



# **Investigative Report of BLM Land Sale, Henderson, NV**

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This is a version of the report prepared for public release.

## **SYNOPSIS**

In response to requests from Ken Salazar, then-Secretary of the U.S. Department of the Interior (DOI); DOI's Office of the Solicitor; and the Honorable Doc Hastings, then-Chairman of the House of Representatives' Natural Resources Committee, the Office of Inspector General and the Federal Bureau of Investigation jointly investigated allegations of potential improprieties surrounding the 2012 sale of 480 acres of land in Henderson, NV, by the Bureau of Land Management (BLM) to land developer Christopher Milam to build a sports stadium complex.

The requests for an investigation came after the City of Henderson filed suit against Milam in district court in January 2013, claiming misrepresentation and fraud after Milam attempted to terminate an agreement he had with the City to build the stadium; the City feared that Milam had purchased the land with the actual intent of reselling it at a profit instead of building the stadium. The City further alleged that former BLM Director Robert Abbey might have been inappropriately involved in the land sale process before he left BLM. Our investigation was coordinated with the U.S. Attorney's Office (USAO) for the District of Nevada.

The investigation revealed that Abbey was personally and substantially involved in the presale process for the land. Abbey stood to benefit personally from the sale because he and Mike Ford, a former BLM employee and Abbey's onetime business partner, had arranged for Abbey to resume his role as a partner in their private consulting firm after he left BLM. This same firm represented Milam's business interests during the sale process and was to receive a \$528,000 payment if the sale to Milam was successfully completed. We discovered no evidence that Milam purchased the land with the intent to "flip" it. We presented these findings to the USAO, which declined the matter for prosecution in September 2015.

We also learned that Ford had an unusually high level of access to BLM personnel and processes before and during the Henderson land sale. In addition, a realty specialist with BLM's Nevada State Office who was involved in the presale process told us that she gave precedence to Ford's land applications when he did business with BLM, and that she had shared draft documents with him during the Henderson presale. Her actions appeared to violate Federal regulations that prohibit preferential treatment and the improper use of nonpublic information.

## **DETAILS OF INVESTIGATION**

Robert Abbey served as the Bureau of Land Management's (BLM) Nevada State director from 1997 to 2005. In July 2005, Abbey left BLM to form a land and energy consulting firm, called Abbey, Stubbs & Ford, LLC, with Barry Stubbs and Mike Ford, another former BLM employee. He resigned from Abbey, Stubbs & Ford in August 2009 and returned to BLM as its Director on August 10 of that year. He served in that role until he retired on May 31, 2012.

Abbey issued a formal recusal memorandum on October 26, 2009, almost 3 months after he was confirmed as BLM Director. The recusal confirmed that Abbey had resigned his position with Abbey, Stubbs & Ford on August 7, 2009, and the firm was renamed Robcyn LLC. The recusal also stated that Abbey "expected to rejoin the firm as a member" after his Government service ended and that he would "not participate personally and substantially in any particular matter that had a direct and predictable effect on the financial interests of the firm." The recusal mirrored the elements of the criminal statute 18 U.S.C. § 208(a), "Acts affecting a personal financial interest."

Abbey's business partner Mike Ford also had a long history with BLM. Over 25 years, from 1974 to 1999, he served in several roles at the Bureau, including Lake Havasu City, AZ area manager; Albuquerque, NM district manager; Nevada's deputy State director; and finally branch chief of the Land and Realty Division in Washington, DC. After Ford retired from BLM, he and Stubbs formed Robcyn, a land consulting firm, before partnering with Abbey to launch Abbey, Stubbs & Ford. In that business arrangement, Stubbs acted primarily as the office manager and bookkeeper while Abbey and Ford worked with clients. After Abbey became BLM Director in 2009, Ford and Stubbs continued operations under the name Robcyn until Abbey rejoined the firm in June 2012. They then resumed business as Abbey, Stubbs & Ford.

Ford's connections to Abbey did not end with their business partnership. During Ford's tenure at BLM and after his retirement, he and Abbey developed a close personal friendship, which was evidenced in a variety of ways. For example, Ford would occasionally visit Abbey at his BLM office and stay in Abbey's home when he traveled to DC on business.

