



State of Nevada Office of the Attorney General

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FOR IMMEDIATE RELEASE
DATE: January 31, 2003

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ELDER CARE WORKER GUILTY OF OBSTRUCTION

Las Vegas—Attorney General Brian Sandoval announced today that a long term care employee, Juan A. Martinez, pled guilty to a misdemeanor charge of obstructing a public officer. The charge carried potential penalties of six (6) months in jail and a \$1,000.00 fine. Justice of the Peace Douglas E. Smith sentenced Mr. Martinez to forty hours of community service.

The case was investigated jointly by the Las Vegas Metropolitan Police Departments' Abuse/Neglect Detail and the Attorney Generals' Medicaid Fraud Control Unit (MFCU).

According to MFCU Director, Tim Terry, the charges stem from Martinez' failure to properly report his activities as a health care worker in a local convalescence center. During December 2001, Martinez witnessed a co-worker strike an elderly resident of the facility. He then failed to report the incident in an accurate and timely fashion as required by law. The co-worker, Maria Lourdes Fernando-Castillo, has already pled guilty to failure to report elder abuse. Upon learning of the incident the facility took quick action to report it and cooperate fully with the subsequent investigation. The employees are no longer employed at the facility.

"All employees of facilities caring for senior citizens are required by law to report abuse," said Sandoval. "Failure to do so fosters an environment of fear in the very place in which our elderly citizens ought to feel safe and secure, and this prosecution demonstrates that we will not tolerate elder abuse or any failure to report it."

Anyone suspecting the abuse or neglect of an elderly person may report it to the MFCU at (775) 684-1191 (Carson City) or (702) 486-3420 (Las Vegas); or to the Aging Services Division (775) 688-2964 (Reno), (775) 687-4210 (Carson City) or (702) 486-3545 (Las Vegas); or to any local law enforcement agency. Medicaid fraud and elder abuse or neglect information can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
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****** MEDIA ADVISORY *****
PRESS CONFERENCE HOSTED BY
SOUTHERN NEVADA SAFE HAVEN TASK FORCE
Newborn Care Kits to Assist Agencies

Las Vegas—The Southern Nevada Safe Haven Taskforce, initiated by the Office of the Attorney General, is composed of representatives from local law enforcement agencies, area fire stations, emergency medical care facilities, Child Protective Services, state and local prosecutors, and the Junior League of Las Vegas.

The mission of the Taskforce is to educate the public about the provisions of the Safe Haven Law (NRS 432B.630). This statute provides immunity and confidentiality for parents who voluntarily deliver their newborn child, no more than 30 days old to a designated "Safe Haven" according to the statute. Designated Safe Havens in the statute include law enforcement agencies, fire stations, a hospital, an obstetric center or an independent center for emergency medical care licensed pursuant to chapter 449 of NRS. As part of its effort with regard to public awareness, the Taskforce will hold a press conference:

Thursday, January 30th
10:00 a.m.
Clark County Fire Department Station 18
575 East Flamingo, Las Vegas

Regional Chief Deputy Attorney General Elizabeth Quillin and Crime Prevention Coordinator Stephanie Parker will represent the Attorney General's Office at the briefing, and other members of the Taskforce will also be in attendance. "Newborn care kits" will be distributed to Safe Haven outlet representatives, and Taskforce members will be available to address questions from members of the press as well as the public.

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NEVADA DETAILS YUCCA CASE AGAINST NRC

Carson City—Attorney General Brian Sandoval today announced the filing of Nevada's main brief in its case against the Nuclear Regulatory Commission ("NRC"). The 75-page brief addresses the NRC's proposed licensing regulations for the Yucca nuclear waste repository. Nevada was joined in the action by co-petitioners Las Vegas and Clark County.

"What our brief shows," Sandoval said, "is that the NRC distorted principles of law to create a licensing rule for Yucca that would get the project licensed despite their failure to prove geologic containment at the site. We then had a rule that applied only to the proposed Yucca repository, while every other such facility ever built in this country is held to higher standards. The NRC's licensing effort fails both science and law."

The suit raises five major claims against NRC:

- That NRC's licensing rule fails to require the Energy Department to demonstrate that the repository's geologic setting forms the primary barrier for isolation of wastes buried at Yucca, contrary to the Nuclear Waste Policy Act;
- That by permitting the project to be licensed only on the strength of man-made waste packages, the rule also violates the "multiple barrier" requirement of that Act, which requires man-made barriers *and* geologic barriers to act independently and redundantly to contain lethal wastes;
- That the rule unlawfully fails to require NRC to make a finding that the project conforms with relevant standards of the Environmental Protection Agency;
- By deliberately ignoring the entire period during which radiation doses to humans will be at their highest and by preventing Nevada from raising such "peak dose" issues in the contested licensing hearings for Yucca, the rule violates the Atomic Energy Act and the National Environmental Policy Act;

- The rule unlawfully requires only a watered-down “reasonable *expectation* of safety” standard of proof instead of the “reasonable *assurance* of safety” standard required by federal law and applied by the NRC *to every other nuclear facility in America*.

“This is a highly technical challenge designed to ensure that any licensing hearing for Yucca, if it were ever actually to get that far, will be fair and require genuine *safety* in the construction of the repository,” Sandoval continued.

The brief will be posted on Nevada’s Yucca web site at: <http://www.state.nv.us/nucwaste/>



State of Nevada Office of the Attorney General

Bureau of Consumer Protection

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Timothy Hay, *Chief Deputy Attorney General*

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MULTI-STATE SETTLEMENT PROPOSAL FOR CARDIAC DRUG MANUFACTURERS

Carson City -- Attorney General Brian Sandoval today announced a proposed \$80 million settlement involving the popular heart medication "Cardizem CD." The fifty-state settlement resolves an antitrust lawsuit filed by Nevada and numerous other state attorneys general against Aventis Pharmaceuticals Inc. ("Aventis"), Andrx Corporation ("Andrx") and affiliated entities.

The lawsuit alleged that Aventis and Andrx illegally agreed that Andrx could not market a less expensive generic version of the drug Cardizem CD in return for Aventis paying Andrx nearly \$90 million. Delays in bringing the generic drug to market, the lawsuit alleged, resulted in higher prices for consumers and governmental agencies.

Under the settlement, Aventis and Andrx must pay \$80 million into a fund that will compensate consumers, state agencies, and insurance companies that overpaid for Cardizem CD and its generic equivalents, between 1998 and January 2003. Based upon claims filed, Nevada's share of the fund will be approximately \$224,000. The settlement is in addition to a \$110 million settlement reached earlier between the companies and drug wholesalers involving the same alleged violations. In total, the drug companies will be required to pay more than \$190 million.

The proposed settlement, filed today with U.S. Federal District Court Judge Nancy Edmunds in Detroit, Michigan, requires approval from the court to become effective. If approved, a claims administration process will be implemented this summer for consumers who purchased Cardizem CD or its generic equivalent anytime between January 1998 and January 2003.



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FOR IMMEDIATE RELEASE
DATE: January 17, 2003

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NEVADA SEEKS RESTORATION OF AIR CONDITIONING STANDARD

Carson City—On January 29, Nevada Consumer Advocate Timothy Hay will present arguments to the federal court of appeals in New York supporting a proposed higher air conditioning efficiency standard that could substantially reduce summer electricity bills. The Department of Energy had scheduled a Seasonal Energy Efficiency Ratio (SEER) standard of 13 to go into effect in 2001, but the implementation of the higher efficiency standard was rolled back by Department of Energy Secretary Spencer Abraham, keeping in place the current standard of SEER 12. Hay will argue that over the next 20 years, Las Vegas electric customers could save at least \$39 million dollars annually if the SEER 13 standard is adopted.

Hay says that equally important to the decrease in summer air conditioning bills is the increase in system reliability resulting from the higher standard, a reduction of high-cost peak power use during the hottest summer hours, and improved air quality.

"The hottest days of the summer pose the biggest risk for rolling blackouts. Getting the same amount of cooling for less energy lowers the customer's bill and helps keep the lights on for everyone else," said Hay. "All customers benefit when the utility can avoid having to buy additional power during peak times when it is most expensive."

The Environmental Protection Agency supports the higher standard and estimates nationwide savings would top one billion dollars per year. "If the utility calls upon local sources to generate power on a hot, summer day, it frequently means ramping up the utility's least efficient and most polluting source of power," Hay explained. "Additionally, Southern Nevadans would be among the largest economic beneficiaries in the country from the higher standard because air conditioning comprises a large percentage of electric bills in Southern Nevada. Nationally, it takes about 2 or 3 years for this air conditioner's savings to pay for itself, but in Las Vegas, the payback is under two years," Hay said.

Currently, Las Vegas residents have an opportunity to tour a home with an air conditioning standard that is substantially higher than the SEER 13 standard. The NextGen home, located behind the Stardust Casino, features the latest in air conditioning efficiency, roughly equivalent to a SEER of 16 to 18. The home is available to be toured by the public January 20 between the hours of 10:00 a.m. and 3:30 p.m. It will be shown again during the International Builders' Show January 21-24 from 10:00 a.m. to 5:00 p.m. and during the Surfaces Show January 29 and 31 from 9:00 a.m. to 4:00 p.m.

Other participants in the court appeal include the Consumer Federation of America, the Public Utility Law Project and the states of New York, California and Arizona.



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ELDER CARE WORKERS CHARGED WITH ABUSE, FAILURE TO REPORT

Las Vegas—Attorney General Brian Sandoval announced today that three former long term care employees, Maria Lourdes Fernando-Castillo, age 39, Carole L. Ealy, age 62, and Juan A. Martinez, age 35, have been charged with failure to report elder abuse or neglect. Ms. Fernando-Castillo was also charged with battery against a person 65 years of age or older. The misdemeanor charges carry potential penalties of six (6) months in jail and a \$1,000.00 fine.

Yesterday, Ealy and Fernando-Castillo made their initial appearance before Las Vegas Township Justice of the Peace Nancy C. Oesterle. Ealy is scheduled for trial on February 13th. Fernando-Castillo pled guilty to failure to report elder abuse and was sentenced to credit for one day served. Martinez is to appear before the court on January 31st. The case is being prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

According to MFCU Director Tim Terry, the three were employed at a local convalescence center during December 2001. It is alleged that on December 18, 2001, Fernando-Castillo struck an elderly resident of the facility while attempting to place her in a wheel chair. The battery was witnessed by co-worker Martinez. The next day, Ealy, a licensed practical nurse, learned of the battery, however, the incident was not reported.

Approximately one week later, facility administrators learned of the incident and took quick action to properly report it. They cooperated fully with the subsequent investigation. The employees are no longer employed at the facility.

"All employees of facilities caring for senior citizens are required by law to report abuse," said Sandoval. "Failure to do so fosters an environment of fear in the very place in which our elderly citizens ought to feel safe and secure, and this prosecution demonstrates that we will not tolerate elder abuse or any failure to report it."

Anyone suspecting the abuse or neglect of an elderly person may report it to the MFCU at (775) 684-1191 (Carson City) or (702) 486-3420 (Las Vegas); or to the Aging Services

Division (775) 688-2964 (Reno), (775) 687-4210 (Carson City) or (702) 486-3545 (Las Vegas); or to any local law enforcement agency. Medicaid fraud and elder abuse or neglect information can be found on the Attorney General's web site at <http://ag.state.nv.us> .

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STATE OF NEVADA, CLARK
COUNTY, NEVADA, and CITY
OF LAS VEGAS, NEVADA,

V.

UNITED STATES OF AMERICA,
UNITED STATES DEPARTMENT
OF ENERGY, and SPENCER
ABRAHAM, in his official capacity
as SECRETARY OF ENERGY,

Case No. 03-

The State of Nevada, Clark County, Nevada, and the City of Las Vegas, Nevada (collectively, “Petitioners”) hereby petition the Court for review of Public Law 107-200, 116 Stat. 763 (2002), the Joint Resolution enacted by Congress and signed by the President designating Yucca Mountain, Nevada for development as the Nation’s nuclear waste repository (hereinafter referred to as the “Joint Resolution”), on the ground that the Joint Resolution violates the United States Constitution.

JURISDICTION AND VENUE

1. This Court’s jurisdiction over this action is premised upon section 119(a)(1) of the Nuclear Waste Policy Act of 1982, as amended (“NWP A”), 42 U.S.C. § 10139(a)(1).

2. Venue is proper in this Court under section 119(a)(2) of the NWP A, 42 U.S.C. § 10139(a)(2).

THE PARTIES

3. Petitioner State of Nevada (“Nevada”) is a sovereign State of the United States, within which Yucca Mountain is entirely located.

4. Petitioner Clark County is the most populous county in Nevada, located less than 90 miles from Yucca Mountain at its nearest boundary.

5. Petitioner City of Las Vegas is the largest city in Clark County and in Nevada, and is located 90 miles from Yucca Mountain.

6. Respondent United States of America, acting by and through Congress, the President, and Executive Branch agencies, is obligated under the Constitution to respect the sovereignty of Nevada.

7. Respondent United States Department of Energy (“DOE”) is an agency of the United States and is charged under the NWP A with numerous duties and responsibilities relating to the disposal of nuclear waste.

8. Respondent Spencer Abraham, in his official capacity as Secretary of Energy (the “Secretary”), is responsible for DOE’s implementation of its duties under the NWPAA, and is also charged with his own duties and responsibilities under the NWPAA.

STATUTORY BACKGROUND

9. In 1982, Congress enacted the NWPAA to provide for a coordinated effort to address the national problem associated with the accumulation of high-level nuclear waste currently being stored at the Nation’s commercial nuclear reactors (none of which are located in Nevada) and at federal defense installations.

10. The goal of the NWPAA is the assessment and potential development of an underground repository designed to geologically isolate high-level nuclear waste from the human environment. Reflecting this overarching statutory purpose, the NWPAA explicitly defines a “repository” as a “system” for the “permanent deep geologic disposal” of nuclear waste. NWPAA § 2(18), 42 U.S.C. § 10101(18). Moreover, Section 112(a) of the NWPAA requires that DOE promulgate guidelines for the recommendation of “candidate sites” for repositories that “shall specify detailed geologic considerations that shall be *primary criteria* for the selection of sites. . . .” 42 U.S.C. § 10132(a) (emphasis added).

11. The extensive legislative history of the NWPA, as well as the original and longstanding interpretations of these NWPA requirements by DOE and the Nuclear Regulatory Commission (“NRC”), which must license the repository pursuant to the NWPA, repeatedly confirm that it was the considered judgment of Congress that the repository is to be “primarily” a deep *geologic* repository, with so-called “engineered” or man-made containers and barriers providing additional protection during earlier years of operation.

12. In enacting the NWPA, Congress found that “State and public participation in the planning and development of repositories is essential in order to promote public confidence in the safety of disposal of such waste and spent fuel.” 42 U.S.C. § 10131(a)(6). A central purpose of the NWPA is therefore to “define the relationship between the Federal Government and the State Governments with respect to the disposal of such waste and spent fuel.” 42 U.S.C. § 10131(b)(3).

13. In the 1982 NWPA, Congress prescribed a complex process for rationally selecting proposed sites for development of repositories in light of the standards it set out in that statute. In 1987, the NWPA was amended to name the site at Yucca Mountain as the only candidate site to be intensively studied, or “characterized,” for the potential development of a proposed nuclear

waste repository, but the standards under which the site was to be characterized were not changed. 42 U.S.C. § 10133.

14. Three federal agencies share responsibility for the assessment and potential development of a proposed repository. That responsibility includes elaborating on the standards mandated by Congress, licensing, and building the proposed repository under the NWPA and related federal statutes. If duly authorized, DOE is to design, build and operate the repository. 42 U.S.C. § 10134. NRC has the responsibility under the NWPA to determine whether to license the repository in accordance with statutory and regulatory standards. 42 U.S.C. §10134(d). Under its licensing powers, NRC regulates the construction of the repository, licenses the receipt and possession of high-level radioactive waste at the repository, and authorizes the closure and decommissioning of the repository. *See* 42 U.S.C. § 10141(b). The third federal agency, the Environmental Protection Agency (“EPA”), is charged with the statutory responsibility to set public health and safety standards governing the proposed radioactive storage and disposal facility at Yucca Mountain. *See* 42 U.S.C. § 10141(a).

15. The NWPA, as amended, provides that after conducting detailed site characterization studies at Yucca Mountain, the Secretary is to make a recommendation to the President concerning whether that site should be

developed as a repository. 42 U.S.C. § 10134(a). Before DOE could recommend the site, it was required to prepare an environmental impact statement, hold public hearings, and notify the affected state, *i.e.*, Nevada.

16. Once receiving a recommendation from the Secretary, the President is authorized under the NWPA to recommend the Yucca Mountain site to Congress. The NWPA provides that if the President recommends the Yucca Mountain site, it would become the approved site for a repository after 60 days, unless Nevada before that time submits to Congress a notice of disapproval. 42 U.S.C. § 10135(b). If such a notice of disapproval was received, the site would be disapproved unless, during the first 90 days after receipt of the notice, Congress passes a resolution of repository siting approval, vetoing the notice of disapproval. 42 U.S.C. § 10135(c). The NWPA authorizes both the House of Representatives and the Senate to vote upon such a resolution pursuant to severely expedited and abbreviated procedures that limited debate, truncated opportunities for normal legislative deliberation, and omitted many of the usual procedural protections for minority interests. *See* 42 U.S.C. § 10135.

FACTUAL BACKGROUND

17. For a decade and a half after enactment of the NWPA, DOE and the Secretary attempted to carry out their responsibilities under the

statute in a manner that was consistent with Congress' judgment, as reflected in the NWPA's text and legislative history, that "geologic" isolation was necessary for the safe, secure permanent disposal of nuclear waste. Thus, DOE's original site suitability/selection guidelines (10 C.F.R. Part 960), promulgated in 1984, made clear that geologic considerations were to play the primary role in determining whether a proposed repository site would qualify for development as a repository, and that so-called "engineered" barriers would not be used to compensate for an inadequate site or to mask geologic deficiencies in a site.

18. By the late 1990s, however, the data from DOE's site characterization work at Yucca Mountain demonstrated that the Yucca Mountain geologic setting was incapable of serving as the primary isolation barrier for the planned repository, principally because groundwater flow through the mountain was much greater, and much faster, than had been anticipated. The Yucca Mountain site, in short, did not qualify for development as a repository under DOE's statutorily-mandated site suitability rules.

19. Far from declaring the Yucca Mountain site unsuitable under NWPA section 113(c), 42 U.S.C. § 10133(c), however, DOE instead abandoned its site suitability rules to the extent they applied to Yucca

Mountain, and substituted new site selection “guidelines” applicable *only* to Yucca Mountain, which became effective in December 2001. DOE’s new guidelines, 10 C.F.R. Part 963, ignore the judgment of Congress, embodied in the NWPA, that geologic isolation is to serve as the primary form of containment for radioactive wastes buried at Yucca Mountain, and so include no requirement that Yucca Mountain’s natural barriers independently provide primary waste isolation capability. Rather, under the new guidelines, no specific demonstration of the primary role of Yucca’s natural setting in isolating waste is to be made, in favor of a gross examination of how the “total system” of the repository will work. In practical terms, the new guidelines authorize the selection of Yucca Mountain even though man-made barriers, rather than the site’s geology, would need to serve as the primary waste isolation barrier at that site.

20. At the same time it adopted the new guidelines, which are applicable only to the repository in Nevada, DOE also chose to maintain its earlier site suitability/selection guidelines, which did adhere to the NWPA’s commitment to primary geologic isolation. However, DOE revised those guidelines to ensure that they applied to every potential repository site *other* than the chosen site in Nevada.

21. On February 14, 2002, the Secretary, applying DOE's new site suitability guidelines exclusively for Yucca Mountain, recommended the Yucca Mountain site to the President.

22. On the very next day, February 15, 2002, the President, acting pursuant to section 114(a)(2) of the NWP, 42 U.S.C. § 10134(a)(2), submitted a recommendation of the Yucca Mountain site to Congress.

23. Acting pursuant to section 116(b)(2) of the NWP, 42 U.S.C. § 10136(b)(2)(A), the Governor of Nevada on April 8, 2002 submitted to Congress a notice of disapproval of the President's February 15 site recommendation.

24. Pursuant to the expedited and truncated procedures established under section 115 of the NWP, 42 U.S.C. § 10135, Congress enacted the Joint Resolution vetoing Nevada's notice of disapproval. The Joint Resolution, in its entirety, provides as follows:

Approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That there hereby is approved the site at Yucca Mountain, Nevada, for a repository, with respect to which a notice of disapproval was submitted by the Governor of the State of Nevada on April 8, 2002.

The President signed the Joint Resolution on July 23, 2002.

25. By virtue of DOE's and the President's site selection decisions, in combination with the Joint Resolution, the national government has acted in complete disregard of the fair and neutral site evaluation standards that had been established by Congress when, based upon Congress' reasoned and considered analysis of the nuclear waste issue and the appropriate manner to address that issue, it enacted the NWPA. Moreover, in disregarding such fair and neutral principles only in connection with the decision to select Yucca Mountain for development as a repository, but respecting such principles, as reflected in DOE's general site suitability/selection guidelines, for potential repository sites in *other* States, the national government has arbitrarily operated according to two sets of rules: one for Nevada and another for every other State.

26. Under the federal system of government established by the Constitution, the national government lacks the power to require a sovereign State to singularly bear the burden, and thereby relieve all other States from bearing any burden, of resolving a perceived serious problem of national scope, unless either (1) the sovereign State consents to the imposition of such a unique burden; or (2) Congress imposes such a burden on a particular State for compelling reasons justified by neutral, objective criteria. In

attempting to impose upon Nevada the burden of disposing of the Nation's nuclear waste, the national government has satisfied neither of these conditions.

27. By failing to honor the requirement that the Yucca Mountain site should have the neutral, rational, and objective characteristic of a geologic setting capable of being a repository's primary waste isolation barrier, the national government can point to no congressional determination, based on any compelling reasons justified by neutral, objective criteria, by which the Yucca Mountain site can be distinguished from potential sites in many other, or perhaps all other, States. Moreover, the Joint Resolution does not constitute such a Congressional determination, since in that Joint Resolution Congress simply vetoed Nevada's notice of disapproval of the President's recommendation of the Yucca Mountain site in truncated and expedited proceedings far removed from normal Congressional deliberation that deprived the Senators and Representatives from Nevada of their usual ability to represent Nevada's interests. Equally important, the Joint Resolution did not enact any fair and neutral site evaluation standards to replace the standard of primary geologic isolation adopted in the NWPA.

28. In arbitrarily and discriminatorily singling out Nevada to bear the burden of disposing of the Nation's nuclear waste, in a way that left Nevada politically isolated and powerless, Congress through the Joint Resolution took an act in derogation of the sovereignty of Nevada that exceeds the authority granted to the national government by the Constitution. The Joint Resolution therefore is inconsistent with, and runs afoul of, the structure and design of the federal system of government established by the Constitution.

WHEREFORE, the State of Nevada, Clark County, Nevada, and the City of Las Vegas, Nevada respectfully request that the Court, *inter alia*:

- (1) Grant this Petition for Review;
- (2) Declare that the Joint Resolution is unconstitutional;
- (3) Direct Respondents to cease and desist from taking any actions relating to implementation of the Joint Resolution, including but not limited to all activities relating to the development or licensing of a nuclear waste repository at Yucca Mountain; and
- (4) Provide for such other and further relief as the Court deems just and proper.

Respectfully submitted,

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DATED: January __, 2003

* Member, D.C. Circuit Bar



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NEVADA FILES CONSTITUTIONAL CHALLENGE TO YUCCA WASTE STORAGE PROPOSAL

Las Vegas—Nevada Attorney General Brian Sandoval today announced the filing of a major Constitutional challenge by Nevada to the federal government's Yucca Mountain nuclear waste repository proposal. Nevada, along with Las Vegas and Clark County as joint petitioners, filed the case in the U.S. Court of Appeals for the D.C. Circuit in Washington. The suit is derived from principles of federalism embedded in the Constitution and names as defendants the United States, the Energy Department, and the Secretary of Energy.

"We've seen Congress change the rules more than once to breathe new life into this proposal, and that's unfair to all Americans, not to mention the threat to our own state," said Sandoval. "The issue in this case is the right of a state not to be unduly burdened with respect to other states by the federal government. In addition to the law, my foremost concern is the health and safety of Nevadans, and this proposed dump is neither safe nor scientifically sound. We will exhaust every possible legal remedy in our effort to prevail, and this action further demonstrates our commitment to protect the citizens of our state."

At the heart of the case is a proposition from the U.S. Constitution: if 49 states are to impose an undue burden on a single state against its will, a compelling objective basis to do so must be established. Though the original 1982 statutory plan for nuclear waste disposal may have offered such a basis by selecting a site on the basis of its superior geology, the present proposal ignores those scientific principles for site assessment and thus imposes an indefensible burden upon Nevada according to law. Indeed, by ignoring the requirement of geologic isolation for the repository mandated by the 1982 federal law, not only does the federal government offer no such compelling reason, but also demonstrates contempt for the very law it enacted.

