

The Indictment of Longtime Harrisburg Mayor Stephen Reed: [What Comes Next?](#)

Who is the accused?

Stephen Reed, the Democratic mayor of Harrisburg, Pennsylvania from 1982 to 2010, has been charged by state prosecutors with [499 counts](#) ranging from bribery to theft by receiving stolen property.



What do state prosecutors allege?

The allegations include claims that Reed used his position to arrange the sale of bonds by several agencies within the city. To secure approval of the bond sales, he allegedly diverted city funds to a slush fund for city council members. Bond proceeds went to various pet projects including the purchase of various antiques, such as Civil War memorabilia and artifacts from the American West that he planned to display in new city museums. Reed stored those artifacts in his own home, among other private facilities, and misled investigators about the existence and extent of these collections.

Why does this case matter?

Pennsylvania Attorney General Kathleen Kane called Reed's alleged wrongdoing "the root of the fiscal issues that continue to plague the city of Harrisburg." Under Reed's watch, the city of merely 50,000 inhabitants—of whom nearly a third live in poverty—accrued over \$450 million dollars in debt. More than half of this debt went to a [white-elephant project to retrofit a trash incinerator](#). In 2011, the state government placed the city in receivership. In 2013, the U.S. Securities and Exchange Commission charged Harrisburg with securities fraud for misrepresenting its poor financial health under Reed—the first time a U.S. city has [faced such charges](#).

Why aren't federal prosecutors handling this case?

Generally, high-profile corruption cases are pursued at the federal level, since federal authorities tend to have more resources, more powerful laws, and more insulation from local politics. The Office of the United States Attorney for the Middle District of Pennsylvania, which covers Harrisburg, has prosecuted more than [30 defendants for public corruption](#) over the last six years. However, the Pennsylvania criminal code covers bribery, abuse of office, and other corruption offenses, and Attorney General Kane had ample authority to pursue the case.

How does the Reed case relate to the ethics charges facing Attorney General Kane herself?

Reed's attorneys have suggested the case against him "may be inspired more by a political agenda than by a search for justice," implying that Kane [has reason to burnish her ethics record](#) by winning a corruption case against a fellow prominent Democrat. Kane dismissed the accusation, saying that she doesn't "[even know what party Mr. Reed is](#)."

Kane's own ethics troubles began with [her termination of a task force set up by her Republican predecessor](#) that had pursued a multi-year corruption investigation against several Democratic officials in Philadelphia. Kane claims she terminated the investigation because it was slipshod and racially biased. The task force leader, Frank Fina, left Kane's office to work for Philadelphia District Attorney Seth Williams, who then [brought his own charges against six Democratic lawmakers](#) that the task force had targeted. Kane became embroiled in another scandal when information about one of Mr. Fina's former cases was leaked to the press. [A grand jury found](#) Kane had initiated the leak to embarrass Mr. Fina. She now also [faces contempt charges](#) as a result of allegedly firing a staffer for his testimony before the grand jury.

What happens next?

Reed is currently free on a \$150,000 unsecured bail, with a hearing set for July 24. Reed has promised to vigorously fight the charges, setting the stage for a [potentially lengthy legal battle](#). Kane said she is "[very confident that there will be more charges filed](#)," potentially against more defendants.¹ Harrisburg recently exited state receivership but still struggles to overcome its legacy of crippling debt and fraudulent fiscal reporting.