In 2011, while Ford was doing business as Robcyn, he was introduced to Christopher Milam, a land developer with a long-held interest in developing a stadium and sports complex outside Las Vegas, NV. Milam, who did business through several legal entities,<sup>1</sup> wanted to build a large, multi-facility sports complex that would serve as the home stadium for professional basketball, soccer, and hockey teams.

In an effort to further Milam's stadium vision, one of his associates contacted Andy Hafen, the mayor of Henderson, NV, which is located southeast of Las Vegas, to discuss an opportunity for Milam and the City of Henderson to partner on a stadium project. In June 2011, several City representatives met with Milam and his team to discuss the potential project.

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<sup>1</sup> For various aspects of the stadium project, Milam did business under the names Silver State Land, LLC; Las Vegas National Sports Center, LLC; Las Vegas National Sports Center (Holdings), LLC; and IDM LLC. For ease of reference, we will use Milam's name when referring to any of these entities.

In the fall of 2011, after numerous meetings, Milam and the City entered into an agreement for Milam to construct a large mixed-use stadium complex in Henderson, NV. The complex was to be composed of enclosed, covered, distinctive sports venues and mixed-use facilities for public recreation and for commercial uses approved by the City. Under the Southern Nevada Public Lands Management Act, the City had to request that BLM put the 480-acre parcel up for sale; the City agreed to do so on Milam's behalf.

Ford signed agreements with both the City and Milam for Robcyn to provide consulting services to help them navigate the BLM land sale process. According to Ford, his mission during the stadium project was to advance the interests of the City "from cradle to grave." His contract with the City was for \$500 per month. Ford had provided land-related consulting services for the City in the past, but he had not worked with Milam before. He agreed to represent Milam's business interests in acquiring the land and obtaining the necessary authorizations and permits, including expedited completion of a Federal land sale. For his consulting services to Milam, Ford was to receive about \$528,000 when the Federal land patent (an official document recording a transfer of land title from the Federal Government to individuals) was issued and recorded to Milam.

Abbey retired from BLM on May 31, 2012. The sale of the land to Milam took place on June 4, 2012. Milam paid the balance owed on the land on November 28, 2012; that same day, he sent a letter to the City declaring that the stadium project was "not viable" and that he was terminating his stadium agreement with the City. The City believed that Milam had purchased the land for a purpose other than the one he had originally proposed and was attempting to resell the land at a profit ("flipping" the land), so the City contacted BLM and requested that Milam be prevented from assuming ownership of the land. Ultimately, the City filed a breach-of-contract suit against Milam in Clark County district court.

In February 2013, in response to requests from Ken Salazar, then-Secretary of the U.S. Department of the Interior (DOI); DOI's Office of the Solicitor (SOL); and the Honorable Doc Hastings, then-Chairman of the House of Representatives' Natural Resources Committee, we opened a joint investigation with the Federal Bureau of Investigation into the Henderson land sale. The investigation was conducted in consultation with the U.S. Attorney's Office for the District of Nevada. We investigated the sale to determine the extent of Abbey's involvement in the sale process. We also investigated Ford's level of influence on the process and whether any fraud or other improprieties occurred during the sale.

## **The Presale Process**

### *Abbey's and Ford's Involvement in the City's Request To Sell the Land*

Abbey's involvement in the land sale began early in the process. Despite the limitations of his refusal, he conversed or met with Ford on several occasions before and during the initial land sale efforts:

- On March 4, 2011, Ford emailed Abbey, stating: "Glad we had time to catch up yesterday in Reno and happy we were able to visit candidly about issues of mutual interest. I'll keep things to myself and look forward to visiting with you as events continue to unfold."

In the meantime, my trip to [Washington, DC] is set for the week of March 21 – 24.” He added that he would accept Abbey’s offer to stay in Abbey’s home during the trip.

- On March 22, 2011, Ford met with Abbey at Abbey’s BLM office in Washington, DC.
- On March 23, 2011, Ford emailed Abbey at his DOI address, directing him to check his non-DOI email account for a message.
- On June 23, 2011, Ford met with Abbey and an official from a wildlife association at Abbey’s BLM office in DC.