The lawsuit also brings to light that, as the nuclear waste disposal laws are now implemented, the United States applies one set of standards to assess the suitability of Yucca, and a different, much stricter standard to assess the suitability of any other repository in any other state. “It doesn’t take a Constitutional scholar to figure out that this is both unfair and absurd,” added Sandoval.

Nevertheless, the state’s legal team does include noted Constitutional expertise: Charles J. Cooper, one of the nation’s leading Constitutional litigators, succeeded in overturning the line item veto in the Supreme Court, on behalf of New York. His firm, Cooper and Kirk, has represented numerous states in large federal litigation and Constitutional matters.

* * * *

January 8, 2003



YUCCA MOUNTAIN LITIGATION SUMMARY

BEFORE THE U.S. COURT OF APPEALS FOR THE D.C. CIRCUIT, WASHINGTON:

1. *Nevada v. EPA* (U.S. Court of Appeals for the District of Columbia Circuit, No. 01-71096) challenges the radiation protection standard set by the U.S. Environmental Protection Agency for the proposed high level nuclear waste repository at Yucca Mountain. The suit challenges EPA's

radiation standard as not being protective enough of Nevada's groundwater and less stringent than the standard in place at Waste Isolation Pilot Plant (WIPP) in New Mexico. Nevada contends that the 10,000-year regulatory time period is contrary to the recommendation of the National Academy of Sciences, which is one million years. The NAS recommendation was required by the Energy Policy Act of 1992 to be adopted by EPA. Also, argues that EPA grossly gerrymandered the site boundary for measuring doses to the public so radionuclides could first be diluted in regional groundwater prior to measurement. Briefing is complete and oral argument on the merits is scheduled for September 2003 *in tandem* with cases 2 and 3 below.

2. *Nevada, Clark County, and the City of Las Vegas v. U.S. Nuclear Regulatory Commission* (U.S. Court of Appeals for the District of Columbia Circuit, No. 02-1116). Challenge to the U.S. Nuclear Regulatory Commission Revised Licensing Rule for a Yucca Mountain Repository set by NRC in 10 C.F.R. Part 63. Claims that the rule departs from the Nuclear Waste Policy Act by (a) allowing the project to be licensed even though geology is not the primary isolation barrier, (b) allows the project to be licensed without DOE ever having to propound an affirmative safety case for the repository, and (c) fails to establish disqualifying criteria for the repository and its isolation barriers. The Petitioners' opening brief is due to be filed January 27, 2003, with final briefs to be filed April 28, 2003. This case will be argued in tandem in September 2003 with cases 1 and 3.

3. *Nevada v. DOE* (the "Guidelines Case") (U.S. Court of Appeals for the District of Columbia Circuit, No. 01-1516). Challenges the Yucca Mountain site suitability rules set by DOE in 10 C.F.R. Part 963. Argues that DOE changed the siting rules at the 11th hour because it could not meet the original suitability rules in Part 960. The new rule allows the "site" to be declared suitable on the basis solely of engineered barriers. The rule fails to require that the primary isolation barrier is geologic, as is mandated by the Nuclear Waste Policy Act. Also, argues that DOE failed to report to Congress and Nevada when it discovered in 1998-99 that the site was geologically unfit. This case has been consolidated with *State of Nevada, Clark County and the City of Las Vegas v. President Bush and Secretary Abraham* (D.C. Court of Appeals No. 01-1077), which challenges the Yucca Mountain site recommendations made by the President and the Secretary, claiming that they relied on the unlawful rules of DOE and failed to

follow procedures specified in the Nuclear Waste Policy Act. This case has also been consolidated with *State of Nevada, Clark County and the City of Las Vegas v. DOE* (“NEPA Case”) (D.C. Court of Appeals 02-1179), which challenges many aspects of DOE’s Final Environmental Impact Statement for Yucca Mountain as being in violation of the National Environmental Policy Act and closely related provisions of the Nuclear Waste Policy Act. Among other things, argues that DOE’s repository design, which includes an above-ground storage facility, is contrary to statutory provisions saying that any such facility cannot be located in Nevada. Also argues that the EIS was released with no Record of Decision, a statutory requirement that has apparently never before been violated. The Petitioners’ opening brief was filed on December 2, 2002. Respondents’ brief is due February 14, 2003, and Petitioners’ reply brief is due April 29, 2003. This case will be argued *in tandem* with cases **1** and **2** in September 2003.

BEFORE THE FEDERAL DISTRICT COURT IN LAS VEGAS AND STATE DISTRICT COURT IN TONOPAH:

4. United States v. State Engineer (5th Judicial District Court, Nye County, No. 15722). Filed by the United States on behalf of DOE following the State Engineer’s denial of its applications for permanent water rights as a protective measure while the United States pursues its constitutional claims in federal court. Case is pending.

5. United States v. State of Nevada (U.S. District Court, No. CV-S-00-0168-DWH-LRL). Challenges the Nevada State Engineer’s decision that DOE is not entitled to permanent water rights to construct and operate the repository based on the State Engineer’s finding that the proposed use threatens to be detrimental to the public interest. The federal government has also amended its complaint to include the State Engineer’s denial of extensions of certain temporary permits used by DOE for site characterization. On December 19, 2002, a stipulated agreement was reached between the State Engineer and DOE concerning DOE’s water use for site maintenance and public safety. DOE has also filed a motion for summary judgment relying, *inter alia*, on the alleged preemptive effect of the congressional Joint Resolution overriding Nevada’s notice of disapproval of the Yucca Mountain site. At this writing, the State’s opposition is scheduled to be filed on December 27, 2002, although we are seeking a stay of the “permanent water rights” part of the case pending the outcome of the Yucca Mountain cases currently lodged in the D.C. Court of Appeals. (See items **1**, **2**, and **3** above.)

PENDING ADMINISTRATIVE PETITIONS

Petition for Rulemaking with NRC: Nevada has filed a petition requesting that the NRC conduct rulemaking on its safeguards against terrorism as applied to shipments of nuclear waste.

Petition for Rulemaking with NRC: Petition requests that NRC amend its repository licensing rules to demand (1) that NRC assure that geology is the primary isolation barrier, (2) that DOE must propound an affirmative safety case for the repository, and (3) that DOE must demonstrate the absence of technical disqualifying features of the site.

THE YUCCA PROPOSAL: WHAT CITIZENS CAN DO TO HELP



**Six rail accidents in the US in as many weeks...
Barge hits bridge, twisted metal, bodies in river...
How many truck accidents in a single day? 9,383?**

It's a plan for an open-air container farm on a seismic ridgeline, and requires the transport of nuclear waste past mailboxes & school bus stops of America.

Contribute to the Governor's Protect Nevada Fund: <http://www.state.nv.us/nucwaste/npf.htm>

Sign the Nuclear Energy Information Services' Online Petition:
http://www.neis.org/alerts/Yucca_online_petition_05-21-02.htm

Write to the President, Senate, Congress, State and even local officials (it's easy!):
<http://congress.org/>

Also:

See the proposed nuke waste transportation routes near you: <http://www.mapscience.org/>

Witness the contempt that the Federal government has for (its own and) our nation's most fundamental environmental protection law:
<http://www.state.nv.us/nucwaste/eis/yucca/index.htm>

For a history of the political arm-twisting, deception, gerrymandering and unlawful behavior surrounding the Yucca proposal, see: <http://www.state.nv.us/nucwaste/yucca/chrono.htm>

See why we support the use of dry-cask storage while science catches up with the problem of very long-term waste storage: <http://www.citizenalert.org/yucca/intstor2.html>



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Bureau of Consumer Protection

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FOR IMMEDIATE RELEASE
DATE: January 6, 2003

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NEVADA SETTLES WITH PFIZER OVER MISLEADING ADVERTISING

Las Vegas—Attorney General Brian Sandoval today announced that the Bureau of Consumer Protection, under the direction of Consumer Advocate Timothy Hay, along with the offices of eighteen other Attorneys General, settled an investigation into Pfizer's Direct-To-Consumer (DTC) advertising for its Zithromax product as a treatment for severe ear infections among young children. Such ear infections are commonly referred to as pediatric acute otitis media (AOM). In addition to consumer ads, the Attorneys General also reviewed the promotional Zithromax materials Pfizer directed at health care professionals. In agreeing to the settlement, Pfizer admits no wrongdoing.

The Attorneys General alleged that the advertisements misrepresented the effectiveness of Zithromax in comparison to other antibiotics used to treat AOM by focusing on the dosing convenience and reduced frequency of use of the product, but without disclosing that various factors—such as antibiotic resistance—need to be considered when a physician chooses an antibiotic for treatment of AOM.

In addition to injunctive relief, Pfizer is paying the 19 states involved a total of \$4 million dollars for costs and attorney's fees and will spend an additional \$2 million dollars on public service announcements during the next 3 cold seasons (November through March). Nevada will receive \$127,273.00 from Pfizer to compensate for discovery costs and attorney's fees.

Hay advises, "Consumers should not demand that their doctor write a prescription for a particular product simply based on an advertisement they see on television or in a magazine. Consumers should always discuss all possible treatments and available drugs with their doctor to arrive at the best decision regarding which drug they, or their children, should take in any given situation."

The settlement requires additional information be provided to consumers in Zithromax advertisements and prohibits Pfizer from making certain representations for Zithromax without making specified disclosures, including the following:

- Pfizer may not make representations regarding the dosing convenience or frequency of Zithromax without stating: "Your Doctor will consider many factors when choosing an antibiotic and dosing convenience is only one of them."
- Pfizer may not compare the effectiveness of Zithromax for treatment of AOM to other antibiotics without the following disclosure: "Antibiotic resistance is a consideration that may affect your Doctor's choice of treatment for your child's ear infection."
- Pfizer must include in all ads promoting Zithromax for AOM the following statement: "Remember that antibiotics don't work for viral infections, such as a cold or flu, so don't insist on a prescription for an antibiotic. Only your doctor can decide what type of infection your child has and the best way to treat it."

In addition to Nevada, the other 18 states involved in the investigation and settlement were Arizona, Arkansas, California, Connecticut, Florida, Kansas, Maryland, Massachusetts, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Vermont, and Wisconsin.

Individuals who would like more information on consumer protection issues in Nevada should call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or in Carson City at (775) 687-6300. Additional consumer protection information can also be found on the Attorney General's web site at <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE

DATE: January 3, 2003

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NEVADA TO DEFEND ITS IMMUNITY BEFORE U.S. SUPREME COURT

Carson City—On January 15, at 11:00 a.m., Nevada will make its case that the U.S. Congress cannot subject the states, as employers, to lawsuits under the federal Family Medical Leave Act (FMLA). Passed in 1993, the FMLA requires employers to grant twelve weeks of leave without pay to their employees for child and family care. A Nevada employee sued Nevada, claiming his FMLA leave was not properly granted to him after he spent 900 hours away from work in 1997. A federal court in Reno, Nevada, dismissed the case because Nevada is immune from FMLA lawsuits, but the Ninth Circuit in San Francisco reversed and ruled Nevada was not immune. The United States Supreme Court accepted the case for review, one of only 85 cases the court reviews per year.

In two similar cases, the U.S. Supreme Court ruled that Congress could not subject States to lawsuits under the American with Disabilities Act and the Age Discrimination in Employment Act. Nevada's case is the latest in a line of cases that involve the protection of state treasuries from lawsuits derived from acts of Congress. Most states have waived their immunity so private individuals can sue. However, Deputy Attorney General Paul G. Taggart, who will argue the case for Nevada, states that, "Congress cannot simply foist that duty upon states and place state treasuries at risk to court judgments. Except in very rare situations, states control when and where to waive their immunity."

The principle that state treasuries are protected from lawsuits was recognized in the Eleventh Amendment of the U.S. Constitution, but was altered after the Civil War when the Equal Protection Clause was added to the Constitution. This new clause allows the federal government to prohibit discriminatory state practices that violate the Constitution. With this new power, Congress can waive state immunity from lawsuits when states are engaged in a pattern and practice of discrimination. The only way Nevada can be subject to FMLA lawsuits is if Nevada has a demonstrated practice of violating employees' constitutional rights.

Nevada's opponents claim the FMLA was adopted to combat gender discrimination by states. Outgoing Attorney General Frankie Sue Del Papa says, "We have had no tolerance for gender discrimination in state government during my 12 years as the chief law enforcement officer in Nevada. It is wrong for employers to make decisions based solely on the gender of an employee, but it is even more objectionable to accuse state employers—without any proof—of making such decisions."

In Nevada's view, the FMLA was passed to help families deal with the modern dilemma of caring for children while both parents are working. Congress made a policy choice that it was better for the country to allow workers to stay home to care for their families than for workers to quit their jobs. Rather than dealing with a constitutional problem, Congress simply provided a twelve-week leave entitlement.

As stated by Attorney General-Elect Brian Sandoval, "Nevada has to defend its record in this case because the accusation that Nevada violates the constitutional rights of its employees is simply untrue."

Ironically, Nevada's success in this case will not change the leave rights of its employees. Nevada, along with 37 other States, now grants leave under state law that is equivalent to the FMLA.

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FOR IMMEDIATE RELEASE
DATE: February 26, 2003

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MAN INDICTED FOR MULTIPLE INSURANCE FRAUDS

Las Vegas—Attorney General Brian Sandoval announced today that a Clark County Grand Jury today indicted Pavel Daniel Oprea, age 37, on nine felony counts of insurance fraud including three counts each of the following: false application to insurer, false claim for insurance benefits, and obtaining money by false pretenses. Oprea's permanent residence is believed to be in Arizona.

Mr. Oprea is alleged to have applied for automobile insurance benefits from four different insurance companies and made identical claims for property damage to three of these companies. He also reported his vehicle stolen to one insurance company and was paid for the automobile at a much higher rate than the actual mileage on the car would dictate. In his three claims for identical damage to his vehicle he was paid \$3177.09, \$3297.87 and \$3220.17 respectively.

A grand jury indictment is not a conviction of guilt, rather it establishes that probable cause exists that the crimes alleged have been committed. Insurance fraud is a felony in Nevada, punishable by up to four years in prison and a fine of up to \$5000.00.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: February 26, 2003

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NEW YORK MAN SENTENCED FOR INSURANCE FRAUD SCAM

Las Vegas—Attorney General Brian Sandoval announced this morning that District Court Judge Sally Loehrer sentenced James Mastel, 40, of New York, to 12-30 months in prison for felony conspiracy to commit insurance fraud, to which he pleaded guilty. The term of incarceration was suspended and Mastel placed on probation for three years subject to conditions: that Mastel make good restitution of \$13,000 to California State Automobile Association, (CSAA); that he reimburse the Attorney General's Insurance Fraud Unit, (IFU) \$2,000 in investigative costs, pay a fine of \$1,000.00, and have no contact with any of the co-conspirators. Mastel had no prior criminal record, and he accepted responsibility upon contact with the IFU. He faced up to four years in prison and fines of \$5,000.00.

In August of 2000, the investigative firm of Bland & Rodarte, while conducting a routine internal audit for CSAA, discovered the fraud. Subsequent investigation by the IFU revealed that Guy Mitchell Sheets, a licensed insurance agent and Regional Supervisor with CSAA, along with Deborah Marie Bray, a claims adjuster under Sheets' supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,000 during an 18-month period. The conspiracy involved Sheets and Bray recruiting 14 other individuals and "packing" them into accident claims that were not actually involved in. Both Sheets and Bray were fired from CSAA and Sheets had his insurance license revoked. Sheets brought Mastel into the scam. Mastel accepted payments on false claims that he was not actually involved in. The IFU has charged all the participants, obtaining guilty pleas in nearly all instances.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: February 25, 2003

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or cell phone, (775) 720-1870

LAS VEGAS WOMAN ARRESTED IN CHARITY RAFFLE SCAM

Las Vegas—Attorney General Brian Sandoval just announced the arrest today of one Marilyn Bettina Monroe. Ms. Monroe turned herself in to investigators from the Attorney General's Bureau of Consumer Protection per an agreement with her counsel. Monroe was arrested on one count of theft by false pretenses, a felony, and three counts of deceptive trade practices, a misdemeanor.

It is alleged that Ms. Monroe operated a raffle in June of 2002 through her charity, "Marilyn's Children's Charity," and then failed to deliver a 1950 Packard automobile valued at \$16,000.00 to the winner of the raffle. It is further alleged that Ms. Monroe created a deception upon the public by advertising on the face of the raffle ticket that the winner of the raffle had a 1 in 100 chance of winning, that someone would win the 1950 Packard and that the donations from the raffle ticket would go to underprivileged children and battered women. The investigation revealed that 1,227 tickets were actually sold to the general public, the winner never received the 1950 Packard, and no money went to underprivileged children or battered women.

Monroe was booked at the Clark County Detention Center and later released on her own recognizance; she will be required to appear before a judge in Henderson Judicial Court March 3rd to determine whether the O/R release should continue or if bail is to be set; an arraignment is expected by mid-March. If convicted, the accused faces a maximum of 6 years and a \$10,000.00 fine for the theft count and a maximum of 6 months and a \$1,000.00 fine per deceptive trade violation if she is found to have violated the deceptive trade practice statute.

As with all criminal cases, the charges against the defendant are accusations, and the defendant is to be considered innocent until proven guilty in a court of law. For more information on how you can help prevent illegal deceptive trade practices, you may contact the Consumer Affairs Division at (775) 688-1800 in Northern Nevada, or (702) 486-7355 in Southern Nevada; or you may contact the Attorney General's Bureau of Consumer Protection at (775) 687-6300 in Northern Nevada, or (702) 486-3194 in Southern Nevada.

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FOR IMMEDIATE RELEASE
DATE: February 24, 2003

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trsargen@ag.state.nv.us

FORMER INSURANCE CLAIMS ADJUSTER SENTENCED FOR FRAUD

Las Vegas—Attorney General Brian Sandoval announced this morning that following a plea of guilty, District Court Judge Joseph T. Bonaventure sentenced Deborah Marie Bray, 46 of Las Vegas, to 12 to 48 months in prison for two felony counts of insurance fraud. The term of incarceration was suspended, with Bray being placed on probation for five years. Bray was also ordered to make restitution of \$63,130.37 to California State Automobile Association, CSAA; to reimburse the Insurance Fraud Unit (IFU) \$2,500.00 in investigative costs; and to testify against the remaining co-defendants at trial.

In August of 2000, the investigative firm of Bland & Rodarte, while conducting a routine internal audit for CSAA, discovered the fraud. Subsequent investigation by the IFU revealed that Guy Mitchell Sheets, a licensed insurance agent and Regional Supervisor with CSAA, along with Bray, a Claims Adjuster under Sheets' supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,000.00 during an 18-month period. The conspiracy involved Sheets and Bray recruiting 14 other individuals and fraudulently "packing" them into accident claims. Both Sheets and Bray were fired from CSAA and Sheets had his insurance license revoked. Bray had no prior criminal record and has cooperated with the IFU.

Attorney General Sandoval applauded both CSAA and Bland & Rodarte for their assistance to the IFU, explaining, "Fraud crimes are often complex, and successful prosecution requires the joint efforts of the victim insurance company, the IFU, and independent audit or investigative firms. Insurance fraud is not a victimless crime: it raises the cost of goods and services for all consumers."

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: February 21, 2003

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GUILTY PLEA TO INSURANCE FRAUD

Carson City—Attorney General Brian Sandoval today announced Richard R. Cozad, age 49, has pleaded guilty before Judge James Hardesty in the Washoe County Courthouse to conspiracy to commit insurance fraud.

Cozad, while employed by Streeter Imports, wrecked a vehicle owned by the company while driving under the influence of alcohol. He forged documentation to make it appear as though he had bought the vehicle prior to the accident then presented a claim to Progressive Casualty Insurance. Mr. Cozad also pled guilty to driving under the influence. He faces up to one year in the county jail for Insurance Fraud and up to 36 months in prison for driving under the influence. He must pay approximately \$35,000 in restitution. His sentencing date is undetermined at this time.

Insurance fraud is often committed after a legitimate accident whereby perpetrators lie about expenses or ownership to increase the amount they are entitled to from an insurance company. Insurance Fraud is one of the costliest white-collar crimes in the United States, ranking second only to tax evasion. Ultimately, policyholders, taxpayers and the general public pick up the tab through increased insurance rates, higher taxes and inflated prices for consumer goods and services as a result of insurance fraud.

If you have any information regarding insurance fraud, please call the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. For more information about Nevada's Insurance Fraud Unit, please visit the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: February 14, 2003

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GUILTY PLEA TO FELONY INSURANCE FRAUD

Carson City—Attorney General, Brian Sandoval announced today that Michael Allen Lessley, age 35, pleaded guilty yesterday to felony insurance fraud before Judge Connie Steinheimer in the Washoe County Courthouse.

Michael Allen Lessley reported his red 1995 Mustang stolen so that he could receive money from State Farm Insurance Company. Lessley had a friend take his car and store at a remote location so that he could defraud the insurance company. Lessley could face up to four years in jail and a \$5000.00 fine. He will be responsible for paying restitution of approximately \$15,000.00

The investigation was conducted in cooperation between the Attorney General's Office and the Sparks Police Department.

If you have any information regarding insurance fraud, please call the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. For more information about Nevada's Insurance Fraud Unit, please visit the Attorney General's website at www.state.nv.us/ag/

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State of Nevada

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FOR IMMEDIATE RELEASE
DATE: February 14, 2002

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GRAND JURY INDICTS FOR SECURITIES FRAUD

Las Vegas—Attorney General Brian Sandoval announced today that on February 13, 2002 a Clark County Grand Jury returned a criminal indictment against Paul K. Ray on one count of securities fraud, one count of transacting business as an unlicensed investment advisor, and one count of theft by embezzlement. The investigation and prosecution are being conducted by the Attorney General's Bureau of Consumer Protection.

Mr. Ray operated an alleged "investment club" under the name "Captain Ray's Villages, Inc." from a location in Henderson. A consumer invested \$75,000.00 with his "investment club" for purchasing securities on the consumer's behalf. Mr. Ray made a variety of assurances to compel the consumer to invest, however those assurances proved to be false. Although some securities were purchased on behalf of the consumer, over \$20,000 of the consumer's investment was spent for non-investment purposes.

An indictment is merely an accusation. As always, defendants are presumed innocent until and unless proven guilty in a court of law.

Consumers who believe they have been victims of a securities scam or other forms of fraudulent business practices should contact the Attorney General's Bureau of Consumer Protection at (775) 687-6300 ext. 238 in northern Nevada, or (702) 486-3194 in Las Vegas, or see the Attorney General's website at: <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: February 13, 2003

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THIRD ELDER CARE WORKER GUILTY

Las Vegas—Attorney General Brian Sandoval announced today that the last of three charged long term care employee, Carole L. Ealy (age 62), pleaded guilty to a misdemeanor charge of obstructing a public officer. The charge carried potential penalties of six (6) months in jail and a \$1,000.00 fine. Justice of the Peace Nancy C. Oesterle sentenced Ms. Ealy to forty hours of community service and ordered her to attend an anger management course.

The case was investigated jointly by the Las Vegas Metropolitan Police Departments' Abuse/Neglect Detail and the Attorney Generals' Medicaid Fraud Control Unit (MFCU).

According to MFCU Director, Tim Terry, the charges stem from Ealys' failure to properly report her activities as a health care worker in a local convalescence center. During December 2001, a co-worker, Maria Lourdes Fernando-Castillo, struck an elderly resident of the facility. The incident was witnessed by another co-worker, Juan Martinez. Ms. Ealy learned of the incident when she reported to work later that evening. No one reported the incident in an accurate and timely fashion as required by law. Previously, Fernando-Castillo pleaded guilty to failure to report elder abuse and Juan Martinez guilty to an obstruction charge. Upon learning of the incident the facility took quick action to report it and fully cooperated with the subsequent investigation. None of the three remain employed at the facility.

"As we have emphasized before, all employees of facilities caring for senior citizens are required by law to report abuse," said Sandoval. "Failure to do so fosters an environment of fear in the very place in which our elderly citizens ought to feel safe and secure, and this prosecution demonstrates that we will not tolerate elder abuse or any failure to report it."

Anyone suspecting the abuse or neglect of an elderly person may report it to the MFCU at (775) 684-1191 (Carson City) or (702) 486-3420 (Las Vegas); or to the Aging Services Division (775) 688-2964 (Reno), (775) 687-4210 (Carson City) or (702) 486-3545 (Las Vegas); or to any local law enforcement agency. Medicaid fraud and elder abuse or neglect information can be found on the Attorney General's web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: February 10, 2003

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CONSUMER ALERT: ATM SCAM RESURFACES

Carson City—Attorney General Brian Sandoval today announced that an ATM machine scam first discovered by the San Diego Police Department in April of last year, has resurfaced in Harris County, Texas:

This latest ATM scam involves thieves placing a thin, clear, rigid plastic sleeve into an ATM card slot. When you insert your card, the machine fails to read the strip, so the ATM machine then repeatedly asks for your personal identification number, or PIN. Meanwhile, someone behind you watches as you enter your PIN repeatedly, capturing your PIN. Eventually you give up, thinking that the machine has “swallowed” your card. After you walk away, the perpetrator then removes the sleeve containing your ATM card and executes a withdrawal using your card and the acquired PIN.

