administration and the Internal Revenue Service, she said.

Mehlretter also declined comment on whether the charges are connected to the federal lawsuit filed in

August 2001 naming Mirage Resorts, Harding and Thomas Sheer, a former Mirage Resorts senior vice president of government relations.

In that suit, gambler Richard "Bo" Dietl alleged that Mirage officials paid an IRS employee for Dietl's 1995, 1996 and 1997 tax returns to determine the amount of casino credit to extend to him. Dietl also claimed he was questioned by Treasury Department investigators about the matter. Dietl said he was tipped off by an unnamed third party.

U.S. District Judge Roger Hunt granted a motion to dismiss the case in January 2002 in part because Harding and Sheer weren't federal employees and did not fall within the categories required to make disclosure of personal tax records a crime.

Dietl and the attorney who prosecuted his case could not be reached for comment. Harding and his attorneys in the Dietl case and the U.S. attorney complaint could not be reached for comment. Remillard's attorney also could not be reached.

MGM MIRAGE spokesman Alan Feldman said company officials learned of the guilty pleas over the July 4 weekend. Feldman, who worked for Mirage Resorts at the time Harding was employed there, said Mirage wasn't aware of the alleged incident.

"Violation of the law is a sure recipe for termination," he said, citing the well-publicized termination of several employees last year for failing to file required reports on large cash transactions with the Treasury Department. Feldman said he wasn't aware that any employees had ever accessed government records to perform credit checks on gamblers.

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