From the beginning of the sale process, Ford also met with BLM employees, from the Southern Nevada District Office (SNDO) level to the Director’s level, to shepherd the land sale request through the necessary reviews. On September 7, 2011, he wrote a letter to BLM on behalf of the City, asking BLM to offer the land for direct sale to Milam. Under a direct sale, if approved by BLM, the land would have been sold to Milam at fair market value, but without competition.

On September 9, 2011, Ford met with BLM’s district manager for southern Nevada to deliver the land sale request letter. On September 20, 2011, he emailed the district manager and informed her that he had “made the rounds on the Hill and elsewhere on a variety of issues of mutual interest,” including the land sale.

The district manager reviewed the request, and on October 4, 2011, she informed the City that it would not be appropriate to sell the land directly to Milam because another developer had approached BLM about building a stadium there in the past and because the subject land was not contiguous to other land parcels that Milam already owned in Nevada. She also reasoned that the economy in the area was very slow at the time and there were no strong indicators that an openly competitive sale would have resulted in increased competition for the land. After meeting with Ford on multiple occasions, the district manager instead authorized a “modified competitive” sale.

According to 43 U.S.C. § 1713(f) (see also 43 C.F.R. § 2711.3-2(a)), a parcel of public land may be offered for sale using modified competitive bidding procedures when the authorized officer, usually the manager of the district where the parcel is located, determines that such a sale is necessary to respond to the needs of State or local government, adjoining landowners, historical users, and others. A modified competitive sale would allow interested land developers and other purchasers to bid on the land, but the potential purchaser who initially requested that the land be sold—in this case, Milam—would be the designated bidder and would have the opportunity to meet or exceed the final bid.

The district manager confirmed to us that she authorized a modified competitive sale because it was the best alternative given the slow economy in the area at the time, the absence of strong indicators that a competitive sale would have increased competition, and the fact that the parcel was not contiguous to parcels Milam already owned. She explained that a modified competitive sale option complied with regulations and that these sales were offered occasionally, so it was not an exceptional alternative.

After the district manager authorized the modified competitive sale process, Ford emailed her and other BLM employees on October 10, 2011, and thanked them for their continued help and

support regarding the City's request for a sale. Ford told them that his staff was prepared to assist BLM's Las Vegas Field Office (LVFO) as needed "in order to advance things on a priority basis."

### *Ford's Potential Influence During the Land Appraisal Process*

Once BLM decided to sell the land, a qualified appraiser needed to determine the property's market value. (In accordance with 43 U.S.C. § 1713(d), public lands must be sold for at least fair market value.) Although we determined that the appraisal appeared reasonably accurate, we found numerous documents that suggested Ford had an undue influence in the appraisal process.

Ford's actions included having his company, Robcyn, directly arrange and pay for an appraisal by the appraiser of his choice, with the understanding that Milam would reimburse Robcyn for the appraisal fee. According to DOI's Office of Valuation Services' (OVS) Valuation Policy Manual (December 14, 2011), appraisals can be procured by the purchasing State or local government entity as long as the appraisal report adheres to the same standards as if it were being completed or procured by a Federal entity.

We asked the OVS review appraiser who examined the Henderson appraisal to describe his involvement in the process. He said that BLM sent him an appraisal request for the Henderson land sale on November 2, 2011, and later that same day he began to get calls from representatives of Robcyn. He explained that having OVS manage an appraisal—either using its own appraisers or contracting with external appraisers—usually takes 60 to 120 days, but Robcyn wanted the appraisal completed faster than that. Therefore, he said, the company was willing to pay the cost of contracting directly with an appraiser instead of going through OVS, and he told the Robcyn representatives that they could have a third-party appraisal done. He defended this decision to us, stating that contracting directly with appraisers was a common practice when developers wanted to expedite the appraisal process.

The OVS review appraiser said that he wrote the scope of work for the appraisal and then sent it to Ford, who contracted with a private appraisal company to do the appraisal. The review appraiser said that the appraisal company was a "respected firm" that would not give in to pressure, so when Robcyn informed him of the contract, he approved the selection. He said that BLM has no official list of appraisal companies from which to choose. He also said that he did not know how much the appraisal cost and that BLM's appraisal file contained no record that Robcyn paid for the appraisal.

The owner of the appraisal company confirmed that his company completed the appraisal. He said that Robcyn paid the \$7,500 appraisal fee even though he had billed the City for the work.