The way to avoid this is to run your finger along the card slot prior to inserting your card. The plastic sleeve used by thieves has several tiny prongs that they use to remove the sleeve from the slot.

Other suggested precautions:

- Use indoor automated teller machines only; they are generally safer than outdoor machines, especially at night.
- Look behind you; if someone is close enough to monitor your activities, ask that they please step back, or simply wait until there are no other people nearby.
- Try to utilize machines that only require a card swipe as opposed to card insertion.
- Never give your PIN to anyone, and don't keep it written in your wallet or on your person.

“There have been no reports of this scam occurring in Nevada, and we're hoping that by putting the word out in advance, there won't be any,” said Sandoval. “Protecting the citizens of Nevada is a core mission of this office, and when we can do that proactively as opposed to reactively, it saves everyone time, money and distress.”

For more information on how you can avoid being the target of scams like this and others, contact the Attorney General's Bureau of Consumer Protection at (775) 687-6300 in Northern Nevada, or (702) 486-3194 in Southern Nevada.

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FOR IMMEDIATE RELEASE
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[February 3-7 is National Consumer Awareness Week. In conjunction with the National Association of Attorneys General, the Nevada Attorney General's Bureau of Consumer Protection is issuing a daily press release designed to increase consumer awareness of a particular subject. This year's theme is "Information Security: Putting the Pieces Together."]

ATTORNEY GENERAL ISSUES ADVISORY ON INTERNET SHOPPING

Carson City—Attorney General Brian Sandoval today issued an advisory to consumers about the risks involved with online shopping. Sandoval warns, "While the Internet is a convenient alternative to in-store or catalog shopping, virtual shopping must be approached with the same caution one would practice with any purchase—the only real difference is simply the speed with which a theft or fraud is perpetrated."

The Attorney General's Bureau of Consumer Protection offers the following tips to help consumers maximize their security when shopping via the Internet:

- **Shop With Established Vendors.** Since anyone can create a flashy website or send what appears to be a friendly e-mail message, identifying fraudulent vendors can be extremely difficult. Shop only with well-known, reputable vendors.
- **Protect the Privacy of Personal Information.** In most cases, a password, credit card number and shipping information should be sufficient to complete a purchase. Many online vendors, however, try to obtain as much personal information as a consumer is willing to give. This information may then be sold to other vendors, resulting in a bombardment of unwanted solicitations. The best protection is to shop with online vendors that post privacy policies and offer consumers options to limit the use of personal information.

- **Understand Refund Policies.** Policies are set by the individual vendors and may vary considerably. Prior to making a purchase, consumers should make sure they fully understand their rights and obligations regarding refunds and exchanges. It is also important to keep a hard copy of any purchase receipt or other relevant sales documentation in the event of a future dispute.
- **Pay With a Credit Card.** It is safest to make online purchases with a credit card, because credit card companies offer an additional layer of purchase protection not otherwise available to the consumer. It is also best to only send credit card information over a secure server, which protects the information while it is being transmitted. To confirm you are using a secure site, look for a key or padlock symbol at the bottom of the browser screen or ask the vendor directly.

Individuals who would like more information on consumer protection issues in Nevada should call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194, or in Carson City at (775) 687-6300. Additional consumer protection information can also be found on the Attorney General's web site at <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: February 6, 2003

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AG ADVISORY ON FOREIGN FUNDS TRANSFER SCAM

Carson City—Attorney General Brian Sandoval today issued an advisory to consumers about an Internet email scam that attempts to lure victims by asking for assistance with the transfer of large sums of money. The scam involves an "urgent" e-mail request sent to a business from someone claiming to be a government, military or business official of an African nation. The e-mail asks for help in transferring a large sum of money to a foreign account and promises a large sum of money as a reward for the person's assistance. The funds mentioned, ranging from \$10-60 million dollars, are purported to be unclaimed property, contract overpayments or the estate of a deceased wealthy person. The e-mail describes difficulties related to getting the money out of the country and the need for assistance from an American citizen. The victims provide their personal contact information and are then contacted and asked to give the scammers access to their personal bank accounts.

The most commonly known operation is the "Internet Nigerian Letter Scheme" or "Nigerian E-mail Scam," which evolved over the last ten years, from a fax sent to businesses and then to a message in an e-mail inbox. In August 2002, the Washington Times reported in an article that the Internet Fraud Complaint Center, working with the FBI, had received more than 600 complaints regarding the Nigerian scheme, since May 2000.

The newest approach to the old scheme is an appeal purporting to be from the son of slain white farmer in Zimbabwe, asking for assistance in transferring \$8.5 million to a bank account in South Africa. The victim, who is promised a big reward for his help, must first

provide access to a personal bank account. The scam artists then help themselves to thousands of dollars from the victim's bank account.

The Secret Service and other federal agencies have been investigating this scam for years, and last summer, six people were taken into custody in South Africa in connection it. "While a positive development, there remain many people still involved in this multi-million dollar scheme, so Internet users must continue to beware," said Sandoval.

Key signs to look for, when confronted by this type of offer, are:

- A stranger contacts you via e-mail offering to share a large amount of money with you that must be transferred to a foreign account.
- The stranger presents himself or herself as a bank official, important government official or family member of a rich, deceased individual.
- You are asked to give your personal bank account information or asked to open up a new account which in order to be established, must have a large initial deposit of funds.
- You are asked to keep the transaction confidential.

Complaints regarding these scams should be directed to the U.S. Secret Service at 419.fcd@uss.s.treas.gov. Consumer protection information and complaint forms can be found on the Attorney General's Web site at www.ag.state.nv.us.



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FALSE IDENTITY LEADS TO GUILTY PLEAS TO INSURANCE FRAUD

Las Vegas—District Court Judge John S. McGroarty accepted the guilty pleas of Warren Wright, 63, formerly of North Las Vegas, on two felony counts of insurance fraud this morning. Wright agreed to pay \$12,763.38 in restitution to the insurance companies he defrauded, reimburse the Insurance Fraud Unit \$5,000.00 in investigative fees, and pay \$935.28 for the cost of extradition from Texas. Wright will be formally sentenced on April 2, 2003. He faces up to 4 years in prison and fines of \$5,000.00 on each count.

Wright, using the identity "Terrell Williams", complete with social security number and California driver's license, purchased disability policies from Continental General and Protective Life in May of 1999. A month later, he claimed he had fallen off a ladder, injuring his back. He sought medical treatment and submitted medical evaluation forms which indicated he had no prior injury. The insurance companies paid on the monthly disability policies until a former friend reported Wright's scam to Continental General. The Insurance Fraud Unit, with the assistance of the Office of the Inspector General and California Department of Insurance, determined that Wright actually had major back surgery in the 1970's, leaving a six inch scar over his lumbar region. Investigation revealed that Wright has worked under aliases throughout his adult life, all the while receiving federal disability money.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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ATTORNEY GENERAL WARNS CONSUMERS TO VIGOROUSLY PROTECT PRIVACY WHEN USING THE INTERNET

Carson City—Using the Internet is an increasingly popular method for consumers to obtain information about a particular subject, or to purchase products from a web site. Attorney General Brian Sandoval urges Nevada consumers to be aware that Internet sites are not just used to distribute information: they can also be used to collect information on users. For example, search engines routinely note the topic or subject matter researched by users before choosing which ads to display on the particular site.

It is important for consumers to understand that when they provide personal information on a web site, the information is often placed in a database that could be sold to a third party for telemarketing or other sales purposes.

The Attorney General's Bureau of Consumer Protection offers the following tips for consumers to remember when using the Internet:

- **Children on the Internet** should be monitored to make sure they are not giving out personal identifying information about themselves and other family members. Check with your Internet service provider about special accounts for children that have protections such as disallowing chat room access, receipt of unsolicited emails and restrictions on what web sites they can visit.
- **Protect your privacy** by judiciously disclosing any personal information on line. Remember that on line sellers may be collecting information to market back to you

or to sell to other companies. For example, when entering that “free contest” or signing up for a credit card, remember that your personal details could be distributed to others.

- **Protect your identity** by never providing your Social Security Number, address, or other vital information in response to an e-mail exchange that you did not initiate. Genealogy websites can be especially risky because an abundance of personal information is posted which could help an identity thief pose as the victim.
- **Beware of chat rooms** because many participants are just looking for personal information that can be obtained in a very informal way. The identity thief can learn all sorts of personal information just by asking “small talk” questions.

If you believe that you may be a victim of online fraud or identity theft, or would like more information, please call the Attorney General’s Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 687-6300 in Carson City. Consumer information can also be found on the Attorney General’s web site at [**ag.state.nv.us**](http://ag.state.nv.us).

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FOR IMMEDIATE RELEASE
DATE: February 4, 2003

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LAS VEGAN SENTENCED FOR INSURANCE FRAUD

Las Vegas—District Court Judge Donald M. Mosley sentenced Bonnie Patricia Catoni, 52, to one year in the Clark County Detention Center but suspended the term placing Catoni on probation for three years. Judge Mosley ordered Catoni to pay \$12,000.00 restitution to California Sate Automobile Association, CSAA; reimburse the Insurance Fraud Unit (IFU) \$1,000.00 for investigative costs; complete an adult educational program to obtain her GED; and either work full-time or complete 16 hours of community service per month.

In August of 2000, while conducting a routine internal investigation, the investigative firm of Bland & Rodarte, discovered the fraud. Subsequent investigation by Bland & Rodarte and the IFU revealed that Sheets, a licensed insurance agent and Regional Supervisor, along with Deborah Marie Bray, a Claims Adjuster under Sheet's supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,300.00 during an 18-month period from January 1999 through August 2000. The conspiracy included 15 other individuals who had been recruited by either Sheets or Bray. The scam involved "packing" false claimants, adding people not actually involved in the accident, into automobile accident claims; asserting automobile accident claims on behalf of legitimate claimants without their knowledge and then subverting those funds among the conspirators; and creating false accident claims with the complicity of the policyholders for automobile accidents that never actually occurred. Both Sheets and Bray have already pleaded guilty to felony charges; most of the other individuals have pleaded guilty to lesser charges, receiving probation along with orders to pay restitution.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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ATTORNEY GENERAL ISSUES ADVISORY ON INTERNET AUCTION FRAUDULENT ESCROW SITES

Carson City—Attorney General Brian Sandoval today issued an advisory to consumers regarding fraudulent escrow sites that cheat Internet auction consumers.

It is estimated that over 31% of Americans participate in online auctions. As one of the leading auction sites, eBay reports that \$40 million is exchanged via eBay auctions each day. For expensive goods (over \$1,000), many auctioneers and bidders use an "escrow" system. Unfortunately, auction site users are experiencing a new type of fraud in which victims have lost large sums of money sent to fraudulent escrow-holding companies that steal the buyers' cash. The Attorney General's Bureau of Consumer Protection warns Nevada consumers about this new twist on online auction fraud:

Using an escrow account means that the winning bidder sends cash to a neutral third party (an escrow company) to be held until the goods are shipped and the bidder is satisfied with their condition. The benefit of using an escrow company is having a neutral party to the transaction, a middleman, to protect both the auctioneer and the bidder in case something goes wrong.

The scam is actually simple: the scammers, working in concert with the auctioneer, set up a phony escrow company, complete with its own Web site. The auctioneer asks the bidder to use this specific escrow company once the auction closes. When the bidder "places the money in escrow," he is really sending the money to the scammers, who then use

stalling tactics to explain why the goods have not been delivered. The phony escrow company then vanishes with the cash, and the bidder never receives the goods.

The Bureau of Consumer Protection offers these tips:

- Be wary if the seller pressures you to use a specific escrow company.
- Check the escrow company's Web site for grammar, spelling mistakes or odd wording where the fake name may have been substituted in place of the real escrow company.
- Check with your bank to see if it offers an online escrow company or can recommend one. If you have any doubts, trust your instincts and find a different escrow company.

Consumer protection information and complaint forms can be found on the Attorney General's Web site at www.ag.state.nv.us.



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ATTORNEY GENERAL ISSUES ADVISORY ON PYRAMID SCHEMES

Carson City— Attorney General Brian Sandoval advises Nevada consumers that when the economy slows, get rich quick schemes increase in number, often in the form of illegal pyramid schemes. State law prohibits "pyramid schemes" under which an investment is made and the ability of the investor to receive a monetary return is conditioned on recruiting additional people to the scheme instead of the selling of an actual product. A pyramid is distinguished from a true direct-sales or home business opportunity because there is no product to be sold or the sale of a product is secondary to the recruitment of new participants. This is also distinguished from a gift, in which a person gives another person something of value with no expectation of profit or something in return.

In the more traditional home-based pyramid scheme, perpetrators will target close friends, relatives, neighbors, and persons they can trust to remain quiet about the pyramid scheme. The recruiting material will contain statements that the pyramid scheme is a legal direct sales opportunity, business opportunity from your home or a gifting club. Also, pyramid schemes are occurring more frequently on the Internet. In this scenario, the perpetrators will make contact with potential participants through e-mails and use the same recruiting dialogue as the home based pyramid schemes.

Consumer Advocate Timothy Hay offers the following tips to avoid becoming a victim of this type of scam:

- Before investing in anything, analyze the incentive structure. If you receive significantly more income for recruiting people than selling products, the investment is probably a pyramid scheme.
- If considering a gifting club, remember that a legitimate gift has no strings attached and is not an investment.
- Beware if the start up cost is substantial.
- Avoid being misled into thinking the opportunity is legitimate because the ads say it is legitimate. This is an attempt to make an illegal transaction appear legal.
- Resist the temptation to invest just because the people selling you the program are friends, family, or are part of organizations to which you also belong.
- Beware of quick, easy, and unreasonably high profits.
- **Remember, simply participating in a pyramid scheme is illegal.**

If you believe that you have been a victim of a pyramid scheme, or would like more information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3786 or in Carson City at (775) 687-6300. Consumer protection information can be found on the Attorney General's Web site at ag.state.nv.us.



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FOR IMMEDIATE RELEASE
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STATES READY TO TAKE ACTION FOLLOWING STATEMENT THAT PHILIP MORRIS UNCERTAIN IT WILL MAKE \$2.6 BILLION TOBACCO SETTLEMENT PAYMENTS

WASHINGTON, D.C.—Philip Morris USA has told the nation's state Attorneys General that it is "presently uncertain" whether it will make \$2.6 billion in tobacco settlement payments next month to state governments. Nevada's share of the Phillip Morris payment is \$15,858,312.00. Lawyers for the nation's largest tobacco company warned that there is uncertainty about whether the payment will be made if Philip Morris is forced to post a \$12 billion appeal bond as a result of a recent award in Illinois.

Recently in a class action lawsuit, a Madison County Illinois Circuit Court Judge awarded more than \$10 billion to smokers who sued Philip Morris. Under Illinois court rules, in order to appeal the judgment, Philip Morris must post bond, which can be equal to the judgment, plus costs and interest. The judge set the bond at \$12 billion. If the company cannot post the bond by April 25, there is no appeal and the plaintiffs could execute immediately on the judgment.

Under a settlement in 1998, tobacco companies agreed to make annual payments to the states in perpetuity, estimated to total approximately \$206 billion through 2025. Currently, Philip Morris pays a little more than half of the annual payments.

Forty percent of Nevada's receipts from the tobacco Master Settlement Agreement go to the Millennium Scholarship program, the remainder to an assisted living and prescription drug program for seniors and other health programs. "We are working with the National Association of Attorneys General to assure that Nevada receives all payments due—and in a timely fashion," said Nevada Attorney General Brian Sandoval. "We're hoping that the court bond issue will work out so that there is no delay or default on payments, but if not, we're prepared to pursue this immediately."

Oklahoma Attorney General Drew Edmondson, who is president of the National Association of Attorneys General (NAAG), said he is still hopeful the Illinois court bond issue can be resolved without a default in state tobacco payments.

Washington Attorney General Christine Gregoire, who was lead negotiator for the states in the tobacco settlement: "We would hope parties in Madison County can work this out, but if not, we will be ready to go to court."

Vermont Attorney General Bill Sorrell, who chairs NAAG's Tobacco Committee, said he and the other Attorneys General are considering filing motions to intervene in the Illinois case. "We would seek to intervene on the limited issue of the amount of the bond," he said.

Edmondson said legal action will not address the \$10 billion judgment. "If the courts ultimately decide Philip Morris loses, the company should pay. Our sole interest is the \$12 billion bond, which in this case, could deal a significant, financial blow to the states."

Pennsylvania Attorney General Mike Fisher, a member of NAAG's Tobacco Committee and one of the lead negotiators of the original tobacco settlement, said Attorneys General also were reviewing their legal options in the event of a bankruptcy filing.

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FOR IMMEDIATE RELEASE
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ORTHODONTIST SENTENCED FOR MEDICAID FRAUD

Carson City—Attorney General Brian Sandoval announced today that Keith Orme Vowles, age 67, plead guilty to two counts of conspiracy to commit Medicaid fraud. The matter was heard before Washoe County District Court Judge Jerome M. Polaha. Judge Polaha accepted Vowles' guilty plea on both misdemeanor counts. Vowles was sentenced to seven days time served, and a confession of judgment against Vowles in the amount of \$175,000.00 for restitution and penalties was filed previous to the sentencing. The prosecution of the case was handled by the Attorney General's Medicaid Fraud Control Unit (MFCU).

According to MFCU director Tim Terry, Vowles received payment for services he did not render by submitting long-term treatment plans to Nevada Medicaid for orthodontic services on juvenile recipients. Vowles was paid in advance for the treatments, failed to perform any of the services himself or supervise those who did, and failed as well to refund the advance payments as required by law. Vowles' license to practice has been revoked by the Dental Board of Examiners.

"When Medicaid fraud occurs, every taxpayer is victimized," said Terry. "Our tax dollars support the Medicaid system, and with the current budget difficulties in our state, the problem is magnified. We investigate aggressively but it all starts with a witness report or a lead: by reporting suspected fraud, citizens help us to help them."

Questions about Medicaid fraud or the Attorney General's policy on voluntary self-reporting of provider fraud? Contact the MFCU in Carson City at (775) 684-1191 or in Las Vegas at (702) 486-3420. Medicaid fraud information can also be found on the Attorney General's web site at <http://ag.state.nv.us>.



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SETTLEMENT IN EL PASO ENERGY SUIT

Long term benefits to Nevada natural gas and electricity consumers

Carson City—Nevada Attorney General Brian Sandoval announced today that a settlement has been reached with El Paso Corporation. This agreement in principle follows a lawsuit filed late last year in Clark County against several energy companies accusing them of overcharging the state and Nevada consumers for natural gas and electricity. Deputy Attorney General Christopher Vandyck, Bureau of Consumer Protection, is primary counsel and has been coordinating the effort on behalf of the Attorney General's Office.

The lawsuit names several defendants, including El Paso Corporation, Sempra Energy, Southern California Gas Company, and San Diego Gas and Electric and alleges that these energy companies engaged in an elaborate conspiracy to manipulate the supply of natural gas and refrain from competing against each other causing tremendous natural gas price spikes observed in the Western energy markets. The alleged violation were of Nevada's Unfair Trade Practices Act, which prohibits corporations from engaging in anti-competitive behavior by conspiring to manipulate prices paid by consumers.

The agreement will have profound benefits for the consumer. Southern Nevada consumers pay prices for natural gas that are determined in a "spot" natural gas market known as the Southern California Border Market. These natural gas prices are passed on to ratepayers not only when they consume natural gas but also electricity. Consumers' electricity prices are affected because electric utilities use natural gas to generate electricity and such costs are typically passed directly to ratepayers.

Benefits and compensatory terms of the agreement in principle:

- ❑ Market stabilization and prevention of future manipulation of pipeline capacity;

- ❑ Stipulated return into settlement funds approximately \$2 million of executive bonus payments received during the time of market manipulation;
- ❑ Requires that El Paso implement an antitrust training and compliance program, and
- ❑ that El Paso cooperate with other investigations and actions relative to market manipulation or other misconduct by companies;
- ❑ Total value of the settlement is to be \$1.7 billion in cash and non-cash consideration over the next 15 to 20 years, allocated between Nevada, Washington, Oregon, and California (Long Beach, LA County San Bernardino County, Culver City and Uplands), including
 - ❑ Up front cash of \$225 million;
 - ❑ \$440 million cash over 20 years or 15 years if the company returns to an investment grade credit rating (expected within one year);
 - ❑ \$900 million in natural gas over twenty years to directly benefit consumers;
 - ❑ Approximately \$100 million dollars is earmarked to reimburse expenses to government agencies, regulatory agencies and legal firms incurred due to investigation, discovery, expert witness testimony, and operating costs.

Benefits to Nevada of the agreement:

- ❑ Nevada's share of the total settlement will be a minimum of \$52 million and may ultimately be up to \$65 million;
- ❑ Approximately half of the Nevada share will be in the form of natural gas, which can be monetized to immediately and directly benefit ratepayers;
- ❑ A to-be-determined portion will be in the form of stock based on a 30-day weighted average of the share price.
- ❑ California's Public Utility Commission (CPUC) is a party to the settlement, and there will be a formal proceeding before the CPUC to stipulate how their portion of the settlement is distributed, ultimately to consumers. While Nevada's Public Utility Commission is not a party in this case, Attorney General Brian Sandoval will request of the PUC that they and the Attorney General's Office work cooperatively on a similar solution so that Nevada consumers are compensated in the form of rebates, credits and/or term rate reductions.

A critical and potentially most valuable stipulation in the agreement is that El Paso is required to restructure the pipeline system (at an expected cost of \$200 million) which will relieve the current distribution bottleneck into California and having the effect of opening the Southern California Border Market and reducing overall prices throughout the distribution region. This is a welcome elimination of an artificial market constraint that has long term benefits to consumers potentially of greater ultimate value than the settlement itself.

Other states' shares are expected to be in the order of \$23 million, Washington; \$17 million, Oregon; \$17 million to Long Beach, and other California entities, \$38.4 million.

According to the suit, in the period from 1996 through at least June, 2001, prices in the Southern California market were driven up by a conspiracy of the owners of the two dominant pipeline companies that operate there, El Paso Natural Gas Company and Southern California Gas Company. The suit alleges that the conspirators prevented the

construction or expansion of competitive pipelines and restricted the availability of capacity on the El Paso pipeline.

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FOR IMMEDIATE RELEASE
DATE: March 20, 2003

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AG INITIATES MULTI-AGENCY TASK FORCE ON TOBACCO *To strengthen multiple issues of compliance, enforcement*

Carson City—At the request of Attorney General Brian Sandoval, and under the direction of Senior Deputy Attorney General John Albrecht, Federal and Nevada state agencies are coordinating their activities to strengthen enforcement efforts and compliance with regard to state and federal laws on cigarettes and other tobacco products. Several agencies are consistently exchanging information to enhance the enforcement activities of each:

Counterfeit tax stamps and counterfeit cigarettes result in unpaid taxes and unpaid obligations under the Tobacco Master Settlement Agreement signed in 1998 as well as reduced profits to those companies obeying state and federal laws. The Nevada Attorney General's Tobacco Enforcement Unit, the U.S. Bureau of Alcohol, Tobacco and Firearms, the U.S. Customs Service, and the Nevada Department of Taxation held their first meeting in February and will meet on a routine basis to share information

"Strict enforcement of state laws will ensure that the state receives the tax revenue it is due at a most critical time for Nevada," said Sandoval. "It also assists in satisfying requirements that gain the maximum payment possible under the Tobacco Master Settlement Agreement."

Chuck Chinnock, Executive Director of the Nevada Department of Taxation, added that, "By working closely together and coordinating enforcement efforts, the participating agencies will more effectively reduce the number of cigarette sales that escape taxation."

John A. Torres, Special Agent In Charge, Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), San Francisco Field Division, says, "We are committed to investigating and prosecuting the trafficking of contraband cigarettes in cases that meet the criteria for Federal jurisdiction."

John W. Colledge, Resident Agent in Charge, Reno office of the U.S. Customs Service: "The joint tobacco task force initiated by the Attorney General's Office is a necessary component for stopping inter-state and international smuggling and for protecting Nevada's revenue from fraud. In the past several years, investigations by the U.S. Customs Service and foreign law enforcement agencies detected a dramatic increase of cigarette smuggling into the United States. Investigations determined that international criminal and terrorist organizations are involved in smuggling cigarettes into the United States—and between states as well. Cigarette smuggling has become so lucrative that some drug traffickers have turned to cigarette smuggling."

