

Turmoil beginning with Adelson's purchase of paper

By Associated Press

LAS VEGAS – When several reporters for the main newspaper in Las Vegas were taken off their beats and assigned to investigate three judges, the decision seemed strange because it came from the paper's new owners, not a newsroom editor.

The mystery deepened weeks later, when the public learned that casino mogul Sheldon Adelson and his family had purchased the paper in a secretive deal. And the questions only intensified, leading the staff of the *Review-Journal* to publish a front-page story about suspicions that the owners had attempted to use the paper to settle a personal score with a judge handling a lawsuit against Adelson, a wealthy political donor known as a Republican kingmaker.

On Tuesday, the *Review-Journal* editor who decided not to run anything on the three judges told the staff he was stepping down after accepting a voluntary buyout.

Mike Hengel stunned the newsroom with his departure, which was announced Wednesday on the front page in an article that said an unspecified number of other employees had also accepted buyouts.

"I think my resignation probably comes as a relief to the new owners," Hengel said in an audio recording obtained by the Associated Press.

Many of the questions center on a small Connecticut newspaper that published a story singling out Elizabeth Gonzalez, one of the Nevada judges who was monitored by the Las Vegas reporters. The *New Britain Herald* called her rulings "inconsistent" and "contradictory" and cited them as evidence

for why Connecticut may not want to consider creating specialized business courts.

The judge has clashed numerous times with Adelson's attorneys in a high-profile wrongful-termination lawsuit brought against Adelson's casino company, Las Vegas Sands.

Earlier this year, Gonzalez admonished Adelson in court for not answering a routine question about work e-mails, telling him he could not argue with her.

The publisher of the Connecticut paper is Michael Schroeder, who also happens to be the manager of a Delaware company formed to facilitate the purchase of the *Review-Journal* for the Adelsons.

Schroeder was introduced to the *Review-Journal* newsroom on Dec. 10, and he was the one who initially refused to identify the newspaper's new owners.

It was not clear if the other two judges – a Las Vegas justice of the peace and a Clark County family court judge – had any connection with Adelson. The newspaper report said they were selected by the reporters.

Gonzalez was selected by someone at the *Review-Journal*, but not within the newsroom, because she specializes in business lawsuits and is handling unrelated cases involving Adelson and fellow casino mogul Steve Wynn, the report said.

As news organizations adapt to an ever-changing media landscape, many newspapers have changed hands, with some being acquired by billionaires. But few American newspaper owners have a political agenda to rival that of Adelson, who has contributed tens of millions to GOP campaigns.

Gatehouse Media, the paper's former owner that will continue managing it, has said Adelson has no intention of using the newspaper as a platform.

Andrew Seaman, chairman of the ethics committee of the Society of Professional Journalists, stresses that the story in the Connecticut newspaper could be a coincidence but acknowledges the only way to describe the sequence of events is "weird."

"The implication is that there is some connection with the Connecticut newspaper, and it's all connected to the sale," Seaman said. "It's very concerning."

After he decided against publishing any of the material about the judges, Hengel said, he sent the research to Publisher Jason Taylor and never heard more.

"I didn't see the point of it. I still don't see the point of it," Hengel said Tuesday, adding that he had not talked with anybody from the Adelson family or Schroeder. "I wasn't interested in publishing it."

Schroeder did not return phone calls and emails. He declined to comment to the *New York Times*, but told the newspaper the Las Vegas reporters were "stirring up trouble."

Adelson's spokesman for the Las Vegas Sands, Ron Reese, declined to comment, as did Gonzalez, who spoke through her executive assistant, and longtime *Review-Journal* attorney Mark Hinueber. He said he could not say anything about whether he or other employees were still employed by the paper.

The Adelsons bought the *Review-Journal* and a handful of other Nevada papers for \$140 million – nearly \$40 million more than what Gatehouse paid for the properties in February. The family did not disclose the purchase until the newspaper staff, media watchdogs and politicians, including some presidential candidates, demanded to know the identity of the new owners.

The Adelsons said they held back revealing themselves as the owners because they did not want an announcement to distract from last week's Republican presidential debate held at the Venetian, the casino-hotel on the Las Vegas Strip that is part

of Adelson's empire.

Seaman said Review-Journal reporters have earned respect for their dogged reporting about their own sale.

"It shows," Seaman said, that "they are not afraid to stand up to the people who sign their paychecks, which is very admirable."