The appraisal company employee who appraised the land said that the City wanted the appraisal to be completed quickly and that the entire process took about 2 weeks. He said, however, that he wanted the appraisal to be done right and that he did not feel rushed. He believed that the City paid for the appraisal and was not aware of Milam or anyone connected to Milam being involved in the appraisal process. He said that he did not know Milam, but he knew Ford.

The appraisal company employee said that he appraised the land as a master planned site with no limiting conditions. He said that having a stadium on the land did not affect the appraisal price because a stadium would be the “highest and best use” of the land; he explained that there had been no land sales in that area at all, and that residential development was not the highest and best use because nearby residentially zoned parcels were already in bankruptcy.

The appraisal company owner sent the OVS review appraiser the completed appraisal to review on December 5, 2011. The fair market value established by the appraisal was \$10,560,000, which equated to about \$0.50 per square foot. According to the review appraiser, he relied on the information in the appraisal for his review; he did not research the market values of comparable local properties. He found no issues related to the land value, and after he finished his review he turned the appraisal over to his supervisor, a BLM client service manager.

The client service manager told us that the review appraiser reviewed and signed off on the appraisal without making any changes. The manager said, however, that he identified three pages of deficiencies in the appraisal during his own review. He thought that it was somewhat unusual for the review appraiser to approve an appraisal containing so many deficiencies without edits or comments, but said that the defects were unrelated to the appraisal valuation and thus were not “fatal” flaws.

The client service manager did not know who paid for the appraisal, but stated that if he had known Milam had ultimately paid for it he would have directed the appraisal request to go through a standard competitive contracting process. He said that Milam paying for the appraisal would have been “a big red flag” because it would have been a conflict of interest for Milam, as the potential purchaser of the land, to pay to have it appraised.

Ford confirmed that Robcyn paid for the appraisal, but said that the suggestion to use the appraisal company came from BLM because the company had worked on BLM appraisals numerous times before. He said that it was a standard practice for BLM to ask a third party to pay for the appraisal since it would pass some of the cost of the appraisal process on to the potential purchaser.

Ford said the market at that time was so bad that a seller “couldn’t give away dirt.” Nevertheless, he said, he had been surprised by the lower-than-expected appraisal value. He acknowledged that he had had casual conversations with the appraisal company owner about general land values in the area and said he told the owner that he desired or estimated the value of the Henderson land to be \$1 to \$2 per square foot, but he denied directing the owner to appraise the land at a particular value. He stated that his opinion on the land’s value had no impact; the land had been assessed at fair market value, he said, and even if he had influenced the owner, he would have had to influence the OVS review appraiser also.

### *BLM Review of the Notice of Realty Action*

Once the land’s value was established by the appraisal, a notice of the proposed sale, known as a Notice of Realty Action (NORA), had to be published in the Federal Register and local newspapers and sent to interested parties at least 60 days prior to the sale. The NORA contained

information about the method of sale as well as the terms, covenants, conditions, and reservations that were to be included in the conveyance of the land. It also provided a period for comment by the public and interested parties.

We learned that Ford wrote at least part of the NORA and provided it to BLM to review and process. The NORA was then routed through several levels of review at BLM: LVFO, SNDO, the Nevada State Office (NSO), the Washington Office, and finally the Director's Office. Ford directly contacted employees at each level to guide and expedite the NORA's processing. The BLM employees we spoke to said that Ford contacted them frequently about the NORA's status and asked that they review and finalize it as quickly as possible.

In early September 2011, a BLM realty specialist from SNDO was assigned to the Henderson land sale. During her interview, the SNDO realty specialist outlined for us the NORA process, stating that a NORA for a Nevada land sale would be drafted at LVFO and then sent to NSO for review by the regional Office of the Solicitor and employees in the Lands and Realty Branch. After review and approval at the State level, the NORA would go to the Washington Office for review, approval, and publication. The SNDO realty specialist said that she did not know of any consultant other than Ford who had been allowed to write a NORA, but she was not aware of any particular policy that would prohibit a consultant from doing so.