Sandoval emphasized that his mission is two-fold: "Coordination, enforcement and compliance are necessary because presently, we need to secure tax revenue, but let's not forget that we also secure a brighter future for the state by keeping kids away from tobacco."

For further information, contact:

John Colledge, U.S. Customs Service, (775) 784-5727

John Albrecht, Nevada Attorney General's Office, (775) 688-1872

Chuck Chinnock, Department of Taxation, (775) 687-4896

Marti McKee, ATF Public Information Officer, (415) 947-5100



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TOBACCO SALES COMPLIANCE CHECKS EXPLAINED

***AG Brian Sandoval wants the public and retailers to
be aware of and support the process***

Carson City—The Attorney General's Office, under the supervision of Senior Deputy Attorney General John Albrecht, conducts compliance checks on retail stores that sell tobacco to enforce the state law prohibiting the sale of tobacco to minors. In the interest of awareness on the part of the public and affected retailers, Attorney General Brian Sandoval offers the following clarification of the compliance check process:

First, encourage clerks to verify age: wise employers do, and we provide training and materials, but the public—as customers—can help, too, by being patient during the little time it takes for a clerk to verify age, and recognizing a necessary task well done by mentioning to the clerk that their effort to do so is appreciated.

Compliance checks are fair and not deceptive: all retail outlets that sell tobacco products are checked for compliance at least twice each year. When a compliance check is conducted, a youth between the ages of 15 and 17½ enters a store and asks to purchase a particular brand of cigarettes, smokeless tobacco, or a cigar. The youth will respond with his or her true age if asked for it by store personnel. If asked for a photo ID, the youth will either: present their own photo ID with their true age, say they do not have an ID with them, or simply say they do not have an ID. At no time will the youth lie.

If a clerk sells a tobacco product to the under age youth, the investigator supervising the compliance check will enter the establishment and issue a citation to the clerk.

Results, positive or negative: whether or not a citation is issued, the store receives a copy of the report with the results of the compliance check by mail or fax.

Failing to comply can be expensive: the maximum fine for selling tobacco to a minor is \$500.00, plus court costs. The local justice of the peace will ultimately decide on the

amount of the fine. Other costs for a business to consider are the time and expense of obtaining and training another employee if a clerk resigns or is terminated.

Free training materials and in-store signs are available from the WE CARD program at 1-800-934-3968, or on the Internet at: <http://wecard.org>, where a free, web-based training program is available for your store staff, as well.

If you have any further questions regarding this enforcement program, please call John Albrecht, Chief Deputy Attorney General, at (775) 688-1872.



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DOE YUCCA MOTION DENIED **Federal Court Upholds State's Water Authority**

Carson City—By Order dated March 11, 2003, U.S. District Court Judge Roger Hunt in Las Vegas denied a motion for summary judgment filed by the U.S. Department of Energy and granted key parts of the State's motion to stay the Yucca Mountain water litigation. The decision is favorable to the State in two significant respects: (1) The order stays the judicial proceedings over water to allow the overarching litigation in the District of Columbia to proceed to conclusion with respect to, among other things, whether the Yucca Mountain site offers the geologic isolation intended by Congress and what the effect of the Joint Resolution is; and (2) it remands the issue of the State Engineer's public interest determination to the State Engineer for further administrative proceedings, thereby affirming the State's authority to regulate water according to Nevada water law.

"The Court's decision marks a significant victory for Nevada in its fight to keep nuclear waste out of the state," said Attorney General Brian Sandoval, "and it does so in two ways: one, the argument used by the opposition suggests that the federal government acknowledges that the 'public interest' includes public safety, specifically that of Nevada's citizens; and, two, our right as a state to not have our water laws preempted by federal act or resolution. In forwarding their argument, they underscore the very reason for our opposition to the proposal: the health, safety and welfare of Nevadans."

Indeed, the Court found material issues of fact with regard to geological isolation, the public interest, and public health and safety in addition to the matter of water.

Judge Hunt determined that the State Engineer's authority to determine what is in the public interest is intact and he remanded the case for further hearing by the State Engineer. The Court ordered that the State Engineer conduct further hearings on the public interest prong of the water statutes (NRS 533.37) without undue delay.

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AG SEEKS JUSTIFICATION FOR RISE IN GAS PRICES

Carson City—Attorney General Brian Sandoval announced today that the Office of Attorney General has been monitoring closely the recent upsurge in fuel prices at the pump and that measures are in place to ensure that Nevada consumers are both informed and protected.

"The challenge for regulatory and enforcement agencies is to distinguish higher prices influenced by valid market conditions from those induced otherwise. We also have a duty to clarify what is not apparent and communicate this to the public," said Sandoval. "We're compelled to prosecute market manipulation or deceptive trade practices, and if we find evidence of that, we will. In the meantime, I'd like the public to be certain—and the industry to be aware—that we're on watch."

The Federal Trade Commission monitors prices nationwide in over 360 cities using an econometric model to predict pricing fluctuations for comparison to actual prices. When anomalies are discovered, further investigation is initiated. The model used by the FTC identifies situations in which a given city's actual, current price is out of line with predictions based on historical price relationships with other cities. Called the Gas Price Monitoring Project, it does help to identify possible pricing issues in Nevada's two major metropolitan areas included in the study, however, it does not account for the remainder of the state. Consequently, staff at the Attorney General's Bureau of Consumer Protection observe gas prices statewide and communicate with their counterparts at the California Department of Justice as well as other states nationwide with regard to pricing issues.

"Conventional thinking is that interstate commerce and commodities aren't the jurisdiction of states' attorneys general," continued Sandoval. "But we can't just rely on one federal agency to look out for our best interests when the market is big, complicated and quick to change. Nevada has interests, the western states have interests, and the FTC may not recognize that, but we do. We work with the FTC but we don't assume they're going to jump on something that only affects rural Nevada, for example."

The Attorney General's Office has contacted the FTC specifically to offer investigative assistance with regard to the price hikes, a strategy that has proven successful in the past when price increases of one kind or another were dubious. Sandoval has also sent letters to industry authorities requesting information that would justify the recent spikes.

There are possible market explanations for the increases: Nevada's gasoline comes largely from California, so delivery and distribution adds marginally to cost; gas coming from California contains ethanol, which is more expensive itself to produce; a strike in Venezuela may have affected prices; and the move to a war footing in the Middle East has made many markets nervous and unusually volatile.

Sandoval adds, "For all of the scrutiny, it may turn out that the price increases are justified by market conditions, but our impulse is to act, not to assume. The fact is that price gouging is rare, but is almost always a localized occurrence, so I think Nevadans feel better knowing that fellow Nevadans are watching out for them."

Consumers may contact the Attorney General's Bureau of Consumer Protection to register complaints related to this or other consumer topics in Las Vegas at (702) 486-3194 or, in Carson City at (775) 687-6300. Consumer protection information is also available on the Attorney General's website at: <http://ag.state.nv.us>.



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AG APPLAUDS FEDERAL REGULATORS NUKE WASTE STORAGE SAFETY DECISION

Secretary of Defense cited the waste storage plan as "stupid."

Carson City—Attorney General Brian Sandoval today praised federal regulators for acknowledging the concerns of Utah officials and citizens with regard to a proposed high-level nuclear waste storage facility on a Goshute Indian Tribe reservation near Salt Lake.

"This decision points directly to America's heightened concern for safety with regard to long-term nuclear waste storage," said Sandoval. "The safety issues for the Skull Valley Goshute site were proximity to Air Force jet traffic and seismic activity; the Yucca site is adjacent to Nellis AFB, is seismic, volcanic and contains fault lines, is within 90 miles of Nevada's most populous metropolitan area, and the aquifer at Yucca drains to one of our most productive agricultural areas, the Amargosa Valley."

The Salt Lake Tribune cites a briefing received by Secretary of Defense Donald Rumsfeld regarding the project. Due to the proximity of the site to an Air Force base used for testing, Rumsfeld reportedly said, "Who would be stupid enough to do that?" (see: <http://www.sltrib.com/2003/Mar/03112003/utah/37162.asp>.)

Attorney General Brian Sandoval continued, "The NRC, DOE and the nuclear industry should note this decision well, as each one of our lawsuits opposing Yucca has safety as its primary concern. If federal regulators say no to Skull Valley yet continue to say yes to Yucca, it strengthens our position that Nevada is being treated differently with regard to standards of safety and regulation.

"This decision is a clear admission on the part of federal regulators that we as Americans will not tolerate the transport or storage of nuclear waste without a thorough, sound and scientific examination of safety.

“If the Skull Valley site is unsafe, Yucca is without question unsafe, and a monetary agreement with the feds in exchange for a storage facility at Yucca would be a fool's gambit.”

Nevada has a number of lawsuits filed with the D.C. U.S. Circuit Court of Appeals and in Nevada federal courts. Issues range from a Constitutional challenge to the environmental impact statement for the project to water and radiation standards and site characteristics.

Detailed information can be found on Nevada's Yucca web site at:

<http://www.state.nv.us/nucwaste/>, and press releases regarding Yucca are available at the Attorney General's website: <http://ag.state.nv.us>.



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***** CONSUMER ALERT ***** **TIPS FOR DEALING WITH TELEMARKETERS**

Carson City—Attorney General, Brian Sandoval urges Nevadans to exercise extreme caution when telemarketers make unsolicited calls. There has been a surge of reported telemarketing harassment and fraud in recent weeks, and the Attorney General's Bureau of Consumer Protection offers the following guidance for dealing with these calls, beginning with a script that you can keep by your telephone(s):

Each time you receive an unwanted telemarketing call, ask the questions in this script, if the caller refuses to answer a question or changes topics, beware, or hang up:

- ☐ Are you calling to sell something?
- ☐ Are you calling for a tax-exempt nonprofit organization?
- ☐ Is this call due to a previously established business relationship?
- ☐ Could you tell me your full name please?
- ☐ What is your phone number, area code first?
- ☐ What organization are you calling for?
- ☐ Do you keep a list of numbers you have been asked not to call?
- ☐ I would like my number(s) put on that list. Can you take care of that now?
- ☐ Does the company you work for also make telemarketing calls for any other organizations? If so, I would like to be removed from all of your lists.

Also, consider the Direct Marketing Association's [Telephone Preference Service](http://www.the-dma.org/) (TPS), an industry-sponsored do-not-call service established to assist consumers in decreasing the number of national commercial calls received at home. When you register with TPS, your name, address, and telephone number are placed on a do-not-call file for five years. While this will not eliminate all such calls, the DMA's membership will be directed not to call you, as they are required to use TPS. You can find them at <http://www.the-dma.org/>.

---more---

- ❑ **It is perfectly acceptable to simply hang up** if the call is unwanted, unsolicited, or if you know that, you do not wish to buy or contribute anything. Engaging you is a common tactic, and it is effective—the longer you remain on the phone, the more likely you are to purchase or contribute.
- ❑ **Beware of prize or sweepstakes offers:** anytime you have to do or provide something in order to collect your “prize,” whether attend a presentation, buy something, or provide a bank or credit card number, it is likely to be a scam.
- ❑ **Investment opportunities** are not sold legitimately by phone solicitation; if they were that good, they wouldn’t be calling thousands of people and letting them know about the latest and greatest investment market edge.
- ❑ **Charity fraud:** Americans are a charitable people, and that is opportunity for scammers and con artists. Ask the “charity” to send written information and/or a pledge form to you. Legitimate ones will, scammers will try to get you to give over the phone. Reputable charities welcome questions about their activities, where their money goes, and will not pressure you to make a donation.
- ❑ **You must act now!** Time pressure is a sure indicator that they’re not interested in a lasting customer or donor relationship, rather, they’re trying to get your money and run.
- ❑ **Lenders who require an advance fee** are not legitimate, and oftentimes these companies obtain phone lists of persons with less than ideal credit in order to prey upon their less than ideal circumstances. They will request a check routing number or a credit card number in order to “process” the loan that is never received.
- ❑ Finally, **never give your banking, credit card, or social security number over the phone** unless you placed the call and you know with certainty with whom you are speaking.

For more information, see the FCC’s Consumer Affairs site at: <http://www.fcc.gov/cgb/>, or the Attorney General’s website at <http://ag.state.nv.us>. You may also contact the Bureau of Consumer Protection at (775) 687-6300 in northern Nevada, or at (702) 486-3194 in the south.

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FOR IMMEDIATE RELEASE
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INTERNET AUCTION FRAUD TARGETED BY AG, FTC, 28 STATE LAW ENFORCERS

Thousands of Consumers Fleeced by Auction Scams

Carson City—Attorney General Brian Sandoval, the Federal Trade Commission, and 28 state attorneys general have launched a law enforcement crackdown targeting Internet auction scams that have bilked thousands of consumers out of their money and their merchandise. The crackdown, "Operation Bidder Beware," coordinated by the FTC in conjunction with the National Association of Attorneys General, resulted in over 55 criminal and civil cases. Auction fraud is the single largest category of Internet related complaints in the FTC's Consumer Sentinel database, which logged more than 51,000 auction complaints in 2002.

"Buyers and sellers alike need to be wary," said Sandoval. "The scams work both ways: as a buyer, a sham escrow company set up by the seller can leave you with no goods and no means to recover your money; as a seller, you can be removed of your goods for sale and be left with a counterfeit check that first clears, then exposes you to criminal prosecution for passing a fraudulent document."

"The most effective way to fight Internet auction fraud involves a team approach among law enforcers," said Howard Beales, Director of the FTC's Bureau of Consumer Protection. "We're working with partners virtually coast to coast to stop scammers in the virtual world."

Many of the cases involve straightforward scams where consumers "won" the bid, sent in their money, but never got the product for which they paid. But defendants in one FTC case combined auction fraud with serial identity theft in order to conceal their identities and lay the blame on innocent bystanders.

The FTC shut down 4 auction scams and U.S. District courts froze their assets, pending trial. In addition, 29 state and local law enforcers have announced 56 law enforcement actions including lawsuits, cease and desist orders, consent agreements, assurances of voluntary compliance, warning letters, and criminal prosecutions.

In addition to the FTC, the Nevada Attorney General and other state and local law enforcers are launching a consumer education campaign to alert consumers about Internet auction fraud, and provide tips on how to avoid falling prey to it. Consumer tips include:

- Become familiar with the auction site. Find out what protections the auction site offers buyers. Don't assume one site's rules are the same as another's.
- Before bidding, find out all you can about the seller. Avoid doing business with sellers you can't identify, especially those who try to lure you off the auction site with promises of a better deal.
- If the seller insists on using a particular escrow or online payment service you've never heard of, check it out. Visit its Web site and call its customer service line. If there isn't one, or you call and can't reach someone, don't use that service.
- Protect your privacy. Never provide your Social Security number, driver's license number, credit card number, or bank account information until you have checked out the seller and the online payment or escrow service, if you're using one, to ensure legitimacy.
- Save all transaction information.
- If you have problems during a transaction, try to work them out with the seller, buyer or site operator. If that doesn't work, file a complaint with your state attorney general's office and the FTC at www.ftc.gov or call toll-free 1-877-FTC-HELP (1-877-382-4357).
- Check out the FTC's *Internet Auctions: A Guide for Buyers and Sellers*, available at the FTC's Online Shopping Web site (www.ftc.gov/onlineshopping) for other tips on how to avoid Internet auction fraud.

Participants in Operation Bidder Beware include the attorneys general of Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Missouri, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Tennessee, Washington, West Virginia and Wisconsin and members of California's Computer and Technology Crime High Tech Response team, including the San Diego District Attorney, San Diego City Attorney, Orange County District Attorney and Orange Police Department.

Copies of the FTC complaints and a comprehensive case list are available from the FTC's Web site at <http://www.ftc.gov>.

If you believe that you have been a victim of an Internet Scam, or would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas

at (702) 486-3194; or in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Consumer protection information can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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LAS VEGAS PHYSICIAN, CO-WORKER, GUILTY OF THEFT

Las Vegas—Attorney General Brian Sandoval announced today that Dr. John Freitas (age 46) and one of his co-workers, Tammy Neil (age 34), entered no contest pleas to misdemeanor theft charges. The charges carry a maximum penalty of six (6) months in jail and \$1,000.00 fine. Justice of the Peace Douglas E. Smith accepted the pleas and adjudicated them guilty. They were each sentenced to perform forty (40) hours of community service and complete a professional ethics class. Additionally, the two were ordered to pay the State of Nevada a total of \$157,500.00 in penalties and costs of enforcement, as the two were deemed jointly and severally liable. The case was prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

According to MFCU Director, Tim Terry, Freitas and Neil employed the services of a health care worker who was not properly credentialed and subsequently submitted bills to Nevada Medicaid for those services. Medicaid rules prohibit reimbursement under such circumstances. Said Terry, "Reimbursement for health services rendered is based upon the nature of the service and the qualifications of the person delivering those services. Credentials tell us that the provider is qualified; without them both the patient and the state are subjected to fraud, and a patient could be exposed to an unnecessary health risk. That's why we're so aggressive about Medicaid and other health industry frauds."

Questions about Medicaid fraud or the Attorney General's policy on voluntary self-reporting of provider fraud? Contact the MFCU in Carson City at (775) 684-1191 or in Las Vegas at (702) 486-3420. Medicaid fraud information can also be found on the Attorney General's web site at <http://ag.state.nv.us>.

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***** MEDIA ADVISORY *****
NEVADA HOTELS, CASINOS HOST AMBER ALERT TRAINING

Carson City—Attorney General Brian Sandoval acknowledges the generous contributions of the following for their support of the Amber Alert system in Nevada, and also urges members of the press to attend training sessions to learn more about the outstanding public and private sector partnerships that have assisted in making it a reality:

First and foremost, to the **Nevada Broadcasting Association**, for its leadership in obtaining the full cooperation and support of broadcast media throughout the state.

To the **Elko Red Lion Inn, Excalibur Hotel & Casino, and Texas Station Hotel and Casino** for providing venues and refreshments for law enforcement agencies from throughout the state to accommodate the training of personnel who will assist with the Amber system implementation.

AB322, which creates a statewide alert system for the recovery of abducted children, passed the legislature by unanimous vote of both houses. The Nevada Amber Alert System is scheduled to be fully effective July 1st. Senior Deputy Attorney General Brian Kunzi, Director of the Nevada Missing Children Clearinghouse and Nevada's Child Advocate, will lead the training in cooperation with the Nevada Department of Public Safety and the Nevada Broadcasters Association. The first session will be held:

Thursday, May 1, 8:00 a.m. to noon **Texas Station Hotel and Casino**
Texas Station Dallas Events Center

Representatives from all local law enforcement agencies, the Las Vegas Hotel Security Chiefs, the Nellis Air Force Base Office of Special Investigations and Security Police,

the Nevada Department of Public Safety and the Federal Bureau of Investigation will participate in the training.

Future training dates: May 6th, Regional Public Safety Training Center, Reno; May 7th, Winnemucca Convention Center; May 8th, Elko's Red Lion Inn; and an additional southern Nevada training session is scheduled for May 14 at the Excalibur Hotel & Casino.

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ATTORNEYS GENERAL REACH ACCORD WITH H&R BLOCK

Tax Preparation Firm Agrees To Reimburse Consumers For "Peace of Mind" Guarantee

Carson City—Attorney General Brian Sandoval announced today that the tax preparation firm, H&R Block Services, Inc., agreed to a settlement with regard to allegations of deceptive trade practices in the marketing and selling of its "Peace of Mind" guarantee. Attorneys in the Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Tim Hay, represented Nevada in the discussions.

The agreement, reached between Block and the Attorneys General of 41 states and the District of Columbia, concerns the company's guarantee to pay up to \$5,000.00 of any additional income tax owed due to a preparer's error. The Attorneys General alleged that, during the 2001 tax season, H&R Block added a fee of \$22 for the guarantee to all taxreturn preparation invoices without giving full disclosure that the purchase was optional or obtaining specific customer approval. Block denies that it violated any consumer protection laws and maintains that it did not deprive its customers of the choice to refuse the guarantee option.

"This settlement will provide restitution to customers who were charged for the 'Peace of Mind' guarantee but who do not believe they were adequately informed that the charge was optional," said Hay. "Also, as important, the agreement is designed to prevent this problem from arising in the future."

The agreement specifically calls on H&R Block to do the following: (1) establish a fund of \$1 million to be utilized to pay refunds to eligible consumers, (2) revise their marketing procedures to require, among other things, a customer's affirmative agreement before charging for the guarantee in future; and (3) reimburse the states for the costs of the investigation. Nevada will be reimbursed \$50,000 for its fees and costs.

- more -

Consumers who are eligible for refunds are those who had tax returns prepared by H&R Block in the 2001 tax season, were subjected to an add-on charge for the "Peace of Mind" guarantee, were not fully informed that the guarantee was optional, and never made a claim pursuant to the guarantee. Eligible consumers have 120 days (until August 22, 2003) to submit their requests for refunds and must do so using the following contact information:

Toll-free Number: 866-522-7083

English website: http://www.hrblock.com/customer_support/pom.jsp

Spanish website: http://www.hrblock.com/customer_support/pom_es.jsp

Additional information regarding the H&R Block settlement may be found on the Attorney General's Bureau of Consumer Protection hotline at (702) 486-3132 or on the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: April 21, 2003

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GUILTY COUPLE SENTENCED IN INSURANCE FRAUD SCAM ***13th guilty plea of 17 thus far in Sheets/Bray claim "packing" fraud***

Las Vegas—Attorney General Brian Sandoval announced this morning that District Court Judge John S. McGroarty sentenced Basheba and Cedric Peoples, both 35, of Las Vegas, for their involvement in an internal insurance fraud scheme victimizing California State Automobile Association, CSAA. Both defendants were sentenced to 9 months in the County Jail and the term of incarceration suspended, provided: both pay restitution to CSAA (Basheba \$1,000.00 and Cedric \$2,350.00); each must reimburse the AG's Insurance Fraud Unit (IFU) \$1,000.00 in investigative costs; each must also complete Impulse Control Counseling.

Neither of the defendants has a prior criminal record, and both accepted responsibility for their actions upon contact by the IFU.

In August of 2000, the investigative firm of Bland & Rodarte, while conducting a routine internal audit for CSAA, discovered the fraud. Subsequent investigation by the Insurance Fraud Unit revealed that Guy Mitchell Sheets, a licensed insurance agent and Regional Supervisor with CSAA, along with Deborah Marie Bray, a Claims Adjuster under Sheets' supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,000.00 during an 18-month period. The conspiracy involved Sheets and Bray recruiting 14 other individuals and "packing" them into accident claims in which they had no actual involvement. Both Sheets and Bray were fired from CSAA and Sheets had his insurance license revoked. Sheets and Bray have already been sentenced on their felony charges, as have most of the others participants. The IFU has obtained guilty pleas from 13 out of the 17 defendants charged; the remaining four are scheduled for trial in July.

Basheba and Cedric Peoples were recruited by Deborah Marie Bray. Bray fraudulently entered information into CSAA databases to make it appear that the Peoples had been involved in a legitimate claim and issued checks to each, which they subsequently cashed.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: April 16, 2003

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AG ANNOUNCES APPOINTMENTS

Carson City—Attorney General Brian Sandoval today announced that Reno Regional Chief Deputy Attorney General Kevin Higgins has accepted an appointment to the Sparks Justice Court Bench to complete an open term ending next year. Higgins leaves the Office of Attorney General after 16 years service, most recently directing the Reno region as well as the Workers Compensation Fraud Unit.

Sandoval has appointed Randal Munn, Senior Deputy Attorney General, Human Resources Division, to the soon to be vacant post as Regional Chief, Reno. "Randy presents a calm strength and intensity, patience, and leadership. We're fortunate to have such talented person to direct the Reno office."

"I appreciate the Attorney General's vote of confidence that I have indeed adequately prepared myself for the post," said Munn. "I will certainly work hard to build upon Kevin's foundational work for the office, and I'll draw upon all of my past experience in banking and law to serve well our clients, the staff of the Reno Office, and the citizens of our great State."

Higgins and Munn both expect to assume their respective new assignments sometime during the first two weeks of May.



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Bureau of Consumer Protection

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FOR IMMEDIATE RELEASE
DATE: April 14, 2003

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GRAND JURY INDICTES MARSHALL SYLVER ON NINE FELONY CHARGES

Las Vegas—Attorney General Brian Sandoval announced today that the Clark County Grand Jury returned an indictment Friday against Marshall Walter Sylwesterzak, a.k.a. 'Marshall Sylver,' accusing him of nine (9) felony counts of theft by obtaining money under false pretenses. Felony counts involve thefts of \$250.00 or more. The charges are derived from some of the business practices associated with Sylwesterzak's "Millionaire Mentorship Program."

Sylwesterzak, or Sylver, has advertised his "Millionaire Mentorship Program" on radio, the Internet and through other seminars, as a 10-week intensive program, wherein participants will receive personal, one-on-one "millionaire mentoring" to learn the skills necessary to become a millionaire. Sylver has claimed that his program is an "elite course" and that only qualified individuals who are "pre-interviewed" will be allowed to take the course. Sylver also advertised that his program has a money back guarantee: if a participant does not double his investment in the program within three months, Sylver will provide a full refund. The program cost ranges from \$4,500.00 to \$6,000.00.

