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Washington Merry-Go-Round by JACK ANDERSON



WASHINGTON — Dignified, decorous Interior Secretary Rogers C.B. Morton, who discovered six months ago that he is the landlord for a bawdy house, has failed to shut it down.

The fancy bordello, operated by Madam Beverly Harrell, is situated on 3.75 acres which she leased at Lida Junction, Nev., from the Interior Department.

More than three months after a government lawyer found the lease agreement unlawful, Madam Beverly is still packing in the customers at Cottontail Ranch, as her house of joy is called, in Esmeralda County on U.S. route 95.

Her unique "ranch" which consists of neat trailers and a seductive bar, is patronized by local cowboys and out-of-town dudes alike.

It has the blessing of Esmeralda County District Attorney Mario Ventura, who once represented the madam in a private eviction suit, and the Esmeralda County Commissioners who helped her get located on federal land.

It was the commissioners, indeed, who advised the Interior

Department on Feb. 5, 1970, that Madam Harrell was looking for a new home. An Interior official in Nevada told us, the commissioners promoted the project like any other "business opportunity." Apparently, they felt it would bring dollars into their sparsely populated county.

With this eminent backing, she filed an application with the Interior Department's Bureau of Land Management the following April.

Elderly retired people often wait a year for a federal lease, but the madam got one approved in three months. For rent, she pays the federal government only \$100 a year, what one of Cottontail's fancy ladies can turn over in a night.

WARNING MEMOS — But word got back to Secretary Morton that the government was in business with a brothel. Confidential early-warning memos began to fly.

The Interior Department's Reno field solicitor, Otto Aho, was asked for his views of Nevada law. He reported back his confidential findings this April.

"There is no evidence," he confided, "that Beverly Harrell obtained her small-tract lease from the Bureau fraudulently. . . . On the contrary, it appears that the immediately concerned Bureau employes knew, more or less, that she intended to operate a house of prostitution on the land.

"Apparently, the concerned Bureau employes were satisfied that there were no legal prohibitions to the operation of such a house on the land in question, particularly as the local county officials indicated their approval of such operation."

But Aho found that Nevada Supreme Court rulings clearly held that bordellos are "unlawful" even if their operators aren't prosecuted. He said Madam Harrell, therefore, had "failed to observe the terms of the government lease" which prohibits leases for illegal operations.

"The Bureau is authorized to proceed to take cancellation action," he decreed. That was three and a half months ago.

But the Interior Department, hoping to hide the red lights with red tape, has dawdled and dodged. Madam Harrell, meanwhile, has prospered at her federal location.

My associate, Les Whitten reached her at Cottontail Ranch, and she invited him to "hop on a plane and come right on down."

"I get a million calls from people all over the country and from Europe and Canada," she said happily. As for her bargain lease from taxpayers, she said confidently that she was in compliance with the terms and "Cottontail Ranch will be here as long as I want it to be."

Our inquiries, however, have spurred the Interior Department into action. The Department "has sufficient grounds to cancel the lease, and the Bureau of Land Management has moved to do so," said a spokesman.