For the Henderson land sale, the SNDO realty specialist said, Ford tasked two of his consultants with helping to speed up the land sale process. She explained that these consultants were assigned because they were both former BLM employees and knew other BLM employees who could help expedite the sale. She clarified that the consultants were not involved in determining the type of sale for the Henderson land; that decision had already been made by time the land sale was assigned to her. She said that the consultants helped to write sections of the site's environmental assessment, which was referenced in the NORA. She also commented that it was "unusual" for the consultants to assist during the sale process because they worked for the consulting firm, not BLM. She said that they checked the status of the process frequently.

The SNDO realty specialist said that the only thing she perceived as unusual about the land sale itself was that it was completed faster than usual. She explained that a typical land sale takes about 12 to 18 months to complete, but the Henderson land sale took about 9 months. She said that after the NORA went to the Washington Office, it only took 1 to 1½ weeks for it to complete the review, approval, and publication stages, which normally take 1 to 2 months.

The LVFO field manager stated that Ford was a "powerful person" who was working with other powerful people, so the field manager wanted to make sure BLM proceeded properly during the sale. He knew about Ford's ties to Abbey; he said that Abbey and Ford were influential and had "unusually powerful access to important individuals" in the Federal Government. He said that Ford and Abbey often implicitly reminded others about this influence, which grew when Abbey became the BLM Director. According to the field manager, other LVFO employees felt intimidated by Abbey and knew of Ford's relationship with him.

The field manager recalled a time that Abbey came to visit LVFO as the BLM Director while in town for an event with the Secretary of the Interior. He told us that the southern Nevada district



manager also attended the event, but Abbey spent little time with her, choosing instead to spend most of his time with Ford. He said that Ford and Abbey told her they had to leave, but unbeknownst to her they returned to the building and Ford began introducing Abbey to BLM employees. The field manager said that he was not present at the time, but several employees reported the incident to him and told him how uncomfortable they felt with Ford leading Abbey around the office and acting as his host or tour guide. The field manager also explained that he had received complaints about Ford and Stubbs in the past from several LVFO employees who felt that Ford and Stubbs had been intimidating and abusive toward them.

Regarding the NORA, the field manager said that Ford was frustrated at how long it was taking to get it published in the Federal Register, so he regularly emailed both the field manager and the district manager about its progress. In addition to the emails, he said, Ford bragged that Abbey and BLM Deputy Director Mike Pool would sign the NORA as soon as it arrived in DC and implied that he had power and influence because of his close connection to Abbey. At times, the field manager said, Ford would say that he was going to DC and would discuss any issues he had with the land sale with Abbey while he was there. The field manager believed that Ford actually did have those meetings with Abbey. He also said that it made him and other BLM employees uncomfortable that Abbey did not recuse himself from Nevada land deals due to his past private employment in Nevada and his close relationship with Ford and others in the Nevada land development industry.

Despite the pressure from Ford and the knowledge of Ford's ties to Abbey, the field manager said, he believed that the LVFO employees did their jobs properly with respect to the land sale and did not break any laws.

The NORA arrived at NSO around January 18, 2012. On January 19, Ford contacted NSO's lead realty specialist to inform her that he represented the City of Henderson and to request an update on the progress of the NORA. Ford explained to her that "this is an important project that will help the current economic development situation in Las Vegas and create some much needed jobs. Support is high from everyone, including the Nevada congressional delegation and the local public." He also told her that he had already alerted the Washington Office that the NORA would be forthcoming.

The lead realty specialist informed Ford on January 19 that she and her coworker, a realty specialist in the NSO, had finalized their reviews and were awaiting action by an NSO public affairs specialist. Ford replied: "Many thanks for the quick response and help. We will leave it to you and others to do the needful in terms of final review. . . . I'll pick up the ball once it gets to the [Washington Office] and have alerted others to expect something soon."

Less than an hour after Ford responded to the lead realty specialist, the NSO realty specialist sent an email to him, stating: "This email is just for you, don't share with anybody else." The email had several draft versions of the NORA attached. Ford assured her that he would "hold in confidence" the NORA information that she had provided, and said that the lead realty specialist was helping as well.

When we interviewed the NSO realty specialist, she said that she believed it was acceptable to send Ford copies of the draft NORA, even though the information in it was not available to the public, because it was eventually going to be public anyway. She did not know if other realty specialists shared draft documents with outside parties, nor did she know of any specific policy that precluded her from doing so.