The indictment alleges Marshall Sylver refused to honor his promised money-back guarantee, that he did not provide the promised mentoring and that he did not pre-interview anyone for the "Millionaire Mentorship Program."

Theft by obtaining money under false pretenses is a category 'C' felony and carries a sentence of one to five years. If convicted on all charges, Sylver faces up to forty-five years in prison. As with all criminal matters, allegations are merely accusations, and individuals are presumed innocent unless and until proven guilty in court.

Individuals who may have been victimized by Marshall Sylver or his companies should call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: April 10, 2003

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AG SENDS \$576,758.00 TO STATE GENERAL FUND

Carson City—Attorney General Brian Sandoval today announced the transfer of \$576,758.00 from the Attorney General's Special Fund to the state's General Fund.

The Special Fund account at the Attorney General's Office is a repository for awards, damages or civil penalties collected for the State of Nevada and its agencies by the Attorney General as a result of enforcement of statutes pertaining to unfair trade practices.

"A portion of the collected money in the Special Fund is spent on enforcement of unfair trade practice laws. We keep up to \$250,000.00 in the Fund for that purpose, and the balance goes to the General Fund. We're pleased that, at a time when the state sorely needs it, we are able to help with this and our own budget reductions over the next biennium."

Marietta Lopez, Chief Financial Officer for the Attorney General, detailed the office's current contributions as well as additional future reductions for the biennium:

Fiscal 2003

• Unfair Trade Practice collections	\$576,758.00
• 3% reduction mandated by the Governor	291,340.00
• Anticipated salary savings	<u>600,000.00</u>
(obtained by rotating open positions between departments in synch with workload and resource variations)	1,468,098.00

Next Biennium (annual figures)

• Training request reduction	\$ 30,000.00
• Equipment request reduction	19,507.00

• Rent savings	242,500.00
• Consolidation of departments	57,404.00
• Attorney General salary reduction	3,300.00
• Anticipated salary savings	<u>600,000.00</u>
	952,711.00
	<u>x2</u>
Total over biennium	1,905,422.00

Sandoval added that, despite the belt-tightening, services and performance would not suffer: “In fact, we’re getting more done than ever, and we’ll continue to. We’ve identified areas that fluctuate with regard to work demand, and by moving open positions to departments where demand has dropped temporarily, we’re fully utilizing our human resources while saving the state salary dollars.”

“And we have a staff of dedicated true believers who, simply put, get the job done well and with the minimum expense, and that’s what taxpayers deserve.”



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FOR IMMEDIATE RELEASE
DATE: April 8, 2003

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INTERNET AUCTION SCAMMER ARRESTED BY AG'S OFFICE

Las Vegas— Attorney General Brian Sandoval announced that Susan Christine Thomas was arrested earlier today in Las Vegas by the Attorney General's Bureau of Consumer Protection (BCP), following a criminal complaint filed (also today) against Thomas in Henderson Justice Court charging her with 6 felony counts of illegally obtaining money from Internet auction bidders. Thomas is presently being booked at Clark County Detention Center.

The six-count felony Criminal Complaint alleges that Thomas placed valuable art objects (sculptures, statues and serigraphs) up for bid on the eBay auction website. Thomas told bidders that she would ship the art to them within seven to ten days of receiving their payment. Thomas also stated to the winning bidders that she would send them appraisals and Certificates of Authenticity along with the objects. Individual victims paid Thomas between \$2,750.00 and \$12,650.00. After receiving the money, Thomas failed to send the art work to the bidders and she refused to provide refunds.

"Complaints of this nature have increased phenomenally, even with regard to such highly regarded sites as eBay," said Tracey Brierly, Deputy Attorney General at BCP. "When making large purchases on auction sites, consumers should use either credit cards or an independent, third-party escrow company to reserve funds until the goods have arrived in acceptable condition. Also, beware of sellers that insist on a particular escrow company, as there have been many cases where such sellers set up a fake company for the sole purpose of taking your money and never sending any merchandise."

Theft by obtaining money under false pretenses is a category "C" felony and carries a sentence of one to five years. If convicted on all charges, Thomas faces up to thirty years in prison.

The Attorney General's Bureau of Consumer Protection offers the following tips to avoid becoming a victim of this type of scam:

Quick Tips for Buyers

- Identify the seller and check the seller's feedback rating on the auction site.
- Do your homework. Be sure you understand what you're bidding on, its relative value and all terms and conditions of the sale, including the seller's return policies and who pays for shipping.
- Establish your maximum bid and stick to it.
- Evaluate your payment options. If possible, use a credit card. It offers the most protection if there's a problem.
- *Don't use debit cards! It's the same as cash.*
- Consider using an independent escrow service if the seller doesn't accept credit cards, but beware of pressure from the seller to use a particular company, and confirm the company's reputation prior to engaging.

If you believe that you have been a victim of an Internet Scam, or would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Consumer protection information can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

A criminal complaint is merely an accusation. All defendants should be presumed innocent until and unless proven guilty in a court of law.

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FOR IMMEDIATE RELEASE
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NOS COMMUNICATIONS' COMMON CARRIER STATUS IN JEOPARDY

Carson City—Attorney General Brian Sandoval today announced that the Federal Communications Commission filed a notice to revoke the common carrier status of NOS Communications, NOSVA, Ltd. and sister entity Affinity Networks, Inc., long distance telephone resellers operating primarily in Las Vegas. If the Federal Communications Commission revokes the common carrier status of NOS Communications, it will no longer be able to provide local or long distance telephone services outside the State of Nevada as an interstate carrier.

This action is part of a cooperative enforcement action by the Federal Communications Commission and the Nevada Attorney General's Bureau of Consumer Protection (BCP). Currently, the Bureau of Consumer Protection is before the Nevada Supreme Court appealing an order issued by Carson City District Court that denied a motion for injunction against NOS Communications to prevent the company from continuing to engage in deceptive trade practices, including some practices which are part of current and past Federal Communications Commission actions as well as past enforcement actions of other states. The District Court refusal to grant the injunction requested by the Attorney General has prevented further enforcement action pending review by the Nevada Supreme Court. During that delay, NOS Communications has apparently continued to engage in the very conduct subject to the enforcement action.

BCP Chief and Nevada Consumer Advocate Timothy Hay declared: "It is unfortunate that our requested injunction was denied since that would have stopped deceptive trade practices without requiring the Federal Communications Commission to take the present action."

For more information on how you can help prevent deceptive trade practices you may contact the Nevada Office of the Attorney General, Bureau of Consumer Protection at (775) 687-6300 ext. 238 in northern Nevada, or (702) 486-3194 in southern Nevada.

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FOR IMMEDIATE RELEASE

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ATTORNEY GENERAL ANNOUNCES SILVER STATE AWARD RECIPIENTS

Carson City—Attorney General Brian Sandoval will be presenting the 2003 Silver State Awards at separate events during the coming week. The Silver State Award is a nomination and selection process whereby recipients are recognized for their outstanding efforts on behalf of Nevadans.

"National Crime Victim's Rights' Week is an appropriate opportunity to recognize those who have such a positive impact on Nevadans," said Sandoval. "Too often, we fail to honor the contribution of seniors have made to the community by assisting them when they become less able to do so themselves, and, too often, the victims of crime have no one to speak for them except those of us among the living who are able and willing to do so. These award recipients have demonstrated that their commitment to serving those desperately in need is extraordinary."

This year's recipients include Harrah's Senior Coalition; Adrienne Angelini, Victim Advocate for the City of Reno Police Department; and Christy Sanchez, a clerk at Lunt Elementary School in Las Vegas.

The recognition of Harrah's Senior Coalition marks the first time an organization has received the Silver State Award: for their corporate philanthropy and for the generous contribution of time and effort sponsored by Harrah's Entertainment. The Coalition has supported seniors through "Make a Difference Day" and by making a \$1 million dollar commitment over the next three years to "Meals on Wheels" which delivers hot food to shut-in seniors.

Adrienne Angelini's compassion and dedication to families victimized by horrendous crimes is instrumental in assisting families with support and guidance as they simultaneously grieve and endure difficult but necessary process and procedure in the criminal justice system.

Christy Sanchez is recognized for her outstanding perception, judgment, and swift action that led to the prompt recovery of a missing child.

The awards will be presented at the following events; please call Stephanie Parker at (702) 486-3326 for details.

Reno, NV

Sunday April 6, 2003
7:30 PM

Annual Candlelight Vigil for Victim's of Crime
Memorial Gardens, Ranch House at Rancho San Rafael Park
1502 Washington, Reno

Las Vegas, NV

Friday April 11, 2003
11:30AM-2:00PM

Annual Victim's Rights Week Awards Luncheon
SUNCOAST Hotel & Casino

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FOR IMMEDIATE RELEASE
DATE: April 4, 2003

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AG RESPONDS TO REQUEST TO INVESTIGATE BUDGET OFFICE ***Burdish letter suggests criminal violation***

Carson City—Attorney General Brian Sandoval responded today to the suggestion both to the press and in a letter received from Dan Burdish of Nevadans for Tax Restraint that the Governor violated statute with regard to his budget submission to the Legislature.

"We will respond directly to Mr. Burdish, but, due to the apparent seriousness of his allegation, we wanted to clarify this immediately," said Sandoval. "First and foremost, the Governor is given much statutory latitude with regard to budget calculations, and for very good reason: 'level of service' is not simply a function of across-the-board measures of population growth and inflation."

"Simply put, Mr. Burdish has accused the Governor's Budget Office of a criminal violation of the law with an unconsidered attempt to link NRS 353.205, a civil statute, to a criminal violation, which simply cannot be done."

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FOR IMMEDIATE RELEASE
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RENO MAN PLEADS GUILTY TO INSURANCE FRAUD

Carson City—Attorney General Brian Sandoval today announced that Michael Vierra, age 57, pleaded guilty before Judge Jerome Polaha in the Washoe County Courthouse to conspiracy to commit insurance fraud. The investigation and prosecution were conducted by the Attorney General's Insurance Fraud Unit (IFU).

Vierra submitted a claim with State Farm Insurance and falsified the receipts to receive more money than that to which he was entitled. In addition to paying restitution, Vierra will face up to one year in jail and a fine of \$2000.00.

"Insurance fraud often begins with a legitimate claim that perpetrators then 'pad' with false submissions or receipts," said Ronda Clifton, Deputy Attorney General with the IFU. "This is not a victimless crime. Ultimately, policyholders, taxpayers and the general public pick up the tab through increased insurance rates, higher taxes and inflated prices for consumer goods and services as a result."

If you have any information regarding insurance fraud, please call the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. For more information about Nevada's Insurance Fraud Unit, please visit the Attorney General's website at **www.ag.state.nv.us**

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FOR IMMEDIATE RELEASE
DATE: April 2, 2003

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FALSE IDENTITY LEADS TO FELONY CONVICTIONS FOR INSURANCE FRAUD

Las Vegas—Attorney General Brian Sandoval today announced that District Court Judge John S. McGroarty sentenced Warren Wright, 63, formerly of North Las Vegas, to 12 to 32 months in prison on two felony counts of insurance fraud this morning. The term of incarceration was suspended and Wright was placed on probation for a term of 5 years. The judge ordered Wright to pay \$12,763.38 in restitution to the insurance companies he defrauded, to reimburse the Insurance Fraud Unit \$5,000.00 in investigative fees, and to pay the cost of his extradition from Texas of \$935.28. He faced up to 4 years in prison and fines of \$5,000.00 on each count.

Wright, using the identity "Terell Williams", complete with a false social security number and California driver's license, purchased disability policies from Continental General and Protective Life in May of 1999. A month later, he claimed he had fallen off a ladder, injuring his back. He sought local medical treatment and submitted medical evaluation forms which indicated he had no prior injury. The insurance companies paid on the monthly disability policies until a former friend reported Wright's scam to Continental General. The Insurance Fraud Unit, with the assistance of the Office of the Inspector General and California's Department of Insurance, determined that Wright actually had major back surgery in the 1970s, leaving a six inch scar over his lumbar region. Investigation revealed that Wright has worked under aliases throughout his adult life, all the while receiving federal disability money. He still faces possible federal charges.

Deputy Attorney General Gregory Hojnowski commended the cooperation between the various insurance companies, state and federal agencies, and the Insurance Fraud Unit. "As fraudulent schemes become more complex, interagency cooperation is not only desired, it is essential. This type of fraud could not have been successfully prosecuted without such productive working relationships."

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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GAS PRICE INQUIRY CONTINUES

Carson City—Attorney General Brian Sandoval today detailed preliminary findings, actions to date, and next steps with regard to his inquiry into gas prices in Nevada. Though no evidence of price gouging has been discovered thus far, the Office of Attorney General continues to research the issue. The roll-call during a telephone conference this morning to discuss the topic noted representatives from the offices of attorneys general of every state as well as Puerto Rico.

"To date, there isn't any evidence of price-gouging," said Sandoval. "Past efforts haven't revealed any, but we don't let that dictate what action we take today. Prices are at record levels, consumers are complaining, and the roll-call for today's conference alone makes it clear that this is an issue that deserves serious inquiry. The petroleum market is multi-national and incredibly complex, so any examination of it necessitates leverage. Collaboration gets us just that: more eyes and ears on the task. There is a tiny minority out there that claims we're up against a brick wall, but brick walls, too, can have ears, and the more the better."

Sandoval also noted that while states' offices of attorneys general cannot control all of the many factors that determine gas prices, they do have a duty to ensure that prices are reasonable and free of illegal manipulation. To that end, Sandoval, through the efforts of Deputy Attorney General Chris Vandyck, has asked for and received responses from industry, scaled up pricing research and monitoring efforts within his office, and is considering commissioning an independent research study to examine the industry's pricing structure and behavior in detail.

Industry responses to inquiries listed a number of causes for the recent price hikes, including an industry strike in Venezuela, cold winter weather on the east coast raising demand for heating oil, uncertainty about petroleum supplies due to the war in Iraq, tight supplies due to winter-to-summer formulation transitions, and Nevada's requirements for "boutique" gas formulas that add to the price. ("Boutique" formulas address oxygenation for cleaner burning, winter formulas that reduce emissions, and reduced propensity to vaporize

in hot, dry climates. Nevada currently ranks third in the nation behind Hawaii and California with regard to gas prices.)

Sandoval intends to schedule a meeting with Tim Muris, Chairman of the Federal Trade Commission, to further discuss ways that Nevada can assist the FTC with its Gas Price Monitoring Project and augment, in the interest of Nevada consumers, what the FTC is currently doing with regard to fuel prices. A number of states' attorneys general have expressed interest in a face-to-face follow-up to today's teleconference to continue discussion and information-sharing initiated by Sandoval.

Added Sandoval: "If the only thing to come of this is that, by the application of pressure, we keep the industry honest, we've done our job well. We're being asked by Nevada consumers to inquire, and we're doing that and everything else that we can to eliminate market manipulation because that's what they expect of us."

In addition to receiving and responding to complaints and inquiries, the Attorney General's Office is collecting pricing information for analysis and forwarding to the FTC. Nevada consumers can presently report pricing information to the office by providing the following information: date, city and/or zipcode, company name, grade of fuel (regular, mid or premium) and the price. These consumer reports can be emailed to bcpinfo@ag.state.nv.us, or phoned in at 775-687-6300 (north) or 702-486-3283 (south). The Office is currently working on a website addition to facilitate easy collection and reporting of pricing data from consumers at <http://ag.state.nv.us>.

The Office also suggests that interested consumers visit the following sites for detailed information on the subject of gas pricing:

The Department of Energy: <http://eia.doe.gov>

The FTC: <http://www.ftc.gov>

Triple A's fuel gauge report: <http://www.fuelgaugereport.com/nvavg.asp>

How gas prices work: <http://travel.howstuffworks.com/gas-price.htm>



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FOR IMMEDIATE RELEASE
DATE: May 23, 2003

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DEPUTY AG RECEIVES GAMING LAW HONOR

Las Vegas—Attorney General Brian Sandoval today announced that Senior Deputy Attorney General Toni Cowan was recently named as an associate member of the International Masters of Gaming Law (IMGL). She was notified of her selection by Michael D. Lipton, Q.C., Elkind, Lipton & Jacobs LLP, Barristers and Solicitors, of Toronto, Ontario Canada.

"We're very pleased and proud that Toni has been recognized with this honor," said Sandoval. "It speaks well her, this office, and the dedicated, hard-working people we have on our team. Tributes such as this are rare, and it is reflective of Toni's commitment and enthusiasm. Her membership will pay dividends for the state with regard to the law and Nevada's biggest industry."

Once an applicant has received approval of 80% of the members of the IMGL membership committee, the application is then circulated to the general membership for approval. A majority of votes is necessary for approval. No more than two persons may be nominated from any geographic location, as set by the membership at its annual meeting. An associate member must have at least five years experience in gaming law, and may either be an attorney involved in gaming regulation or an in-house counsel for a gaming company. Additionally, each member must demonstrate skills or knowledge that distinguishes their performance as a gaming attorney.

The IMGL is an invitation-only, non-profit association dedicated to education, advancement of the gaming law profession and establishing an exchange of professional information about the local and global practice and development of gaming law. A primary objective of the organization is to provide a network for members to keep informed of legal developments that impact the gaming industry and the practice of gaming law.

Ms. Cowan lives and works in Las Vegas.

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FOR IMMEDIATE RELEASE
DATE: May 20, 2003

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TELEMARKETING FRAUD BEGETS FELONIES, BUSINESS CLOSURES

Las Vegas—Attorney General Brian Sandoval today announced that Brien Peter Keith of Las Vegas pleaded guilty today to two felony counts related to his telemarketing companies, "Shop From Your Home" and "U.S. Health," in District Court. As part of a plea agreement, Brien Keith agreed to a complete "telebar" which means that he can no longer participate in any telemarketing within or into the State of Nevada. The businesses associated with the fraudulent activity are no longer in operation.

Keith pleaded guilty to one felony count of Theft by Obtaining Money Under False Pretenses and one felony count of Solicitation by Telephone – Failure to Register as a Telemarketer. He has agreed to pay restitution to his victims in the amount of \$128,876.00.

The plea agreement resolves an indictment filed against Brien Keith wherein evidence was presented that Keith operated telemarketing boiler rooms under the names of "Shop From Your Home" and "Doctor's Weight Loss Laboratories" in Las Vegas. Consumers were sold diet pills and other weight loss products under various names such as "Xenatrol" and "Calcium Pyruvate." Consumers were promised that by taking the products, they could lose 15 pounds within 40 days without exercising and while eating normal meals. Consumers were promised a full 60 day money back guarantee, and reported that despite their complaints that the weight loss products did not produce the promised results, their requests for refunds were ignored. The plea agreement also resolves consumer complaints regarding Brien Keith's operations of another telemarketing company called "U.S. Health" that sold purported discount medical cards.

If Keith complies with the telebar and pays restitution on-time and in full, he will be allowed to withdraw his guilty plea to the two felonies and enter a guilty plea to two gross misdemeanors of Conspiracy to Commit Solicitation by Telephone – Failure to Register as a Telemarketer. If Keith is sentenced on the two felonies, he faces a maximum sentence of nine years in a state prison and a \$15,000.00 fine.

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FTC AND STATES TEAM UP AGAINST FUNDRAISING FRAUD

Carson City—The Federal Trade Commission and the Nevada Office of Attorney General today announced "Operation Phoney Philanthropy," a joint law enforcement and public education campaign by the FTC and state charities regulators to highlight fraudulent fundraising. Fraudulent solicitors preying upon the good will of donors misrepresent who they are and what they do with the funds they raise, often picking the most popular charitable causes - support for police or firefighters and their families, veterans' relief, terminally ill children - to most effectively tug dollars from sympathetic and community-minded individuals. The scam artists ultimately derail donors' charitable intentions, undermine the public's confidence in legitimate charitable fundraising, and, in turn, injure those legitimate nonprofit organizations that compete for a depleted pool of charity dollars.

"We have prosecuted several charity fraud cases recently where perpetrators have either masqueraded as legitimate charities or have represented that their fundraising is charitable when it is not," said Attorney General Brian Sandoval. "And these were the result of solicited citizens and aggrieved charities reporting their suspicions either to our office or local law enforcement. Many Nevadans give back to their community through charitable donations, and we want to support that by ensuring their contributions go where they intended."

Commonsense and caution ensure that donated funds go to support the causes that consumers believe in, and not for the private benefit of unscrupulous individuals. With more information available on the Internet, consumers have the tools to check out a charity before they give. More than ever before, such research is important to ensure that contributions will support charitable endeavors.

Phoney fundraising appeals - often made over the telephone - target both consumers and individual business donors. Cases announced today by the FTC and the states cover a range of deceptive tactics to solicit donations. Deceptive badge-related fundraising remains a high profile problem that four FTC cases and several state actions seek to address. In this

type of deceptive fundraising, telemarketers for groups with names related to law enforcement or fire fighters play on the natural impulse of concerned citizens to support their local protectors. Sometimes telemarketers misrepresent affiliation with local or county police or some other local institution, which the telemarketers falsely claim will benefit from a donation. In one case announced today, the individual defendant is alleged to have created and controlled sham nonprofit corporations with names like "Firefighters' Assistance Foundation" and "Police and Sheriffs' Support Fund" and used those entities to collect millions of dollars in donations from unwitting, generous consumers.

"Operation Phony Philanthropy" also launches a nationwide public education campaign. Charitable donors are particularly vulnerable to fraudulent misrepresentations by professional fundraisers because, in contrast to a purchase of a product or an investment, a donor does not receive anything in exchange for his or her donation. Thus it is harder for the donor to verify the truthfulness of a particular solicitation based solely on what is said over the phone or in the direct mail appeal.

The FTC has prepared and released a series of consumer and business education materials with tips on reducing the risk of being victimized by deceptive solicitations. Included is a new publication for caregivers of seniors who are subject to abusive solicitations, including repeated telephone solicitations or high volume direct mail solicitations. Also available is a brochure for non-profit organizations that may be considering hiring a professional fundraiser. Copies of these publications are available from the FTC's Web site at: <http://www.ftc.gov/charityfraud> and from the FTC's Consumer Response Center. A publication on charity fraud is also available from the Nevada Attorney General at: <http://www.ag.state.nv.us/Pubs/charityf.pdf>.

Tips for consumers and businesses include:

- Be wary of appeals that tug at your heart strings, especially pleas involving patriotism and current events. Check to make sure the donation will support the described program.
- Ask for the name of the charity if the telemarketer does not provide it promptly.
- Ask what percentage of the donation is used to support the causes described in the solicitation, and what percentage is used for administrative costs.
- If the telemarketer claims that the charity will support local organizations, call the local groups to verify.
- Avoid cash gifts. They can be lost or stolen. For security and tax record purposes, it's best to pay by check, made payable to the beneficiary, not the solicitor.
- If you do not wish to be called again by a fundraiser, ask to be placed on that fundraiser's "do not call" list. The FTC's Telemarketing Sales Rule requires professional fundraisers to establish an in-house list of individuals who do not wish to be called again. If the fundraiser ignores your request, report the problem to the FTC.

As of this release, the only law enforcement agency in Nevada known to solicit legitimately by telephone is the Nevada Highway Patrol, and, to be certain that the call is bona fide, citizens should ask for the call-back number and return the call if they wish to contribute. To report incidents of any type of suspected fraud, call the Attorney General's "Report Fraud" hotline at 800-266-8688, or the FTC at 1-877-FTC-HELP (1-877-382-4357).

Make sure to include the name of the nonprofit or the fundraiser, the telephone number if known, and information about what the donation was supposed to support.

Consumers may also research a charity at www.guidestar.org or at the BBB, www.give.org.

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AG EFFORT TO PROTECT SENIORS GAINS NATIONAL RECOGNITION

Carson City—Attorney General Brian Sandoval today announced that Jo Ann Embry, program director for the Attorney General's Senior Nevada Advocates on Guard (SNAG) project, will be in Washington, D.C. tomorrow, May 14th, to receive on behalf of the office the 'Salute to Leaders in Aging: Medicare Fraud, Waste & Abuse Prevention Award,' presented by the National Committee to Preserve Social Security and Medicare (NCPSSM).

"Jo Ann and her team—most of whom are volunteers—have, with dedication, innovation and *enthusiasm*, worked wonders with regard to protecting Nevada's seniors," said Sandoval. I'm thrilled to see their efforts recognized. They all deserve our gratitude, particularly Jo Ann. She's tireless, relentless and you can always count on a job well done by SNAG."

SNAG is funded by the federal Administration on Aging, and the Nevada project is one of 51 "Senior Medicare Patrol" projects that are part of a national effort to combat and prevent error, waste, fraud, and abuse in Medicare and Medicaid. As a part of the effort, trained volunteers conduct sessions throughout the state at senior centers and events of interest to seniors whereby they are instructed in how to prevent, detect and report possible abuses of the system(s) by carefully examining benefits statements and bills for anomalies.

The National Committee to Preserve Social Security And Medicare granted the award to the SNAG because the project:

- uses innovative strategies for uncovering and reporting suspected cases of Medicare fraud, waste and abuse;
- can be replicated;
- is cost-effective and efficient (through the use of volunteers, pooling resources, collaboration with state and national efforts);

- enlists the assistance of Medicare beneficiaries, family members, friends and providers;
- deserves state and local recognition.

“It’s an incredible honor to be able to receive the award on behalf of the SNAG team,” said Embry. “It’s a gratifying moment for us, for sure, and we’ll relish it, along with the continual gratification of working together to protect Nevada’s seniors. Not a day goes by that we don’t receive thanks from a senior or someone who cares for them. It’s not that we need it—though it’s cherished and welcome—it’s that it’s proof that we’re doing the right thing and doing it well.”

For more information about Senior Nevada Advocates on Guard (SNAG), along with other topics of interest to the aging population, particularly consumer protection, see the Attorney General’s website at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
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NATIONAL MISSING CHILDREN'S DAY COMMEMORATED WITH CHILD SAFETY FAIR

Las Vegas—In honor of National Missing Children's Day, the Nevada Attorney General and several other groups and law enforcement agencies will conduct a safety fair at the Adventuredome at the Circus-Circus Hotel-Casino in Las Vegas on Saturday, May 10th, between the hours of 10:00 a.m. and 2:00 p.m. National Missing Children's Day was first recognized on May 25, 1983, in honor of six-year old Etan Patz, who disappeared in New York City on his way to school in 1978.

"One of the most tragic situations that any parent can face is the disappearance of a child, no matter what the circumstances," said Attorney General Sandoval. "The reason for the fair is threefold: to help families to be better prepared; to educate kids and parents; and to help prevent the catastrophic heartbreak that a family goes through when a child is abducted or missing."

The Nevada Missing Children's Clearinghouse will provide free child identification packets that include fingerprint cards, a list of emergency and resource numbers. Thanks to the generosity of Circus-Circus, each child will be provided with a picture for their safety packet. In addition to information on keeping your child safe from abductions, almost 40 law enforcement agencies and non-profit organizations will be on hand to distribute child safety information and be available to answer your questions on important issues like violence free schools, bullying prevention, runaway prevention, child abuse prevention, drug and alcohol awareness, and more.

Attorney General Brian Sandoval will be available for press interviews and discussions at 12:00 noon.

The State Legislature created the Nevada Missing Children Clearinghouse in 1991 in response to the staggering number of children reported missing in the United States each year. In 2002 alone, the Nevada Missing Children Clearinghouse received over 7,500 reported cases

of a missing child, including cases of family abductions, parental abductions, runaways and non-family abductions. The Nevada Missing Children Clearinghouse works in tandem with the National Center for Missing and Exploited Children and law enforcement agencies throughout the State of Nevada and the country.

Anyone having information regarding a missing child should contact local authorities or the National Center for Missing and Exploited Children at 1-800-THE-LOST. For more information on Nevada's Missing Children Clearinghouse, visit the Attorney General's website at <http://ag.state.nv.us>, or call (702) 486-3539. The National Center for Missing and Exploited Children can be found at www.missingkids.com.

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YUCCA CONSTITUTIONAL CHALLENGE MOVES FORWARD

Carson City—Nevada Attorney General Brian Sandoval announced the filing of the opening brief in Nevada's, Clark County's and the City of Las Vegas' constitutional challenge to the Joint Resolution selecting Yucca Mountain to house the country's first high-level nuclear waste repository. In January, 2003, a joint petition was filed in the United States Court of Appeals for the District of Columbia Circuit seeking to overturn Congress' enactment of the Joint Resolution selecting the Yucca Mountain site.

"At the heart of this case is the question whether there are any constitutional limits on Congress' authority to arbitrarily single out a State and to force it alone to shoulder a burden for the benefit of all other States," Sandoval explained. The State's constitutional challenge relies upon the Tenth Amendment as well as fundamental constitutional principles of federalism and state sovereignty: "We believe that the Joint Resolution singles out Nevada in a way that leaves the State politically isolated and powerless and represents a decision that lacks a basis in scientifically neutral standards. Simply stated, the congressional action is tantamount to a political mugging by 49 states against Nevada," Sandoval argued.

On February 14, 2002, the Secretary of Energy, applying DOE's new Part 963 guidelines, recommended the Yucca site to the President. On February 15, 2002, the President submitted his selection of Yucca to Congress. On April 8, 2002, Nevada's Governor submitted to Congress a notice of disapproval of the President's site designation. Pursuant to the procedures established in the Nuclear Waste Policy Act, Congress enacted the Joint Resolution overriding Nevada's notice of disapproval and permitting the President's site designation to become effective. The President signed the Resolution on July 23, 2002. "The enactment of the Resolution imposing this extraordinary burden on Nevada exceeds the powers delegated to the national government under the Constitution," Sandoval concluded.

The brief may be read in its entirety at www.state.nv.us/nucwaste/

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FOR IMMEDIATE RELEASE
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SUPREME COURT STRENGTHENS OPEN MEETING LAW

Carson City—Attorney General Brian Sandoval today announced that the Nevada Supreme Court has rendered a decision on appeal regarding Nevada's Open Meeting Law and the UCCSN Board of Regents. The Supreme Court strengthened the law by determining that a Regents' Committee and the Board itself engaged in discussion that greatly exceeded the scope of the agendas published for two meetings.

In this case, the Supreme Court analyzed the "clear and complete statement" requirement for public body agenda topics set forth in NRS 241.020(2)(c)(1), which requires that a public body provide an agenda consisting of a "clear and complete statement of the topics scheduled to be considered during the meeting." The legislative history of the statute illustrates that the Legislature enacted the statute because "incomplete and poorly written agendas deprive citizens of their right to take part in government" and also interfere with the ability of the media to report on the actions of public bodies.

The case arises from Regents Committee and Board meetings on September 7th and 8th, 2000, when, as Senior Deputy Attorney General Tina Leiss argued, the discussion at the Committee meeting greatly exceeded the scope of the agenda with regard to law and policies governing the release of materials, documents and reports to the public. "Discussion concerning an NDI report went beyond the abstract to include details about the UNLV police department and drug use on campus," said Leiss. "Persons with an interest in the discussion would not have reasonably concluded that they may wish to attend based upon the agenda."

While the Board meeting violation was a narrower question, the Supreme Court found that "the Board's agenda did not properly apprise the public that it would engage in a discussion that would lead to informal action to obtain a redacted NDI report."

The Supreme Court's decision was rendered on the basis of what standard to apply: because Nevada's Open Meeting Law clearly includes stringent agenda requirements ("clear and complete"), the law is not satisfied by the application of the "germane" standard.

Attorney General Brian Sandoval praised the decision and Senior Deputy Attorney General Tina Leiss' work: "It is vital that citizens be afforded every opportunity to participate in their government. If an agenda fails to reflect accurately what is up for consideration, that's a missed opportunity for public input and an abject failure on the part of public officials to perform their duty. We should all be grateful for a significant decision by the Supreme Court, and for Tina's efforts on behalf of all Nevadans."

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FOR IMMEDIATE RELEASE
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DO-NOT-CALL REGISTRATION FOR NEVADANS

Carson City—Attorney General Brian Sandoval today announced that Nevadans can get a jump on the state's new Do Not Call registry by signing on with the Federal Trade Commission's National Do Not Call Registry. Those who do so will be protected by the Nevada law when enforcement is expected to begin in 2004. In other words, consumers only need to register once with the national registry in order to gain the protection of both the federal law and Nevada's own do-not-call law.

There are two ways to register, and both are free:

- online at DONOTCALL.GOV if you have an active email address
 - or you can call toll-free, 1-888-382-1222 (TTY 1-866-290-4236), from the number you wish to register
-
- The flexibility provided for in Nevada's do-not-call law allows the Attorney General to decide whether the state should create a separate registry or utilize the Nevada portion of the federal registry. Either way, Nevadans will only need to sign up once.
 - Nevada's do-not-call law, regardless of which consumer registry is used, provides stronger protections for its citizens. For example: Nevada exemptions do not apply to affiliates of businesses who have a pre-existing business relationship that allows them to solicit you by telephone. The Nevada law is available as enrolled by the legislature at: http://www.leg.state.nv.us/72nd/bills/AB/AB232_EN.html.
 - Enforcement of the federal do-not-call law begins October 1, 2003. Enforcement of our state's do-not-call law does not begin until sometime in 2004.



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TWO MORE SENTENCINGS IN 16-PERSON INSURANCE FRAUD CONSPIRACY

Las Vegas—Attorney General Brian Sandoval today announced that on June 23rd, following a plea of guilty, District Judge John S. McGroarty sentenced Trina Collette Smith, age 32, to twelve months in Clark County Detention Center for one count of conspiracy to commit insurance fraud, a gross misdemeanor. The term of incarceration was suspended, and Smith was placed on probation for two years. Smith was also ordered to make restitution of \$1000.00 to California State Automobile Association (CSAA) and to reimburse the Attorney General's Insurance Fraud Unit (IFU) \$1000.00 in investigative costs. As a part of the same multi-party insurance fraud conspiracy, this morning District Court Judge Joseph T. Bonaventure sentenced Marcus Kyle White, 21, to one year in Clark County Detention Center for one gross misdemeanor count of conspiracy to commit insurance fraud. The term of incarceration was suspended and White placed on probation for two years subject to conditions: that White make restitution of \$500.00 to the CSAA, and that he reimburse the IFU \$500.00 in investigative costs. White played a relatively minor role in the larger scheme to defraud CSAA, and he accepted responsibility upon contact with the IFU. He faced up to one year in jail and fines of \$2000.00

In August of 2000, the investigative firm of Bland & Rodarte, while conducting a routine internal audit for CSAA, discovered the fraud. Subsequent investigation by the IFU revealed that Guy Mitchell Sheets, a licensed insurance agent and Regional Supervisor with CSAA, along with Deborah Marie Bray, a claims adjuster under Sheet's supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,000 during an 18-month period. The conspiracy involved Sheets and Bray recruiting 14 other individuals and "packing" them into accident claims that they were not actually involved in. Both Sheets and Bray were fired from CSAA and Sheets had his insurance license revoked. White and Smith

accepted payments on false claims that they were not actually involved in. The IFU has charged all the participants, obtaining guilty pleas in nearly all instances.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.



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SEARCH WARRANTS EXECUTED IN TWO STATES FOR FRAUD

Las Vegas—Attorney General Brian Sandoval today announced that eight search warrants were simultaneously executed in Las Vegas, Los Angeles and Sacramento as a part of a cooperative effort by the Nevada Office of Attorney General, California Highway Patrol, Los Angeles District Attorney's Office, California State Bar, National Insurance Crime Bureau, and California's Department of Insurance, Fraud Division. Evidence gathered since January of this year led to the eight search warrants executed today, which involved 80 investigators from all of the above agencies.

The case involves an estimated two to three million dollars in illegal kickbacks for referral of patients with workers compensation and auto insurance medical claims, as well as alleged overbilling of insurance companies for treatments never received by patients. The Sacramento County District Attorney is the prosecuting agency, though more charges and additional search warrants may result from today's raids.

"This is a great example of the kind of inter-agency and interstate collaboration and support that is required in order to investigate and prosecute complex, well-disguised criminal enterprise," said Marty Howard, Senior Deputy Attorney General and chief of the Nevada Attorney General's Insurance Fraud Unit. "Insurance fraud raises the cost of insurance, goods and services for all consumers. Many people think it's a 'victimless' crime, but it's not."

According to the Fraud Division of California's Department of Insurance, the firm Baldini & DePaoli Chiropractic, headquartered in the Sacramento area, was under investigation for overbilling. An undercover investigator applied for a clerical position within one of the suspect locations and was hired. Through the observations of the investigator, it was discovered that patients were signing in at the front desk for treatment and proceeding to a gym next door to work out—apparently without having any substantive treatment(s).

delivered. Also, a number of patients were found to have multiple accounts, each of which was billed to a different insurance company for the same treatment(s) on the same date(s).

A search warrant was served at chiropractic offices and residences in the Sacramento area on January 13, 2003, and approximately 2700 patient files, as well as x-rays, computer equipment and file cabinets were seized. Evidence from that raid indicated that an attorney sent customers to a chiropractor in their area under contract. The chiropractor billed the patients insurance company and a percentage of the receipts were forwarded to a separate company involved in the illegal kickback/referral scheme.

The investigation continues and has resulted in at least one additional warrant served so far in the Los Angeles area.

For additional information, please contact also Kathy Scholz at California's Fraud Division of the Department of Insurance: (916) 869-2441 or (916) 854-5760.

If you suspect or have knowledge that someone has committed insurance fraud, please contact the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at **<http://ag.state.nv.us>**.

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“UPBEAT” PARENTS SUPPORT THEIR CHILDREN

In honor of Father's Day, the Nevada Attorney General's Office and the Nevada Division of Child Support Enforcement would like to recognize and publicly thank those parents who take their responsibilities seriously and provide for their children through support payments. While “deadbeat” parents are the ones that all too often make headlines, most non-custodial parents do in fact meet their child support obligations.

“Child support payments are the most obvious means of providing for children, and many parents making them—and making them on time—struggle to do so. It costs the state many times over when children are not supported financially by those responsible, so to those who do, we'd like to say thanks,” said Attorney General Brian Sandoval. “I'd like to add something to that, though, as a father and one who values time with my family, and this is to all parents: financial support is your obligation to be sure, but please remember that the most important thing to spend on your children is time. You don't get quality without a measure of quantity.”

Churchill County resident Michael Spencer said, “I believe that all children should have parents that take an active role in their lives. This makes kids feel that they are important and loved. I make every effort to see my son as often as possible so that I'm the best possible father I can be to him.”

Another Churchill County resident, Randall E. Stout said, “I felt it was my responsibility to help provide for my children, after all I helped them into this world. I have always loved them and felt that they shouldn't do without things. Their mom and I grew apart, not me and my children. All fathers should love their children enough to do the right thing by them.”

One child support enforcement worker in Douglas County stated in her nomination that this father should be in the “most improved” category. He had been into court many times for not paying child support. Last year this father came to see the DA stating he really wanted to “get his act together” and start doing the right thing financially for his children. He was a good dad, spent time with his kids, but failed to pay support regularly. Since turning a new leaf, he has had his child support withheld directly from his paycheck so his support is on time every time. “He is one of our success stories that makes you feel good about what you do,” said the support enforcement agent.

A brochure entitled, “**Tips for Collecting Child Support: Working With the Child Support Enforcement Program,**” is available from the Attorney General’s Office website at: <http://ag.state.nv.us/Pubs/chldsupp.htm>. The brochure offers advice on how to collect child support, explains how child support is enforced in Nevada, and outlines who is eligible to receive child support. Spanish language copies of this brochure are also available. To obtain a copy, call the Attorney General’s Office in Las Vegas at (702) 486-3420; in Reno at (775) 688-1818; or in Carson City at (775) 684-1100.

The following is a list of “upbeat” parents from throughout the state. The names were provided by Child Support Enforcement programs within county District Attorney offices. Each person listed has given his or her permission to publicize their name. **To interview one of the parents listed, please contact your local district attorney’s office.**

The following is a list of “upbeat” parents from throughout the state. Child Support Enforcement programs within County District Attorney offices provided the names. Each person listed has given his or her permission to publicize their name.

Douglas County

1. Ted Duzan	3. Stanley Griffin
2. Alonzo Hatchett	

Elko County

1. David Henry Maynard Elko, NV	7. Luiz Carlos Nunes Elko, NV
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2. Myron Eugene Olesey Rock Springs, WY	8. Kevin Richard Hughes Elko, NV
3. Mark Brian Morgan Elko, NV	
4. Donald Andersen West Wendover, NV	

Churchill County:

1. Michael Spencer 440 Pintail Dr. Fallon, NV 89406	
2. Terry L. Metz 1190 Yucca Lane Fallon, NV 89406	
3. Randall E. Stout P.O. Box 5726 Pahrump, NV 89041	

Clark County

1. William Hill	
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FOR IMMEDIATE RELEASE
DATE: June 11, 2003

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50 STATE ATTORNEYS GENERAL UNANIMOUS IN SEEKING SUPREME COURT REVIEW OF PLEDGE OF ALLEGIANCE CASE

Carson City—Attorney General Brian Sandoval announced today that Nevada, along with 48 other states, as well as California in a separate but similar action, are urging the U.S. Supreme Court to review a Ninth Circuit decision that "defies a nation," according to Idaho Attorney General Lawrence Wasden and Oklahoma Attorney General Drew Edmondson, whose states are leading the combined effort.

"We joined the action because the Supreme Court has ruled that the words 'under God' in the Pledge of Allegiance do not endorse any particular religious belief," said Sandoval. "Students, if they wish, have a right to refrain from this patriotic exercise, so we're lost on how the Ninth Circuit could rule that it constitutes a violation of rights or the establishment of religion."

The Ninth Circuit Court of Appeals held, in Newdow v. United States of America and Elk Grove Unified School District, that the Pledge of Allegiance violates the Establishment Clause of the First Amendment to the United States Constitution.

Attorneys General Wasden and Edmondson released the states' *amicus curiae*, or "friend of the court," brief this morning during a news conference held in conjunction with the National Association of Attorneys General (NAAG) summer meeting in Oklahoma City. Attorney General Edmondson is President of NAAG.

The attorneys general of 49 states joined the brief, sponsored by Wasden and Edmondson. California Attorney General Bill Lockyer will file a separate brief also urging the Supreme Court to hear the case.

"For almost 50 years, willing Americans of all ages have been reciting the Pledge of Allegiance in its current form in public schools and other forums," Attorney General Wasden

said. "Most likely, very few of us ever dreamed that a federal court would decide the Pledge of Allegiance constitutes an establishment of religion."

"This is a national issue of historical importance," Attorney General Edmondson said. "Forty-nine states have signed this brief and California is filing its own brief supporting the Pledge.

"Our brief argues that, prior to this case, the boundaries of the Establishment Clause in public school settings were clearly understood to protect the Pledge and similar patriotic exercises," Attorney General Edmondson said. "Our brief asks the Supreme Court to take this matter on appeal and uphold the constitutionality of the Pledge of Allegiance."

"The states are not seeking to break new ground. This is not a school prayer or Ten Commandments case," Attorney General Wasden said. "Rather, we are asking the Supreme Court to resolve a conflict between the circuits by reaffirming 50 years of Supreme Court jurisprudence."

Daily recitation of the Pledge of Allegiance in public schools is the legislatively enacted policy of 44 states. Currently, 41 states have laws in effect providing for daily recitation of the Pledge. Similar laws, recently enacted, will soon take effect in three states.

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FOR IMMEDIATE RELEASE
DATE: July 29, 2003

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GUILTY PLEA IN FELONY EMBEZZLEMENT OF CHARITY FUNDS BOUND FOR SENIORS

Carson City—Attorney General Brian Sandoval announced today that Ramona Hayes, past President of Senior Services Network, pled guilty yesterday to one felony count of embezzlement of funds from Senior Services Network. The charges carry a potential penalty of up to 10 years imprisonment in the state prison and a \$10,000.00 fine. In a collateral case, Ms. Hayes pled guilty to one gross misdemeanor count of conspiracy to commit forgery which carries a potential penalty of up to one year in the Carson City Jail and a \$2,000 fine. District Court Judge Michael Griffin accepted the pleas and set sentencing for September 8, 2003. The case is being prosecuted by the Attorney General's Bureau of Consumer Protection (BCP).

Hayes requested that Senior Services Network, a charitable organization which assists financially needy senior citizens, issue checks for the purpose of paying various bills of needy senior citizens. Instead of paying those bills, Ms. Hays used the checks to pay her personal utility and veterinary bills depriving Senior Services Network of funds to assist senior citizens. In a collateral, but unrelated matter, Hayes pled guilty of conspiring to forge a letter, supposedly from the Donald W. Reynolds Foundation, indicating that the Donald W. Reynolds Foundation had awarded a grant to Homemaker Services to build a senior center in south Reno. Hayes used that letter to convince architectural and building firms to provide services to Hayes' organization, when in fact, there was no grant from the Donald W. Reynolds Foundation.

Deputy Attorney General John McGlamery, who prosecuted the case said, "The Bureau of Consumer Protection vigorously investigates and prosecutes these cases. Nevada is a safe haven for neither dishonest employees of legitimate charities nor fraudulent or deceptive charities themselves."

To report deceptive trade practices or possible illegal activities related to charitable organizations, simply access Attorney General's website at <http://ag.state.nv.us> to file an online complaint. You may also contact the Attorney General's Bureau of Consumer Protection at (775) 687-6300 in northern Nevada, or (702) 486-3194 in southern Nevada.

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FOR IMMEDIATE RELEASE
DATE: July 24, 2003

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ABBOTT LABORATORIES SUBSIDIARY PAYS \$414 MILLION IN NATIONAL SETTLEMENT

Carson City—Attorney General Brian Sandoval announced today that Nevada is to recover \$169,000.00 as part of a nationwide settlement with Ross Products Division, an Abbott subsidiary. The settlement resolves concerns that Ross defrauded state Medicaid and federal Medicare programs through the marketing of its 'enteral' feeding pumps, which are used to feed patients directly through the intestines.

Ross/Abbott are paying \$365 million in damages and penalties to the federal Medicare program and \$49 million to the 50 state Medicaid programs. Additionally, C.G. Nutritionals, another Abbott subsidiary, will plead guilty to a federal charge of 'obstruction of a criminal investigation of health care offenses' and pay a criminal fine of \$200 million to the federal government.

The settlement was concluded by the Attorney General's Medicaid Fraud Control Unit ("MFCU"). According to MFCU Director Tim Terry, Ross' fraudulent conduct included the following:

- providing free enteral feeding pumps to nursing homes and DME suppliers in exchange for those buyers agreeing to purchase a specific number of pump sets, which are necessary for the pumps to function;
- claiming the nursing homes and DME suppliers could bill Medicare or Medicaid for the pumps, which had been supplied for free; and

- providing unlawful monetary incentives to DME suppliers and nursing homes to buy products from Ross.

Questions about Medicaid fraud or the Attorney General's policy on voluntary self-reporting of provider fraud? Contact the MFCU in Carson City at 775-684-1191 or in Las Vegas at 702-486-3420. Medicaid Fraud information can also be found on the Attorney General's web site at <http://ag.state.nv.us>.



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FOR IMMEDIATE RELEASE
DATE: July 10, 2003

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22-YEAR INSURANCE AGENT SENTENCED FOR FELONY INSURANCE FRAUD

Carson City—Attorney General Brian Sandoval announced today that John Vernon Liller, age 53 was sentenced today after pleading guilty to felony insurance fraud before Judge Janet Berry in the Washoe County Courthouse.

John Vernon Liller was the sole proprietor and trusted agent at a Farmers Insurance office in Incline Village for over 22 years. Between March of 2000 and March of 2001, John Liller took clients' money intended for the purchase of insurance and misused the funds. Following tips, a concerted effort of the Insurance Commissioners' Office, Washoe County Sheriff's Office and the Insurance Fraud Unit of The Attorney General's Office uncovered details of the fraud. In April of 2002, The Department of Business and Industry revoked Liller's insurance agent and broker license and The Nevada Attorney General's Office filed criminal charges in September of 2002.

The court ordered that Liller be sentenced to 12 to 48 months in prison, but suspended that sentence and placed Defendant on probation with stringent conditions, including measures aimed at substance abuse. He was ordered to pay over \$14,000.00 in restitution and investigative costs. He had already paid over \$7000.00 prior to sentencing.

Ronda Clifton, prosecutor on the case said: "It was the concerted effort of local law enforcement agencies and the Insurance Commissioner's office that helped bring this matter to light, Mr. Liller to justice, and restitution to the victims."

If you have any information regarding insurance fraud, please call the Nevada Attorney General's Insurance Fraud Hotline at 1-800-266-8688. For more information about Nevada's Insurance Fraud Unit, please visit the Attorney General's website at **www.state.nv.us/ag**

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FOR IMMEDIATE RELEASE
DATE: July 9, 2003

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CERTIFIED NURSING ASSISTANT GUILTY OF ELDER BATTERY

Las Vegas—Attorney General Brian Sandoval announced today that Debra Pimentel, age 45, pleaded guilty of one count of elder battery, a misdemeanor in violation of NRS 200.481 and NRS 193.167. The matter was heard before Las Vegas Township Justice of the Peace James M. Bixler. Bixler sentenced Pimentel to 15 days jail time, which was suspended, an anger management course, 80 hours of community service, and that she is not to be employed in any capacity involving the elderly.