The NSO realty specialist also acknowledged that she gave priority to Ford's land application packages when he conducted business with BLM. She explained that she would move Ford's applications to the top of her stack of files to be reviewed because Ford had often helped her in her career; he had hired her to work at BLM, mentored her, and selected her for a promotion. She said that she could not "just forget" his help over the years. She stressed that even though she gave precedence to Ford's land files, none of her other assignments suffered. She explained that all of the files had to be processed very quickly—within 1 or 2 weeks—because the escrow companies BLM dealt with expected it.

***Agent's Note:** Federal employees who share nonpublic information as a form of preferential treatment violate two significant regulations. As stated in 5 C.F.R. § 2635.703, an employee cannot allow the improper use of nonpublic information to further his or her own private interest or that of another. Moreover, 5 C.F.R. § 2635.101(b)(8) states that employees must act impartially and not give preferential treatment to any private organization or individual. According to the DOI Table of Penalties, each of the regulations carries potential penalties for violation, ranging from written reprimand to removal.*

On January 24, 2012, the lead realty specialist sent Ford an updated status of the NORA. She told Ford that NSO was still waiting for electronic files from SNDO and a review by the regional Solicitor's Office (SOL). Ford replied that he would "nudge" LVFO about the matter. On January 26, Ford emailed the district manager and the field manager, saying that he hoped the review of the NORA could be completed and the NORA moved forward quickly. Ford also thanked them for giving the special request their personal attention, and noted: "We have been in contact with the [Washington Office] and they are prepared to expedite final review of the NORA as soon as it arrives so that it can be immediately sent to the Federal Register."

A week later, on February 3, 2012, the NSO realty specialist contacted a DOI solicitor, asking him to review the draft NORA and to expedite his review "as it might already have the attention of the BLM Director." She later forwarded this email to Ford, and Ford thanked her for sharing it with him "in confidence." She told us that Ford did not ask her to forward him the email. She also said that he did not tell her that the land sale might have had Abbey's attention; she stated that she had heard this around the office, though she did not recall where or from whom. She said that Ford almost never brought up Abbey's name in discussions with her, and she was not aware of any involvement by Abbey in the land sale.

As the review of the NORA continued, Ford's emails began to take on a more urgent tone. On February 20, 2012, he emailed the lead realty specialist and other BLM employees:

It has now been over 5 weeks since the draft NORA was originally sent to the NSO by the LVFO and hopefully the coordinated review and revisions have been

completed to everyone's satisfaction. Considering the time that has elapsed, and the collective effort that has been advanced, we are hopeful things can proceed without further delay. We understand final review and approval must be completed by the [Washington Office] but we have been in regular contact with them as they are prepared to proceed as soon as possible upon receipt of the package.

On March 14, 2012, Ford forwarded Abbey an email that he had sent to the lead realty specialist on February 27, 2012. In that email, Ford asked her to let him know when the NORA had been sent to the Washington Office.

The lead realty specialist explained to us that she reviewed the NORA for correctness and accuracy regarding such things as encumbrances, rights of way, and mineral reserves. She stated that Ford traveled to DC to help expedite the NORA process; she observed that the process took much less time to complete than usual. She said that a NORA approval typically took anywhere from 6 weeks to several months to complete, but approving the Henderson NORA took about 1 week. She believed that Ford's involvement led to the expedited processing.

According to the lead realty specialist, Ford was charismatic and knew many BLM employees in the Washington Office because of his history with the Bureau. Consequently, when Ford wanted something, the employees acted. She confirmed that he routinely emailed BLM staff at SNDO, NSO, and the Washington Office as part of his efforts to get results, and stated that he would sometimes bully or intimidate people into helping him.

The lead realty specialist said that LVFO employees told her that Ford had drafted the NORA and then provided it to LVFO to review and process. She said that Ford was allowed to write the NORA because he was a former BLM employee who knew how to write such a notice, and because of his relationship with Abbey.

NSO Director Amy Lueders told us that Ford contacted her on a few occasions when he got frustrated with the slow processing by LVFO. She said that consultants routinely contacted her regarding issues related to their projects, so Ford's actions were not abnormal, and Ford did not have more access to her because he was a former BLM employee. Ford did not ask for any special treatment, she said, and she did not give him any. Lueders said that the Henderson land sale was not an exceptional project, and thus there would be no reason to "push" the sale to the level of the BLM Director.