Pimentel, who was a Certified Nursing Assistant (CNA) working at a long term care facility located in Las Vegas and was responsible for providing care and assistance to individuals who were unable to perform simple tasks like bathing and changing clothes unassisted. An investigation conducted by the Nevada Attorney General's Medicaid Fraud Control Unit (MFCU) determined that Pimentel had struck a 79 year old female resident of the facility several times while in the process of changing her undergarments. Facility management cooperated fully with the MFCU in its investigation of the matter. In addition, the facility terminated Pimentel's employment immediately following an internal investigation.

"Too often crimes committed against our state's elderly go unreported because the victims are either too afraid to come forward or unable to do so because of a mental or physical condition," said Ed Cousineau, Deputy Attorney General, MFCU. "In this case we also had the immediate and full cooperation of the facility, which indicates that they are committed to aggressively maintaining the safety and well-being of their residents—and that's precisely our mission as well."

The Medicaid Fraud Control Unit investigates and prosecutes instances of elder abuse, neglect, or exploitation, in addition to investigating and prosecuting Medicaid provider

fraud. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City at (775) 684-1191, or in Las Vegas at (702) 486-3420. Medicaid Fraud information can also be found on the Attorney General's web site at **<http://ag.state.nv.us>**.



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FOR IMMEDIATE RELEASE
DATE: August 15, 2003

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ATTORNEY GENERAL ANNOUNCES DISTRIBUTION OF MILLIONS TO HOUSEHOLD & BENEFICIAL BORROWERS

Las Vegas—Nevada's Attorney General Brian Sandoval announced today that consumers who are eligible to share in the State's \$4.5 million settlement with Household International, and its subsidiaries Household Finance Corporation and Beneficial Corporation ("Household-Beneficial"), will be notified of their entitlement beginning this week.

Please note: eligible Household-Beneficial borrowers who have questions about the settlement payment procedures should contact the Settlement Administrator directly by calling toll free, 1-888-780-2156. Information is also available on the Settlement Administrator's website at www.household-beneficial-settlement.com.

The consumer payments stem from a settlement negotiated in October 2002 between Household-Beneficial and the attorneys general of all 50 states, which was finalized in December, 2002. Under the settlement, Household-Beneficial agreed to pay a total of \$484 million to the states to be distributed among borrowers who may have been harmed by alleged unfair lending practices between January 1, 1999 and September 30, 2002. The settlement was the largest ever obtained by state attorneys general in a consumer protection case. Nevada's portion of the settlement is \$4,557,866.00 and was negotiated by the Attorney General's Bureau of Consumer Protection.

Over 5,600 Nevada borrowers who obtained loans during the time period relevant to the case will receive notices this week informing them of their minimum entitlement amounts and the procedures to secure their claims. To participate, eligible consumers must complete and return a simple claim and release form. Consumers have the option not to participate in the settlement, and individual payment amounts may increase depending on the number of consumers who choose not to participate.

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FOR IMMEDIATE RELEASE
DATE: August 14, 2003

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AG URGES COMPLIANCE WITH SB315 BY OCTOBER 1ST
Cigarette vending machines may be placed in public areas only if
those areas have restricted access to those under 21

Carson City—Attorney General Brian Sandoval urges businesses that host cigarette vending machines and vending machine owners to prepare early for compliance with SB315, as the new law will be enforced beginning October 1st 2003.

The law provides that cigarette vending machines may be placed in a public area only if persons who are under 21 years of age are prohibited from loitering in that area pursuant to NRS 202.030 OR NRS 463.350. Those statutes restrict access by those under 21 at businesses where alcohol is sold and gaming establishments, respectively. Consequently, the law confines cigarette vending machines to “adults only” establishments or “adults only” areas of casinos.

“One of the easiest ways for Nevada’s children to obtain cigarettes is from vending machines that are accessible to them,” said Sandoval. “SB315 will reduce that possibility. The efforts of this office since 1995 have reduced underage purchase rates by nearly half, and now we’ll do even better. The ‘We Card’ effort is nothing less than businesses conscientiously assisting with the protection of our kids when they are beyond direct parental supervision. This is a commonsense next step.”

Las Vegas area Station Casinos announced yesterday that they are in compliance with the law at each of their properties: “We’ve clearly designating certain areas of the casino as ‘adults only’ so that our customers will know where children may go, said Lesley Pittman, spokesperson for Station Casinos. “Cigarette vending machines will only be accessible well within these ‘adults only’ areas.”

Since 1994, the youth buy rate at all tobacco retail outlets in Nevada has dropped from 64% to 18% in 2002, according to a study conducted by the Attorney General's office each year. SB315 was crafted because these studies indicate that under age youths were able to successfully purchase cigarettes from vending machines 55% of the time. Also, in a survey of high school youth, the Department of Education found that 42% of middle school students who purchased their own cigarettes purchased them from vending machines.

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FOR IMMEDIATE RELEASE
DATE: August 4, 2003

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ATTORNEY GENERAL'S INSURANCE FRAUD UNIT: RECORD YEAR FOR REFERRALS AND CONVICTIONS

Las Vegas—Attorney General Brian Sandoval announced today that the Attorney General's Insurance Fraud Unit (IFU) ended a record year for referrals of suspected insurance fraud as well as convictions for proven cases of fraudulent claims.

"The rise in complaints speaks well for our Insurance Fraud Unit in terms of its reputation with the insurance industry. On the other hand, the higher referral rate also suggests that there are still many people out there who think it's a harmless 'beating of the system,'" said Sandoval, "when in fact it is not. It raises the cost of insurance for everybody, and those harmed least by that are the perpetrators of fraud. Higher insurance prices may mean that a struggling family has to forego life insurance for the family breadwinner or reduce their total automobile coverage. That's an unacceptable choice if the higher prices are due to fraud, and that's why our IFU is aggressive in its pursuit of these cases."

The latest national survey, conducted by the management consulting firm Accenture, of public attitudes about insurance fraud reveals one of four people say it is okay to lie to one's insurance company in order to obtain money. Senior Deputy Attorney General Marty Howard, Director of the IFU, finds these statistics very disturbing: "You would think more people would realize that lying to their insurance company to obtain undeserved benefits is stealing and is therefore morally wrong. You would think that the possibility of being caught and punished would deter those who don't. For some it does. For the rest, well, the chances are very good that they'll be dealing with us. It is not a victimless crime. Honest policy holders pay the cost for insurance fraud."

Howard also described the severe criminal penalties for insurance fraud: "Insurance fraud is a felony in Nevada just like grand larceny or theft. You can go to prison for up to 5 years and face a \$5,000.00 fine. A felony conviction affects not only your freedom, but your right to vote, your right to hold certain jobs, and will severely impact your family. We intend to continue to get this message out and get dishonest people to think a little more seriously about the consequences of filing false insurance claims."

- From July 2002 to June 2003, the IFU received a record 412 new complaints of suspicious fraudulent claims from insurance companies, a 26% increase over the previous year.
- The IFU increased the number of actions filed, the number of arrests, and the number of convictions by more than 10% across the board over the previous year.
- In the same period, the IFU won \$289,401.45 in court ordered restitution. Cases were filed throughout the state, including the Las Vegas area, Elko, Douglas County, Reno, Winnemucca and Carson City.
- Over the past five years, the IFU has filed 142 criminal actions, made 170 arrests, obtained 147 convictions, and won \$3,360,407.00 in court ordered restitution and costs.
- This was accomplished by four investigators and a total staff of eight *statewide*.

Insurance fraud is one of the costliest white-collar crimes in the United States, ranking second only to tax evasion. A study by Hartford, Connecticut-based Conning & Co. estimated that fraud costs the insurance industry \$96 billion dollars annually. One figure stands out in the report; that insurance fraud costs families \$5,000.00 each year. This amount includes not only higher premiums, but also the resulting higher prices for consumer goods and services.

Questions regarding the IFU may be forwarded directly to Senior Deputy Attorney General Marty Howard at (702) 486-3120.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: September 30, 2003

NEVADA UNDER-AGE TOBACCO PURCHASE RATE LOWEST SINCE ENFORCEMENT BEGAN IN 1995

Down by a factor of five; retailers assist with policy changes

Carson City—Attorney General Brian Sandoval announced today that the tobacco youth buy rate has dropped to 11.4%, down from 18% last year. This is the lowest since the Attorney General began enforcing the state law prohibiting the sale of tobacco to minors in 1995. The tobacco youth buy rate is the percentage of successful purchases out of attempts by underage youth. In 1994, the underage buy rate was 64%.

"Nevadans, retailers, law enforcement, and the public health community, have worked together to reduce purchases by underage youth, and thereby the risks associated with use and probable addiction," said Sandoval. "I'd like to thank the many retailers who are diligent with regard to our state's 'We Card' effort, and urge others to do the same."

To that end, Nevada, along with Attorneys General from 42 other states announced today an agreement under which Wal-Mart, the nation's largest retailer and employer, will implement new policies and procedures to reduce tobacco sales to minors in the 3,400 Wal-Mart stores throughout the nation.

The agreement, the most recent in a series between top state law enforcement officials and major national retailers, requires Wal-Mart to:

- train its employees on laws and policies restricting tobacco sales to minors, including the health-related reasons for such restrictions;
- check identification of any person purchasing tobacco products who appears to be under age 27, and accept only a valid government-issued photo ID as proof of age;
- hire an independent entity to conduct random compliance checks of Wal-Mart stores;

- prohibit self-service displays of tobacco products, vending machines to sell those products, and distribution of free samples on store property;
- and prohibit the sale of smoking paraphernalia to minors.

The Attorneys General will also monitor compliance with the agreement and have reserved the right to enforce future violations of the agreement, as well as the laws governing the sale of tobacco to minors.

This agreement, called an Assurance of Voluntary Compliance, is the latest product of an ongoing, multi-state enforcement effort, begun in 2000 when a number of offices of Attorneys General joined to form the Attorney General Tobacco Retailing Group to address high rates of sale of tobacco products to minors by national retailers. The Group currently consists of representatives from 30 states.

After reviewing data on sales to minors, the Group identified a number of retailers with both a large national presence and high rates of such sales. The Group also formulated best practices for responsible retailing of tobacco products based on consultations with researchers, the Centers for Disease Control, and state tobacco control staff who monitor retail sales of tobacco to minors. The Group's goal is to work with offending retailers to reach Assurances of Voluntary Compliance, embodying the adoption of specific tobacco retailing policies and practices that would result in decreased sales to minors.

The Group has concluded agreements with Walgreen's, ExxonMobil, and two with BP Products (one for its BP and Amoco outlets and another for its ARCO outlets). The agreements cover approximately 4,000 Walgreen's stores and 30,000 gas stations and convenience stores operating under the Exxon, Mobil, BP, Amoco, and ARCO brand names in the signatory states.

The Attorneys General have long recognized that youth access to tobacco products ranks among the most serious public health problems facing the country. According to studies conducted by the U.S. Department of Health and Human Services' Substance Abuse and Mental Health Services Administration (SAMHSA) and Centers for Disease Control, more than 80 percent of current adult smokers began smoking before the age of 18, and every day in the United States more than 2,000 people under the age of 18 begin smoking, one-third of whom will one day die from a tobacco-related disease. Young people are particularly susceptible to the hazards of tobacco, often showing signs of addiction after smoking only a few cigarettes.

The states participating in the Wal-Mart agreement are: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

The federal government requires a state to enforce its own law prohibiting the sale of tobacco to minors or risk losing 40% of its federal substance abuse grant. Nevada receives

over \$13 million per year in substance abuse programs and could lose \$5.2 million if the youth buy rate was not 20% or less.

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**FOR IMMEDIATE RELEASE
DATE: September 24, 2003**

AG RESPONDS TO OKLAHOMA FEDERAL DISTRICT COURT DECISION ON DO NOT CALL LEGISLATION

Carson City—Attorney General Brian Sandoval today responded to the ruling in Oklahoma City Federal District Court:

"We're examining the full effect of this ruling now. To be certain, we're disappointed with the court's decision because it is our position that the federal law is composed of well-considered protections against unwanted, intrusive calls. Already 50 million Americans--including 400,000 Nevadans--have emphatically endorsed this law by signing up."

Sandoval continued, "Even if all but twenty percent of telephone customers nationwide register for 'do not call' restrictions, telemarketers would have millions of remaining potential customers to solicit. In fact, feedback from the telemarketing industry suggests that they look forward to saving millions of dollars by not calling those who do not wish to be called. There is overwhelming constituent support for 'do not call' restrictions. Consumers called for and deserve these protections, and we will support an appeal in federal court."

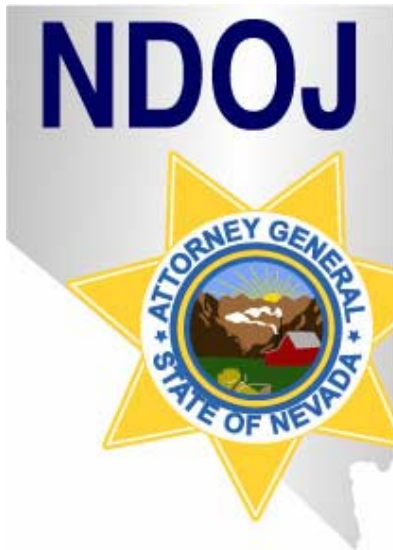
The FTC as well has issued a statement regarding the ruling, which may be obtained at: <http://www.ftc.gov/opa/2003/09/tjmstatement030924.htm>.

Consumers may still register for the list: please keep in mind that you need to do this for each telephone number for which you desire to have unwanted calls blocked. Registering is easily done at <http://www.ag.state.nv.us>, or by calling the registry's toll-free number, 1-888-382-1222; for TTY, call 1-866-290-4236.

The flexibility provided for in Nevada's do-not-call law allows the Attorney General to decide whether the state should create a separate registry or utilize the Nevada portion of the federal registry. Either way, Nevadans will only need to sign up once.

Nevada's do-not-call law, regardless of which consumer registry is used, provides stronger protections for its citizens. For example: Nevada exemptions do not apply to affiliates of businesses who have a pre-existing business relationship that allows them to solicit you by telephone. The Nevada law is available as enrolled by the legislature at: http://www.leg.state.nv.us/72nd/bills/AB/AB232_EN.html.

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FOR IMMEDIATE RELEASE
DATE: October 30, 2003

CHILDREN MISSING FOR FOUR YEARS BACK WITH MOTHER

Las Vegas—Attorney General Brian Sandoval today announced the safe recovery and return of three children, found in Mexico, to their custodial mother. The children were the victims of a parental abduction in October 1999 after the divorce of their parents, Natalie and Enrique Delgadillo.

The Nevada Missing Children Clearinghouse (NMCC), which is a division of the Office of the Nevada Attorney General, learned of the case in November 1999. In February 2000, the attorney general obtained a felony arrest warrant for the abducting father. Information later obtained indicated that the father had fled to Mexico with the three children. The NMCC then filed a Hague Treaty application with the U.S. Department of State to obtain assistance with the recovery of the children from Mexico.

Assisted by The National Center for Missing and Exploited Children, and The U.S. Department of State, the mother flew from Las Vegas to Mexico on Wednesday, October 22, 2003, where she reunited with her children four years after their abduction.

A felony arrest warrant remains active for the abducting father. "Nevada will not tolerate parents who unlawfully seek to detain or conceal their children from the other parent whether it be in or out of our state," Sandoval said. In 2002, the Nevada Missing Children Clearinghouse assisted in the recovery of 31 victims of parental abduction.

The Nevada Missing Children Clearinghouse was created by the state legislature in 1991 due to the alarming number of children reported missing each year in Nevada. The

Clearinghouse has been on the forefront regarding the investigation and prosecution of parental abductions in Nevada. The NMCC also receives daily requests from other states for assistance in the investigation and recovery of children that have been brought to Nevada unlawfully. The Clearinghouse acts as the repository of the state for reports of all children reported missing from throughout the state as well as provides information on child protection issues. The NMCC works in tandem with the National Center for Missing and Exploited Children, all Nevada law enforcement agencies, and all other state clearinghouses and their law enforcement agencies.

The Convention on Civil Aspects of International Child Abduction (The Hague Treaty) was signed in 1980. The signatories to the Treaty acknowledge the importance of the problem of international child abduction, thus giving a global mandate for countries to accede to The Hague Child Abduction Convention. The Treaty provides a civil means for return of children to their country of habitual residence.

For more information on this particular recovery or on the Nevada Missing Children Clearinghouse, please call (702) 486-3456; other related information is also available on our web site at <http://ag.state.nv.us>.

NDOJ



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FOR IMMEDIATE RELEASE
DATE: October 7, 2003

APPEALS COURT TO ALLOW NO-CALL TO PROCEED *Pending determination of constitutionality*

Carson City—Attorney General Brian Sandoval announced today that a decision by the 10th Circuit U.S. Court of Appeals in Denver represents a victory for those who wish to be left alone by telemarketers.

“The ruling of the Court underscores the right not to be solicited within your home, if that is your wish,” said Sandoval. “It also relieves telemarketing industry confusion and frustration: just today we received a call from a Nevada business that desperately wanted access to the no-call list—so that he could conform *voluntarily*. We had to tell him that it’s unavailable pending this case. With this ruling, business can get back to focusing on the part of the market that is open to solicitation, and consumers who only recently or are now registering will enjoy relief from unwanted intrusions to life at home.”

While the legal status of the list has yet to be ultimately resolved because of the assertion that it unconstitutionally discriminates between commercial and charitable enterprises, in the meantime, the no-call registry, registration, list procurement and associated enforcement will be allowed to continue.

Consumers may register at <http://ag.state.nv.us>, at <http://donotcall.gov> or by calling 888-382-1222. Businesses wishing to solicit by phone can obtain information at <http://ftc.gov>.

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FOR IMMEDIATE RELEASE
DATE: October 2, 2003

15th of 17 CONSPIRATORS SENTENCED IN MULTI-DEFENDANT INSURANCE SCAM

Las Vegas— Attorney General Brian Sandoval announced today that following a plea of guilty, District Judge John S. McGroarty sentenced Salim Talib Elam, age 23, to twelve months in Clark County Detention Center for one count of conspiracy to commit insurance fraud, a gross misdemeanor. The term of incarceration was suspended, and Elam placed on probation for two years. Elam was also ordered to make restitution of \$1000.00 to California State Automobile Association, CSAA, and to reimburse the Insurance Fraud Unit (IFU) \$1000.00 in investigative costs. Elam was further ordered to pay \$1,580.90 in extradition costs to the State of Nevada Extradition Unit.

In August of 2000, the investigative firm of Bland & Rodarte, while conducting a routine internal audit for CSAA, discovered the fraud. Subsequent investigation by the IFU revealed that Guy Mitchell Sheets, a licensed insurance agent and Regional Supervisor with CSAA, along with Deborah Marie Bray, a Claims Adjuster under Sheets' supervision, created approximately 20 false insurance claims, defrauding CSAA of over \$180,000.00 during an 18-month period. The conspiracy involved Sheets and Bray recruiting 14 other individuals, like Salim Talib Elam, and fraudulently "packing" them into accident claims. Both Sheets and Bray were fired from CSAA and Sheets had his insurance license revoked.

Attorney General Sandoval applauded both CSAA and Bland & Rodarte for their assistance to the IFU, explaining, "Fraud crimes are often complex, and successful prosecution requires the joint efforts of the victim insurance company, the IFU, and independent audit or investigative firms."

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.

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**FOR IMMEDIATE RELEASE
DATE: October 1, 2003**

“LOST PET” SCAMMER SENTENCED TO FIVE YEARS

Carson City—Attorney General Brian Sandoval announced today that William Arnold Muniz was sentenced today before Judge James Hardesty to 5 years incarceration for three (3) counts of felony theft by obtaining money under false pretenses. Muniz had previously entered a plea of guilty to the three counts.

William Muniz called at least two victims and stated that he had found their pets while passing through Nevada on vacation. Muniz told his victims that he had obtained costly veterinary treatment for the pet. Muniz also stated that he had become attached to the pet and that he had prepared to fly the pet back to his hometown in Canada. Muniz told the victims that he would return their pets if they would reimburse him for costs by sending him money via Western Union Wire Transfer. In one case, a Tahoe resident sent \$400.00 to Muniz for the return of his daughter's cat. In another case, a California resident sent \$600.00 for the return of her beloved cat. Neither victim received their cat in return.

Muniz also contacted a third victim and told her that he had found her lost necklace in San Francisco, California. Muniz told the victim that he would return her necklace if she would send him money. The victim sent \$500.00 to Muniz in Reno, Nevada via Western Union Wire Transfer; however, she never received her necklace in return.

The Attorney General's Bureau of Consumer Protection offers the following tips to avoid becoming a victim of this type of scam:

- Use a general description of your animal or other lost property in advertisements. This will enable you to question the person who has allegedly found your animal or property about specifics.
- Offer to pay the veterinarian or airline directly for costs associated with your pet or other lost property. Be suspicious if the caller objects to this.

If you believe that you have been a victim of a Lost Pet Scam, or would like further information, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or in Reno at (775) 688-1818; or in Carson City at (775) 687-6300. Consumer protection information can be found on the Attorney General's Web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: November 25, 2003

CHILDREN MISSING FOR NINE YEARS BACK WITH MOTHER

Las Vegas-Attorney General Brian Sandoval today announced the safe recovery and return of two children, found in Atlanta, GA, to their custodial mother. The children, then 8 and 4 years old, were the victims of a parental abduction in November 1994, after the divorce of their parents, Armanta and Efren Alcaraz.

The Nevada Missing Children Clearinghouse (NMCC), which is a division of the Office of the Nevada Attorney General, learned of the case in March 1995. In April 1995, the Attorney General obtained a felony arrest warrant for the abducting father. Information later obtained indicated that the father had fled to Mexico with the two children.

Recent tips providing a Georgia address were called in to the National Center for Missing and Exploited Children and were passed on to the NMCC. The NMCC contacted law enforcement in Atlanta, Georgia and requested a welfare check on any children residing at the address. The NMCC also advised them of the felony warrant for the father. The children and their father were found at the address. The children were placed in protective custody, and Efren Alcaraz was arrested for Violation of Custody Rights, a felony. The charge carries with it a fine of up to \$5000.00 or one to five years in prison, if convicted.

On Friday, November 21, 2003, Armanta Alcaraz, accompanied by Nevada Attorney General Investigator, April Lavergne, attended a hearing at Juvenile Services in Atlanta, GA, where she was reunited with her children, now ages 17 and 13, nine years after their abduction.

Extradition proceedings are currently underway for the abducting father. "Parental child abductions will be prosecuted to the fullest extent of the law," said Lavergne. "In 2002, the Nevada Missing Children Clearinghouse assisted in the recovery of 31 victims of parental abduction. Unfortunately our work continues."

The Nevada Missing Children Clearinghouse was created by the state legislature in 1991 due to the alarming number of children reported missing each year in Nevada. The Clearinghouse has been on the forefront regarding the investigation and prosecution of parental abductions in Nevada. The NMCC also receives daily requests from other states for assistance in the investigation and recovery of children that have been brought to Nevada unlawfully. The Clearinghouse acts as the repository of the state for reports of all children reported missing from throughout the state as well as provides information on child protection issues. The NMCC works in tandem with the National Center for Missing and Exploited Children, all Nevada law enforcement agencies, and all other state clearinghouses and their law enforcement agencies.

For more information on this particular recovery or on the Nevada Missing Children Clearinghouse, please call Investigator April Lavergne at (702) 486-3456 or by cell phone at 702-419-8726; other related information is also available on our web site at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: November 20, 2003

FAKED DEATH GETS FELONY INSURANCE FRAUD CONVICTION

Las Vegas— Attorney General Brian Sandoval announced today that District Judge Donald M. Mosley sentenced Purificacion Lobitos, age 56, to a maximum term of thirty-two (32) months with a minimum term of twelve (12) months in the Nevada Department of Corrections, for one count of felony conspiracy to commit insurance fraud. The term of incarceration was suspended and Lobitos placed on probation for three years. Lobitos was also ordered to reimburse the Insurance Fraud Unit (IFU) \$1000.00 in investigative costs and \$546.73 in extradition costs to the State of Nevada Extradition Unit.

In January of 1998 and continuing through approximately July 27, 1998, in Clark County, Nevada, Purificacion Lobitos conspired with a co-defendant to submit false claims for life insurance benefits under Lobitos' term life insurance policies with Liberty Mutual and Prudential Insurance Companies, by maintaining that Lobitos had been killed in a vehicle-pedestrian accident in the Philippines. The policies were each worth \$100,000.00. Subsequent investigation by the IFU revealed that Lobitos reentered the United States from the Philippines through San Francisco and that a driver's license number D1651363 was issued to Purificacion Lobitos on October 6, 1999. According to a pre-sentencing report, Ms. Lobitos worked from 1998 to 2001 at an assembly plant in Fremont, California. She was arrested in California on the 8th of September of this year by San Mateo Sheriff's Department and remained in jail until extradited from the State of California and booked into the Clark County Detention Center on the 18th of September.

If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: November 13, 2003

“NEVADA LOTTERY” POSTCARD SCAM

Las Vegas—Attorney General Brian Sandoval today announced that the Office of the Attorney General has filed a criminal complaint and issued an arrest warrant for a Richard James Panas. Mr. Panas has conducted business under the names “American Direct,” “Lottowin,” “Leisure International” and “RP Associates.”

Investigators for the Nevada Attorney General’s Bureau of Consumer Protection, were notified by consumers that they were receiving numerous postcards in the mail suggesting that they had won sums of money, and, in order to collect the funds, they were instructed to remit sums of \$10.00 to \$14.97 to the sender. The postcards contained language to persuade the recipient to send money, for example: “guaranteed government payout,” “Lucky 500 Recipient,” “guaranteed lottery winner,” and “Win Numbers in NV Lottery.” The State of Nevada does not have a lottery.

“This type of scam preys especially upon our senior population, particularly shut-ins who aren’t aware that the state has no lottery, or those on very tight budgets who are lured by the suggestion of winnings,” said Deputy Attorney General Robert Griffy, Bureau of Consumer Protection, Las Vegas. “It’s not a lot of money from a single victim at first, which enhances a perpetrator’s likelihood of success in the aggregate; then, once they establish a relationship with you, however small, the demands get bigger along with the claims, and some people lose a great deal of money.”

The Attorney General’s Bureau Consumer Protection Investigators learned that Richard Panas is a resident of South Carolina and was using the UPS Store located at 3540 West Sahara Avenue, #83, Las Vegas, Nevada 89102 as his personal mail drop box. Panas was receiving an estimated 800 letters a day which were then forwarded to him in South Carolina by the owners of the UPS store. On October 22, 2003, Investigators from the Attorney General’s Bureau of Consumer Protection served an order from the Clark County District Court on the UPS Store closing the personal mail box drop for Panas. Per the court

order, all mail received after the close of the personal mail box is returned to the sender. Unfortunately, this order cannot prevent Panas from opening another personal mailbox drop in another state in order to continue receiving responses to postcard mailings.

In correspondence received by the Nevada Attorney General's office, it was estimated that over 9000 consumers in Nevada are receiving these post cards. The consumer receives nothing for the \$10.00 dollars and their names are then sold to telemarketers located not only in the United States but also in countries such as Canada and Costa Rica. Consumers are contacted a few weeks after sending in their \$10.00 and informed that they are entitled to a much larger payout if they wire money to specific people in Canada and Costa Rica. One consumer wired \$1,700.49 to Costa Rica and was then asked to wire an additional \$8,750.00 to Costa Rico; another consumer was asked to wire \$2,500.00 to Canada.

As in all criminal matters, the allegations are merely accusations and individuals are presumed innocent unless and until proven guilty in court.

If you have already received or do receive a postcard with similar claims, do not send any money. Individuals who may have been victimized by the individual known as Richard Panas, dba "American Direct," "Lottowin," "Leisure International" and "RP Associates," or others should call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or in Carson City at (775) 684-6300. Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us>

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**FOR IMMEDIATE RELEASE
DATE: November 7, 2003**

FELONY CONVICTION FOR FALSE \$68,000 CLAIM

Winnemucca—Attorney General Brian Sandoval today announced that Patrick Lee Miller was found guilty yesterday of a felony insurance fraud, making false representations to an insurance company. The matter was heard in Humboldt County's 6th Judicial District Court before Judge Iroz. Sentencing is scheduled for January 12th, 2004. Mr. Miller faces one to four years in prison, up to a \$5,000.00 fine plus court fees and costs.

"Mr. Miller made a number of false representations to Nationwide Insurance in the context of a claim inquiry," said Senior Deputy Attorney General Ronda Clifton, who prosecuted the case. "We investigated along with the Humboldt County Sheriff's Office and the Winnemucca Police Department and found that the claim was composed of items that Mr. Miller's son had been stealing from him, and Mr. Miller had knowledge of that."

Insurance fraud increases the cost of goods and services for all consumers, and so it is not a victimless crime. If you have knowledge that someone has committed insurance fraud, please contact the Insurance Fraud Hotline at 1-800-266-8688. Information on how to combat insurance fraud can be found at the Attorney General's website at <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: December 26, 2003

CONSUMER ALERT: INTERNET AND TELEPHONE SCAMS

Carson City—Attorney General Brian Sandoval urges consumers to be wary of scammers, particularly this time of year when such efforts tend to increase in frequency. "Telephone con artists are skilled at sounding believable," said Sandoval. "And Internet scams typically appeal to urges to get rich quick. The two cardinal rules to avoid getting fleeced by such schemes are, first: never, ever give out personal and/or financial information over the phone unless you have placed the call. Second: if it sounds too good to be true, it is, so don't respond. Instead, report it to our Bureau of Consumer Protection."

The Office of Attorney General, Nevada Department of Justice warns citizens today of two means by which consumers have fallen victim to such scams:

"World-Wide Friends." World Wide Friends offers email users the opportunity to make \$50,000.00 or more at home by sending email for a one time \$40.00 investment. Phrases common in the subject lines and text body: "Be a MILLIONAIRE like others in one year," "this is not a chain letter," and "Absolutely no laws prohibiting the participation in the program." This is actually a "Pyramid" or "Ponzi" scheme whereby no actual goods or services are exchanged for money, and one's "return on investment" is entirely dependent upon bringing new victims into the scheme.

The "World-Wide Friends" operation is in violation of Nevada's Deceptive Trade statutes, however, it is controlled out of the country and thus far there are no known victims in Nevada. A typical example of an email promoting the scheme is attached along with this release. Interestingly, in an attempt to sound legitimate, the email refers the reader to the Federal Trade Commission's "Marketing Practices" department.

Elder Identity Theft Alert. Massachusetts Office of Attorney General has received a number of calls concerning elders who have fallen victim to a telemarketing and identity fraud scam. Most of these elders lived in an elder community, either assisted living, retirement

home or an apartment complex that caters to elders. This scam has appeared in other states as well and is particularly clever in its operation:

Typically, the elder receives a call from someone who claims to be from their credit card company. The perpetrator claims that due to computer problems, the elder's account information has been deleted from the system, and the company needs personal information in order to reactivate the account. After the elder gives this information, the perpetrator may wait a few days. The elder then receives a call from someone who claims to be from the phone company, asking them to leave the phone off the hook for a few hours or more. Once this happens, the perpetrator calls the phone company, pretending to be the elder, and gets the elder's calls forwarded to the perpetrator's cell phone. The perpetrator then calls Western Union and wires money to his own account using the elder's credit card. When Western Unions calls the elder to confirm that the transfer was authorized, perpetrator (via the call forward) "authenticates" the withdrawal.

Reports are that thus far 100% of the victims are elderly, and the scammers target elder apartments and assisted living facilities in affluent communities. The scam first hit Maryland residents a few months ago, and led to the arrest of 9 runners around Homestead, Florida. The scam has recently surfaced in Arizona, New Jersey, New York and Texas, and now Massachusetts.

For more information or to make a report, please call the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194; or in Carson City at (775) 684-6300. Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us>

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> World Wide Friends,
>
> You can make US\$50,000 or more at home in the next 100 days by sending
> e-mail. Seem impossible? NO, there is no catch; just send your
e-mails
> and be on your way to financial freedom .
>
> **Please Read and Read this letter - This really is worth your
valuable
> time**
>
> Basically, I send out as many of these e-mails as I can, then people
send
> me cash in the mail for reports that I just e-mail back to them.
Everyday,
> I make a three minute drive to my P.O. Box knowing that there are at
least
> a few hundred dollars waiting for me. And the best part, It is
completely
> legal and not a chain letter.
>
> Just read the next few paragraphs and see what you think. If you like
what
> you read, great! If you don't, read it again because you must have
missed
> something.
>
> =====
> =====
> Investment in technology that will make you money.
>
> A one time investment of only \$40 U.S. Dollars let's get you on the
road
to
> financial success. ALL THANKS TO THE COMPUTER AGE AND THE INTERNET !
>
> Be a MILLIONAIRE like others within a year !!!
>
> Before you say "Bull", please read the following carefully. This is
not
a
> chain letter, but a perfectly legal money making opportunity. Due to
the
> popularity of this letter on the Internet, a national news program
have
> devoted an entire show to the investigation of this program , to see
if it
> really can make people money. The show also investigated whether or
not
the
> program was legal. Their findings proved once and for all that there
are
> "absolutely NO Laws prohibiting the participation in the program
and if
> people can follow the simple instructions, they are bound to make
extra

> money out of pocket cost".
>
> Before you make your decision as to whether or not you participate in this
> program, answer one question ... DO YOU WANT TO CHANGE YOUR LIFE? If the
> answer is yes, please look at the following facts about this program:
>
> This is what one had to say: "Thanks to this profitable opportunity.
I
was
> approached many times before but each time I passed on it. I am so glad I
> finally joined just to see what one could expect in return for the minimal
> effort and money required. To my astonishment, I received a total of
> \$610,470.00 in 21 weeks, with money still coming in.
> Pam Hedland, Fort Lee, New Jersey."
>
> =====
>
> Here is another testimonial:
>
> "This program has been around for a long time but I never believed in it.
> But one day when I received this again in my email I decided to gamble my
> \$40 on it. I followed the simple instructions and voila 3 weeks
> later the money started to come in. First month I only made \$240.00 but
the
> next 2 months after that I made a total of \$290,000.00. So far, in the past
> 8 months by re-entering the program, I have made over \$710,000.00 and I am
> playing it again. The key to success in this program is to follow the
> simple steps and NOT change anything."
>
>
> More testimonials later but first,
> *** Print This Now For Future Reference ***
>
> If you would like to make at least US\$500,000 every 6 to 8 months easily
> and comfortably, please read the following.....THEN READ IT
> AGAIN and AGAIN!!!
>
> The following income opportunity is one you may be interested in taking a
> look at. It can be started with VERY LITTLE investment (\$40) and the income
> return is TREMENDOUS!!!
>
> FOLLOW THE SIMPLE INSTRUCTION BELOW AND YOUR FINANCIAL DREAMS WILL COME

> TRUE, GUARANTEED!
>
> INSTRUCTIONS:
>
> Order all 5 reports shown on the list below
>
> ===== Order total 5 reports from 5 persons, send total US\$40 CASH, \$20
for
> Report #1 and \$5 each for Report #2 to Report #5 . The person you
order
> the "report #1 " will give full information and related software to
assist
> you get started in this program. Write clearly the number & name of
the
> report you are ordering, and your e-mail address to the person whose
name
> appears ON THAT LIST next to the report.
>
> === When you place your orders, make sure you order each of the 5
reports.
> You will need all 5 reports so that you can save them on your computer
and
> resell them. YOUR TOTAL COST \$20 +(4 X 5)=\$40.00. Within a few days
you
> will receive, via e-mail, each of the 5 reports from these 5 different
> individuals. Save them on your computer so they will be accessible for
you.
> To send to the 1,000's of people who will order them from you. Also
make a
> floppy of these reports and keep them on your desk in case something
> happens to your computer.
>
>
>
>
> IMPORTANT - DO it in the way as instructed below in step " 1 through
6
> ". Once you understand the way this works, it is easy.
>
>
> 1.... After you have ordered all 5 reports, take this advertisement
and
> REMOVE the name & address of the person in REPORT # 5. This person has
made
> it through the cycle and is no doubt counting their fortune.
>
> 2.... Move the name & address in REPORT # 4 down TO REPORT # 5.
>
> 3.... Move the name & address in REPORT # 3 down TO REPORT # 4.
>
> 4.... Move the name & address in REPORT # 2 down TO REPORT # 3.
>
> 5.... Move the name & address in REPORT # 1 down TO REPORT # 2
>
> 6.... Insert YOUR name & address in the REPORT # 1 Position.
>

> PLEASE MAKE SURE you copy every name & address ACCURATELY!

> =====

>

> < BR>**** Take this entire letter, with the modified list of names,
and

> save it on your computer. DO NOT MAKE ANY OTHER CHANGES. Save this on
a

> disk as well just in case if you loose any data. To assist you with
> marketing your business on the internet, the 5 reports you purchase
will

> provide you with invaluable marketing information which includes how
to

> send bulk e-mails legally, where to find thousands of free classified
ads

> and much more.

> There are 2 Primary methods to get this venture going:

>

> METHOD # 1: BY SENDING BULK E-MAIL LEGALLY

> =====

>

> Let' s say that you decide to start small, just to see how it goes,
and we

> will assume You and those involved send out only 5,000 e-mails each.
Let's

> also assume that the mailing receive only a 0.2% response (the
response

> could be much better but lets just say it is only 0.2%. Also many
people

> will send out hundreds of thousands e-mails instead of only 5,000
each).

> Continuing with this example, you send out only 5,000 e-mails. With a
0.2%

> response, That's= 10 orders for report # 1.

>

> Those 10 people responded by sending out 5,000 e-mail each for a total
of

> 50,000. Out of those 50,000 e-mails only 0.2% responded with orders.
> That's= 100 orders for report # 2.

>

> Those 100 people mail out 5,000 e-mails each for a total of 500,000
> e-mails. The 0.2% response , That's= 1000 orders for Report # 3.

>

> Those 1000 people send out 5,000 e-mails each for a total of 5 million
> e-mails sent out. The 0.2% response to That's= 10,000 orders for
report

#4.

>

> Those 10,000 people send out 5,000 e-mails each for a total of
50,000,000

> e-mails. The 0.2% response to That's=100,000 orders for report # 5.

>

>

>

> Your total income in this example is:

> 1..... \$200 + 2..... \$500 +3.....\$5,000 + 4 . \$50,000 + 5.....
\$500,000

>
> Grand Total=\$555,700.00
>
> Numbers do not lie. Get a pencil & paper to figure out the worst possible
> responses and no matter how you calculate it, you will still make a lot of
> money \$\$.
>
> REMEMBER FRIEND, THIS IS ASSUMING ONLY 10 PEOPLE ORDERING OUT OF 5,000 YOU
> MAILED TO. Dare to think for a moment what would happen if everyone or half
> or even one 4th of those people mailed 100,000e-mails each or more?
> There are over billions of people on the Internet worldwide and counting.
> Believe me, many people will do just that, and more and more !
>
> Don't wait ! Join it now, the earlier you participate in this program
-
> the more you get \$\$ in return.
>
>
> METHOD # 2: BY PLACING FREE ADS ON THE INTERNET
> =====
> < BR>Advertising on the net is very inexpensive and there are hundreds of
> FREE places to advertise. Placing a lot of free ads on the Internet will
> easily get a larger response. We strongly suggest you start with Method #
1
> and METHOD # 2 as you go along. For every report you receive, all you must
> do is e-mail them the Report they ordered. That's it. Always provide same
> day service on all orders. This will guarantee that the e-mail they send
> out, with your name and address on it, will be prompt because they can not
> advertise until they receive the report.
>
>
>
> =====
> AVAILABLE REPORTS
> =====
>
> ORDER EACH REPORT BY ITS NUMBER & NAME ONLY.
>
> Notes:
> Always send cash (U.S. CURRENCY) for each Report. Checks NOT accepted.
> Make sure your return address is on your envelope top left (in case of any
> mail problems).
> Make sure the cash is concealed by wrapping it in at least 2 sheets of

> paper. On one of those sheets of paper include:
> (a) the number & name of the report you are ordering,
> (b) your e-mail address (2 email address in case of connection
error),
and
> (c) your name & postal address (in case your e-mail provider
encounters
> problems).
> PLACE YOUR ORDER FOR THESE REPORTS BELOW :
> =====
>
> REPORT #1 -- "The Insiders Guide to Advertising for Free on the
Internet"
> AND -- " Information for New Beginners"
>
> ORDER REPORT #1 (US\$20) FROM:
> Charles Moses,
> P/O Box 663,
> Ashmore City,
> QLD 4214
> Australia.
> REPORT #2 -- "The Insiders Guide to Sending Bulk E-mail on the
Internet"
>
> ORDER REPORT #2 (US\$5) FROM:
> Venessa Lee
> P/O Box 398,
> Helensvale,
> QLD 4212.
> Australia
>
> REPORT #3 --"The Secrets to Multilevel Marketing on the Internet"
>
> ORDER REPORT #3 (US\$5) FROM:
>
> Ian Bartholomew
> P.O.Box 391
> Miami
> Queensland 4220
> REPORT #4 --"How to become a Millionaire utilizing the Power of
Multilevel
> Marketing and the Internet"
>
>
>
>
> Aileen De_Zaalyer
> P.O.Box 1064
> Slacks Creek
> Brisbane
> Qld 4127
>
>
>
> REPORT #5 --"How to Send One Million E-Mails for Free."
>

>
>
> Maxine Lawrie
> P.O.Box 5294
> Colburn Av
> Victoria Park
> Brisbane Qld
> Australia 4165
>
> ***** YOUR SUCCESS GUIDELINES
>
> Follow these guidelines to guarantee your success:
>
> === If you don't receive at least 20 orders for Report #1 within 6
weeks,
> continue sending e-mails until you do.
>
> === After you have received 20 orders, 6 to 8 weeks after that you
should
> receive 100 orders or more for REPORT # 2. If you did not, continue
> advertising or sending e-mails until you do.
>
> === Once you have received 100 or more orders for Report #2, YOU CAN
RELAX,
> because the system is already working for you, and the cash will
continue
> to roll in!
>
> Be patient and persistent with this program. If you follow the
instructions
> exactly, your results WILL BE SUCCESSFUL!
>
> THIS IS IMPORTANT TO REMEMBER: Every time your name is moved down on
the
> list, you are placed in front of a Different report. You can KEEP
TRACK of
> your PROGRESS by watching which report people are ordering from you.
>
> IF YOU WANT TO GENERATE MORE INCOME SEND ANOTHER BATCH OF E-MAILS AND
START
> THE WHOLE PROCESS AGAIN. There is NO LIMIT to the income you can
generate
> from this business !!!
>
> =====
> FOLLOWING IS A NOTE FROM THE ORIGINATOR OF THIS PROGRAM:
>
> You have just received information that can give you financial freedom
for
> the rest of your life, with NO RISK and JUST A LITTLE BIT OF EFFORT.
You
> can make more money in the next few weeks and months than you have
ever
> imagined. Follow the program EXACTLY AS INSTRUCTED. Do Not change it
in
> anyway. It works exceedingly well as it is now. Remember to e-mail a

copy

> of this exciting report after you have put your name and address in
Report

> #1 and moved others to #2# 5 as instructed above. One of
the

> people you send this to may send out 100,000 or more e-mails and your
name

> will be on every one of them. Remember though, the more you send out
the

> more potential customers you will reach. So my friend, I have given
you

the

> ideas, information, materials and opportunity to become financially

> independent. IT IS UP TO YOU NOW !

>

>

>

>

>

> ===== MORE TESTIMONIALS =====

>

> "My name is Mitchell. My wife, Jody and I live in Chicago. I am an

> accountant with a major U.S. Corporation and I make pretty good money.

When

> I received this program I grumbled to Jody about receiving "junk

> mail". I made fun of the whole thing, spouting my knowledge of the

> population and percentages involved. I "knew" it wouldn't work. Jody

> totally ignored my supposed intelligence and few days later she jumped
in

> with both feet. I made merciless fun of her, and was ready to lay the
old

> "I told you so" on her when the thing didn't work. Well, the laugh
was

on

> me! Within 3 weeks she had received 50 responses. Within the next 45

> days she had received total \$ 147,200.00 all cash! I was

> shocked. I have joined Jody in her "hobby".

> Mitchell Wolf C.P.A., Chicago, Illinois

>

> =====

> "Not being the gambling type, it took me several weeks to make up my
mind

> to participate in this plan. But conservative that I am, I decided
that

the

> initial investment was so little that there was just no way that I
wouldn't

> get enough orders to at least get my money back. I was surprised when
I

> found my medium size post office box crammed with orders. I made

> \$319,210.00 in the first 12 weeks. The nice thing about this deal is
that

> it does not matter where people live. There simply isn't a better

> investment with a faster return and so big."

> Dan Sondstrom, Alberta, Canada

>

> =====

> 'I had received this program before. I deleted it, but later I wondered

> if I should have given it a try. Of course, I had no idea who to contact

to

> get another copy, so I had to wait until I was e-mailed again by someone

> else.....11 months passed then it luckily came again..... I did not

> delete this one! I made more than \$490,000 on my first try and all the money came within 22 weeks."

> Susan De Suza, New York, N.Y.

>

> =====

> "It really is a great opportunity to make relatively easy money with

> little cost to you. I followed the simple instructions carefully and within

> weeks the money started to come in. My first month I made \$20,560.00 and

by

> the end of third month my total cash count was \$362,840.00. Life is

> beautiful, Thanks to the internet."

> Fred Dellaca, Westport, New Zealand

> =====

>

> ORDER YOUR REPORTS TODAY AND GET STARTED ON YOUR ROAD TO FINANCIAL FREEDOM

!

> =====

>

> If you have any questions of the legality of this program, contact the

> Office of Associate Director for Marketing Practices, Federal Trade

> Commission, Bureau of Consumer Protection, Washington, D.C.

>

> Note: Our fully automated system will remove if you send an email to

> eincome12345@yahoo.com with the word REMOVE in the subject.

>

NDOJ



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FOR IMMEDIATE RELEASE
DATE: December 4, 2003

AG SANDOVAL: YUCCA SECRET MEETINGS A DISSERVICE TO STATE OF NEVADA, CONCERNED PUBLIC

Carson City—Attorney General Brian Sandoval today expressed Nevada's opposition to closed meetings between the Nuclear Regulatory Commission and the Department of Energy in a letter to Nils J. Diaz, Chairman of the NRC.

"Other than those that concern classified materials or homeland security issues, these meetings should be presumed open for the public good," said Sandoval. "The Yucca proposal raises health, safety and security concerns not just for Nevadans, but for all Americans due to the transportation of nuclear waste. For those very same reasons—health, safety and security—the waste should remain at production sites, in dry casks proven good for at least one hundred years, until the problem of long-term storage is truly resolved."

Senior Deputy Attorney General Marta Adams added: "It's incomprehensible that closed meetings would occur between a regulatory agency and a regulated agency that is seeking licensure from that very same oversight body except in extraordinary circumstances. We were specifically excluded, so it's hard to believe that it's a matter of national security or classified documents."

According to the transportation plan for nuclear waste, the proposed Yucca repository will be full following thousands of shipments at a rate of about three per day, 365 days per year for over thirty years. Bob Loux, Director of the State's Agency for Nuclear Projects, has argued that this plan indicates that Yucca is not a "central" repository at all because once Yucca reaches capacity according to the plan, current rates of production would guarantee that at least as much waste would still reside at the distributed sites as would be stored in Yucca itself. "It's a plan for proliferation of nuclear waste storage sites, not a plan for centralization," he said.

Nevada presents its court cases with opening oral arguments on January 14th, 2004 in the U.S. District Court of Appeals in Washington, D.C.

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NDOJ



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FOR IMMEDIATE RELEASE
DATE: December 1, 2003

FILING PERIOD FOR CLAIMS AGAINST MANUFACTURER OF TAXOL® ANTI-CANCER DRUG EXTENDED

Carson City—Attorney General Brian Sandoval today announced that the period for filing claims against the maker of the anti-cancer drug Taxol® has been extended until the end of January.

The United States District Court for the District of Columbia recently extended the deadline for filing a claim from November 14, 2003 until January 31, 2004.

The drug's manufacturer, Bristol Myers-Squibb agreed to the settlement to resolve antitrust charges that the pharmaceutical manufacturer unlawfully kept lower-priced generics off the market. Despite advertising in scores of national publications, the claim rate for reimbursement has been lower than expected, prompting the states to seek the extension.

Part of the problem for consumers is that Taxol® is used to fight advanced breast, ovarian, lung and AIDS-related cancers. Unfortunately, some of those treated with Taxol® or paclitaxel during the claims period may now be deceased. Still, claims do not end when a patient who was overcharged dies, so estate executors are encouraged to determine whether the estate is eligible under the settlement.

The national settlement against Bristol Myers-Squibb was for \$55 million. Of that settlement, \$12.5 million was earmarked for individual consumers. The balance reimbursed state employee health and Medicaid programs which paid the bulk of the overcharges.

Persons who were treated with the cancer drug Taxol®, or its generic version, paclitaxel during the period January 1, 1999 through February 28, 2003 and who paid all or a portion of the cost of drug treatment out-of-pocket are eligible to submit a claim.

Payments will be based on each consumer's individual case, not by how much is in the consumer reimbursement fund. Depending on the number of treatments and insurance coverage, a claimant could receive hundreds of dollars.

For more information about the claims process, please see www.taxolsettlement.com. Consumers may also call the Taxol® Settlement Hotline at 1-800-659-7609. More information about the Nevada Attorney General's Bureau of Consumer Protection may be obtained at <http://ag.state.nv.us>.

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