#### *Abbey's Intervention in the NORA Process*

On March 5, 2012, the lead realty specialist informed Ford that her office had sent the NORA to the Washington Office for review. On March 7, 2012, the special assistant to BLM's chief of staff emailed Abbey to let him know that the NORA had arrived. Abbey responded: "Thanks. This land sale is important in bringing jobs to an area of high unemployment. Sooner the better." The Washington Office began processing the NORA.

About 2 weeks later, an SOL staff attorney reviewed the NORA and summarized her observations on a surnaming sheet (the review-and-approval routing document that always accompanied such notices). The attorney wrote that the Henderson lands had “known mineral values,” including oil, gas, limestone, dolomite, and other mineral materials. She elaborated in her review that in accordance with Section 209 of the Federal Land Policy and Management Act (FLPMA) of 1976, as well as 43 U.S.C. § 1719(b)(1), before BLM could convey the land it had to determine either that the land had no known mineral values or that preserving any existing mineral rights would interfere with or prohibit appropriate development and more beneficial use of the land. The NORA did not address the FLPMA requirement, so the attorney indicated “nonconcurrence” on the surnaming sheet and forwarded it to her supervisor, an acting SOL branch chief, for a second-level review.

We interviewed the acting branch chief, who said that Abbey came to his office and asked him what was delaying the NORA. (This visit occurred on March 23, 2012.) The branch chief explained the minerals issue to him, but Abbey told him that it did not matter because the minerals were never going to be developed and that he was willing to sign away all of BLM’s rights to any minerals on the land. Abbey told the branch chief that the matter was important to him, but he never indicated that he had a personal interest or stake in it. The branch chief said that Abbey left his office without the matter being resolved, and he noted Abbey’s comments on the NORA’s surnaming sheet right after their meeting. He told us that he did not find it unusual for Abbey to visit him, but he found it strange that Abbey came to his office to discuss a NORA, as he had never before asked about one.

On March 27, 2012, Abbey contacted a BLM division chief and requested that she check on the NORA. He wrote: “I was hoping we could publish that FR [Federal Register] notice this week.” The next day, Abbey continued to seek the NORA’s status via email. The inquiry led to efforts by more than a dozen officials from BLM and SOL to determine the status of the NORA and to spur its publication. People involved included the division chief, Deputy Director Michael Nedd, Chief of Staff Janet Lin, an assistant director of communications, and an associate solicitor for the Division of Land and Water Resources.

By the afternoon of March 27, 2012, the BLM chief of staff’s special assistant had determined that the NORA had been stalled with SOL since March 14 due to the questions about the conveyance of the mineral rights. On March 28, he emailed Abbey stating that SOL had delayed signing off on the NORA because of the potential conflict with FLPMA.

The acting SOL branch chief said that the NORA was eventually corrected so that no mineral rights were given away, and SOL signed off on it on March 29, 2012. The surnaming sheet reflected that BLM revised the notice to retain all mineral rights. The NORA was published in the Federal Register on April 4, 2012.

During his interview, Abbey denied playing a part in the land sale, but when we showed him the series of emails he initiated concerning the status of the NORA and his subsequent visit to the branch chief, he said: “Okay. It sort of reflected I had more interest in this than I thought, huh.” He said that the NORA had caught his attention because he did not want it to be “sitting in somebody’s in-basket.” Abbey said that he did not recall meeting with the branch chief or

making the comments the branch chief had attributed to him, but he admitted that the branch chief would not have described such a conversation if it had not actually occurred.

We also showed Abbey a copy of the ethics recusal he signed when he became the BLM Director and asked if his actions regarding the NORA had violated the recusal. Abbey said that he had been trying to learn the status of the NORA, so he did not believe that his involvement was substantial. He said: “[The] Director of the Bureau of Land Management had no involvement in that decision process. They had—the Director had no involvement in the appraisal process. The Director did not issue the final decision, nor did I play a role in recommending an action to the decision maker. And as far as any role that I might—that I did play, it looked like I was trying to just determine what the status of the Federal Register notice was.” Abbey said that he had not acted with the intention of benefiting Robcyn or Abbey, Stubbs & Ford.

Under 18 U.S.C. § 208(a), a Government employee is prohibited from participating personally and substantially in any particular matter that would directly affect his own financial interest or the financial interests of, among others, an organization with which he had an arrangement for future employment. By inserting himself in the land sale process, advocating for the urgency of this specific NORA publication, setting deadlines, and making recommendations on the minerals-rights issue so the land sale would proceed promptly, Abbey participated personally and substantially in the land sale process. The land sale, which could not have occurred but for the NORA publication in the Federal Register, had a direct effect on the financial interests of Abbey’s erstwhile and future consulting firm, which stood to receive about \$528,000 once Milam received the land parcel.

### **The Sale and Its Aftermath**

As Milam worked to secure financing to pay the balance owed on the land, BLM worked to finalize the land patent to transfer it to Milam once he paid the balance. On August 22, 2012, the NSO realty specialist sent Ford the status of the draft patent process. Ford then asked her for a copy of the draft patent. He wrote: “I will not release it and will maintain in strict confidence.” She sent the draft patent to Ford within minutes.

When asked why she sent Ford the draft patent, the realty specialist told us that she would do the same for anyone who asked for one because reviewing a draft patent would enable interested parties to verify that the information about the land was correct. When asked whether the information in the patent was the same as in the published NORA, she confirmed that it was. She then acknowledged that it was unnecessary to share the draft patent because an interested party could use the NORA to verify information about the land.

Milam paid the balance owed to BLM on November 28, 2012. That same day, Milam had a letter hand-delivered to Henderson Mayor Andy Hafen declaring that the stadium project was “not viable” and he was terminating his agreement with the City to build it.

On November 29, 2012, in response to Milam’s notification of his intent to terminate the stadium agreement, the City sent a letter to BLM requesting that BLM immediately refrain from issuing

the land patent for the property to Milam. The City explained: “There is currently a dispute relating to the validity of the sale transaction as well as the attempted termination of the [agreement]. . . . The City believes that the transaction may not be valid and appears to be tainted by fraudulent representations by Christopher Milam, his agents, and his entities.” In sum, the City stated that the sale of the property was expressly premised on Milam’s commitment to develop it as defined in the agreement. “Now, after Milam bids on the property,” the letter continued, “he is seeking to change the rules and offer this same encumbered property to others with the potential for no arena to be built and for the tract to be used for residential purposes.” The City’s attorney, who authored the letter, explained to us that rumors had surfaced over the past several months that Milam was attempting to flip the land for residential development.

According to Milam, he terminated the agreement because he had concluded that doing so would make future development of the stadium less complicated. He said that he would not have been able to secure an anchor tenant for the stadium complex within the timeframe specified by his lenders, and terminating the agreement would give him more time to secure tenants and thus take advantage of financing options that depended on having them. He said that he planned to return to the City later with a reworked deal.

On January 28, 2013, the City filed a lawsuit against Milam. On March 12, 2013, Milam settled the suit on the conditions that he would pay the City \$4,500,000; that he would never do business in Henderson again; and that his investors would replace him in the land sale process.

On May 10, 2013, DOI decided to terminate the land sale. In a memorandum, it directed BLM not to issue the patent to Milam, to terminate the sale process, and to return Milam’s \$2,132,000 purchase deposit and bidder’s fee as soon as possible. In a letter explaining its decision, DOI explained to Milam’s business associate that its decision was based on “serious questions” that had arisen concerning Milam’s agreement with the City, which had been the basis for BLM’s decision to use a modified competitive process to sell the land instead of a competitive process. Milam’s lenders, in turn, sued DOI for terminating the sale.

Because the sale was terminated, Milam did not pay Ford the \$528,000 success fee promised in their agreement. We asked Abbey if he himself had benefited from the land sale. He said that he had not, nor had he received any payments from Robcyn as a result of the sale. “That was one of the issues that I went back and looked at,” he said. “I wanted to make sure that when I looked somebody in the eye and said: ‘I have not received a penny from Milam,’ that it was the truth.”

### **SUBJECTS**

1. Robert Abbey, former BLM Director.
2. Realty Specialist, BLM.

### **DISPOSITION**

We presented this investigation to the District of Nevada U.S. Attorney’s Office, which declined prosecution. We provided this report to Secretary of the Interior Sally Jewell for review and action.